

Aperam

société anonyme

12C, rue Guillaume Kroll

L-1882 Luxembourg

Grand-Duchy of Luxembourg

R.C.S. Luxembourg B 155.908

(the “Company”)

Report of the Board of Directors of the Company

to the extraordinary general meeting of shareholders of the Company

to be held on 5 May 2020 (the “EGM”)

in accordance with article 420-26 (5) of the law of August 10, 1915 on commercial companies,

as amended (the “Law”)

1. This Report is drawn up in accordance with article 420-26 (5) of the Law, to support the proposal, described below, made to the EGM convened for 5 May 2020 (or thereafter, if it is reconvened). In the present Report, the board of directors of the Company (the “Board of Directors”) explains the scope and nature of the powers which, if the proposal described below is approved by the EGM, it will have in relation to the Company’s new authorised share capital.

The EGM’s agenda contains a proposal (the “Proposal”) to (i) renew the Company’s authorised share capital, (ii) authorise the Board of the Directors to increase the issued share capital up to the new authorised capital with authority to limit or cancel preferential subscription rights during a period of 5 years ending on the fifth anniversary of the publication in the Luxembourg electronic legal gazette (*Recueil Electronique des Sociétés et Associations*) of the minutes of the EGM approving such authorization in order to allow the Company to retain adequate flexibility going forward under the authorised unissued share capital and (iii) authorize the Board of Directors to allocate existing shares or issue new shares free of charge under the Company’s incentive plan and subject to performance criteria, to (a) employees and corporate officers (including directors) of the Company and (b) employees

and corporate officers (including directors) of companies, at least 10 per cent of the capital or voting rights of which is directly or indirectly held by the Company in accordance with the Law.

2. The EGM will be requested to renew the authorised share capital and the power of the Board of Directors to issue additional shares in the Company within the limit of the authorised share capital and the authorisation of the Board of Directors to limit or cancel preferential subscription rights for a period of five years starting on the date of this EGM and ending on the fifth anniversary of the date of publication in the Luxembourg electronic legal gazette (*Recueil Electronique des Sociétés et Associations*) of the minutes of the EGM in order to allow the Company to retain adequate flexibility going forward.

The historical flexibility granted to the Board of Directors to issue ordinary shares with the power to limit or cancel the preferential subscription rights of existing shareholders was 10% of the issued share capital. The Company wishes to retain this flexibility granted most recently by the extraordinary general meeting held on 8th May 2014, while taking into account the Company's current commitments under its long term incentive plans approved by general shareholders' meetings which potentially require the issue of up to 440,122 shares (the "LTIP Commitments"), the three point seven million (3,700,000) shares to be cancelled under the 2019 share buy back program (approved at the shareholders meeting of May 9, 2019), and the up to three point eight million (3,800,000) shares to be cancelled upon completion of the share buy back program 2020 announced on February 5, 2020 (subject to shareholder approval at the EGM) (the "2019 and 2020 share buy back programs").

Taking into account the shares required to be issued under the LTIP Commitments, and the shares to be cancelled under the 2019 and 2020 share buy back programs (which will not be authorised for re-issue), the authorised share capital and authorised shares of the Company (including the currently issued shares) will need to be adjusted to EUR 480,868,153, represented by 91,800,042 shares in order to retain the historical flexibility. If approved by the EGM, the Board of Directors would have authority to issue up to 7,663,640 additional shares plus a maximum of 440,122 shares under its LTIP Commitments, after consideration of the cancellation of the 3,700,000 shares and 3,800,000 shares under the 2019 and 2020 share buy back programs which will not be available for re-issue under such authority.

3. The EGM will also be requested to authorise the Board of Directors to allocate existing shares or issue new shares free of charge, to (a) employees and corporate officers (including directors) of the Company and (b) employees and corporate officers (including directors) of companies of which at least 10% of the capital or voting rights is directly or indirectly held by the Company in accordance with article 420-26 of the Law. The Board of Directors would only implement the granting of free shares if it is subject to performance criteria.

4. The EGM will finally be requested to amend articles 5.2. and 5.5 of the articles of association accordingly.

5. Under the current authorisation, the permitted uses by the Board of Directors of the authorised share capital include (i) the implementation of acquisitions and other transactions by way of issue of shares (or rights to shares) in order to fund any such acquisitions or other transactions directly or indirectly or as consideration for acquired assets, in order to allow the Company to acquire companies or assets on the best possible terms, including the issuance of shares either directly or by way of instruments or rights entitling the holder thereof to subscribe to shares or convert the relevant instrument into shares, provided that such transactions shall be priced on an arm's length basis by reference to the market price of the shares while taking into account all relevant circumstances and the interests of the Company and its shareholders, (ii) accessing the capital markets to meet some of the Company's financing or refinancing needs by way of the issue of shares and bonds or notes convertible into shares and any other instruments giving access to capital and (iii) the issue of shares into treasury in order to allow the Company to deliver shares in the context of share incentive plans set up by the Company. The Board of Directors is currently authorised to increase the issued share capital of the Company in one or more transactions within the limits of the authorised share capital, with the power to limit or cancel the preferential subscription rights of the existing shareholders. The purpose of the limitation or cancellation of preferential subscription rights is to allow the Board of Directors to choose the most beneficial process to issue additional shares, taking into account market conditions and appropriate processes, as well as the rights of existing shareholders.

6. The permitted uses described in the paragraph above apply to the Proposal being submitted to the EGM. Under the Proposal, the Board of Directors seeks authorisation to determine the conditions of any capital increase including via contributions in cash or in kind, by the incorporation of reserves, issue premiums or retained earnings, with or without the issue of new shares, or following the issue and the exercise of subordinated or non-subordinated bonds convertible into or repayable by or exchangeable for shares (whether provided in the terms at issue or subsequently provided), or following the issue of bonds with warrants or other rights to subscribe for shares attached, or through the issue of stand-alone warrants or any other instrument carrying an entitlement to, or the right to subscribe for, shares and, set the subscription price, with or without issue premium, the date from which the relevant shares or instruments will carry beneficial rights and, if applicable, the duration, amortisation, other rights (including as to early repayment), interest rates, conversion rates and exchange rates of the aforesaid instruments as well as all the other conditions and terms of such instruments including as to their subscription, issue and payment, for which the Board of Directors may make use of the possibility provided for in Article 420-23 (3) of the Law.

7. Consequently, the Board of Directors requests the EGM to authorise it, for a period ending on the fifth anniversary of the date of publication in the Luxembourg electronic legal gazette (*Recueil Electronique des Sociétés et Associations*) of the minutes of the EGM approving, inter alia, the renewal of the Company's authorised share capital, for any of the permitted uses described in paragraphs 4, 6 and 7 above, to (i) increase the Company's issued share capital up to and including the authorised share capital in one or several transactions, including by allocating free shares subject to performance criteria to (a) employees and corporate officers (including directors) of the Company and (b) employees

and corporate officers (including directors) of companies of which at least 10% of the capital or voting rights is directly or indirectly held by the Company in accordance with the Law, and (ii) grant it the power to limit or cancel the preferential subscription rights of existing shareholders in the event of any increase in the issued share capital up to and including the authorised share capital as described above if the Board of Directors considers it appropriate or necessary in the context of the relevant transaction.

Lakshmi N. Mittal, Chairman of the Board of Directors,

On behalf of the Board of Directors, on 3 April 2020