



Acerinox, S.A. Corporate Governance Policy

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Free translation from the original in Spanish. In the event of discrepancy,
the Spanish-language version prevails.



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ACERINOX, S.A. CORPORATE GOVERNANCE POLICY

The Board of Directors of ACERINOX, S.A. ("**Acerinox**" or the "**Company**") has been empowered to regularly approve, design, assess and review the Company's Corporate Governance System, and approve the corporate Policies that are implemented through the principles set out in the Spanish Limited Liability Companies Law and in the Good Governance Recommendations for Listed Companies, which contain the guidelines that govern the actions of the Parent and Group companies, as well as their directors, executives, and employees.

I.- Objective

This General Corporate Governance Policy of Acerinox, S.A. (the "**Policy**") summarises the principles that attest to both the willingness of the Company to comply with existing regulations, and its alignment with corporate governance recommendations. These principles are clearly destined to remain a permanent feature of the organisation since, notwithstanding their being updated, they contribute to shaping the culture of corporate governance of Acerinox and its Group. This policy is designed to align the interests of the Company with those of its shareholders and other stakeholders, through the protection and promotion of values shared by all, and at the same time, is aimed at fostering trust, stability, progress and the social and economic development of the Company in general.

II.- Principles

The principles on which the Policy is based, and which will serve as guidelines for the Company's activities, include, but are not limited to, the following:

- Consolidating, developing and promoting mechanisms for handling relationships with shareholders, investors and major stakeholders, in order to improve relations with them, increase their level of commitment and engagement with the Company and strengthen their trust.
- Promoting the informed participation of Company shareholders in its General Meetings and adopting the measures required to ensure the proper exercise of the rights of shareholders at Annual General Meetings, thereby guaranteeing fair treatment.
- Preserving the right balance and proportionality of powers in the structure and composition of the Board of Directors through the adoption of the measures needed to enable it to act with unity of purpose and independent judgement.
- Establishing appropriate mechanisms to define the duties and responsibilities of its Directors and endowing it with the capacity to reveal

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and resolve potential conflicts of interest between the Directors and the Company.

- Ensuring the quality and efficiency of the modus operandi and performance of the Board of Directors, the Chairman of the Board, the CEO and Board Committees, and carrying out an annual assessment of that modus operandi and performance.
- Organising the orderly succession of the key personnel of the Company in order to ensure the continuity and sustainability thereof.
- Identifying, analysing and adopting, where applicable, the best practices in the field of good corporate governance, while following the principles of performance excellence adopted by the Company.
- Ensuring the transparency and quality of economic and financial, non-financial and corporate information so that public information about the Company is presented in a clear, thorough, simple, orderly and understandable manner to the various stakeholders.
- Promoting awareness of the principles and values which inspire the Corporate Governance Policy, both internally, within the organisation, as well as externally, for all its stakeholders.

III.- Corporate Governance Practices of Acerinox

In view of the foregoing principles, the practices which the Company will adhere to in matters of Corporate Governance are as follows.

a) Regarding the Company shareholders:

a.1) Commitment to the shareholders.

The Company shall seek to appropriately compensate its shareholders in a sustainable manner.

With the aim of developing and promoting mechanisms for fostering relations and dialogue with shareholders and investors, the Company shall take into account and assess their requests or suggestions, paying special attention to those of an institutional nature, as well as those of the most relevant proxy advisers and other stakeholders.

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Furthermore, Acerinox shall provide its shareholders with sufficient, systematised information, which shall indicate that ESG objectives (Environmental, Social and Governance) are in the interests of the Company.

a.2) Annual General Meeting.

In accordance with the principle of promoting the informed participation of its shareholders at the Annual General Meetings, the Company will publish and make available to shareholders, in advance, all the documentation relating to the various items on the agenda at these Meetings.

The shareholders may request the delivery or dispatch of the documents referred to above, in print or digitally, free of charge.

Moreover, in order to ensure that the rights of shareholders can be properly exercised at General Meetings, the Company will support mechanisms and adopt measures that facilitate the exercise of these rights, in accordance with the Law and corporate governance best practices.

Shareholders representing at least three percent of the share capital may request that a supplement be added to the notice of the General Meeting, including one or more of the items on the agenda, as long as the new items are accompanied by a justification or, where necessary, a justified proposed resolution. Under no circumstances can the aforementioned right be exercised in regard of notices of call of the extraordinary general meetings.

This right shall be exercised by due notification which is to be received at the registered office within the five days following the publication of the notice of call. The additional items shall be published at least 15 days prior to the date set for the General Meeting. Failure to publish the supplement to the call notice within the term specified shall provide grounds for rendering the General Meeting void.

Shareholders representing at least three percent of social capital can, within the same term outlined in the previous paragraph, present proposals based on resolutions on matters already included or which should be included in the agenda of the General Meeting called. The Company shall ensure the dissemination of these proposed resolutions and the documentation, which where necessary are attached, amongst the other shareholders in accordance with that established by Law.

Shareholders may request in writing the information or clarifications that they deem necessary or may submit in writing the questions they deem relevant regarding the matters on the agenda of the Meeting called, and may also request data or clarifications or ask questions in writing about the

information available to the public which the Company may have sent to the Spanish National Securities Market Commission ("CNMV") since the last Annual General Meeting and about the Auditor's Report.

The Company website hosts an Electronic Shareholder Forum, which can be accessed by individual shareholders and any associations that may be created in order to facilitate communication prior to Annual General Meetings. Proposals may be posted in the Forum which aim to be presented as supplements to the agenda announced in the notice, in addition to requests for the accession to such proposals, initiatives to reach a sufficient percentage to exercise the right of minority laid down in Law, and offers or requests for voluntary representation.

The Company will encourage the presence of shareholders at the Annual General Meeting by holding the meeting at a venue with the most suitable conditions for holding and following it, one centrally-located in the area where the registered office is situated, without prejudice to the Board of Directors being able to consider the advisability, where appropriate, of holding General Meetings with telematic attendance of shareholders or exclusively telematic General Meetings, in accordance with the applicable regulations.

Annual General Meetings will be broadcast live on the Company website.

b) Regarding the Board of Directors and its Committees:

b.1) Basic duties and modus operandi of the Board.

To exercise the necessary control and oversight of important areas for the Company, the Board has, among other responsibilities which cannot be delegated, the following basic duties:

- Approve the basic business guidelines and the general policies and strategies of the Company and the Group, including guidelines for the Company's Strategic or Business Plan, Corporate Governance Policy, Corporate Social Responsibility and Sustainability Policy, Remuneration Policy and any others required by Law.
- Approve the Company's Risk Control and Management Policy, and oversee internal information and control systems.
- Monitor Company performance.

In order to carry out its direct responsibilities, as well as its other functions, the Board of Directors shall meet at least eight times a year and, in any case,

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once a quarter. In addition, and at the initiative of the Chairman, it shall meet as often as is deemed appropriate for the proper operation of the Company.

Moreover, Directors representing at least one third of the Board Members may convene a meeting and set the agenda, should the Chairman, having been requested to convene a meeting, have not done so without justifiable cause within one month of the request being submitted.

The Board shall appoint a Chairman and a CEO. The latter, in principle, and unless otherwise decided, shall not hold the office of Chairman.

The Chairman and CEO undertake to submit the most important decisions, on account of their nature or the amount involved, for the deliberation and decision of the Board.

b.2) The Balance of power in the structure and composition of the Board of Directors.

The Board of Directors shall discharge its duties with unity of purpose and independence of judgement, treating all shareholders in the same position equally, guided by the corporate interest, understood to be the achievement of a profitable and sustainable business in the long term. In order to do this, it is necessary to preserve the proper balance and proportionality of powers in the composition of the Board:

- Independent directors

Taking into account the distribution of shares and the capitalisation of Acerinox, as well as corporate governance best practices, the number of independent Directors shall comprise at least one half of the members of the Board of Directors, ensuring that their proportion is as close as possible to the percentage of non-controlling shareholders in the Company.

- Board Committees.

The Board of Directors shall, as a minimum, include the following committees. Its members shall be appointed by the Board, which will also appoint the person who should chair the Committee.

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- Executive Committee

An executive committee shall be set up to apprise itself of and monitor matters between Board Meetings. It shall include at least two non- executive directors, at least one of whom shall be independent, and shall endeavour to ensure that proprietary directors hold a position as proportional as possible to their shareholding in the company.

The Chairman of the Executive Committee shall be the Chairman of the Board. The Chairman may, in view of the circumstances, decide that any matter deliberated on by the Executive Committee and the decisions adopted thereby be the subject of new deliberations or ratification by the Board of Directors.

The Executive Committee will attend to matters between Board meetings, when they are very far apart, and may discuss strategic issues at preparatory meetings.

- Nomination, Remuneration, and Corporate Governance Committee.

The Company has a Nomination, Remuneration and Corporate Governance Committee comprising Non-executive Directors. The majority of its members, including its Chairman, shall be Independent Directors.

Among the basic responsibilities of this Committee are those relating to proposals or reports regarding the appointment and removal of Directors, the Board's remuneration policy and Directors' fulfilment of their duties. This Committee is also empowered to report on appointments and removals of members of senior management and the remuneration thereof.

This Committee shall also periodically review and assess the Company's Corporate Governance System and report thereon in the Annual Corporate Governance Report.

- Audit Committee.

The Company has an Audit Committee made up of Non-executive Directors. The majority of its members, including its Chairman, shall be Independent Directors. All members as a whole, and in particular its Chairman, shall be appointed based on their knowledge and experience in accounting, auditing and risk management, in term of both financial and non-financial risks.

This Committee performs, among other duties, the oversight and assessment of the economic and financial and non-financial information of Acerinox, and of the systems of internal control and risk management and control of financial and non-financial risks, relations with the external auditor, and duties relating to the monitoring of compliance with internal codes of conduct and the crime prevention model.

- Sustainability Committee

The Company has a Sustainability Committee comprising a majority of Independent Directors, from which its Chairman will be appointed. The members of the Committee shall have the necessary knowledge, skills, experience and dedication to discharge their duties.

This Committee performs, among others, the functions of promoting and coordinating the Company's actions relating to environmental and social matters in accordance with the guidelines approved by the Board of Directors, ensuring the implementation and monitoring of the Sustainability Plan of the Company and its Group; it periodically reviews and assesses the Group's Corporate Responsibility and Sustainability policy and verifies that the Company's practices in environmental and social matters are in line with the strategy and policy in place.

b.3) Diversity of the Board of Directors, selection of candidates and appointment of Directors.

The Company shall promote the diversity of knowledge, experience, age and gender in the composition of the Board of Directors and its Committees as a factor that will enable it to achieve its objectives from a standpoint of plurality and balance.

The Company's Board of Directors shall approve a policy aimed at favouring an appropriate composition of the Board of Directors, which is specific and verifiable; it shall ensure that proposals for appointment or re-election are based on a preliminary analysis of the competencies required by the Board; and it shall favour diversity of knowledge, experience, age and gender within the Board of Directors for the proper discharge of its mission. To such end, during the selection process, candidates shall be assessed on the basis of their skills, experience, professionalism, suitability, independence of judgement, knowledge, qualities, abilities and availability to perform their duties. The Nomination, Remuneration and Corporate Governance Committee shall play a key role in this process.

The Board of Directors has approved a policy in this regard, known as the "General Policy on Diversity of the Board of Directors and Selection of Directors".

b.4) Directors' responsibilities.

In accordance with applicable regulations, the Company will define the Directors' duties and responsibilities, in general, and the duties of diligence and loyalty in particular, and a complete internal regulation system shall be established in accordance with current legislation.

The Directors' duties established by that regulation system shall include the following key duties:

- The duty of diligent administration, which requires Directors to act with the diligence of an orderly businessperson, attending Board meetings and Committee meetings, ensuring they are duly informed and prepared, paying proper attention at the said meetings and participating actively in the deliberations.
- The duty of loyalty, which requires that Directors discharge their duties as faithful representatives, acting in good faith and in the best interests of the Company, subordinating in all cases their particular interests to the interests of the Company. This duty includes, among others, the obligation to inform the Company of any conflicts of interest and to refrain from intervening in the discussions related to them, to submit their transactions with the Company for prior authorisation (without prejudice to the legal regime applicable to related party transactions with the Company) and to report any fact or situation relevant to their performance as Directors. It also includes the prohibition on both the use of company assets for their own financial gain, and taking advantage of the Company's business opportunities for their own personal gain or that of persons associated with them.
- The duty of secrecy with regard to confidential information, which includes the obligation to maintain confidential such information, data, reports or records of which they are apprised in the course of discharging their duties, even after such duties have ceased.
- The Directors' duty of information, which requires them to inform the Company of the shares which they hold in its share capital, as well as options over shares or derivatives relating to the value of the shares, and to report any situation affecting them, whether related to their performance in the Company itself or otherwise, and in particular of any criminal case in which they are under investigation, as well as of the related legal proceedings, which, due to their importance, could damage

the credit and reputation of the Company.

b.5) Conflicts of interest.

For the purpose of applying appropriate mechanisms which enable potential conflicts of interest between Directors and the Company to be identified and resolved, the Company will establish controls and take measures to prevent Directors who may potentially be affected from being involved in matters in which they could have a personal interest, since they must always put the interests of Acerinox and its corporate Group first in everything they do.

b.6) Board of Directors remuneration policy.

The Company will implement a Board of Directors remuneration policy based on the principles of moderation and in consonance with the long-term interests and strategies of the Company, its shareholders and other stakeholders, but which, due to its amount, will not condition the independence of the Directors.

Acerinox will periodically review the Board of Directors' salary structure in order to keep it in line with Corporate Governance standards.

The Board of Directors remuneration policy and the annual report on Directors' remuneration will be considered by shareholders at the Annual General Meeting as a separate item on the agenda.

The Board of Directors has approved a specific policy in this regard called the "Directors' Remuneration Policy".

b.7) Assessment of the Board of Directors.

The Company will assess the functioning and performance of the Board of Directors, its Chairman, the CEO and the Board Committees on an annual basis. The process will be coordinated by the Chairman of the Board and the process will be reflected in the Annual Corporate Governance Report.

b.8) Knowledge and information practices for Directors.

Information shall be provided to the Board and the Directors on regulatory or other developments of relevance to the Company or to its Corporate Governance.

b.9) Secretary of the Board of Directors.

To ensure that the Company identifies, analyses and adopts, where applicable, best practices, principles and recommendations with regard to good corporate governance, the Secretary of the Board of Directors, as part of their established legal and statutory powers, shall ensure that the actions and decisions of the Board of Directors conform entirely to the Law and are in accordance with recommendations on good corporate governance. Moreover, they shall provide the Board and its Committees with the information required to be able to carry out the analysis and proposal for the adoption of such best practices and recommendations, thus enabling the Company to monitor them.

The Secretary may or may not be a director and may or may not be an executive of the Company. The Secretary of the Board will also be Secretary of the committees, unless the Board resolves otherwise, with the exception of the Executive Committee, of which the Secretary of the Board shall be Secretary in all cases.

b.10) Rules of conduct.

The Company has a Code of Conduct and Good Practices and Internal Rules of Conduct in relation to the Securities Markets, which include the standards of conduct applicable to the Directors of Acerinox, S.A., as well as the other personnel of the Company and its Group.

c) Regarding the principles of information transparency and dissemination of the corporate governance policy

The Company will ensure the transparency and utmost quality of economic and financial, non-financial and corporate information so that public information about the Company is presented in a clear, thorough, simple, orderly and understandable manner for the various stakeholders.

In particular, with regard to the annual corporate information, the Company shall:

- Approve an Annual Corporate Governance Report that meets the regulatory requirements governing its structure and content and provides the additional information that is required for its proper understanding and to offer an overview of compliance with the recommendations regarding corporate governance.
- Draw up an Annual Report on the Remuneration of Directors in accordance with the regulatory requirements governing its structure and content, which shall provide information on the remuneration policy of the Board of Directors and its implementation, and shall facilitate individual information on the remuneration of

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the various Directors. This report shall be subject to consultative vote at the Annual General Meeting.

In addition, when calling the Annual General Meeting, and without prejudice to such other information as may be required or deemed appropriate to be made available to shareholders, the Company shall publish:

- The total number of shares and voting rights on the date of call.
- The Management Reports and the Financial Statements (Notes to the Financial Statements, Balance Sheet, Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows) together with the auditors' report and the proposed distribution of earnings.
- The report on the independence of the Auditor.
- The report on the activities of the Audit Committee during the previous year.
- The Audit Committee's report on related party transactions during the previous year.
- The report on the activities of the Nomination, Remuneration and Corporate Governance Committee during the previous year.
- The report on the activities of the Sustainability Committee during the previous year.
- Information on the identity, curriculum, category and proposals, and supporting reports in relation to the appointment, ratification or re-election of Directors.

The Company has a corporate website which is kept up to date and reviewed periodically in order to make the necessary improvements in order to incorporate the most relevant economic and financial, non-financial and corporate information for its stakeholders, and improve accessibility to it, as well as its usability and informative quality. The content and structure of the corporate website shall always respect the provisions of the applicable regulations. Most of the information that can be accessed on the website is also available in English.

Regarding communication, Acerinox, S.A. has approved, for itself and for the other companies of the Group, a policy called "General Policy on Communication, Contact and Engagement with Shareholders, Institutional Investors, Asset Managers, Financial Intermediaries and Proxy Advisers and other Stakeholders of Acerinox, S.A. and its corporate Group".

IV.- Corporate Governance at Group subsidiaries

The Companies may or may not have a collegial governance body, as shall be decided.

If it is collegial, the following principles shall be observed:

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- The CEO shall inform the Board of Directors of Acerinox of the composition of these bodies and possible changes thereto.
- The majority proprietary ownership of the Acerinox Group in the share capital of the company shall be taken into account.
- Non-controlling shareholders shall be represented in a fair and reasonable proportion.
- Independent persons may form part of company governance bodies when this is considered advantageous due to their knowledge, experience, relationship with the local company or similar circumstances.
- The majority of the members of the collegial body are executives of the Group.