



**REGULATIONS OF THE  
BOARD OF DIRECTORS  
OF ACERINOX, S.A.**

**16<sup>th</sup> December 2021**

# **REGULATIONS OF THE BOARD OF DIRECTORS OF**

## **ACERINOX, S.A.**

### ***PRELIMINARY TITLE***

#### **Article 1. Purpose.**

The purpose of this Regulation is to regulate the organisation and functioning of the Board of Directors of ACERINOX, S.A. (the “Company”) and the organs and committees of said Board, as well as the directors’ charter.

#### **Article 2. Scope of application.**

These regulations apply to members of the Board of Directors and, insofar as it is compatible with the specific nature and functions of each case, to Senior Management of the Company and subsidiary governance bodies.

#### **Article 3. Mission of the Board of Directors.**

The Board of Directors shall perform its duties with unity of purpose and independence of judgement, giving equal treatment to all shareholders in the same position and guided by the corporate interest of the Company, understood as the achievement of a profitable and sustainable business in the long run that promotes its continuity and the maximisation of the economic value of the company. In the execution of its mission, the Board of Directors shall ensure that the Company respects the law and regulations and behaves in accordance to good faith, ethics and respect for customs and commonly accepted good practices, and shall endeavour to reconcile the interests of the Company with the legitimate interests of its employees, suppliers, and customers as well as all other stakeholders that may feel affected, taking into account the impact of the Company's activities on the community as a whole and on the environment.

## ***TITLE I***

### ***THE BOARD OF DIRECTORS AND ITS COMMITTEES***

## ***Chapter I. Composition, functions and competencies***

### **Article 4. Composition.**

1. The number of members of the Board of Directors shall be determined by the General Meeting. This number shall be in accordance to what is established in the Articles of Association, no less than five and no greater than fifteen.
2. The persons designated as directors will have to be natural persons and meet the conditions established in the Regulations, as well as the conditions required by Law and the Articles of Association, formally agreeing to comply with all obligations and duties established in them from the moment of their assumption of the position.
3. The Board of Directors shall ensure that the procedures for the selection of its members favour diversity of age, gender, disability or professional training and experience, and do not suffer from implicit biases that could imply any discrimination and, in particular, that they facilitate the selection of female directors in a number that allows for a balanced presence of women and men.
4. When exercising its rights of proposal to the General Meeting and co-optation in order to cover vacancies, the Board of Directors must ensure that External Directors constitute an ample majority in the composition of the body and that the number of executive directors is sufficient to provide the Company with the necessary knowledge and information about corporate management.
5. The Board shall equally ensure that, within the majority group of External Directors, the number of proprietary directors and independent directors is in proportion to the share capital represented by the former and the capital represented by the remaining shareholders, respectively.
6. It is possible for External Directors to be neither Independent nor Proprietary. Should this be the case, the Company will explain said circumstance and its ties with this member or with its directors or significant shareholders.
7. The Board shall explain the character of each director to the General Shareholders' Meeting, which must effect or ratify this appointment, according to the legally provided definition for Executive, External, Proprietary, Independent, or Other External Directors.
8. When drafting and approving the Annual Report of Corporate Governance, the contribution attributed to the directors must be confirmed or, if necessary,

revised. If applicable, the Report must explain the reasons for the appointment of proprietary directors at the request of shareholders who have a holding of less than 3% of the share capital. In addition, the Report must explain, if necessary, the reasons why any formal proposals by a shareholder before the Board were not approved even though the shareholder holds the same or a higher number of shares than other shareholders whose requests for the appointment of proprietary directors were approved.

#### **Article 5. Representative functions.**

The Board of Directors is entitled to represent the Company under the established legal and statutory terms.

#### **Article 6. Duties that cannot be delegated.**

1. The Board of Directors may not delegate the following duties:
  - a) The supervision of the effective functioning of the committees it has created and the actions of the delegated bodies and of the directors it has designated.
  - b) The determination of the general policies and strategies of the Company.
  - c) The authorisation or waiver of the obligations derived from the duty of loyalty in accordance to what is established in the applicable legislation.
  - d) The formulation of the annual accounts and their presentation to the General Shareholders' Meeting.
  - e) The formulation of any class of report required by law from the administrative body, provided the operation to which the report refers cannot be delegated.
  - f) The appointment and dismissal of the Company CEO, as well as the establishment of the conditions of their contract.
  - g) The appointment and dismissal of managers that are directly supervised by the Board or any of its members, as well as the establishment of the basic conditions of their contracts, including remuneration.

- h) The decisions related to the remuneration of directors within the statutory framework and of the remunerations policy approved by the General Meeting.
- i) The convening of the General Shareholders' Meeting, the preparation of the agenda, and the draft resolutions.
- j) The policy related to its treasury shares.
- k) The powers that the General Meeting may have delegated to the Board of Directors unless it had expressly authorised the Board to sub-delegate them.
- l) The approval of the strategic or business plan, management goals and annual budgets, investments and financing policy, corporate social responsibility and sustainability policy and dividends policy.
- m) The determination of the risk control, management and even fiscal policy, and the oversight of the internal information and control systems.
- n) The determination of the corporate governance policy of the Company and the Acerinox group of which it is the dominating body; its organisation and functioning and, specifically, the approval and amendment of the present Regulations.
- o) The approval of the financial information that the Company must periodically publish as a listed company, as well as the supervision of the process of preparation and presentation of the financial information and of the management report, which shall include, where appropriate, the mandatory non-financial information.
- p) The definition of the structure of the Acerinox group, of which the Company is the dominating body.
- q) Approval of the policy of communication, contacts and involvement with shareholders, institutional investors and proxy advisors, including the policy of communication of economic-financial, non-financial and corporate information.
- r) Approval of the diversity policy of the Board of Directors and selection of directors.

- s) The approval of investments or operations of all kinds which, by virtue of their high cost or special characteristics, are considered to be of a strategic nature or special fiscal risk, unless their approval corresponds to the General Shareholders' Meeting.
  - t) The approval of the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, as well as any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Company and its group.
  - u) The approval of Related-Party Transactions, without prejudice to the possibility of delegation, in the cases and under the terms established by law and in these Regulations.
  - v) The determination of the Company's fiscal strategy.
2. When urgent, duly justifiable circumstances concur, and unless it is legally not possible to do so, decisions may be adopted that correspond to the aforementioned matters by the delegated bodies or persons, which must be ratified in the first Board Meeting celebrated after the adoption of the decision.

## **Chapter II. Structure of the Board**

### **Article 7. The Chairman.**

1. Prior a report from the Appointments, Remunerations, and Corporate Governance Committee, the Board of Directors shall appoint a Chairman from one of its members and, as the case may be, one or more Vice-Chairmen. Should the Chairman be re-elected as directors, his re-election as Chairman shall not be necessary.
2. The Chairman is the maximum authority responsible for the efficient functioning of the Board of Directors. As well as the remaining duties or functions granted by Law, the Articles of Association, or the present Regulations, the Chairman shall have the following duties or functions:
  - a) Bear the institutional representation of the Company.
  - b) Convene and preside meetings of the Board of Directors, establishing the agenda for said meetings and leading the discussions and deliberations,

ensuring that enough time is dedicated to the discussion of strategic matters.

- c) Preside the General Shareholders' Meeting.
  - d) Ensure that all directors receive sufficient prior information so as to be able to deliberate on the items on the agenda.
  - e) Stimulate the debate and an active participation of directors during the sessions, safeguarding their liberty to adopt any position.
  - f) Propose the appointment of the Managing Director and the Secretary to the Board of Directors.
  - g) Prepare and submit to the Board of Directors an agenda of dates and matters that need to be dealt with.
  - h) Organise and coordinate the periodic evaluation of the Board as well as, as the case may be, of the primary executive of the Company.
  - i) Agree on and review the refresher programmes for each director, when the circumstances so advise.
3. In the event of a split vote, the Chairman does not have a deciding vote.
4. In the event of absence or incapability, the eldest Vice-Chairman shall take the place of the Chairman if he/she were to be Independent. Otherwise, the Independent Vice-Chairman with the most seniority shall take the Chairman's place. In the event that there are several of equal tenure, the eldest Vice-Chairman shall be followed by the next most senior should the latter decline.

#### **Article 8. Vice-Chairmen of the Board.**

The Board may appoint one or more of its Members as Vice-Chairmen who, in accordance with what is established in Article 7, shall substitute the Chairman in his/her duties in case of absence or incapacity.

#### **Article 9. The Managing Director.**

The Board may propose, pending a report from the Appointments, Remuneration and Corporate Governance Committee, a Member of the Board for the Board to appoint as Managing Director and delegate all relevant responsibilities to this

position in accordance with the law, Articles of Association and this Regulation. The Managing Director shall be responsible for the effective leadership of the Company's business, according to the decisions and principles that the General Meeting and the Board of Directors establish in their respective areas. The CEO will have command over all of the Company's services and Senior Management. The Managing Director will also be in charge of executing the general strategy of the Acerinox group, and ensuring it is carried out.

#### **Article 10. The Secretary of the Board and the Vice-Secretary.**

1. In accordance with a proposal from the Chairman, and a prior report from the Appointments, Remuneration and Corporate Governance Committee, the Board of Directors shall designate a Secretary and, if warranted, a Vice-Secretary. The same procedure shall be followed to agree on the removal of the Secretary and, if warranted, the Vice-Secretary. The Secretary and Vice-Secretary may or may not be directors. If the Secretary should be absent or the position vacant, the Vice-Secretary, if designated, shall replace him or, if not designated, the youngest director shall replace him/her, and if he/she should decline, the next youngest director will be designated.
2. As well as the duties and granted by Law, the Articles of Association or the present Regulations, the Secretary shall have the following duties and functions:
  - a) Preserve the documentation of the Board of Directors, record the development of the sessions in the book of minutes, and give faith regarding their contents and the resolutions adopted.
  - b) Ensure that the actions of the Board of Directors conform to applicable law, the Articles of Association, and other internal norms.
  - c) Assist the Chairman so that directors receive the relevant information for them to carry out their duties with the necessary time before meetings and in the adequate format.
  - d) Ensure that the actions and decisions of the Board of Directors reflect its consideration of the recommendations of government contained in the Code of Good Governance of Listed Companies that is applicable to the Company.



## **Article 11. Board Committees.**

1. The Board Committees are the Audit Committee, the Executive Committee, the Appointments, Remuneration and Corporate Governance Committee and the Sustainability Committee.
2. The Board of Directors may create other specialised Committees, determining their composition, appointing their members and establishing the duties that each of them will take on.
3. The specific regulations of the respective Committees are contained in Annexes I, II, III and IV of these Regulations.

## **Article 12. Common standards regarding the notice of meetings and functioning of the Board of Directors and its Committees.**

### **I. Board of Directors.**

#### **A) Convening of Meetings:**

1. The convening of meetings will include the agenda set by the Chairman. The Board of Directors must meet at least once per quarter and will be convened by its Chairman or acting Chair. Directors representing at least one third of the Board may convene a meeting indicating the agenda in the call notice, to be held at a location within the vicinity of its corporate offices, should the Chairman, having been requested to convene a meeting, have not done so within the term of one month after being so requested.
2. Meetings will normally be held at the Company's registered offices, although they may also be held at another location determined by the Chairman.
3. Notwithstanding the aforementioned, and except where the Law so forbids, resolutions may be adopted for emergency purposes or special convenience without a meeting and in writing, adhering to the requisites and formalities established by the applicable regulations.
4. However, the Board may meet without the need to observe the aforementioned notice requirements if all directors attend the meeting, or those not attending give their consent in writing.

5. Unless the Board had been formed or exceptionally convened for emergency purposes, directors must have the necessary information sufficiently in advance in order to discuss and adopt the resolutions on the matters at hand.
6. The Board will be deemed validly convened when at least half plus one of the present or represented members in office attend the meeting. Directors may appoint another director to represent them. Non-executive directors may only do this for another non-executive director.
7. Attendance of directors at Board Meetings will be equally valid by means of remote communications methods, provided said methods allow all attending directors to be reciprocally recognised and identified, be in permanent communication, and be able to intervene and cast their vote in real time. Sessions of the Board of Directors which directors attend by means of remote communication methods shall be considered unique and shall be celebrated in the location where the Chairman of the body, or whoever is replacing him, is. The aforementioned remote attendance by specific directors must be referred to in the minutes of the meeting and agreement certifications.

#### **B) Votes:**

The agreements made by the Board of Directors must be adopted by the absolute majority of the directors present or represented at the session. However, the permanent delegation of any powers by the Board of Directors to the Executive Committee or the CEO, the appointment of Directors to occupy these positions, the signing of its contracts and the amendment of these Regulations shall require a favourable vote by two-thirds of the members of the Board in order to be valid.

#### **C) Deliberations:**

The Chairman of the Board of Directors shall oversee the deliberations, award the floor to the directors so requesting it, and submit the matter to vote once he/she considers the matters to have been sufficiently debated.

#### **D) Documentation and language:**

1. Only the Spanish versions of the meeting calls, agendas, minutes, and certifications shall be officially valid. Versions of the aforementioned

documents in English provided by the Company upon the specific request by a director are not officially valid.

2. The discussions and resolutions of the Board shall be recorded in a minutes book and each minute will be signed by the Chairman and Secretary, or those acting as such.

#### **E) Information:**

Directors shall receive the information relevant for the exercise of their duties with sufficient time prior to sessions and in a format suitable for deliberation on the items on the agenda.

#### **F) Remuneration:**

1. The office of director shall be remunerated.
2. Directors shall earn a fixed annual fee apportionable by days in the event that their functions are not performed throughout the year. The fixed remuneration will be payable monthly in arrears.
3. This will be complemented by the payment of attendance fees, which shall only be received by those attending each session in person or by teleconference.
4. Directors who serve on Board Committees shall also be entitled to the attendance fee indicated, which shall be the same amounts that apply for being a member of the Board, and in the same cases as in the latter.
5. The attendance fees of the Chairman of the Board and of the Chairmen of the Committees, when one or the other acts in that position, shall be double those of the other members of the body.
6. The Board of Directors, following a report from the Appointments, Remuneration and Corporate Governance Committee, is responsible for setting the individual remuneration of each director in their position as such within the framework of the Articles of Association and the remuneration policy, respecting the maximum annual amount and other criteria set out in the directors' remuneration policy, which shall be approved by the General Shareholders' Meeting as a separate item on the agenda, to be applied for a maximum period of three financial years. However, the proposal for a new directors' remuneration policy must be

submitted to the General Shareholders' Meeting prior to the end of the last financial year of application of the previous policy, and the General Meeting may determine that the new policy shall apply from the date of approval and for the following three financial years. Any amendment or replacement of the policy during said period will require the prior approval of the General Shareholders' Meeting, in accordance with the provisions established for their approval.

The yearly remuneration of the directors shall vary, depending on the functions and responsibilities assigned to each of them, on whether they are members of a Board Committee, and on other objective circumstances that are deemed relevant.

7. When a member of the Board of Directors is appointed as the Chief Executive Officer or conferred executive functions for some other reason, a contract must be drawn up between this individual and the Company, which must be previously approved by the Board of Directors, with the vote in favour of two-thirds of its members. The director in question must abstain from attending the discussion and participating in the vote. The approved contract must then be attached to the meeting minutes. For executive directors, the right to remuneration derived from their condition as Member of the Board shall be compatible with their right to remuneration for their Senior Management position. The Board of Directors is responsible for the individual determination of the remuneration of each director for the performance of the executive duties attributed to them within the framework of the remuneration policy and in accordance with the provisions of their contract, subject to a report from the Appointments, Remuneration and Corporate Governance Committee.
8. The contract will list all items for which they may receive remuneration for the performance of executive duties, consisting of fixed remuneration, a variable bonus subject to fulfilment of objectives, a long-term incentive consisting of company shares based on metrics aligning their interests with those of the Company, the attendance allowances received for their position as a member of the Company Board and the Boards of its subsidiaries and, where applicable, the same income in kind as the other members of Senior Management. The Company shall also make a yearly contribution to its savings and social insurance provision subject to the conditions set out in the regulations governing Senior Management remuneration, in accordance with the Remunerations policy approved by the General Meeting and the limits

set therein. The director is not entitled to any payment for performing executive functions whose amounts or concepts are not laid out in this contract. The contract must be in accordance with the remuneration policy approved by the General Meeting, which shall establish at least the amount of the fixed annual remuneration corresponding to the director for the performance of their executive duties and other provisions of law.

The Managing Director's contract shall include any severance pay to which they are entitled as a result of dismissal by the Company, which must not exceed the figure established in the Remunerations Policy.

9. The remuneration of the Secretary shall be determined by the Board of Directors, and attendance allowances can be part of said remunerations for an identical or analogous amount as that of the directors.

**G) Duty to abstain:**

1. Directors must abstain from voting or participating in deliberations involving issues in which they hold a personal interest, or which affect a family member or a company in which they hold an executive position or in which they are significant shareholders.
2. Directors affected by appointment, re-election or dismissal proposals must abstain from participating in the deliberations and votes regarding their position, leaving the meeting while such procedures take place.

**H) Attendance of other people:**

1. People whose presence at Board Meetings and meetings of the Executive Committee is considered to be convenient by the Chairman, may attend said meetings.
2. The Managing Director may be accompanied to meetings of the aforementioned bodies by members of company management he/she deems to be necessary.

**I) Annual performance evaluation:**

1. The Board of Directors must carry out an annual evaluation of its functioning and that of its Committees and, based on the results of

said evaluation, must propose a plan of action to correct any detected deficiencies.

2. The results of the evaluation shall be consigned in the meeting minutes or shall be incorporated in said minutes as an annex.

#### **J) Counselling:**

Directors may request external advisement through the Chairman of the Board when they consider it necessary for the proper execution of their duties.

### **ii. Board Committees.**

#### **A) Convening of Meetings:**

The Committees shall gather once they have been convened by the Chairman, who shall determine the agenda. Convening of meetings shall also be mandatory when so requested by the majority of the body.

#### **B) Quorum:**

The Board will be deemed validly convened when the majority of the members are present or represented at the meeting.

#### **C) Secretariat of the Appointments, Remuneration and Corporate Governance Committee, Audit Committee and Sustainability Committee:**

The position of Secretary of the Committees shall be held by whomever is deemed adequate by the Board of Directors in accordance to a proposal by its Chairman, with the exception of the Executive Committee, where the Secretary of the Board shall also be its Secretary. The minutes recording the contents of the meeting are to be prepared by the Secretary and then submitted to the Chairman for approval. The minutes are to be recorded in the book of minutes and a copy sent to each member of the applicable Committee.

#### **D) Other Provisions:**

1. The renewal, re-election and dismissal of members of Board Committees are governed by the regulations established by the Board of Directors.
2. Any person deemed necessary by the Chairman of the Committee may attend its meetings even though they may not hold the position of directors.

If these people were to be managers or employees of the company, or companies of the group, the attendance request shall be processed through the Managing Director.

3. For cases not provided for in the present, the provisions regarding the functioning of the Board of Directors shall be applicable to the Committees in whatever manner allowable.

### **Chapter III. Board relations with other bodies and entities**

#### **Article 13. Relationship with shareholders.**

1. The Board of Directors is responsible for establishing adequate mechanisms for shareholders to submit proposals regarding the management of the Company, regardless of how many shares they may hold, as long as these interests are compatible with the corporate interest.
2. The Board of Directors shall encourage the informed participation of shareholders at General Meetings.
3. The Board of Directors will adopt as many measures as necessary in order to facilitate the General Shareholders' Meeting to effectively perform any duties it is responsible for, in accordance with the Law and the Articles of Association.

In particular:

- a) It will provide shareholders with all legally required information prior to the General Meeting.

- b) It shall address with the utmost diligence the requests for information received from shareholders prior to the General Meeting, in accordance with the Law.
  - c) It shall address with the same diligence all enquiries from shareholders when the General Meeting is held.
4. The Shareholders' Office shall send all the questions formulated to it directly to the Board. A section on the Company website is available for making enquiries and requests for items to be added to the agenda of the next General Shareholders' Meeting.

#### **Article 14. Relationship with Auditors.**

The Board's relationship with Auditors, both internal and external, shall be conducted through the Audit Committee.

#### **Article 15. Relationship with Senior Management.**

The Board of Directors shall maintain a direct relationship with members of the Company's Senior Management.

## ***TITLE II***

### ***DIRECTORS' CHARTER***

#### **Chapter I - Appointment and dismissal of directors**

#### **Article 16. Eligibility requirements.**

1. Proposals for the appointment or re-election of directors must only be submitted for persons of recognised solvency, competence and professional experience. Those who will have reached 72 years of age at the time of appointment, re-election or ratification may not be appointed or re-elected as directors.
2. The total number of Boards of Directors and other corporate administrative bodies to which the directors of Acerinox SA can belong is limited to six, in general. Once the Board of Directors has heard from the Appointments,



Remuneration and Corporate Governance Committee, in the light of the circumstances of each case, it may allow this figure to be raised or lowered.

3. Governance bodies of entities which constitute a form of organisation of personal or family heritage shall not be taken into account for this purpose.
4. All the administrative bodies in which a director were to have the status of proprietary director due to appointment by a third company, in which he or she were a director or held executive functions, together with the board he or she may be on in the latter, shall be counted as one single Board, even if these companies do not constitute a single trading group.

#### **Article 17. Appointment of directors.**

1. Members of the Board of Directors shall be appointed by the General Shareholders' General Shareholders' Meeting or, in the case of an early vacancy, by the Board itself through co-optation.
2. Co-optation shall be governed by what is established in the Law, and specifically:
  - a) The director designated by the Board does not have to be a Company shareholder.
  - b) If a vacancy should be produced once the General Meeting has been convened, the Board of Directors may designate a director up until the time when the following General Meeting is celebrated.
3. The appointment or re-election of members of the Board of Directors shall be done in accordance to what is established in the Annex III of this Regulation, regulating the competencies of the Appointments, Remuneration and Corporate Governance Committee.

#### **Article 18. Duration of the position.**

1. Directors shall carry out their duties for a period of four years. Directors may be re-elected to the position once or several times.
2. Directors who are appointed by co-optation are to perform their duties until the date when the next General Meeting is held.
3. The Board of Directors cannot propose the dismissal of External Directors until the end of the statutory period for which they were appointed, except in the event of a prior report from the Appointments, Remuneration and

Corporate Governance Committee stating that there is justifiable cause for dismissal.

4. Independent directors cannot hold a position as such for a continuous period of over twelve years.

#### **Article 19. Dismissal of directors.**

1. Directors shall terminate their duties at the end of the period for which they were appointed, and whenever so decided by the General Meeting.
2. Directors must submit their resignation to the Board of Directors and, if necessary, formalise the dismissal, in the event of fulfilling any of the established conditions of incompatibility or legal prohibition that prevent them from performing their duties with due diligence.
3. Proprietary Directors must tender their resignations when the shareholder they represent sells his or her entire shareholding interest. When the participation of a shareholder is reduced to the point that it no longer allows said shareholder to designate, in accordance with the rules of proportional representation established in the applicable legislation, as many directors that at that time represent the shareholder, he/she shall consult the Board of Directors through its Chairman the eventual need for reducing its number of members until such time that they would correspondingly appoint new members in accordance with said rule.
4. No proposals can be made for the dismissal of independent directors prior to the expiry of the statutory period for which they were appointed, except in the event of justifiable cause as judged by the Board at the proposal of the Appointments, Remuneration and Corporate Governance Committee, or when, as a consequence of a Public Takeover Bid, it becomes necessary to modify the structure of the Board in order to maintain the criteria of proportionality.
5. When a director leaves office before the end of their term of office, either by resignation or by resolution of the General Meeting, they shall sufficiently explain the reasons for their resignation or, in the case of non-executive directors, their views on the reasons for the dismissal by the General Meeting, in a letter to be sent to all members of the Board. In addition, and without prejudice to the disclosure in the Annual Corporate Governance Report, to the extent relevant for investors, the Company shall publish the dismissal as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.
6. Directors must report any situations affecting them, whether or not related to their actions in the Company itself, which may damage the credit and reputation of the Company and, in particular, they must inform the Board of

Directors of any criminal proceedings in which they are under investigation, as well as the progress of the proceedings.

The Board of Directors, having been informed or having otherwise become aware of any of the situations referred to in the preceding paragraph, shall examine the case as soon as possible and, having regard to the specific circumstances, shall decide, following a report from the Appointments, Remuneration and Corporate Governance Committee, whether or not to take any action, such as opening an internal investigation, requesting the director's resignation, proposing their dismissal or suspending the director from their duties. This shall be reported in the Annual Corporate Governance Report, unless there are special circumstances that justify it, which shall be recorded in the minutes, without prejudice to the information that the Company must disclose, if appropriate, when the corresponding measures are adopted.

## **Chapter II. Duties of directors in the performance of their roles**

### **Article 20. General obligations. Duty of care.**

1. Above and beyond the duties established by Law, the role of directors is to ensure that all components of the Company, its capital and workforce achieve their maximum performance with respect to fulfilling the Company's corporate purposes and abiding by ethical business principles.
2. In the performance of their functions, directors shall carry out their duties and comply with the duties imposed by law and the Articles of Association with the diligence of an orderly businessman, taking into account the nature of the position and the functions attributed, as well as having the appropriate dedication, subordinating, in all cases, their private interests to the interests of the company, and shall adopt the measures required for the proper management and control of the Company, being obliged, in particular, to:
  - a) Remain informed and adequately prepare for Board meetings and the delegated bodies and the advisory committees to which they belong.
  - b) Attend the meetings of the committees of which they are a part, and actively participate in the deliberations in such a way that their contribution facilitates an effective decision-making process. Notify the Board in the event that they cannot, with due cause, attend the sessions which have been scheduled, and delegate their representation to the Board, if applicable.
  - c) Carry out any specific tasks assigned to them by the Board of Directors that can reasonably be assumed to form part of their duties.

- d) Request that a Board meeting be scheduled whenever it is deemed necessary, or request the inclusion of items on the agenda to discuss issues that they consider important, in accordance with the Law and the Articles of Association.
- e) Oppose agreements that do not comply with the Law, the Articles of Association, or the Company's best interests and request that such opposition be recorded in the minutes of the meeting, whenever it is deemed appropriate in order to protect the Company's interests.

#### **Article 21. Duty of loyalty.**

Directors shall perform their duties with the loyalty of a faithful representative, acting in good faith and in the best interests of the Company. The duty of loyalty requires directors to:

1. Not exercise their duties for purposes other than those for which they have been conceived.
2. Keep secret all information, data, reports, or background information to which they have had access carrying out the duties of their position, even when they have been terminated from their position, except for cases where the Law allows it or requires it.
3. Abstain from participating in the deliberation and vote of agreements or decisions in which they or a related person has a direct or indirect conflict of interest. Excluded from the aforementioned obligation to abstain are the agreements or decisions that affect the director's condition thereof, such as his/her appointment or revocation for positions on the Board of Directors, or other analogous positions.
4. Carry out their duties under the principle of personal responsibility with freedom of criteria or judgement, and independence regarding instructions and relationships with third parties.
5. Adopt the measures necessary for avoiding incurring in situations in which their interests, either their own or on behalf of others, may enter into conflict with the corporate interests and with their duties to the Company.

#### **Article 22. Duty to avoid conflict of interest situations.**

1. The duty to avoid situations of conflict of interest referred to in section 5 of the

preceding section obliges the director to abstain from:

- a) Carrying out transactions with the Company, except for those that are subject to waiver in accordance with the provisions of Article 23 below or approved in accordance with the provisions of Article 28 of these Regulations in the case of Related-Party Transactions.
  - b) Use the name of the Company or their position as director to unduly influence private transactions.
  - c) Use the assets of the Company, including the Company's confidential information for private ends.
  - d) Exploit business opportunities of the Company.
  - e) Obtaining advantages or remuneration from third parties other than the Company and its Group in connection with the performance of their duties, except in the case of mere courtesy.
  - f) Carry on business for their own account or the account of any third party which entails effective competition, actual or potential, with the Company or which, in any other way, would place them in a permanent conflict of interest.
2. The above provisions shall also apply in the event that the beneficiary of the prohibited acts or activities is a person related to the director.
3. In any event, the directors must disclose to the Board of Directors any conflict of interest, direct or indirect, that they or a related person may have in relation to the Company. Conflict of interest situations in which directors are involved shall be reporting objective in the financial statements.

#### **Article 23. Waiver regime.**

1. The Company may waive the prohibitions contained in the preceding article in individual cases by authorising a director or a related person to carry out a specific transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity or to obtain an advantage or remuneration from a third party.
2. The authorisation must necessarily be approved by the General Meeting if it is intended to waive the prohibition on obtaining an advantage or

remuneration from third parties, or if it concerns a transaction whose value exceeds ten per cent (10%) of the company's assets.

In other cases, the authorisation may also be granted by the Board of Directors provided that the independence of the members granting the authorisation to the exempt director is guaranteed. They have also established that the transaction authorised will not harm the net assets of the Company or, as the case may be, that it is being undertaken on market terms and that the process is transparent.

3. In relation to sections 1 and 2 above regarding transactions of directors with the Company, in the case of Related-Party Transactions, the provisions of the Law and Article 28 of these Regulations shall apply.
4. The obligation not to compete with the Company may only be waived if no harm to the Company is to be expected or if the expected harm is outweighed by the benefits expected to accrue from the waiver. The exemption shall be granted by express and separate resolution of the General Meeting.

In any case, at the request of any shareholder, the General Meeting shall decide on the dismissal of a director who engages in competitive activities when the risk of prejudice to the Company has become significant.

#### **Article 24. Confidentiality.**

1. Directors must maintain the confidentiality of discussions held by the Board of Directors and its Committees. In general, they must abstain from revealing information to which they have been privy in the performance of their duties.
2. The obligation of confidentiality remains in force even after the director's duties have terminated.

#### **Article 25. Responsibility.**

1. Directors shall answer to the Company, shareholders, and corporate creditors for the damages they may have caused by acts or omissions contrary to the Law, the Articles of Association, or for those acts or omissions done by not complying with duties inherent to their position, provided malice or guilt were involved.
2. In the scope of strategic and business decisions subject to entrepreneurial discretion, the highest standards of an organised business person shall be

understood to be fulfilled when the director has acted in good faith, without personal interests in the matter of the decision, with sufficient information, and in accordance with an adequate decision making process.

3. In no case whatsoever shall the fact that the wrongful act or agreement was adopted, authorised or ratified by the General Meeting exonerate the director from any and all responsibility.

#### **Article 26. Duty to know the regulatory requirements**

Directors must know the mandatory compliance norms (internal and external) and, to that purpose, may provide the Company with precise help and advice.

Directors must comply with the rules of conduct established in the Stock Market legislation and, especially, with the Internal Code of Conduct of Acerinox, S.A. in Stock Markets.

### **Chapter III. Rights and duties of directors**

#### **Article 27. Right to information of directors**

1. Directors have been granted the broadest powers possible to access information regarding any aspect of the Company necessary for the adequate exercise of his/her duties. The right to information is extended to affiliated companies, both nationally and overseas.
2. In order to avoid disruptions to the everyday management of the Company, the right to information must be exercised by first addressing the Chairman of the Board, who then responds to the Board's requests and provides the necessary information directly to the Board. The Chairman is also responsible for arranging for the Board to have contact with any necessary persons from the organisation and putting the necessary measures in place for any required examinations and inspections to be performed in-situ.

### ***TITLE III***

## ***RELATED TRANSACTIONS***

## **Article 28. Related Transactions.**

1. The Board of Directors shall be responsible for the knowledge and approval, following a report from the Audit Committee, of transactions that the Company or its subsidiaries carry out with directors, or with shareholders holding ten per cent (10%) or more of the voting rights or represented on the Board of Directors of the Company, or with any other persons who are considered related parties under the terms provided by law ("Related-Party Transactions"), unless their approval corresponds to the General Shareholders' Meeting.
2. For the purposes of the provisions of the preceding section, transactions between the Company and its wholly-owned companies, directly or indirectly, the approval by the Board of Directors of the terms and conditions of contracts to be entered into with directors who are to perform executive duties, including, where appropriate, the Chief Executive Officer or Senior Executives, and the determination by the Board of the specific amounts or remuneration to be paid under such contracts, shall not be considered as a Related-Party Transaction.

Nor will any transaction carried out between the Company and its subsidiary or investee companies be considered a Related Transaction, provided that no other party linked to the Company has any interests in said subsidiaries or investees.

3. The approval of Related Transactions whose amount or value is equal to or exceeds ten per cent (10%) of the total asset items according to the latest balance sheet approved by the Company shall be the responsibility of the General Shareholders' Meeting. The approval of all other Related-Party Transactions shall be the responsibility of the Board of Directors, which may not delegate this power except in respect of Related-Party Transactions between Group companies that are carried out in the ordinary course of business and on an arm's length basis, as well as Related-Party Transactions entered into under contracts with standardised conditions applied en masse to a large number of customers, at prices or rates established in general by the supplier of the good or service in question and whose amount does not exceed 0.5% of the net turnover of the Company.
4. The Audit Committee shall issue a report prior to the approval of a Related-Party Transaction by the General Meeting or by the Board of Directors. In this report, the Committee must assess whether the transaction is fair and reasonable from the standpoint of the Company and, as appropriate, the



shareholders other than the related party and indicate the quotations upon which its evaluation is based and the methods that are used.

Directors who are members of the Audit Committee affected by the Related-Party Transaction may not participate in the preparation of the report.

This report shall not be mandatory in relation to the conclusion of Related-Party Transactions whose approval has been delegated by the Board of Directors in the cases legally permitted and provided for in these Regulations.

5. In those cases in which, in accordance with the provisions of section 3 of this article, the Board of Directors delegates the approval of Related-Party Transactions, the Board of Directors itself shall establish an internal reporting and periodic control procedure to verify the fairness and transparency of these transactions and, where appropriate, compliance with the applicable legal criteria.
6. The Board of Directors shall ensure the public disclosure of Related-Party Transactions entered into by the Company or companies of its Group, the amount of which reaches or exceeds five per cent (5%) of the total amount of the asset items or 2.5% of the annual amount of the Company's turnover.

For this purpose, a notice, with the legally stipulated content, must be inserted in an easily accessible place on the Company's website, which in turn must be notified to the National Securities Market Commission (CNMV). The announcement shall be published and communicated at the latest on the same date as the date on which the Related-Party Transaction is entered into and shall be accompanied by the report issued by the Audit Committee, if applicable.

7. To determine the amount of a Related-Party Transaction, transactions entered into with the same counterparty in the last twelve months shall be counted in aggregate.

#### ***TITLE IV***

#### ***INTERPRETATION, AMENDMENT AND PUBLICISING OF THESE REGULATIONS.***

#### **Article 29. Interpretation.**

1. These Regulations complement those currently in force under Commercial Law and the Company's Articles of Association with respect to the Board of Directors.
2. These regulations are to be interpreted in line with the general criteria of interpretation with respect to legal standards, fundamentally in keeping with their spirit and purpose. Their contents may be clarified by the Board itself.

#### **Article 30. Amendment.**

1. Amendments to the present Regulations may be made by agreement of the Board of Directors in compliance with the requirements set out in this article.
2. The Chairman of the Board, or at least four other directors or the Appointments, Remuneration and Corporate Governance Committee can propose such amendments to the Board in the event that they consider them necessary under the current circumstances.
3. In such cases, the proposed amendment is to be sent with the notification convening the meeting of the Board of Directors. The convening of the meeting shall be made by means of the individual notification of each Member of the Board, and with sufficient prior time to the meeting for its deliberation and, as the case may be, the adoption of the agreement.
4. In order for amendments to the Regulations to be validated, they require agreement from at least two-thirds of the directors present at the meeting.

#### **Article 31. Publishing.**

1. These Regulations shall be communicated to the National Securities Market Commission.
2. Once said communication has been made, these Regulations shall be registered in the Trade and Companies Register in accordance to the general rules, and once registered, they shall be published by the National Securities Market Commission (CNMV), and also published on the Company website, [www.acerinox.com](http://www.acerinox.com).

## ***ANNEX 1. AUDIT COMMITTEE***

### **Article 1. Composition.**

1. The Audit Committee shall be made up of no fewer than three and no more than six directors appointed by the Board of Directors. They shall have the capacity, experience and commitment required to perform their duties.
2. The Audit Committee shall be composed exclusively of non-executive directors, most of whom shall be independent.
3. At least one independent director on the Audit Committee shall be appointed on the basis of his/her knowledge and experience of either or both accounting or audit. Notwithstanding the above, all members of the Audit Committee, especially its Chairman, shall be appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial, and shall also have knowledge and experience in internal control mechanisms and information technology.
4. In turn, the members of the Committee should, as a whole, have relevant industry expertise.
5. The Chairman of the Audit Committee shall be appointed by the Board of Directors from among the independent directors who form part of it, and shall be replaced every four years, and may be re-elected after a period of one year has elapsed since their dismissal. In the event of absence, vacancy or illness, the Chairman shall be replaced by the independent director who has served the longest in the position and, if he/she cannot do so, by the next longest-serving director in turn.
6. The Board of Directors shall also appoint a Committee Secretary, who need not be a director.

### **Article 2. Powers and duties in relation to financial and non-financial information.**

The Audit Committee shall have the following powers in relation to financial and non-financial information:

1. To inform the General Shareholders' Meeting of any issues which arise in relation to matters within the Committee's competence, particularly the

outcome of the audit, explaining how it has contributed to the integrity of financial information and the role played by the Committee in the process.

2. Report, in advance, to the Board of Directors on the financial information and the management report, which shall include, where appropriate, the mandatory non-financial information that the Company is required to publish periodically.
3. To supervise and evaluate the process for the preparation, presentation and integrity of mandatory financial and non-financial information by the Company and, where applicable, the Group, as well as reviewing compliance with regulatory requirements, establishing an appropriate perimeter of consolidation and the proper application of accounting policies and, in particular, to identify, understand and supervise the effectiveness of the Internal Control over Financial Reporting (ICFR) system. The Committee may submit recommendations or proposals to the Board of Directors aimed at safeguarding the integrity of financial and non-financial information.
4. Ensure that the annual accounts that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations and, in those cases in which the auditor has included any exceptions in its audit report, the Chairman of the Committee shall clearly explain the Committee's opinion on their content and scope at the General Shareholders' Meeting.

A summary of this opinion shall also be made available to shareholders at the time of publication of the notice of the General Meeting, together with the rest of the proposals and reports of the Board.

### **Article 3. Powers and duties in relation to internal control and internal audit service.**

The Audit Committee shall have the following powers in relation to internal control and internal auditing:

1. To supervise the effectiveness of the Company's internal control, ensuring that internal control policies and systems are effectively implemented in practice, and to discuss with the auditor any material weaknesses in the internal monitoring system detected in audit without undermining the independence of the auditors, and to draw conclusions regarding levels of confidence in, and reliability of, the system. The Committee may submit

recommendations and proposals in that regard to the Board of Directors together with follow-up period in each case.

2. To supervise the unit that assumes the internal audit service, which shall ensure the proper functioning of the information and internal control systems and which will functionally report to the Chairman of the Committee, and in particular:
  - a) ensure the independence of this unit;
  - b) to propose to the Managing Director the appointment and dismissal of the head of the internal audit service and to set his/her remuneration.
  - c) assess the performance of this unit;
  - d) propose the budget for this service;
  - e) approve its focus and work plans annually, ensuring that its activity is mainly focused on significant risks to the Company (including reputational risk) and any changes in those risks;
  - f) receive regular information on its activities;
  - g) to verify that Senior Management takes into account the conclusions and recommendations of its reports and to check that the Managing Director addresses any issues identified, and
  - h) appraise the functioning of the internal audit unit, as well as the performance of the head of the unit of his/her duties, on an annual basis.

The head of the internal audit service unit shall report directly to the Committee on the implementation of its annual work plan, including any incidents and limitations to the scope of its implementation, the results and follow-up of its recommendations, as well as any discrepancies, indicating those resolved, those not resolved and those assumed by management, and shall submit a report on its activities with the relevant conclusions at the end of each financial year.

3. To establish and supervise a mechanism enabling employees and other persons related to the Company to report any potentially significant irregularities, particularly financial or accounting irregularities, of which they may become aware within the Company and its Group, receiving regular

information on the operation of the mechanism and being able to propose appropriate actions to improve it and reduce the risk of irregularities. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, fully respecting the rights of the complainant and the respondent.

4. To inform the Board of Directors regularly on all such matters.

#### **Article 4. Powers and duties in relation to risk control.**

The Audit Committee shall have the following powers in relation to risk control:

1. Supervise and assess the effectiveness of the control and management systems for financial and non-financial risks relating to the Company and, where appropriate, the Group – including operational, technological, legal, social, environmental, political, reputational and corruption-related risks – in order to have a comprehensive view of the risks affecting all the Company's businesses, as well as to discuss with the auditor any significant weaknesses in the internal control system detected. The Committee may submit recommendations and proposals in that regard to the Board of Directors together with follow-up period in each case.
2. To supervise the internal risk control and management function.
3. Review, at least every six months, the list of the most significant financial and non-financial risks and assess their level of tolerance, proposing adjustments to the Board, if necessary. For these purposes, the Committee shall hold meetings with the heads of the business units, during which the latter shall explain business trends and associated risks.

#### **Article 5. Powers and duties in relation to the auditor.**

The Audit Committee shall have the following powers in relation to the auditor:

1. To submit to the Board of Directors proposals for the selection, appointment, re-appointment and dismissal of the external auditor, assuming responsibility for the selection process, and the conditions of their recruitment, and, to this end, it shall:
  - a) determine the procedure for the selection of the auditor; and

- b) make a reasoned recommendation with at least two alternatives for the selection of the auditor, except in the case of re-election of the same.
2. To regularly receive from the external auditor information on the audit plan and its execution and any other issues relating to the audit process, particularly any points of difference which may arise between the auditor and the management of the Company and shall ensure that the independence of the auditor in the performance of their duties is preserved.
  3. To seek explanations and a description of the quality systems used by their firm.
  4. To ensure that the Company and the external auditor observe the current legal standards for the provision of non-audit services, limits to the market share of the auditor's business and any other requirements designed to ensure the independence of auditors.
  5. To establish appropriate relations with the external auditor in order to receive information on any issues that may jeopardise the auditor's independence, so that those issues can be considered by the Committee, and any other issues relating to the audit process and, where relevant, authorise the provision of services other than prohibited services as required by law and as well as any other communications contemplated by audit legislation and auditing standards.
  6. In any event, the external auditors must annually issue a declaration of their independence as to the Company or entities related directly or indirectly to them and, in accordance with the provisions of the legislation on the auditing of accounts, detailed and individualised information on the additional services of any kind provided and the corresponding fees perceived from these entities by the external auditor or by the persons or entities related to it, in accordance with the provisions of the regulations governing the auditing of accounts.
  7. The Committee shall also ensure that the remuneration of the external auditor for their work does not compromise their quality or independence and shall establish an indicative limit on the fees that the auditor may receive each year for services other than auditing.
  8. to issue a report each year in advance of the issue of the audit report, expressing an opinion on whether the independence of the auditor has been compromised. That report should, in any event, contain a reasoned assessment of the provision of each of the additional services referred to in

section 6 above, considered individually and as a whole, different from those in the legal audit and in relation to requirements for auditor independence or audit regulatory standards. This report shall be published on the Company website sufficiently in advance of the General Shareholders' Meeting.

9. In the event of the resignation of the external auditor, to consider the reasons that may have caused this.
10. Ensure that the Company announces the change in auditor to the National Securities Market Commission (CNMV), accompanied by a statement on any disagreements with the outgoing auditor and, if applicable, their content.
11. To ensure that the external auditor holds at least one meeting a year with the entire Board of Directors to provide information on the work done and on developments in the Company's accounting situation and risks.
12. At least on an annual basis, to request from the auditor a report on the quality systems they have established, any changes to those systems and their outcome.
13. To make a final assessment of the auditor's performance and how it has contributed to audit quality and the integrity of financial information.
14. To inform the Board of Directors in relation to the above.

#### **Article 6. Other powers.**

1. To notify the Board of Directors regarding in advance of all matters required by Law, in the Articles of Association and these Regulations, specifically:
  - a) The financial conditions and accounting impact and where relevant the foreign exchange effects of, any steps in connection with any structural or corporate changes the Company plans to make, and
  - b) the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens.
2. Report on Related-Party Transactions that need to be approved by the General Meeting or the Board of Directors and supervise the internal procedure established by the Company for those whose approval has been delegated by the Board in accordance with the applicable regulations. The Committee shall issue an annual report on related transactions during the



previous year, which shall be published on the website of the Company sufficiently in advance of the Ordinary General Meeting.

3. To ensure that the perimeter of consolidation reflects reality, to have oversight of the need and use of alternative performance measures (APM) and the valuations used by the Company in its documents and to supervise the procedure for the publication of financial and non-financial information on the Company website, as well as its content.
4. To assess the quality of information distributed via the IT systems with the Audit Committee.
5. To assess the quality of financial and non-financial information that may be published on the Company's website.
6. To assess the effectiveness of the crime prevention and compliance system.
7. To oversee the implementation of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders.
8. To monitor how the Company communicates and engages with small and medium-sized shareholders, as well as supervise and evaluate stakeholder engagement processes.
9. Any other duty conferred on it by the Board of Directors.

The Committee shall act in a supervisory and advisory role and shall not intervene in the performance or management of the Company's executive bodies.

#### **Article 7. Convening of the meetings of the Audit Committee.**

1. The Committee shall meet at least quarterly in order to review the periodic financial information to be sent to supervisory authorities. In relation to such information, the internal auditor is required to attend relevant meetings of the Committee and, if the internal auditor issues any kind of review report, the external auditor is also required to attend.
2. Meetings of the Audit Committee shall be convened by the Secretary at the request of the Chairman on sufficient notice for members to be able to attend and prepare, except where reasons of urgency require a meeting to be held

on no or short notice. Notice of meetings shall be given via the Director Portal (Gobertia) or, failing that, by email or any other means which provides proof of receipt.

3. Notices must set out the agenda of the meeting and be accompanied by the necessary information, and the Chairman shall ensure the provision of all relevant information, which may when and to the extent appropriate be provided on successive days or supplied at the meeting itself.
4. The Secretary shall assist the Chairman of the Committee to plan meetings and assemble and distribute the required information.

Meetings of the Audit Committee shall in the normal course take place at the registered office of the Company. Meetings may be held by conference call or video conference, provided no director objects.

#### **Article 8. Conduct of meetings of the Audit Committee**

1. Committee members should devote sufficient time to reviewing and assessing the information received before any meeting of the Committee.
2. The Committee's meetings shall promote constructive dialogue among its members and encourage the free expression of opinions and a supervisory and objective attitude, and the Chairman of the Committee shall ensure that members participate freely in deliberations.
3. The Audit Committee may summon any of the members of the Company's management team or staff and even require them to appear without any other member of management being present. Their presence shall be requested via the Managing Director with sufficient notice. Those summoned shall be obliged to attend the sessions of the Audit Committee and provide their cooperation and access to any information in their possession. The Committee may also request the attendance of other persons at its sessions, but solely at the invitation of the Committee Chairman and only to discuss the specific items on the agenda for which they are summoned. The minutes of the Committee meetings shall record the arrival and departure of the various guests and, except in specific cases for which adequate justification must be given in the minutes, guests shall not attend the deliberation and voting phases of the Committee.

## **Article 9. Work Plan of the Audit Committee and annual operating report.**

1. On an annual basis, the Audit Committee shall draw up a plan of action for the following year and a calendar including the Committee's principal activities during the year within the framework of its powers and duties, reporting to the Board to which it shall account for the work it has done. The calendar should contain standing items to be discussed at every meeting.
2. The Audit Committee shall set specific objectives for its most important areas of responsibility, allowing its work to be broken down for assessment.
3. The Audit Committee shall draw up an annual report on its work during the year, including at least the following information:
  - a) Composition of the Committee during the year;
  - b) Meetings held during the year, identifying those attended by the internal auditor and external auditor and the number of attendees, including any invited guests;
  - c) Significant activities during the period, informing of those which have been carried out involving the collaboration of external experts;
  - d) Assessment of the functioning and performance of the Committee and whether, as a result of that assessment, changes have been made to its way of workings, plan or activity.
  - e) The Committee's opinion as to the auditor's independence.
  - f) Explanations given by the external auditor of its quality systems.
  - g) Any guidance on Audit Committees it is following and to what extent;
  - h) Conclusions.
  - i) Date of preparation of the report and date for its consideration and approval by the Board.

The report shall be the basis for the annual assessment carried out by the Board of Directors and shall be published on the Company's website sufficiently in advance of the General Shareholders' Meeting.

## **Article 10. Access to information, consultancy and means available**

1. The Audit Committee may request, in an appropriate, timely and sufficient manner, any information or documentation available to the Company regarding matters within its area of responsibility which may be necessary for the performance of its duties.
2. The Committee may also seek the cooperation or advice of external professionals when it deems it necessary or appropriate for the best performance of its duties.
3. The Audit Committee shall approve a regular training plan to keep the knowledge of the members of the Audit Committee up-to-date. An induction programme shall be provided for new members.
4. The Audit Committee shall dispose of the means and resources necessary for its independent functioning and discharge of its responsibilities. Resource needs must be raised via the Secretary of the Board of Directors of the company.

## **Article 11. Relationships between the Audit Committee and management, the Board, the shareholders, the external auditor and the internal auditor.**

1. The Audit Committee must establish an effective and regular channel of communication between those who need to communicate frequently, who will normally be the Committee Chairman and, among others:
  - a) The Company's management and, in particular, its financial management
  - b) The head of internal audit
  - c) The Group's risk manager.
  - d) The person responsible for the risk prevention and compliance model.
  - e) The principal auditor responsible for audit.
  - f) The Board of Directors.
2. In any event, communication between the Audit Committee and the external auditor must be fluid and ongoing and in accordance with legal requirements governing audit and must not impair the auditor's independence or the

effectiveness with which the audit is performed or with which the audit procedures are carried out.

3. The Committee shall report on its activity during the next meeting of the Board of Directors after each of its meetings.
4. The Committee Chairman shall act as its spokesperson at meetings of the Company's Board of Directors and General Shareholders' Meetings.

## ***ANNEX II. EXECUTIVE COMMITTEE***

### **Article 1. Composition and functioning.**

1. Notwithstanding the delegation of powers to the Managing Director, the Board of Directors may designate an Executive Committee within the Board in order to attend to the normal course of business and facilitate its regular monitoring.
2. The Board of Directors shall determine the number of members on the Executive Committee. If no decision is taken with respect to this number, the Committee shall have between five and eight members, selected by the Board of Directors itself. The Executive Committee shall consist of at least two non-executive directors, one of whom shall be independent, and the provisions of the following section shall apply in all cases.
3. The Chairman of the Board shall also be the Chairman of the Executive Committee, and the Secretary of the Board shall also act as Committee Secretary. If the Company Chairman is not to be the Managing Director, he/she must be a member of this Committee.
4. The Executive Committee shall meet whenever the Chairman requires it to, the number of times he/she determines, or at the request of the majority of its members.
5. The Executive Committee may also seek the cooperation or advice of external professionals when it deems it necessary or appropriate for the best performance of its duties.

### **Article 2. Powers.**

1. All duties that can be delegated by the Board may be delegated to the Executive Committee. The existence of these delegations to the Executive Committee shall not entail a reduction of the respective powers of the Managing Director, who will be responsible for the everyday management of the Company's business activities.
2. The Chairman may, in view of the circumstances, decide that any matter deliberated by the Executive Committee and the decisions adopted by it should be the subject of new deliberations or ratification by the Board of Directors.

### ***ANNEX III.- APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE.***

#### **Article 1. Composition.**

1. The Appointments, Remuneration and Corporate Governance Committee (hereinafter, in this annex, "the Committee") shall comprise the number of directors that in each case has been appointed by the Board of Directors, which may in no event be fewer than three nor greater than six.
2. All of its members must be non-executive directors appointed by the Board of Directors. The majority of the members must be independent.
3. The Committee members shall be appointed for a maximum of four years and they may be re-elected one or more times for periods of equal duration.
4. The Board of Directors shall appoint a Chairman of the Committee from among the independent directors who are members thereof. The Chairman shall have the sufficient capacity and availability to devote the due attention to the Committee. In the event of absence, vacancy or illness, the Chairman shall be replaced by the independent director who has served the longest in the position and if this director cannot do so, by the next director in turn.
5. The Board of Directors shall also appoint a Committee Secretary, who need not be a director.

#### **Article 2. Members.**

1. The composition of the Committee must be diverse in terms of gender, professional experience, powers, personal abilities, sector-specific knowledge and internationalisation.
2. The Board of Directors shall endeavour to ensure that the selection of the Committee members reflects the proportion of the institutional shareholders in the share capital and that the members collectively possess the knowledge and experience in corporate governance, strategic analysis and assessment of human resources, selection of directors and managers, the performance of Senior Management roles and the design of remuneration and incentive policies and plans for directors and managers.

### **Article 3. The Board's Competency Matrix.**

1. In order to ensure that proposals for the appointment or re-appointment of directors are based on a prior analysis of the skills required by the Board of Directors, the Committee shall draw up a matrix of competencies required by the Board of Directors, defining the skills and knowledge of the candidates for directors, especially in the case of the independent and executive directors. This matrix shall be updated as often as the company sees fit.
2. The Committee shall analyse the competencies, knowledge and experience which are necessary in the Board of Directors, as well as those of the current directors, to define the roles and aptitudes to be sought in future directors. In addition, it will set a representation target for the under-represented gender on the Board of Directors and develop guidance on how to achieve this target.
3. The Committee shall define the duties and aptitudes necessary in the candidates to fill each vacancy and evaluate the time and dedication necessary for them to efficiently perform their duties. In addition, it shall assess the suitability of each candidate, keeping a record in their proposal or report for the appointment or re-election of directors, of the assessment conducted and the reasons that support the candidate.

### **Article 4. Procedure.**

1. The Chairman of the Committee shall ensure that its members participate freely in its deliberations with independence and a healthy degree of scepticism.
2. The independence of the Committee's actions and its members shall be preserved at all times from any instructions from or ties to third parties that might compromise it, as well as its members' freedom of judgement and opinion. A suitable atmosphere will be promoted in the Committee that encourages constructive dialogue, freedom of expression and a critical attitude, encouraging the diversity of opinions and contributing to the enrichment of the analyses and proposals.
3. The Committee shall maintain contact with the Chairman of the Board of Directors, with the CEO, and with the managers if it sees fit to do so, without this impinging on its independence. Other directors, whether executive or not, managers or any other third party may be present at meetings of the Committee provided they have been invited beforehand by the Chairman of the Committee and their presence shall be restricted to those items on the



agenda in relation to which they have been called. The entrances and exits of the various guests shall be recorded in the minutes. They may not attend the phases of the Committee's deliberations or voting.

4. The Committee shall have access to whatever information it requires in an appropriate, opportune and sufficient manner.
5. The Committee shall draw up a report on an annual basis with regard to its operations that shall contain at least the regulation of its composition, roles and tasks carried out, meetings held during the financial year and the outcome of the evaluation by the Board and the committees. The report shall be the basis for the annual assessment carried out by the Board of Directors and shall be published on the Company's website sufficiently in advance of the General Shareholders' Meeting.

#### **Article 5. Appointment and dismissal of directors and members of the Senior Management.**

1. The Committee may or may not use an external firm to search for directors. Before the commencement of each selection process, the required profile and capabilities of the new director must be spelled out, in accordance with the competency matrix in force, the suitability of each candidate shall be assessed and a record made of the candidate's suitability.
2. Any director may provide the names of possible candidates. The Committee shall verify that there are no relationships that could compromise any candidate's independence and will call upon the candidate to provide information about their other activities and any possible conflicts of interest that could affect him or her.
3. The Committee will provide the Board of Directors with the proposals for the appointment of independent directors and report on the other directors for their designation by co-opting or for their submission to the decision of the General Shareholders' Meeting, as well as the proposal or, where applicable, reports, for their re-election or removal thereby. Following the appointment, the candidate's formal acceptance shall be obtained.
4. The Committee shall assess in the proposals of proprietary directors that they deal in a consistent manner with the requests for access to the Committee by shareholders with similar shareholdings and that the requirements laid down in the Group's competency matrix are respected.

5. Proposals for re-election of independent directors shall take into account the same factors as those that determined their initial election, the evaluation of their performance during their term of office and their capacity to continue in a satisfactory manner, as well as the progressive renewal of the Committee.
6. In the event that a director steps down, the Committee shall assess the information contained in his/her resignation notice, carrying out such investigations as it sees fit and reporting the findings to the Board.
7. The Committee shall report the proposals for appointment and removal of the secretary and under-secretary of the Board, and the basic conditions of their contracts and any future changes therein, as well as the appointment, removal, contract and remuneration of the Senior Management and the Managing Director. For this purpose, Senior Managers or members of Senior Management apart from the Managing Director means the directors that perform their roles while reporting directly to the person that assigned them that role.

#### **Article 6. Remuneration of directors and of Senior Management.**

1. The Committee shall propose to the Board of Directors the remuneration policy of the directors and the Managing Director and, at a proposal from the latter, that of the members of Senior Management - even if they are executive directors - assessing, including at the proposal of the Managing Director, the level of achievement of all executive directors and Senior Management of the objectives subject to variable remuneration.
2. The Committee shall periodically review the remuneration policy of directors and managers, including share-based remuneration schemes and their application, and ensure that it is aligned with that of other companies with similar characteristics. Proposals made to the Board on this subject shall also take into account the economic performance of the Group's companies and the different commitments of dedication of the directors.
3. The Committee shall propose to the Board of Directors the individual remuneration and other contractual conditions of the executive directors and, at the proposal of the Managing Director, of the members of Senior Management, as well as any future changes thereto, ensuring that their individual remuneration is proportionate to that of the other directors and Senior Executives of the Company.

4. The Committee shall report to the Board of Directors, in advance, on the individual determination of the remuneration of each director in their position as such within the framework of the Articles of Association and the remuneration policy, as well as on the individual determination of the remuneration of each director for the performance of the executive duties attributed to them in accordance with the remuneration policy and the provisions of their contract.
5. The parameters to which the remuneration of the Senior Management is subject shall be approved at the proposal of the Chief Executive Officer and shall also take into account the operation of the Group's companies, financial parameters, ESG (Environmental, Social and Governance) objectives and, in general, the return for shareholders.
6. The remuneration system of executive directors and Senior Management shall take into account those of comparable firms and seek to promote the motivation of those persons included in it, it shall provide that a part of the remuneration is subject to objective performance measurement criteria aligned with the interests of the company and shareholders and it will have systems in place to demand the return of monies received if an error is demonstrated in the assessment of the parameters determining the payment the amount thereof.

#### **Article 7. Assessment of the Board.**

1. The Committee shall lead and conduct, under the coordination of the Chairman of the Board, the annual evaluation of the functioning of the Board of Directors and its Committees and shall submit to the Board the results of assessment together with a proposal for an action plan or with recommendations to correct any deficiencies identified or improve the functioning of all the Group's governing bodies.
2. At least every three years, such an assessment shall be carried out by an independent expert, who shall be different from the one who may have advised on the selection of directors or remuneration systems in previous years.

#### **Article 8. Promotion of diversity.**

1. The Committee shall monitor and ensure the maintenance of the diversity standards recommended by the good governance provisions and propose to the Board of Directors a diversity policy for the Board of Directors and the

selection of directors, and a diversity policy for Senior Management, as well as the updates thereto.

2. Every year, the Committee shall verify compliance with the diversity policy of the Board of Directors and the selection of directors and report thereon in the Annual Corporate Governance Report.

#### **Article 9. Promotion of talent.**

1. In making a proposal or issuing a report, within the scope of its powers, the Committee shall give particular consideration to the potential impact that the decision submitted to the Board of Directors may have on the company's talent management and promotion strategy and will ensure the professional growth of executive directors and members of the Senior Management.
2. The Committee shall verify that candidate selection processes of executive directors and members of the Senior Management allow the recruitment of the best professionals according to the company's strategy, analyse and track international best practices in recruitment, retention, management and talent promotion.
3. It shall be informed about the implementation of the measures adopted at Group level to headhunt, retain, manage and promote talent, and about the training and monitoring programmes of members of Management that are in place. It shall also verify the consistency and coherence of selection policies and their alignment with the company's strategy and market conditions.

#### **Article 10. Smooth operation of corporate bodies.**

1. The Committee shall encourage the smooth operation of the corporate bodies and the harmonious exercise of their respective areas of authority, proposing any measures that may be necessary to improve them. It shall review and monitor the corporate structure of the Group and its subsidiaries.
2. The Committee shall ensure that the conduct of the corporate bodies is consistent with the fulfilment of the principles of good governance and transparency, as well as proposing the necessary measures for compliance with them to the Board.
3. It shall also periodically evaluate and review the corporate governance system of the Company and the application of the different corporate policies in order to ensure that it complies with its mission of promoting the corporate

interest and that it considers, as applicable, the legitimate interests of the remaining stakeholders and the supervision of the internal codes of conduct.

#### **Article 11. Preparation of mandatory reports.**

1. The Committee shall also submit to the Board of Directors the draft of the Annual Directors' Remunerations Report, the Remunerations Policy which must be submitted to the General Shareholders' Meeting and, in general, it shall ascertain the level of compliance with the remuneration policy established by the Company and will verify the information on remuneration of directors and Senior Managers that are contained in the various corporate documents, and it shall without prejudice to the purview of other bodies, communicate the Annual Corporate Governance Report.
2. The Committee shall also review the information that the Company disseminates through its website with regard to matters that fall within the purview of the Committee.

#### **Article 12. Drafting and review of internal standards and regulations.**

The Committee will coordinate the drafting and amending of the Articles of Association, Regulations, General Policies and other corporate level regulations of the Acerinox Group.

#### **Article 13. Prevention and resolution of conflicts of interest.**

1. The Committee will promote the drafting, approval and amendment of the corporate standards that prevent the existence of conflicts of interest and regulate how they are dealt with should they arise.
2. The Committee will have to report, ex officio or at the Board's request, on any supervening situations in which a risk of conflict of interest is identified among the directors and the companies in which they carry out functions on any basis, and any Group companies when said function has not been assigned to the Audit Commission.

#### **Article 14. Succession plan.**

To examine and organise the succession of the Chairman of the Board of Directors, other members of the board and the Chief Executive of the Company, and to promote the appropriate succession plan in the company's Senior Management and, if necessary, to formulate proposals to the Board of Directors

so that said succession occurs in an orderly and planned manner. The succession plan will be reviewed periodically to adapt it to new needs and circumstances as they arise.

#### **Article 15. Welcome programme.**

New Committee members will receive, before they attend their first meeting, a welcome programme that will help them to participate actively from the moment they join.

#### **Article 16. Training of directors.**

1. The Committee shall take care to ensure that the directors receive the appropriate training in the activities of the Company and its Group at all times and that they receive full information regarding the corporate rules and procedures.
2. The Committee will propose training sessions to the Board of Directors on topics of interest for the directors and the corporate bodies themselves. It will also ensure that directors receive sufficient information about changes in the law, public administrations or geopolitical issues whose knowledge is beneficial for the decision-making of the various corporate bodies.

#### **Article 17. Meetings.**

1. The Committee shall meet as often as it sees fit to ensure the smooth performance of its functions and at least four times a year sufficiently in advance of Board meetings.
2. The Chairman of the Committee shall organise the calendar of meetings of the year about to commence with due advance notice and will draft a non-binding provisional agenda of the main items that need to be covered in each meeting, having listened to the views of the other members of the body.

#### **Article 18. External consultants.**

1. The Committee may use the consulting services and advice of external experts in relation to matters of a technical nature and in particular with regard to remuneration, evaluation and selection matters, keeping records with sufficient transparency of any relationship or situation entailing a potential conflict of interest, reporting to the Board as applicable. The Committee's

report of activities shall include all of the services rendered by external experts and their remuneration.

2. The Committee shall ensure that any conflicts of interest that arise do not prejudice the independence of the external advice provided to the Committee.

**Article 19. Independence from other bodies.**

1. The Committee shall operate completely independently with respect to instructions and guidelines from non-members, it shall maintain a constant dialogue with the Chairman of the Board of Directors, with the Chief Executive Office and with the rest of the management.
2. The Chairman of the Committee, if the Board of Directors so decides, may be called to appear before the General Shareholders' Meeting to report to it on matters within the scope of that body's powers.

## ***ANNEX IV.- SUSTAINABILITY COMMITTEE***

### **Article 1. Composition and functioning**

1. The Company shall have a Sustainability Committee composed of such number of directors as may be appointed by the Board of Directors in each case, with a minimum of three directors and a maximum of six. The members of the Committee shall have the necessary knowledge, skills, experience and dedication to perform their duties.
2. The Sustainability Committee shall be composed of a majority of independent directors.
3. The Chairman of the Sustainability Committee, who shall be an independent director, shall be appointed by the Board of Directors from among the members of the Committee.
4. The Secretary of the Committee shall be the Secretary of the Board of Directors, unless otherwise provided.
5. The Sustainability Committee shall meet whenever the Chairman requires it to, the number of times he/she determines, or at the request of the majority of its members.
6. The Sustainability Committee shall report on its work and be accountable for its work at the first plenary meeting of the Board of Directors of the Company following its meetings.
7. The Sustainability Committee may also seek the cooperation or advice of external professionals when it deems it necessary or appropriate for the best performance of its duties.

### **Article 2. Competencies**

1. To promote and coordinate the Company's actions in sustainability and social matters in accordance with the guidelines approved by the Board of Directors.
2. To propose to the Board of Directors the adoption of any measures related to the above matters.



3. To ensure the implementation and monitoring of the Sustainability Plan of the Company and its Group.
4. To determine the guidelines, criteria and general principles that shall govern the content of the Non-Financial Information Statement, or any other reporting system required by the legislation of other countries, in accordance with the sustainable development strategy of the Company and its Group.
5. To periodically evaluate the adequacy of the Corporate Responsibility and Sustainability policy of the Company with the purpose of it complying with its mission of promoting the corporate interest and that it considers, as appropriate, the legitimate interests of the remaining stakeholders.
6. Verify that the Company's social and sustainability practices are in line with its established strategy and policies.