

Aperam Corporate Policy

Group Tax Policy

Approved by the Leadership Team on 16 February 2016

1. Policy

1.1. Goal

To implement a sustainable Group Tax Policy in order to:

- > Ensure compliance with the tax rules in the various countries where Aperam operates;
- > Ensure that tax implications and considerations are properly managed;
- > Ensure that the tax position of the organization is being understood, properly controlled and documented.
- > Properly identify and monitor the tax risks within all legal entities of Aperam;
- > Support management decision making aligned to the strategy;
- > Ensure that in each of the countries where Aperam operates it promptly pays by the due date all the taxes it owes to the tax authorities;
- > Ensure that all intercompany transactions are conducted at arm's length.

1.2. Scope

The policy applies to all tax professionals dealing with significant Aperam operations and transactions with tax implications, in particular to all finance directors of all the legal entities and financial and tax staff.

2. Tax Department

Aperam Tax Department is responsible for overall taxation strategy and implementation, ensuring that tax resources are efficiently deployed.

The objective of the Tax Department is to ensure compliance with relevant laws, disclosure requirements and regulations, while protecting Aperam's reputation and brand.

The Tax Department is responsible to ensure that Aperam uses effective, well-documented and controlled processes to ensure compliance with tax disclosure and filing obligations, and ensure all decisions are taken at an appropriate level and supported with documentation that evidences the facts, conclusions and risks involved.

The Tax Department will also aim to:

- > Where tax law is subject to interpretation, seek, as applicable, written advice or confirmation from third-party advisers prior to reaching and/or to support decisions;
- > Apply diligent professional care and judgment to arrive at well-reasoned conclusions;
- > Develop and foster good working relationships with authorities, government officials, ministers and bodies and other related third parties;
- > Undertake all dealings with tax authority's government officials, ministers and bodies and other related third parties in a professional, courteous and timely manner.

3. Principles

3.1. Integrity and transparency

Aperam strives to obtain the highest levels of tax compliance, ethics and integrity in its operations and in all types of transactions and interactions. Aperam is transparent about its approach to tax and its tax position. Disclosures are made in accordance with the relevant domestic regulations, as well as applicable reporting requirements and standards such as IFRS.

3.2. Compliance

Aperam shall comply with all tax regulations in all countries in which it operates. It should submit all the tax returns by their due dates and in line with local tax law.

All the material positions taken in the tax returns should be supported in terms of documentation, legal interpretation and in compliance with the operating principles above.

3.3. Business Rational

All Aperam transactions shall have a business purpose. The group will not undertake transactions solely for tax purposes and will not be using structures involving so called tax havens countries.

3.4. Transfer pricing

Aperam shall follow the OECD transfer pricing guidelines and the local regulations of the country in which the relevant subsidiary is located when determining the prices of its inter-company transactions. Aperam shall conduct its inter-company transactions at arm's length and has implemented a Group Transfer Pricing Policy and transfer pricing documentation to support the transfer pricing methods applied.

3.5. Relationship with Tax Authorities

Aperam shall seek an open and constructive dialog with tax authorities on the basis of disclosure of all relevant facts and circumstances. Aperam aims to enhance clarity and upfront certainty around tax and is seeking rulings, wherever appropriate, from the tax authorities to confirm the applicable tax treatment based on full disclosure.

Where disputes arise with tax authorities with regard to the interpretation and application of tax law, Aperam is committed to addressing the matter promptly and resolving the matter with the tax authority in an open and constructive manner.