

Acerinox, S.A.

Audit report,
Annual Accounts and Management Report
at 31 December 2019



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation

Independent auditor's report on the annual accounts

To the shareholders of Acerinox, S.A.:

Report on the annual accounts

Opinion

We have audited the annual accounts of Acerinox, S.A. (the Company), which comprise the balance sheet as at December 31, 2019, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at December 31, 2019, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in Note 2 of the notes to the annual accounts), and, in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Recovery of investments in group companies</p> <p>Investments in long-term group companies constitute a significant part of the assets of the Company, representing, as of December 31, 2019, 79% of their total (Note 9 of the attached annual accounts).</p> <p>As detailed in Note 2.3.b of the accompanying annual accounts, in case of evidence of impairment of investments in group and associated companies, the Company checks whether their cost exceeds their recoverable value.</p> <p>For calculations of the recoverable value, the Company uses cash flow projections based on financial budgets approved by the Management that require relevant judgments and estimates that include, among others, the operating result on sales and the discount and growth rates in the long term, considering that the projected flows are subject to uncertainty. Likewise, for the UGE Bahru Stainless, the Company's Management has relied on an expert to determine the fair value less costs of sales. The most significant assumptions used by the Company are summarized in Note 9.2.7 of the attached report.</p> <p>As mentioned in said Note 9.2.7, in the year 2019 there was an impairment of 237,313 thousand euros of the value in the participation of Bahru Stainless Sdn. Bhd and 104,565 thousand euros in the participation of Columbus Stainless (Pty), Ltd.</p> <p>Deviations in the variables and estimates of the Management can determine important variations in the conclusions reached and, therefore, in the analysis of recovery of investments in group companies.</p> <p>This fact, together with the relevance of this heading and the consequent deterioration recorded, motivates it to be a key issue for our audit.</p>	<p>As a starting point for our procedures, we have understood the relevant processes and controls related to the evaluation of impairments in investments in group companies by the Management, including those related to the preparation of budgets and the analysis and monitoring of projections, which constitute the basis for the main judgments and estimates made by the Management.</p> <p>With regard to cash flows, we have verified the calculations made and compared the projected annual flows with those actually achieved in the year 2019. These projections are based on the plans and budgets approved by the Management that have been contrasted with independent experts from the Management for certain investments, as detailed in Note 9.2.7. In this case, we have evaluated the competence, capacity, objectivity and conclusions of the expert, as well as the adequacy of his work as audit evidence.</p> <p>Likewise, we question the key assumptions used by the Management, contrasting them with historical, comparable results available and other external sources. For this we have relied on experts in valuations of our firm that have evaluated the methodology and key assumptions used to calculate the recoverable value.</p> <p>As a result of the analysis performed, we consider that the conclusions of the Company's Management on the estimates made and the consequent deterioration recorded, as well as the information disclosed in the attached annual accounts, are adequately supported and consistent with the information currently available.</p>
<p>Recovery of deferred tax assets</p> <p>As of December 31, 2019, the attached annual accounts reflect an amount of 15,261 thousand euros of deferred tax assets, the recovery of</p>	<p>In the first place, we have proceeded to understand and evaluate the criteria used by the Company to estimate the possibilities of utilization and recovery</p>

which depends on the generation of positive tax bases in future years (Note 12 of the attached report).

The recovery of these deferred tax assets is analyzed by the Company by estimating the taxable income over a period of 10 years (Note 12.3 of the attached report) based on the business plans of the different companies of the tax group, and in the planning possibilities allowed by the applicable tax legislation, considering the tax consolidation group (Note 2.3.c of the attached report).

As mentioned in Note 12.2, in the year 2019 there was an impairment of 60,732 thousand euros derived from the recovery analysis of deferred tax assets of the Spanish tax group.

Consequently, the conclusion on the recovery of deferred tax assets shown in the accompanying annual accounts is subject to significant judgments and estimates by the Company's Management regarding both future tax results and applicable tax regulations.. .

This fact, together with the relevance of this heading and the consequent deterioration recorded (Note 12.2), motivates it to be a key issue for our audit.

of deferred tax assets in the following years, related to business plans.

Based on the business plans prepared by the Management, we have contrasted the key assumptions, estimates and calculations made for their preparation, contrasting them with the historical, comparable results available and other external sources.

As part of the analysis we have also evaluated the fiscal adjustments considered for the estimation of taxable bases, the applicable tax regulations, as well as the decisions about the possibilities of using the tax benefits corresponding to the tax consolidation group.

The analysis carried out have allowed us to verify that the calculations and estimates made by the Company, as well as the conclusions reached, in relation to the recovery and the consequent deterioration of the deferred tax assets, are consistent with the current situation, with the expectations of results futures of the tax group and with their tax planning possibilities available in the current legislation.

Other information: Management report

Other information comprises only the management report 2019, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the financial statements does not cover the management report. Our responsibility regarding the information contained in the management report is defined in the legislation governing the audit practice, which establishes two distinct levels in this regard:

- a) A specific level applicable to the financial statements of the Annual Corporate Governance Report, as defined in article 35.2 b) of Audit Act 22/2015, that consists of verifying solely that the aforementioned information has been provided in the management report or, if appropriate, that the management report includes the pertinent reference in the manner provided by the legislation and if not, we are required to report that fact.
- b) Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the management report and the annual accounts as a result of our knowledge of the Company obtained during the audit of the aforementioned financial statements, and does not include information different to that obtained as evidence during our audit. Likewise, our responsibility is to evaluate and report on whether the content and presentation of the management report is in accordance

with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described in the previous paragraph, the information contained in the management report is consistent with that contained in the annual accounts for the 2019 financial year, and its content and presentation are in accordance with the applicable regulations.

Responsibility of the directors and the audit committee for the annual accounts

The Company's directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of Acerinox, S.A., in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Company's directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the process of preparation and presentation of the annual accounts.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Company's audit committee with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the audit committee those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Company's audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Report to the audit committee

The opinion expressed in this report is consistent with the content of our additional report to the Company's audit committee dated 25 February 2020.

Appointment period

Shareholders' Meeting held on 9 June 2016 appointed us as auditors for a period of 3 years, as from the year ended 31 December 2017

Services provided

The services other than audit that have been provided to the audited company are disclosed in Note 16.3 the notes to the accompanying financial statements.:

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by
Mar Gallardo (18003)



Acerinox, S.A.

27 February 2020



ACGX S.A.

Annual Report

2019

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1- Acerinox S.A

Acerinox S.A is the parent company of the Group and the main holder of the shares of each of the subsidiaries that comprise it.

The activity is that of a holding company and, in addition to the work that results from this condition (such as legal, financial, commercial, technical, management or communication services) Acerinox SA facilitates access to new stainless and promotes the exchange of best practices between the different subsidiaries of the Group, providing accounting and advisory services to all Group companies and carrying out financing activities within the Group

All of the shares are admitted to trading on the Madrid and Barcelona Stock Exchanges. The share capital as of December 31, 2019 was comprised of 270,546,193 ordinary shares with a nominal value of 0.25 euros each, subscribed and paid in full. The total cost of acquiring 5,521,350 amortized shares on the stock market was 51,048,126.51 euros.

The Ordinary General Shareholders' Meeting held on 11 April 2019 approved the distribution of a dividend of €0.30/share in cash, which was paid on 5 June 2019. It was also agreed to distribute an amount of €0.20 per share against the share premium, on 5 July 2019.

With the sum total of the dividend plus the share premium, in 2019 the return to shareholders increased by 11%, from the €0.45 per share which Acerinox had been paying its shareholders without interruption since 2006, to the €0.50 paid in 2019.

On April 11, 2019, the Ordinary General Shareholders' Meeting approved the distribution of a cash dividend, charged to freely available reserves, for an amount of 0.45 euros gross per share. The dividend payment was made on July 5, 2018 and amounted to 124,188,003 million euros.

2- Financial Balance

ASSETS				LIABILITIES			
Million €	2019	2018	Variation	Million €	2019	2018	Variation
Non-current assets	1,933.33	2,133.77	-9.4%	Equity	1,928.99	2,119.30	-9.0%
Current assets	2,463.46	2,473.82	-0.4%	Non-current liabilities	1,253.68	1,226.22	2.2%
- Inventories	1,016.26	1,018.74	-0.2%	- Interest-bearing loans and borrowings	1,051.74	1,026.29	2.5%
- Debtors	554.52	589.78	-6.0%	- Other non-current liabilities	201.95	199.93	1.0%
<i>Customers</i>	<i>483.66</i>	<i>524.69</i>	<i>-7.8%</i>	Current liabilities	1,214.13	1,262.07	-3.8%
<i>Other debtors</i>	<i>70.86</i>	<i>65.09</i>	<i>8.9%</i>	- Interest-bearing loans and borrowin	319.83	375.89	-14.9%
- Cash	876.94	850.11	3.2%	- Trade creditors	783.86	783.86	0.0%
- Other current financial assets	15.74	15.18	3.7%	- Other current liabilities	110.44	102.32	7.9%
Total Assets	4,396.80	4,607.59	-4.6%	Total Equity and Liabilities	4,396.80	4,607.59	-4.6%

The turnover of Acerinox SA during the year 2019 grew by 1,101% to reach 888.3 million euros compared to 73.9 million in the year 2018 due to the repatriation of dividends from its subsidiaries, mainly from North American Stainless, Inc .. The Group's parent company registered a gross operating result of 857.4 million euros with a sales percentage of 97%.

Net worth increased to 539 million euros (86% more than last year). The net result after taxes was 438.8 million euros after having paid 70 million in that last concept.

Abbreviated balance Acerinox SA

CUENTA DE RESULTADOS ABREVIADA. ACERINOX, S.A.

Millones €	Enero - Diciembre			
	dic-19	2019	2018	Variación
Ventas netas	705,42	888,35	73,92	1101,8%
Margen Bruto	705,42	888,35	73,92	1101,8%
% sobre ventas	100,0%	100,0%	100,0%	
Resultado bruto de explotación / EBITDA	703,86	867,47	54,82	1482,3%
% sobre ventas	99,8%	97,7%	74,2%	
Resultado neto de explotación (EBIT)	529,92	101,00	53,58	1517,7%
% sobre ventas	99,8%	97,6%	72,5%	
Resultado antes de Impuestos	360,28	508,36	-125,75	----
Resultado después de impuestos	307,72	438,83	-125,60	----
Amortización	0,06	0,68	1,24	-45,3%
Cash-Flow neto	307,77	439,51	-124,36	----

3- Human Resources

As of December 31, 2019, the Acerinox parent company had a total of 72 employees compared to 63 in 2018. Of these, 55% are men and 45% women.

The workforce grew by 15% compared to the previous year, with the majority group being university graduates, with a total of 47 employees, followed by administrative staff (18).

Of the 10 members of the Group's Senior Management, seven have employment or service links with Acerinox SA

	2019		2018	
	MEN	WOMEN	MEN	WOMEN
CEO	1		1	
Executives	6		4	
Graduates	27	20	26	14
Administration	5	13	5	13
TOTAL	39	33	36	27

This document is exempt from including in its entirety the Non-Financial Information Statement, which is presented as a separate document and to which it is submitted for consultation.

4 - Evolution of the stock market

The geopolitical crises that occurred throughout the year, especially the trade war between the United States and China, the UK's complex process of exiting the European Union, as well as the twists and turns of monetary policies of the world's major central banks set the course, not only in the stainless steel sector, but in the markets in general.

IBEX 35 index closed the year with 12% increase facing the decrease of 15% registered during 2018.

The Fed's announcement of the end of rate hikes at the beginning of the year was instrumental in investors calming down in the face of the risk of recession. In the first half of the year, the IBEX rose 8% to 9,199.

However, in the rest of the year it was some specific events that generated uncertainties and with it, volatility in stock markets. Continued information issued by the United States, and specifically negotiations with China, seriously concerned investors in August. There was a sharp stock market slump for fear that the tariff battle would lead to a drastic global economic downturn. China responded to tariffs with a devaluation of the yuan (Renminbi), and let it fall to its lowest level against the dollar. The IBEX lost 8,800 (-1.35%) and the Dow Jones -2.9%

In September, rate cuts and asset purchases by central banks sought to restore calm in markets and the investment community.

The stock market landscape improved after learning of the consensus for the first phase of the trade agreement between the major powers and Boris Johnson's victory in the UK general election. Central banks reinforced positive sentiment for investors in December, posing an economic scenario less threatened by risks.

The Spanish Stock Exchange also had to live with institutional paralysis with two elections from which no government has yet emerged at the end of the financial year. Uncertainty drove away many international investors looking for predictable markets, with stable regulatory frameworks.

Market evolution of the IBEX-35

Daily percentage data, 2019. Source: Bloomberg



The IBEX marked its annual high on 27 December (9,700.50 points) and the low on 15 August (8,519.00) inflection point of the year, with an upward trend throughout the second half of the year, to close at +12% (-15% in 2018)

In general terms, the year was very positive for variable return investments worldwide. But it should be borne in mind that the stock exchanges suffered a heavy blow in the last months of 2018, especially in December when the main indices closed at a loss. Hence, part of the rise in 2019 may have been due to purely corrective movement.

Evolution of the main global indices, 2019 and 2018

	% 2019	% 2018
Germany DAX (TR)	+25%	-18%
FTSE MIB	+28%	-16%
IBEX 35	+12%	-15%
Euro STOXX 50	+25%	-14%
FTSE 100	+12%	-12%
France CAC 40	+26%	-11%
S&P 500	+29%	-6%
DJ Industrial	+22%	-6%
NASDAQ-100 Index	+38%	-1%

Source: Bloomberg



The stock market rate of Europe's leading stainless steel producers was affected by the US-China trade war, raw material developments and uncertainties worldwide created by protectionist decisions, especially in Europe where the measures taken did not have the expected effect and the level of imports remained high.

Closing of the stock price of the main European producers. 2019.

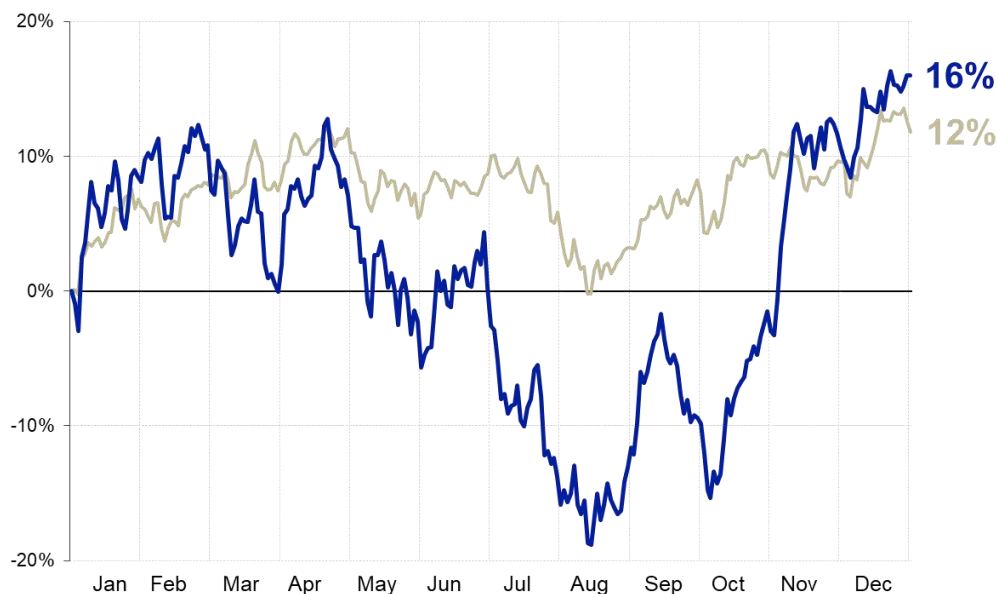
ACERINOX	OUTOKUMPU	APERAM
+12%	-12%	+24%

Acerinox stock reached the low of the year on August 15 and from then on until the end of the year rose by +43%.

At the close of the fiscal year Acerinox beat Ibex, mainly due to the good reception of the publications in the market in November: the results of the quarter and the acquisition agreement of VDM Metals.

Market Evolution of Acerinox and the IBEX 35

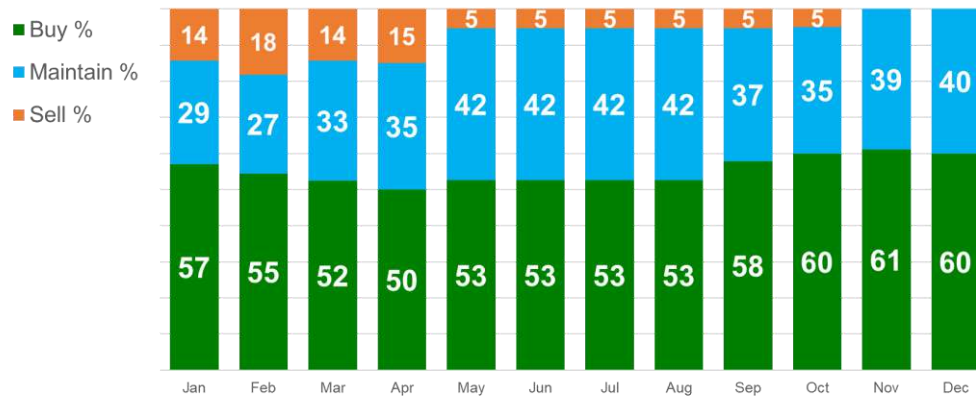
Daily percentage data, 2019. Source: Bloomberg



Third quarter results were published on 4 November and Acerinox rose from that date to 31 December, +17% and IBEX rose by +2%. On 8 November Acerinox announced the acquisition agreement of the German company VDM Metals, manufacturer of special alloys, and from that date Acerinox rose +6% and the IBEX gained +1%.

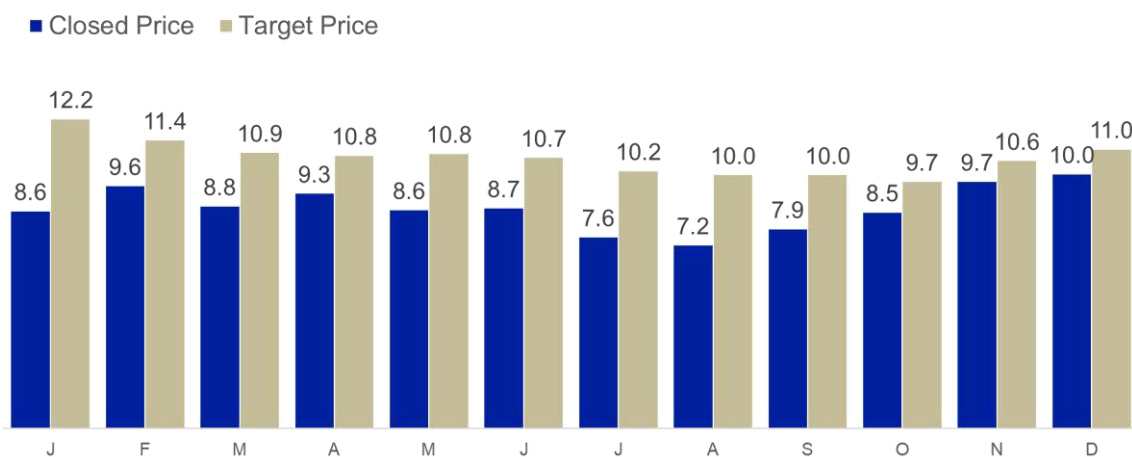


At the end of the financial year there is no recommendation to "sell" by analysts who follow Acerinox. 60% of them recommended "Buy" and 40% "Hold". On the following graph the evolution of recommendations can be seen throughout the year (Source: Bloomberg):



In relation to the 12-month target prices estimated by analysts, it was noted that fundamentally in the last months of the year, both target prices and share price, they experienced an upward change, the positive evolution of the results and the good reception of the announcement of the acquisition of VDM Metals.

Data: euros/share (Source: Bloomberg)



In 2019, Acerinox shares were traded for the 255 days the Continuous Market was open for business. The total number of shares traded was 273,714,078, equivalent to 1.01 times the number of shares that comprise the share capital, with an average daily trading of 1,073,389 shares.



The volume traded in 2019 totalled €2,411,034,437.94, a figure which represents a daily average of €9,455,037.

Share trading and cash

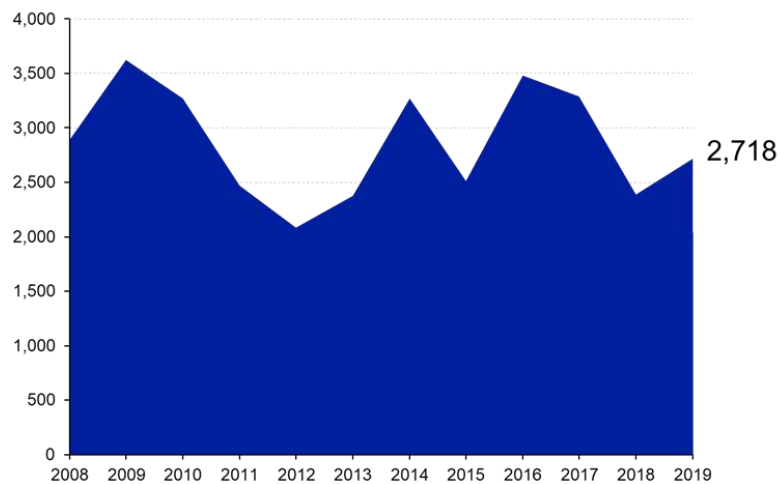


Market cap

At the end of 2019, Acerinox's market capitalisation totalled €2,718 billion (14% higher than in 2018).

Market capitalisation of Acerinox, S.A.

Millions of EUR



Shareholder remuneration

The Ordinary General Shareholders' Meeting held on 11 April 2019 approved the distribution of a dividend of €0.30/share in cash, which was paid on 5 June 2019. It was also agreed to distribute an amount of €0.20 per share against the share premium, on 5 July 2019.

With the sum total of the dividend plus the share premium, in 2019 the return to shareholders increased by 11%, from the €0.45 per share which Acerinox had been paying its shareholders without interruption since 2006, to the €0.50 paid in 2019

Average period of payment to suppliers

	2.019	2.018
	Days	Days
Average payment period to suppliers	50	33
Ratio of paid transactions	50	33
Ratio of outstanding transactions	56	36
	Amount (€)	Amount (€)
Total payments made	15.856	20.346
Total outstanding payments	1.411	446

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Treasury stock and purchase of shares

In order to improve the profit per share by reducing the number of shares issued in the four years (2013-2016) in which the dividend was paid by flexible dividend or scrip dividend, the Board of Directors of Acerinox held on December 19 2018, using the authorization granted for a period of five years by the General Meeting of the Company held in June 2014, and under the provisions of Article 17 of Regulation (EU) No. 596/2014 on Abuse of Mercado approved a First Share Repurchase Program in order to reduce the share capital of Acerinox, SA through the amortization of own shares. The maximum investment would be 66 million euros and the maximum number of shares to acquire could not exceed 5,521,350, which represent 2% of the capital of the Company.

The shares must be acquired at market price and under the price and volume conditions established in Article 3 of the EU Delegated Regulation 2016/1052 of the Commission, dated March 8, 2016. The Company may not acquire shares at a price higher than higher between the price of the last independent operation or

the highest independent offer at that time in the trading center where the purchase is made.

The Company will not buy on any trading day more than 25% of the average daily volume of the shares in the trading center where the purchase is made. The average daily volume of the shares of the Company for the purposes of the previous calculation will be based on the average daily volume negotiated in the twenty business days prior to the date of each purchase. This limit will be in effect for the entire duration of the program.

The maximum period of validity of the approved plan was from December 21, 2018 until March 20, 2019, both included.

Acerinox, S.A. reserves the right to terminate the Program if, prior to its term of validity, shares had been acquired for an acquisition price that reached the maximum investment price or the maximum number of shares subject to the Program. You can also finish it early when any other circumstance that advises you concurs.

As of December 31, 2018, 368,320 shares had been acquired and in this year the remaining ones were acquired until reaching 5,521,350 shares, for a total amount of 51 million euros. The value of the shares in the portfolio at year-end 2018 was 3,417 thousand euros.

After the capital reduction approved by the Board through the amortization of 5,521,350 treasury shares, the treasury shares at closing amount to 1,062 thousand euros.

5– The Risks and their management

Acerinox has a Risk Management Model for identifying, classifying, and evaluating any possible event that could affect all the units and significant functions of the organisation as well as establishing the control and responsibility mechanisms derived from each one of them. The Model has as the ultimate objective of providing reasonable security for attaining objectives, whether strategic, operational, compliance, or reporting.

For the correct implementation of the measures and the strict monitoring of their fulfilment in each of the possible contingencies, in 2015 the Group approved the Risk Management Control Policy of Acerinox, S.A. and their Group of Companies.

Through the Policy, the mechanisms and basic principles are established for the management of opportunities and risks that allow them to

- Achieve the strategic objectives determined by the Group.
- Provide full guarantees for the shareholders.
- Protect the Group's results and reputation.
- Defend the interests of the key Stakeholders of the Company.
- Ensure business stability and financial solidity in a sustained manner over time

Any business activity generally entails a series of risks associated to it and, in the case of steel making, Acerinox recognises and classifies the uncertainties characteristic of the industry in which it operates.

Moreover, the substantial risks facing the Company on a daily basis requiring fulltime management and special surveillance are inter-related and can be summarised in the following diagram:



The main risks are as follows:

- **Competition:** Business risks related to competition and trade barriers in the various international stainless steel markets.
- **Economic Cycles:** Demand for products in light of developments in the markets.
- **Overcapacity:** Business risks related to production overcapacity, especially in China and its impact on reduction of prices.
- **Raw Materials:** Large variations in their value and availability, especially in short periods of time.
- **Cybersecurity:** not only the usual daily operation (multi-channel communication, management and control systems...), but also the entire digital transformation process in which the Group is immersed, may be affected by attacks on the confidentiality, integrity and availability of information.
- **Financial:** Lack of liquidity, restricted access to funding sources, increasing funding costs, the volatility of exchange rates, the volatility of interest rates and credit risks.
- **Strategic risks:** regulatory uncertainties and the evolution of investments.
- **Regulatory risks:** Presence in the international arena with activities in numerous countries, regulatory frameworks, and business environments. Special attention to compliance and care with regard to environmental issues.

Financial risks

The Group's activities are exposed to diverse financial risks: market risk (exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group seeks to minimise potential adverse effects on the Group's financial profitability through the use of derivative financial instruments, where appropriate, as well as by taking out insurance. The Group does not acquire financial instruments for speculative purposes. The management of financial risks can be consulted in detail, in Note 4 of the accompanying report of the Consolidated Group.

6- R&D&I

The parent company, Acerinox SA, has not carried out during 2018 any activity related to R & D & I.

7- Environment

The Group considers it essential to grow by contributing towards a transition to a low carbon economy, towards the reuse and recovery of materials, and towards the protection of the environment in its broadest sense.

Specifically, Acerinox's environmental commitment focuses on efficient production in terms of energy consumption and promoting a business model that integrates the circular economy, continuously improving performance and converging with the Group's productivity, competitiveness and environmental goals.

Acerinox's CSR Policy establishes that the conducting of the Group's activities should foster the achievement of its strategic objectives in order to offer high-quality and environmental-friendly products. In fact, one of the principles of action defined in this policy is respect for the environment:

- a) To preserve the biodiversity of the ecosystems and landscapes in which the Group operates and their species.*
- b) To prevent pollution by progressively introducing the most efficient and least carbon emission intensive technologies into its facilities.*
- c) To optimise the management of hazardous and non-hazardous waste by means of systems implemented to set objectives and goals related to, among other purposes, waste reduction, the promotion of good practices and the use of recycled materials.*

Furthermore, the Code of Conduct and Responsible Practices establishes the protection of the environment as one of its commitments related to conduct and responsible practices. The Group is committed to maintaining the utmost respect for the environment in the development of its activities, minimising the negative effects that, despite everything, could be caused, and will provide the necessary means and information to minimise or eliminate any impact on the natural environment within the framework of the existing legislation and applying the best available techniques.

The employees play a significant role in this commitment, as they are responsible for contributing to minimising the environmental impact of Acerinox's activities and the consumption of resources such as water, energy, raw materials and consumables, and they must comply with the rules, processes and controls of Acerinox in this regard. In particular, and according to their responsibilities, they must ensure that environmental information reported inside and outside the company is correct.

All the Acerinox Group's factories and workplaces comply with the quality and environmental controls required by the legislation in each country, while each of them also implements Environmental Management Systems in accordance with ISO standard 14001:2015. In addition, each of the subsidiaries has assumed standards that exceed the legislative requirements in various fields such as quality, safety and the environment.

8– Corruption & Bribery

Acerinox in all its actions takes into consideration its commitment to zero tolerance of corruption, bribery, fraud or other similar illegal activities.

Information and measures to combat corruption and bribery within the Acerinox Group are fundamentally based on the provisions of the Acerinox Code of Conduct and Best Practices as well as the Crime Prevention Model, which are the main tools for compliance and crime prevention used by the Group.

Additionally, in the framework of crime prevention, the Acerinox Group has adopted a number of policies and internal standards designed to prevent criminal and illegal practices from being committed in general and more specifically, crimes by the legal person.

The Group has a series of policies related to this area, specifically the Acerinox Code of Conduct and Best Practices, the Acerinox Group Crime Prevention Model in Spain, the Acerinox, S.A. General Conflict of Interest Policy, the Internal Code of Conduct in the Stock Markets and other instructions related to authorisations, gifts and invitations, relationship with credit institutions, relationship with public entities and contracts with third parties, among others.

More information is available on the website:

<http://www.acerinox.com/es/contenido-en-detalle/Cdigo-de-conducta-y-buenas-practicas>

<https://www.acerinox.com/es/gobierno-corporativo/Politiclas-Generales/>



9– Diversity and equality

The Group operates on five continents. This serves to enrich the Group's workforce, comprising people from a wide range of cultures, religions, orientations and traditions.

Acerinox goes beyond the legal requirements in promoting diversity in all its operations, to this end implementing the undertakings it has assumed in this area, mainly arising from the collective agreements. To this end, various measures are introduced to contribute towards a fair working environment, decent treatment and equal opportunities.

This top-down diversity starts with the Acerinox Board of Directors, and is a true reflection of the Group's international nature and the success of the Appointments and Remuneration Committee in implementing the diversity guidelines supported by the Director Selection Policy.

Specifically, in terms of gender diversity, the presence of women is generally very low in Acerinox's Industry. Women represent 11% of the workforce.

In the prevention of sexual harassment, the Group has introduced a series of protocols and measures, such as the Reporting channel. This enables those employees who consider themselves affected to report their situation and the Group will carry out the appropriate investigation and make the right decisions. Any worker may requesting precautionary measures to be adopted and these will be implemented automatically while the investigation takes place.

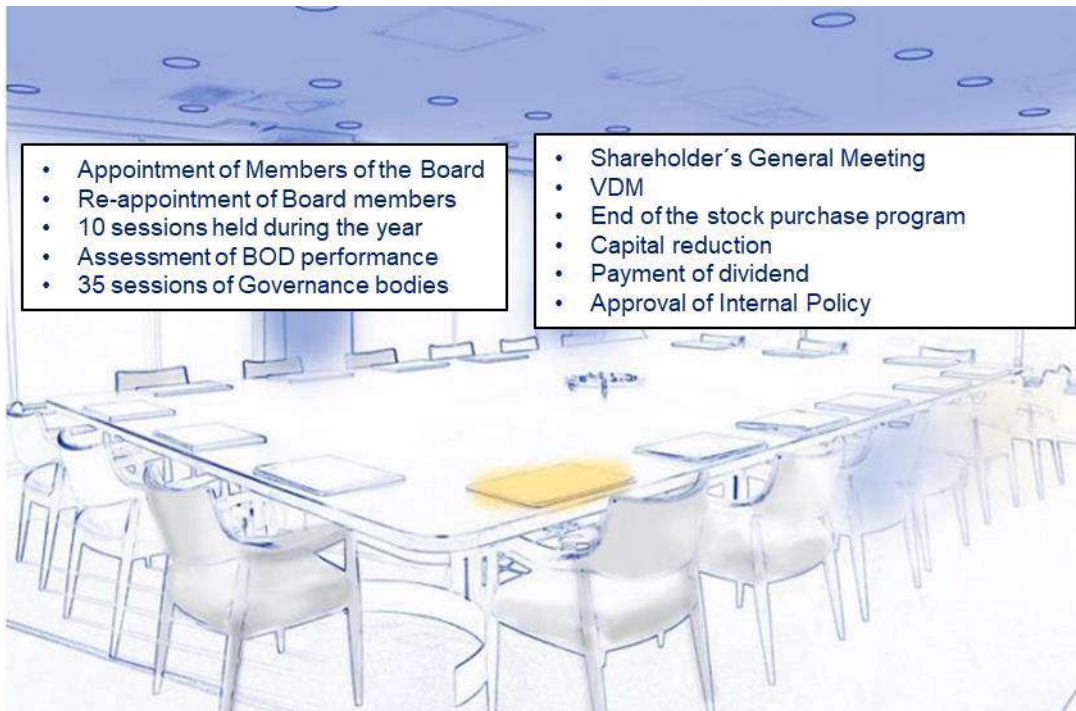
In addition, different specific measures are being developed at each plant. For example, at Acerinox S.A. the "Women and Men Equality Plan at Acerinox S.A." has been signed. This plan is considered an integral part of the corresponding collective agreement.

Furthermore, within the employment sphere, Acerinox fosters the care, respect and inclusion of people with different capabilities, thus complying with Royal Legislative Decree 1/2013, of 29 of November, which approves the Redrafted Text of the General Law on Rights of Disabled Persons and their Social Inclusion.

In fact, the collective agreements set out that, in order to keep in work those personnel who, due to insufficient or reduced physical conditions, are unable to achieve normal performance for their classification or category, such persons will be transferred to another job within the Group, with the salary level that he or she had in their previous position.

All the Acerinox facilities and workplaces are enabled to facilitate and improve access for employees, customers, suppliers and whoever might need to access them. In addition to the mandatory compliance with the applicable regulations for that purpose, Acerinox facilitates the carrying out of any necessary reforms, studying improvements to its buildings and workplaces.

10– Corporate Governance



Traditionally the Acerinox Board has been one of the most diverse of the IBEX 35, coinciding with people of different nationalities (up to five) and coming from several continents. It has represented a great experience in the field of industrial (energy, steelmaking, automotive, renewable energies, chemistry, food to name a few, in the (investment banking, savings banks and banks) the public sector, information technologies, pharmacy and universities.

By gender, the Board currently has 23.7% female members. However, the company is committed to reaching 30% by 2020.

To support this process of seeking and incorporating qualitative diversity, the Board approved a matrix of competencies, which it has also extended to its various committees that allows it to know their strengths and competencies matrix in greater detail and which is a tool that will guide the selection of those who must fill vacancies in the future.

Changes in the Board of Directors

New	D. Pablo Gómez Garzón, External Proprietary representing Corporación Financiera Alba	D. Mitsuo Ikeda, External Proprietary representing NSSSC	D. Ignacio Martín San Vicente, External Independent (Ratification)	D. George Donald Jonhston, External Independent (Ratification)
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Leave	D. Pedro Ballesteros, External Proprietary representing Corporación Financiera Alba	D. Katsuhisa Miyakusu, External Proprietary representing NSSSC	D. Manuel Conthe, External Independent	D. Mvuleni Geoffrey Qhena, Consejero externo Dominical en representación de IDC
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Share Capital

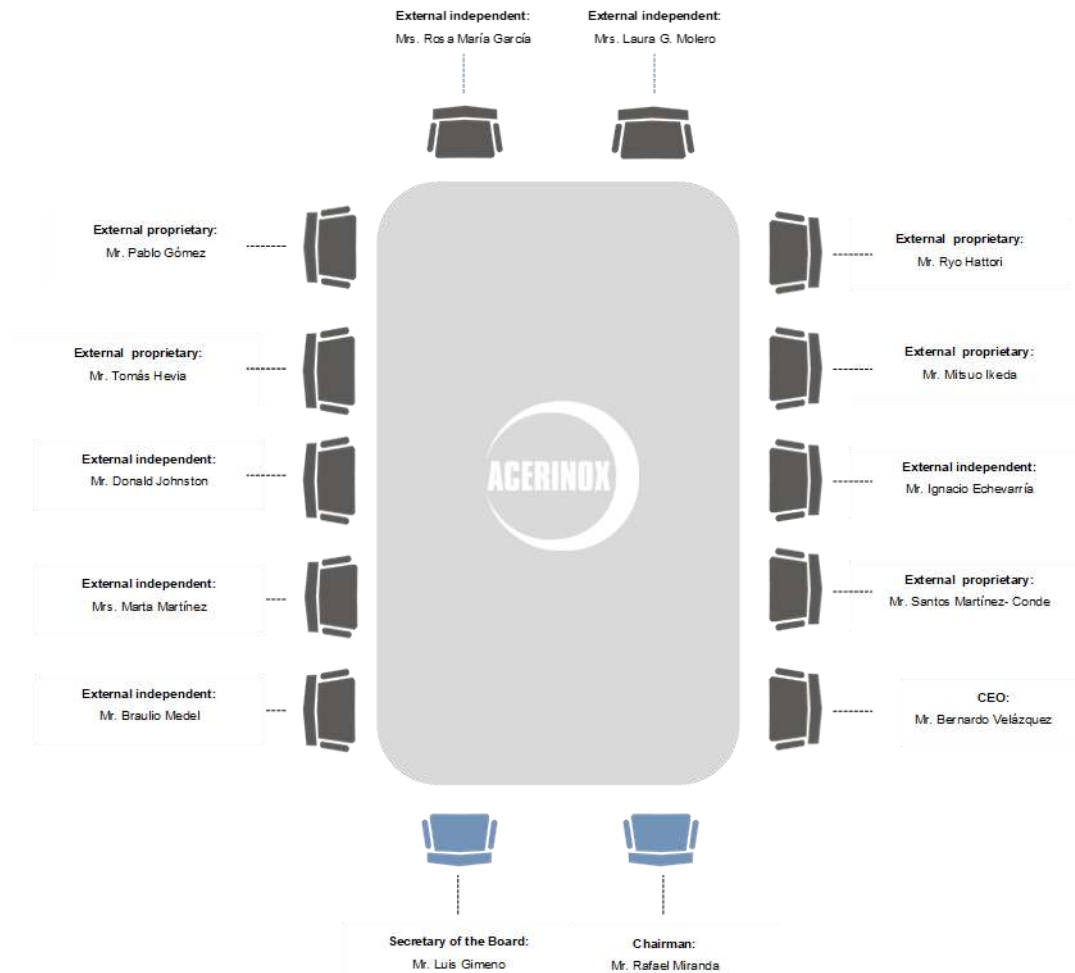
On 31 December 2019, Acerinox's share capital totalled €67,636,548.25, divided into 270,546,193 shares, each with a nominal value of €0.25.

All of the shares are listed on the official stock markets in Madrid and Barcelona, and are traded on the continuous market.

As of 31 December 2019, Acerinox had a total of 34,600 shareholders.

The Board of Directors and its Committees

Board of Directors



The Board of Directors undertook the commitment to carry out an annual assessment of its performance and carry out this exercise every three years through the services of an external consultant. The 2019 assessment increased its scope as all of the directors assessed the performance of all Board bodies, including committees of which they are not members. The result was a higher level of requirements, which resulted in an undoubted stimulus that points to new areas of improvement.

From an organic point of view, both the Board and its Committees increased their activity in this financial year. In addition to the ten meetings held by the Board, the Appointments, Remuneration and Corporate Governance Committee and the Executive Committee also increased in frequency, to six and ten respectively, cotizadas en el Ibex 35.

meetings of the Group's governing bodies, not counting the General Meeting. This figure is expected to be maintained in successive years.

Despite the additional effort that the intensification of corporate life entails, the Board reflected on its size, and decided to bring the number of members closer to what can perhaps be regarded as the average of listed companies on the IBEX 35. It therefore proposed that the Board not fill the vacancy left at the end of Mr Manuel Conthe's term of office and has not covered the discharge resulting from the termination of the Proprietary Board Member Mr Mvuleni Qhena.

Since 2016 the largest group in this body is that of the independent directors, with seven members, followed by the five proprietary directors, and one executive director. It has been sought to ensure that this proportion is repeated in the Executive Committee where it has been taken care that there is a proportion similar to that of the shareholders; four independents, one executive and three Proprietary Directors. In the Appointments, Remuneration and Corporate Governance Committee, the distribution is three independent and a proprietary member and the same applies to the Audit Committee. Both in the Board itself as well as the Committees, the chairperson's position is occupied by an independent director.

As the year 2018 ended with the adaptation of the Board's Regulations to the Technical Guide of the National Stock Market Commission on Audit Committees, 2019 does so with an amendment to the Regulation as a result of similar guidance, this time with regard to the Appointments and Remuneration Committees. It is particularly important that the Board preferred to maintain both powers in the same Committee, as opposed to one of the recommendations, which is precisely to split it by assigning its functions to two distinct committees. The Committee further strengthened its powers in matters relating to corporate governance. This Committee was set up as the guarantor of good practice in the internal sphere. A version of the Rules of Procedure of the Board of Directors with the annexes containing the aforementioned amendments can be found on the company's website (www.acerinox.com).

This policy section must highlight the adoption during 2019 of a new General Policy, number 9, dedicated to foreseeing and regulating conflicts of interest, to laying the groundwork for the procedures in cases where the directors, senior executives of the Company and the companies of their Group and persons linked to one another could be involved. Continuing with policies, the fact that several years have passed since the approval of the oldest ones, changes in regulations, trends in legal doctrine and attitudes of regulators mean that there is a need to review and, where appropriate, make the requisite adjustments to them, work

which has already begun and which is expected to be completed in this financial year.

At the request of the Appointments, Remuneration and Corporate Governance Committee, the Board procured its own dissemination and knowledge-enhancing mechanisms. The Board thus held meetings with the aim of examining in depth matters such as raw material markets, the importance of energy in the business objective, the future of stainless steel, the impact of various energy sources on the automotive sector, the growing influence of voting advisors, as well as regular regulatory and case law updates. This good practice is expected to increase in the coming financial years.

This need to improve inputs from decision-making bodies also resulted in the growing presence of third parties, non-members of the corporate bodies in the deliberations. On the one hand, the attendance increased of several managers of the organisation who had to demonstrate in person their expertise and knowledge in specific areas, and did so with the presence lawyers, auditors and investment bankers when they were called upon to do so. These hearings were particularly significant in the Executive Committee, the body that designs the Group's medium-and long-term strategy and where some of the strategic decisions are reviewed for its submission to the Council after discussion and approval.

The governing bodies also promoted, at the proposal of the CEO, the growth in the number of the Group's senior management positions, increasing the number of senior managers, from eight to ten, by assigning the Director of Strategy to this position and with the creation of a new Directorate of Institutional Relations, Sustainability and Communication, which among other functions will consolidate tasks in spheres as important as sustainable growth, energy savings, and the circular economy throughout the Group.

To conclude this section, the Board of Directors was particularly sensitive to the shareholders in this financial year, taking decisions of great importance. On the one hand, the dividend per share increased from €0.45 to €0.50 and on the other it launched a first share repurchase programme for repayment, in order to increase remuneration in 2019 and in successive years. The details of this buy-back transaction, which generated a capital decrease decision by way of the redemption of shares at the General Meeting, can be found in the corresponding section of this report.

Members of the Board of Directors

RAFAEL MIRANDA ROBREDO

Chairman
Independent External Director



Mr Rafael Miranda Robredo, a Spanish national, has been a member of the Board of Directors and Chairman of Acerinox since April 2014. He is Industrial Engineer with a degree from ICAI, Honorary President of the Association for the Advancement of Management, Honorary President of Eurelectric, a member of several Boards of Directors and an advisor to numerous foundations and institutions. He is also a Director of Brookfield Asset Management Parkia and Nicolás Correa.

During his professional career, Rafael Miranda has held numerous prestigious positions such as CEO of Endesa S.A. and Vice President of the Industrial Division of Campofrío. His career has made him an exemplary model in the business community both for his role in the modernisation of the electrical system and for his management of large corporations. He has been decorated with the Grand Cross of Civil Merit and the Grand Cross of Isabel La Católica, as well as being named Commander of the Order of Bernardo O'Higgins (Chile).

BERNARDO VELÁZQUEZ HERREROS

Chief Executive Officer
Executive



Mr Bernardo Velázquez Herreros, a Spanish national, holds a degree in Industrial Engineering from ICAI and has been the CEO of Acerinox since 2010.

Since joining the Marketing Department of Acerinox in 1990, Bernardo Velázquez has taken on positions of added responsibility within the company, accumulating more than 29 years in the international stainless steel business.

On his return to Spain, after his experience in Mexico and Australia, he held the positions of Assistant Managing Director, Systems Manager and Strategy Manager in 2005. In 2007, he was appointed Managing Director, a position he held until his appointment as Chief Executive Officer in July 2010.

He is also currently Chairman of Acerinox Europa and North American Stainless. He combines these positions with that of Vice-Chairman of the International Stainless Steel Forum (ISSF) and Director of World Steel (International Steel Manufacturers' Association).

ROSA MARÍA GARCÍA PIÑEIRO

Director
Independent External Director



Ms Rosa María García Piñeiro, a Spanish national, has been an independent director since 2017 and member of the Executive Committee since March 2018. She is an Industrial Engineer with a Master's degree in Industrial Organization and Management from the University of Vigo and the National University of Ireland, as well as a Master's degree in Environmental Engineering from the Escuela de Organización Ambiental in Madrid and an Executive MBA from the Haute École de Commerce, among other qualifications.

Ms García Piñeiro is Vice-Chair of Global Sustainability at Alcoa and Chairman of the Alcoa Foundation. She has also served as Chairman of Alcoa Spain. She is a member of the Board of Directors of ENCE Energía y Celulosa.

LAURA G. MOLERO

Director
Independent External Director



Ms Laura González Molero, a Spanish national, has been an Independent Director since 2017 and member of the Audit Committee of Acerinox since 2017 and Chair of the Appointments, Remuneration, and Corporate Governance Committee since 2018. She holds a Bachelor's degree in Pharmacy, specialising in Industrial applications from the Complutense University of Madrid, and an Executive MBA by IE Business School.

González Molero is currently president of the Association for the Progress of Management (APD) and developed his career in international pharmaceutical chemical companies, having been CEO and Chairman of Merck Spain and Bayer Latin America and Independent Director at Calidad Pascual. He is currently an Independent Director of Adecco Foundation (NGO), Bankia, Grupo Ezentis and Viscofan

PABLO GÓMEZ GARZÓN

Director
External Proprietary Director, representing Corporación Financiera Alba, S.A.



Mr Pablo Gómez Garzón, a Spanish national, has a degree in Business Administration and Management from the CUNEF (University College of Financial Studies) in Madrid and he is currently a member of the Investment Department at Corporación Financiera Alba S.A. and also a Board Observer at Verisure.

He previously worked in the Mergers and Takeovers Departments at BNP Paribas in Madrid and London and ABN Amro in Madrid. He has been a members of the Board of Directors of Clínica Baviera, ACS Servicios y Concesiones, and of ACS Servicios, Comunicaciones y Energía.

RYO HATTORI

Director
External Proprietary Director, representing NIPPON STEEL Stainless Steel Corp.



- Mr Ryo Hattori, a Japanese national, holds a degree in Law from the University of Meiji in Japan.

Mr Hattori is the Managing Director for Special Assignments of the Stainless Steel Sales Department and the Overseas Projects Department of NIPPON STEEL Stainless Steel Corporation. He has been a member of the Board of Directors of Acerinox since May 2009, as a Proprietary Director: representing NIPPON STEEL Stainless Steel Corporation, and is also a member of the Executive Committee.

TOMÁS HEVIA ARMENGOL

Director
External Proprietary Director, representing Corporación Financiera Alba, S.A.



Mr Tomás Hevia Armengol, a Spanish national, was appointed as a proprietary director representing Corporación Financiera Alba S.A. in December 2016 and has been a member of the Executive Committee since 2017. He holds a degree in Business Administration and Management and Law from the Comillas Pontifical University in Madrid. Tomás Hevia also holds an MBA from the IESE Business School of the University of Navarre. Tomás Hevia is currently a member of the Investments Department of Corporación Financiera Alba

He previously held positions in the Mergers and Acquisitions and Equity Capital Markets Departments of Royal Bank of Scotland and ABN AMRO in Madrid and London. He is Observer Director of the Board in Parques Reunidos and he has been member of the Board of Clínica Baviera, ACS Servicios y Concesiones, Dragados and Antevenio.

MITSUO IKEDA

Director

External Proprietary Director, representing NIPPON STEEL Stainless Steel Corp.



Mr Mitsu Ikeda, a Japanese national, was appointed Proprietary Director representing NIPPON STEEL Stainless Steel Corporation in 2019. Ikeda holds a degree in Economics from Sophia University, Japan. Ikeda has held positions of responsibility within the Japanese steel sector since 1981 and is currently carrying out representative roles at the International Stainless Steel Forum (ISSF).

DONALD JOHNSTON

Director

Independent External Director.



Mr Donald Johnston, with dual United States and British nationality, has been an independent director since 2014, and Chairman of the Audit Committee since 2014. He holds a Bachelor of Arts in Political Science from Middlebury College and Master of Arts in International Economics and Latin-American Studies from Johns Hopkins University. Mr Johnston is currently an Independent Director of Merlin Properties Socimi S.A. and an independent Director of Banco Sabadell.

During his career, he has held positions such as European Chairman of the M&A Group of Deutsche Bank, Board Member of Bankers Trust International and member of its Global Executive Committee. He has also worked as Managing Director at the New York and London offices of Salomon Brothers. Mr Johnston has over 35 years' experience in investment banking in the United States, Europe and Latin America.

IGNACIO MARTÍN SAN VICENTE

Director

Independent External Director.



Mr Ignacio Martín San Vicente, a Spanish national, has been an independent director since October 2018 and member of the Executive Committee since the same date. He holds a degree in Industrial Engineer from the Higher Technical School of Industrial Engineering in San Sebastián.

His career has been in the industrial sector, where he has worked in positions of responsibility as Executive Chairman of Gamesa and CEO of CIE Automotive. He previously held management positions at companies such as GSB Grupo and GKN Driveline and Alcatel. He is currently a Director on the boards of Repsol, Bankoa and Indra.

MARTA MARTÍNEZ ALONSO

Director

Independent External Director



Ms Marta Martínez Alonso, a Spanish national, has been an independent director since 2017 and a member of the Acerinox Audit Committee since mid-2018. Marta Martínez Alonso received her Bachelor's degree in Mathematical Sciences at the Universidad Complutense de Madrid, and she completed a PADE (Program for High Business Management) at IESE.

Martínez Alonso has been the President of IBM Spain, Portugal, Greece and Israel since 2013. In this same company, she has served as part of General Management of IBM Global Technology Services, and was an executive of the communications sector for Spain and Portugal after joining the company in 2003



**SANTOS MARTÍNEZ-CONDE
GUTIÉRREZ-BARQUÍN**

Director

External Proprietary Director, representing Corporación Financiera Alba

Mr Santos Martínez-Conde Gutiérrez-Barquín, a Spanish national, has been a member of the Board of Directors since 2002, as an external proprietary Director, representing Corporación Financiera Alba, S.A., and member of the Executive Committee since 2008 and of the Appointments, Remuneration, and Corporate Governance Committee since 2004. He holds a degree in Civil Engineering with a Master's Degree in Business Management from ICADE and a Diploma in Nuclear Technology from ICAI.

Martínez-Conde is the CEO of Corporación Financiera Alba and a Director of Banca March., Indra Sistemas, Bolsas y Mercados Españoles, CIE Automotiv e and Artá Capital SGECR. He is Chairman of Deyá Capital SCR, Artá Partners and Deyá Capital IV SCR. He has pursued the rest of his career at Sener Técnica Naval e Industrial, Técnicas Reunidas, Bestinver, Corporación Borealis and Banco Urquijo.



BRAULIO MEDEL CÁMARA

Director

Independent External Director

Mr Braulio Médel Cámara, a Spanish national, has been a member of the Board of Directors and Appointments, Remuneration, and Corporate Governance Committee since 2008. He holds a degree in Economic and Business Sciences from the Complutense University of Madrid and a doctorate in Economic and Business Sciences from the University of Malaga, where he is a Senior Professor of Public Finance. Médel, Chairman of Unicaja Banco S.A. between 1991 and 2016, currently chairs the Unicaja Banking Foundation and the Andalusian Federation of Savings Banks, as well as being Vice Chairman of the Spanish Confederation of Savings Banks, which he headed between 1991 and 1998.

He has also been Vice-Minister of Economy and Finance of the Regional Government of Andalusia and Chairman of the Andalusian Board of Economists' Associations.



LUIS GIMENO VALLEDOR

Secretary of the Board

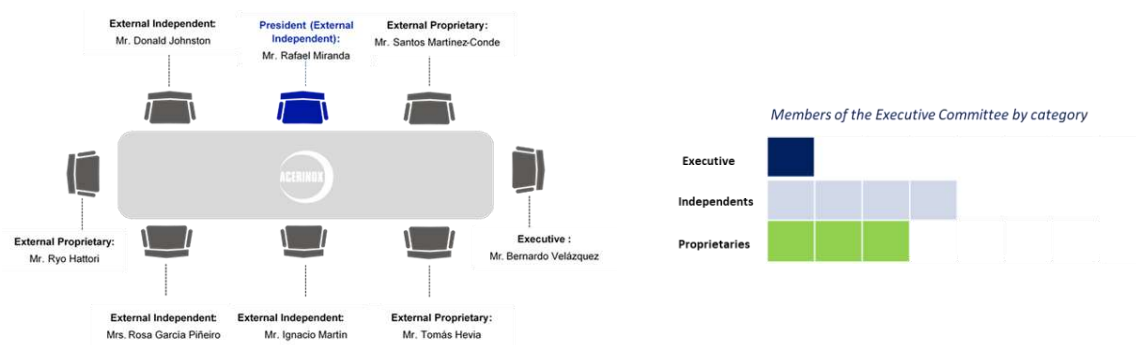
Mr Luis Gimeno Valledor, a Spanish national, holds a degree in Law from the Autonomous University of Madrid. In 1986 he passed the exam for admission to the State Attorneys Service, from which he is currently on voluntary leave.

In 1996 Gimeno was named Managing Director of Public Functions and in 1998 Managing Director of Taxation in the Community of Madrid, where he remained until the year 2000. From then until 2008, he practised law for the firm Cuatrecasas, in which he became an Equity Partner.

In 2008, he joined the Acerinox Group as General Secretary and has held the position of Secretary of the Board since 2016.

Between 1996 and 2008 he also taught as a professor at both CEU San Pablo University and the Business Institute.

Executive Committee

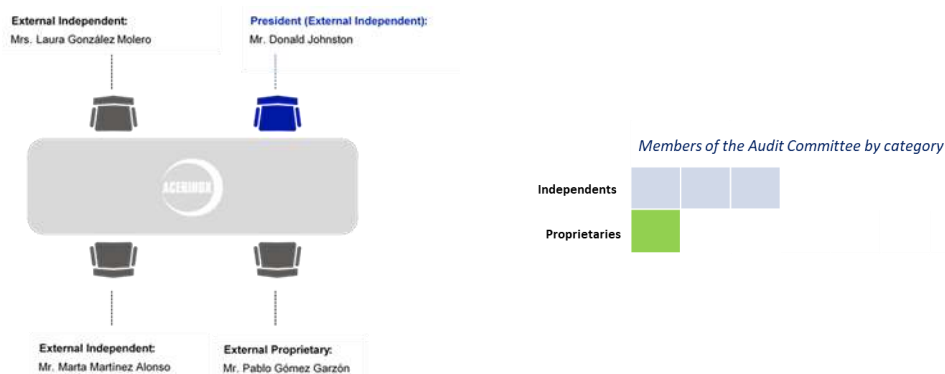


The Board of Directors appointed an Executive Committee in 2008 to attend to the normal course of business and facilitate its regular monitoring. This body is presided by the Chairman of the Board. The Chief Executive Officer is necessarily a member of the Executive Committee.

In order to facilitate transparency and communication among the governance bodies, the Company's rules empower the Chairman to propose to the full Board the ratification or further deliberation of any matter discussed or decided on by the Executive Committee. The committee met on seven occasions in 2019.

For further information regarding its activities, please refer to the web page www.acerinox.com in the section on the 2019 Annual General Meeting.

Audit Committee



This Committee met in 2019 on a total of nine occasions, allowing it to carry out its planned work schedule and fulfil its main responsibilities, involving:

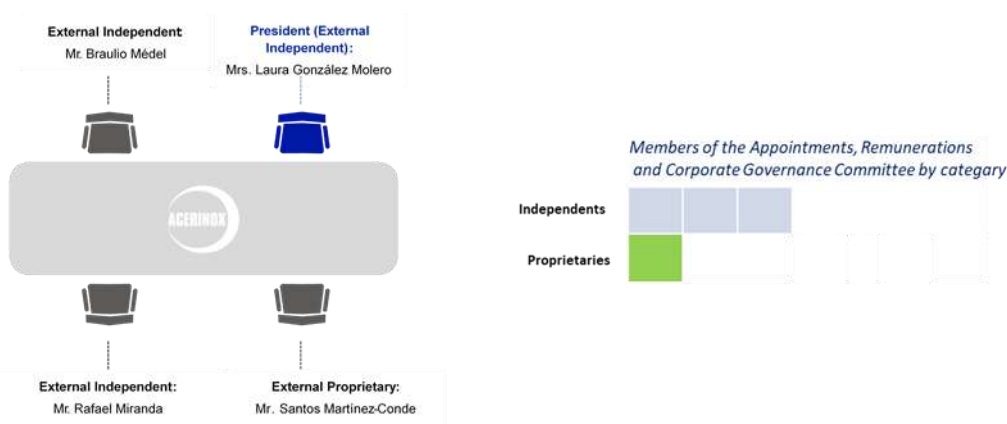
- Reporting on the annual, biannual and quarterly accounts.
- Supervising internal audit services and the effectiveness of the company's internal monitoring and risk management systems.
- Supervising the process of preparing and presenting the regulated financial information.

□ Supervise the Control of the Internal Audit Service and the Crime Prevention Model.

The Audit Committee is chaired by an Independent Director, while the Secretary of the Board of Directors acts as its secretary.

For further information regarding its activities, please refer to the web page www.acerinox.com in the section on the 2019 Annual General Meeting.

Appointments, Remuneration and Corporate Governance Committee



During 2019, it held six sessions in which task groups such as appointments, ratifications, re-elections and resignations of directors as well as changes in Senior Management were highlighted, with two new appointments; the review of the reports; matters related to remuneration, Corporate Governance issues, matters related to CSR and sustainability, and regulatory activities and issues assimilated to them.

This Committee coordinates, at the request of the Chairman of the Board of Directors, the assessment of the Board’s performance. The Appointments, Remunerations and Corporate Governance Committee is chaired by an Independent Director, and the Secretary of the Board of Directors acts as its secretary.

For further information regarding its activities, please refer to the web page www.acerinox.com in the section on the 2019 Annual General Meeting.

Senior Management Committee



- Bernardo Velázquez **Chief Executive Officer**
- Daniel Azpitarte **Commercial Director**
- Miguel Ferrandis **Financial Director**
- Antonio Moreno **Production Manager**
- Fernando Gutiérrez **Director of Strategy and Raw Materials**
- Oswald Wolfe **Director of Institutional Relations, Sustainability And Communications**
- Luis Gimeno **Secretary General**
- Cristóbal Fuentes **CEO of NAS**
- Lucien Matthews **CEO of Columbus Stainless**
- Mark Davis **CEO of Bahru Stainless**

General Shareholders' Meeting

The General Shareholders' Meeting was held in Madrid on 11 April 2019 and chaired by Mr Rafael Miranda Robredo. As was the case the previous year, the meeting took place in the Mutua Madrileña Automovilística building, in Paseo de la Castellana, No. 33.

The Meeting was attended by 1,935 shareholders, both present and represented, in possession of 171,337,987 shares, thus accounting for 62.06% of the subscribed voting capital.

The resolutions on the Agenda were passed in their entirety by the following majorities:

	Votes in favour %	Votes against %
1. Approval of the Annual Accounts	99.93	0.006
2. Approval of the Consolidated Statement of Non-Financial Information	80.21	19.721
3. Distribution of Profits	99.99	0.001
4. Approval of the management of the Board of Directors	99.63	0.074
5. Approval of the distribution of dividends	99.99	0.001
6. Approval of the distribution of the share premium	99.99	0.001
7.1. Ratification and appointment of Mr Ignacio Martín San Vicente as an Independent Director	98.96	0.283
7.2. Appointment of Mr George Donald Johnston as an Independent Director	98.62	0.613
7.3. Appointment of Mr Pablo Gómez Garzón	98.93	0.334
7.4. Appointment of Mr Mitsuo Ikeda as a Proprietary Director	98.94	0.332
8. Reduction in the number of Directors from 15 to 14	99.26	0.014
9. Reduction in the share capital due to the redemption of 5,521,350 shares	99.99	0.003
10. Authorisation for the Board to buy back treasury shares	99.72	0.263
11. Approval of the 2nd cycle of the Remuneration Plan for Executive Directors and Senior Management	99.63	0.288
12. Submission to voting of the Annual Report on the Remuneration of Directors of Acerinox S.A.	97.57	1.444
13. The Chairman's report on the most important aspects of the Corporate Governance	---	
14. Information on the amendment of the Board Regulations	---	
15 Delegation of powers for the execution, correction and authorisation of the resolutions adopted at the Meeting	99.99	0.001
16. Appointment of scrutineers to approve the Minutes of the Meeting	99.99	0.001

Main Executives of the Group's Companies

Top Executives of the Industrial Companies

- Acerinox Europa: ANTONIO MORENO
- North American Stainless: CRISTÓBAL FUENTES
- Columbus Stainless: JOHAN STRYDOM
- Bahru Stainless: MARK DAVIS
- Roldán: JORGE RODRÍGUEZ
- Inoxfil: ÁNGEL BRUÑÉN

Top Executives in our Commercial Companies

SPAIN

- Inoxcenter: LUIS GUTIÉRREZ
- Inoxidables de Euskadi: JOSÉ CRUZ DE VICIOLA
- C.S. de Pinto: FLORENCIO ZURDO
- C.S. de Gavá: JUAN ESTEVE
- C.S. de Betanzos: ÁLVARO SUÁREZ

By continents (in alphabetical order):

AFRICA



Acerinox Egipto:
MOHAMED KOTB



AMERICA



Acerinox Argentina (Argentina):
JOSE CARLOS

Acerinox Brasil (Brasil):
ÍÑIGO PRADO

Acerinox Chile (Chile):
JAIME DEL DIEGO

Acerinox Colombia (Colombia):
GONZALO DEL CAMPO

Acerinox, SA. Venezuela (Venezuela):
GONZALO DEL CAMPO

Acerinox Perú (Perú):
MARÍA CECILIA NÚÑEZ DE TOLEDO

ASIA



Acerinox South East Asia (Singapur):
IRENE TEO LIN

Acerinox India (India):
PRATIK KACHCHHI

Acerinox SC. Malaysia (Malasia):
BARRY FOO

Acerinox SA. Shanghai (China):
MARY XU

Acerinox Indonesia SA. (Indonesia):
AMELIA CHRISTINA SODIK

Acerinox SEA (Vietnam):
TRAN THI THANH

Acerinox SEA (Tailandia):
PRAWIT LERTWIMONRAT

Acerinox SEA (Filipinas):
ENRIQUE DAVID B. SANTIAGO

Acerinox Pacific (Corea):
JUNGHO CHOI

Acerinox Pacific (Hong Kong):
JACKY LAW

Acerinox Pacific (Taiwán):
SAMUEL TAM

Acerinox Middle East (Emiratos Árabes):
FERNANDO GÓMEZ

EUROPE



Acerinox Deutschland (Alemania):
JOACHIM MAAS

Acerinox Benelux (Bélgica):
ANEL VILJOEN

Acerinox France (Francia):
JAAN ROXAN

Acerinox Italia (Italia):
GIOVANNI DE CARLI

Acerinox Polska (Polonia):
PILAR SENISE

Acerinox Scandinavia (Suecia):
JAN GJERLAUG

Acerinox Schweiz (Suiza):
IVANA HORAKOVA

Acerinox UK (Reino Unido):
PABLO CANTLE

Acerinox Russia (Rusia): ROMAN
BUTYRIN

Acerinox Metal Sanayi (Turquía):
SANTIAGO MUÑOZ

Acerol (Portugal):
DANIEL SILLERO

OCEANIA



Acerinox Australasia (Australia):
CLAUDIO LEÓN DE LA BARRA

11 . SIGNIFICANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

Among the significant events that occurred in the first two months of 2020 were the following:

Commencement by the European Commission of inspections of hot rolled imports as part of the anti-dumping process launched against China, Indonesia and Taiwan and anti-subsidy measures against China and Indonesia with the aim of being able to implement retroactive measures as the case may be.

EUROFER, on behalf of European steel manufacturers, has filed a formal complaint with the FCE and the LME on the basis of indications of manipulation of nickel prices on the London Metals Commodities Market by the Chinese manufacturer Tsingshan. This coincided with the application to the US Department of Trade by AISI, the American Association of Steel Manufacturers, to exclude Indonesia from the list of countries with preferential access to the US market.

In January, the US competition authorities gave the green light to the purchase of VDM Metals by Acerinox.

At the time of writing, authorisation was received from the Committee on Foreign Investment in the United States (CFIUS) for the acquisition of VDM. Acerinox is awaiting the decision of the European authorities.

The impact that the expansion of covid-19 (coronavirus) may have on the economy and on our industry is uncertain.