

## Aperam Sustainability Report 2017

### Online Supplement D

#### Governance Structure

Aperam places a strong emphasis on corporate governance. The Board of Directors is in charge of the overall governance and direction of the Company. The Leadership Team is entrusted with the day-to-day management of Aperam, and monitors corporate governance requirements to ensure best practice is adhered to. This includes the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange.

The Articles of Association provide that Directors are elected and removed by the general meeting of shareholders by a simple majority of votes cast. Directors are appointed for a maximum term of three years and are automatically eligible for reappointment at the end of this period. Any Director may be removed with or without cause by a simple majority vote at any general meeting of shareholders.

Further governance details are published in the 2017 Annual Report. The Chairman of the Board of Directors is not an executive officer, and none of the members may hold an executive position or executive mandate within the Company or any entity controlled by the Company.

The composition of Aperam's Board of Directors for 2017 is summarised hereafter, and in the Annual Report, p27-28

#### Composition of the Board of Directors:

Name	Age <sup>(1)</sup>	Position within Company <sup>(2)</sup>	Date joined Board	Term Expires
Mr. Lakshmi N. Mittal	67	Chairman, Non-independent member of the Board of Directors	December 2010	May 2019
Mr. Romain Bausch <sup>(3)(4)</sup>	64	Lead Independent Director Independent member of the Board of Directors	January 2011	May 2019
Mr. Philippe Darmayan	65	Non-independent member of the Board of Directors	May 2015	May 2018
Mr. Joseph Greenwell <sup>(3)(4)</sup>	66	Independent member of the Board of Directors	May 2013	May 2020
Ms. Kathryn A. Matthews <sup>(4)</sup>	58	Independent member of the Board of Directors	December 2010	May 2019
Mr. Aditya Mittal	41	Non-independent member of the Board of Directors	December 2010	May 2019
Ms. Laurence Mulliez <sup>(3)</sup>	51	Independent member of the Board of Directors	May 2011	May 2020

Company Secretary: Mr. Laurent Beauloye

#### Notes:

(1) Age on December 31, 2017.

(2) See section Corporate Governance/Board of Directors of the Annual Report for the status of independent Director.

(3) Member of the Audit and Risk Management Committee.

(4) Member of the Remuneration, Nomination and Corporate Governance Committee.

In 2017, two committees supported the Board's activities: the Audit and Risk Management Committee, and the Remuneration, Nomination and Corporate Governance Committee.

Further details of the first two Committees are published in the 2017 Annual Report.

The Board of Directors conducts an annual self-evaluation in order to identify potential areas for improvement of the Board and its Committees. Details of this evaluation are provided in the 2017 Annual Report.

The Board of Directors meets in person at least quarterly and holds additional meetings if and when circumstances. Further governance details are published in the 2017 Annual Report. The Board of Directors held four meetings in 2017. Each Director attended 100% of the Board meetings.

Shareholders can provide recommendations to the highest governance body via standard routes such as the shareholders' meeting. Employees can engage with the Leadership Team and CEO on through regular forums, in particular via various surveys organised throughout the year.

### **The Audit and Risk Management Committee**

At Board level, sustainability topics are covered on a quarterly basis within the Audit & Risk Management Committee, which is responsible for ensuring the risks are well assessed, in particular with the long-term perspective suitable for Sustainability, and appropriately addressed. The Audit and Risk Management Committee reports its findings to the Board of Directors.

The Audit and Risk Management Committee is composed of three Directors. The members are appointed by the Board of Directors each year after the annual general meeting of shareholders.

During 2017, the Audit and Risk Management Committee met four times. The attendance rate of the Directors at the Audit and Risk Management Committee meetings held in 2017 was 100%.

The three members of the Audit and Risk Management Committee are Ms. Laurence Mulliez, Mr. Romain Bausch and Mr. Joseph Greenwell. Ms. Laurence Mulliez is the Chairperson of the Audit and Risk Management Committee. Each of these members is an independent Director in accordance with the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange.

### **Environment, Social and Governance Committee**

At management level, an Environment, Social and Governance Committee was set up in 2015 to take over from our previous Sustainability Steering Committee and accelerate progress. Comprised of seven members, of which three are from the Leadership Team, this committee is chaired by the Head of Human Resources, Communications and Sustainability. This Committee proposes Aperam's Sustainability strategy, steers and monitors action plans and validates our mid-term objectives and reporting activities. This senior management commitment greatly supports progress in our most material topics and makes sure that key messages cascade across the organisation.

At a day-to-day level this Committee is responsible for driving and managing sustainability at Aperam and making progress towards our overall sustainability vision. The Leadership Team sets the long-term ambition for this Committee. The Chief Executive Officer has ultimate responsibility and accountability for sustainability performance and compliance at Aperam.

During 2017, we kept overall unchanged our governance of sustainability-related issues and only decided to add periodical reviews at the Leadership Teams monthly meetings.