



ArcelorMittal

Human Resources at a Glance

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Table of contents

Human Resources Guiding Principles	page 3
Global Executive Development Programme	page 5
Career Committees	page 7
Performance Management	page 9
Talent Identification	page 13
Succession Planning.....	page 15
Development Planning.....	page 17
Diversity and Inclusion.....	page 19
Resourcing Procedure	page 21
Vetting Procedure.....	page 23
Global Induction Programme	page 25
Job Classification and Job Titling	page 27
Remuneration and Benefits	page 29
Employee Relations	page 33
Workforce Planning	page 35
Training Procedure	page 37
International Assignment Procedure	page 41



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Human Resources Guiding Principles

The Guiding Principles for ArcelorMittal's Human Resources policies reflect our core values – sustainability, quality, and leadership – and recognise that our HR policies must both develop our people as a key driver of our business results and promote the integration of our Company as a single global enterprise while respecting local laws and practices. These guiding principles, deployed through local companies, will support the men and women of ArcelorMittal in their efforts to fulfill our brand promise of "Transforming Tomorrow".

1. ArcelorMittal promotes a safe, healthy, and productive work environment.

All companies of ArcelorMittal have the responsibility to provide their employees with a safe and healthy environment. All employees have a responsibility to eliminate actions or circumstances that undermine this environment, to ensure that they are fit and able to work every day, and to support their colleagues' health, safety and productivity through the principle of "Shared Vigilance."

2. ArcelorMittal supports employees' efforts and aspirations to contribute at their full potential.

It is management's responsibility to develop, train and inspire future leaders through a robust programme of mutual goal-setting, regular feedback and coaching, training and appropriate promotional and developmental opportunities. It is the employees' responsibility to pursue their own development opportunities, support their colleagues' development, and generally contribute to continuous improvement across the entire Company. We encourage but also expect outstanding technical mastery and executional excellence.

3. ArcelorMittal is a merit-based organization.

We promote and reward based on merit and performance, paying particular attention to our culture of continuous improvement, which is based on action-oriented benchmarking in all functions and on learning from both our successes and our shortfalls. We prefer to promote from within, and we highly value the power derived from diverse backgrounds and experiences. The Company's policy is to provide equal employment opportunities for all types of jobs at all levels of the workforce and prevent unlawful discrimination.

4. Continuous, team-based improvement is a way of life at ArcelorMittal.

We actively benchmark our performance and processes both internally and externally. We view our global scope as a distinctive competitive advantage, and we require all operations and functions to collaborate in order to raise the Company's future performance to the standards of today's champions. We aspire to be the very best in all we do and

are committed to simplifying, harmonising, and streamlining our activities and processes wherever possible. High performance and productivity are central to the Company's sustainability and thus to its capability to provide good jobs with good incomes wherever we operate.

5. ArcelorMittal aspires to attract, recruit, retain, and motivate highly talented individuals through a rewarding value proposition.

Compensation standards are based upon relevant benchmarks, taking into account regional practices and customs, and always comply with applicable labour laws and regulations. Our pay systems reward performance.

6. Mutual trust is a key element of relationships within ArcelorMittal.

We promote transparent HR processes and invite constructive input to improve those processes. We respect employees' privacy and dignity and only personal information that is required either for the effective operation of the Company or by law, shall be collected. Such information is treated as confidential and is released only to those who have a clear, legitimate need to know. ArcelorMittal also requires that all employees disclose potential conflicts of interest and take actions to eliminate them promptly if required to do so.

7. ArcelorMittal is committed to being a responsible, highly respected institution – not least because of its human-resources policies.

We respect employees' legal rights to freedom of association, third party consultation, collective bargaining and employee participation. We are committed to a high-quality and high-level social dialogue with trade unions, employee representatives and other relevant stakeholders and will not tolerate abusive practices such as the exploitation of child labour. More broadly, we strive to establish superior relationships with all stakeholders who can shape our human-resources reputation and to create a climate in which ArcelorMittal employees are motivated to carry forward Corporate Responsibility initiatives.

Implementing the ArcelorMittal Human Resources Guiding Principles requires several key commitments on the part of the Company's leadership:

1. All ArcelorMittal leaders must own and adhere to the company's HR guiding principles. While we will continue to value results, we will value equally the requirement that results be achieved while promoting these guiding principles.
2. HR teams will ensure that relevant HR policies, processes, and competency frameworks are documented and well known by ArcelorMittal staff.
3. Measurable HR objectives, with appropriate reporting procedures, will be deployed by Business Unit and functional leaders, supported by their HR teams.
4. Unit leaders and functional heads will effectively communicate their objectives, plans, and performance objectives all the way to the shop floor.
5. Whenever necessary, proper deployment of policies and processes will be monitored through audits.
6. The regular Company Climate Survey, the whistleblower policy, and other appropriate feedback mechanisms will help identify areas for improvement and facilitate global and local follow-up.
7. All entities must comply fully with all legal requirements and meet or exceed these expectations wherever we operate throughout the world. All entities must fully comply with all ArcelorMittal Compliance Policies including the ArcelorMittal Code of Business Conduct and the ArcelorMittal Anticorruption Guidelines.



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Global Executive Development Programme

1. Purpose

The purpose of this procedure is to define the processes of the Global Executive Development Programme. All aspects of this procedure are meant to ensure that the everyday activities of individuals, departments and functions are carried out efficiently and effectively.

2. Detailed Statement

The Global Executive Development Programme, the GEDP, is the cornerstone of our people strategy. It includes the following four major People Management processes at ArcelorMittal: Performance Management, Talent Identification, Development Planning and Succession Management. The GEDP helps individuals align personal goals with business strategy, encourages feedback and communication between managers and direct reports, measures results, identifies competencies needed to perform the work of the organisation, and encourages career development discussions.

This process will be implemented and performed in accordance with the respective national laws, in particular with respect to labor law and data protection requirements.

3. Principles

The key principles of the GEDP programme are:

- Managers meet with their direct reports to discuss performance, competencies, career planning and development requirements at least twice a year.
- These discussions must be formal and outcomes should be recorded in the eGEDP system.
- Any number of informal coaching and feedback sessions can take place throughout the year.

4. Scope

This procedure applies to all Executive Vice Presidents, Vice Presidents, General Managers, Managers and exempts of ArcelorMittal, including Globally Mobiles, MBA Hires and Expatriates.

5. Responsibilities

5.1 Group Management Board (GMB)

Defines the ArcelorMittal business strategy and Company values and ensures communication is cascaded to all individuals
Carries out annual GEDP reviews and twice yearly Career Committees

5.2 Business Unit Managers

Leads Business Unit / Function Career Committees reviews

5.3 Managers

Ensure complete understanding of the GEDP process and their role and responsibilities
Apply the full GEDP process to appropriate members of his/her team
Comply with the GEDP cycle dates
Assist individuals with objective setting, competency assessment, development and career planning
Provide timely feedback to individuals
Provide objective assessments for individuals

5.4 Individuals

Ensure complete understanding of the GEDP process and their roles and responsibilities
Comply with the GEDP cycle dates
Set and document performance objectives, competency assessment and development objectives with input from their manager
Request continuous feedback from their manager

5.5 Corporate Human Resources Leadership

Development:

Ensure complete understanding of the GEDP, the cycle dates and roles and responsibilities
Establish relevant standards, processes, metrics and systems to ensure effectiveness of the process
Provide GEDP process training through the Leadership Development network
Ensure that GEDP information is recorded in the system, perform analysis and provide information to GMB and Business Units where appropriate
Quality check and audit to ensure full implementation of the GEDP process

5.6 Local Human Resources:

Ensure complete understanding of the GEDP, the cycle dates and roles and responsibilities
Provide GEDP process training through the local population
Ensure that GEDP information is recorded in the system, perform analysis and provide information to Business Units leads where appropriate
Support business leaders on planning and conducting all career committees.



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Career Committees

1. Purpose

The purpose of this procedure is to explain the Career Committees meetings at ArcelorMittal with the support from Human Resources.

2. Detailed Statement

The «Career Committee» meeting is one of the key processes that ensures the efficient management and development of individuals at ArcelorMittal. Besides raising the competence levels in our organisation, it ensures a pipeline of talent, developed and ready for key positions. The meetings involve close participation and teamwork of the Management/Operations Committees, including Human Resources and Leadership Development heads, discussing important aspects regarding leadership development of our people.

This process will be implemented and performed in accordance with the respective national laws, in particular with respect to labor law and data protection requirements.

3. Key objectives of Career Committees

Career Committees ensure the achievement of the following objectives that support the business strategy:

- Place efficient managers in every function within the company
- Improve managers efficiency through training and development
- Identify and prepare future leaders
- Recognise each manager's contribution to attract and keep the best but also to deal with the less able ones
- Anticipate, business evolution and potential impact on the organization
- Ensure replacements are ready for key positions
- Involve all levels of the organisation Site/Unit/Function/ BU/Country, Segment and Group.

4. Process

Career Committees are held all throughout the Group. A particular review will focus on individuals belonging to the GEDP audience. At these meetings, managers are required to present and support their individual ratings with written evidence providing concrete examples of good and bad performance. Individuals across functions and departments are compared with each other and the discussion focuses on employee's initial ratings and whether or not they should be moved from one rating to another based on their performance.

These sessions are typically interactive and participants ask questions to understand the strength of reasoning behind ratings, forcing managers to critically assess their initial judgments and come to a conclusion regarding the most appropriate rating based on the ratings other managers have assigned.

5. Scope

This procedure applies to all Executive Vice Presidents, Vice Presidents, General Managers, Managers who participate in the management of the Global Executive Development Programme.

6. Responsibilities

6.1 Group Management Board

Carries out full Career Committees at Group level

6.2 Operational Leads / Operational HR / Business Unit HR / Career Committees

Gather information from data from multiple sources; create reports to prepare for the sites/Business Units Career Committee
Conduct feedback meetings with potential successors where appropriate
Review and challenge ratings, succession and development plans

6.3 Human Resources Leadership Development

Gathers information from data from multiple sources;
create reports to prepare for the Group Career
Committee
Facilitates the discussions during the Career
Committee's meeting



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Performance Management

1. Purpose

The purpose of this procedure is to define the Performance Management process at ArcelorMittal.

2. Detailed Statement

Performance Management is a standard process across the Group and the foundation for delivering lasting improvement by effectively managing the performance and potential of our people. The process uses the same explicit performance criteria and rating descriptions across the Group. To ensure consistency of application, Performance Management training is made available to all managers and calibration or moderation meetings are held to justify ratings.

This process will be implemented and performed in accordance with the respective national laws, in particular with respect to labor law and data protection requirements.

3. Principles

The key outcomes of the Performance Management process at ArcelorMittal are to:

- Align individual's goals with ArcelorMittal business strategy through SMART performance objectives:
 - Specific enough to establish clear expectations and specify the "stretch" involved
 - Measurable in cost, quantity, quality, or timeless
 - Agreed-upon to ensure co-ordination and buy-in
 - Realistic as a goal which can be attained, given stretch effort
 - Trackable and time-linked through ongoing review and milestones for progress against schedule.

- Increase individual's commitment to goals
- Drive performance improvement
- Recognise and acknowledge behaviours and achievements which are required to successfully perform the role
- Identify and provide development opportunities
- Serve as a 'radar for talent' in the organisation
- Build ownership for personal development
- Provide an input for other Human Resource processes e.g. ArcelorMittal University nominations, compensation and benefits
- Use as a vehicle for change.

4. Key Steps

To successfully manage individual's performance, managers should complete the following process:

- 4.1 **Establish a performance plan**
Establishing a performance plan determines expectations and goals for an individual to achieve during the following year. By establishing this plan together, the manager and the individual can work together to ensure success.
- 4.2 **Provide regular feedback and coaching**
Managers who provide feedback allow their teams to move forward, change, and grow as people and individuals. Through proper guidance, individuals learn the skills they need to meet their performance goals while improving their self-esteem and job satisfaction.
- 4.3 **Complete a mid year review**
The Mid Year Review assesses whether or not an individual is performing against expectations in his or her performance plan. By checking individual's performance during

the year, the manager and the employee can identify any issues, take action to ensure a high level of performance, and make any necessary improvements.

4.4 Complete the annual performance appraisal process

The Annual Performance Appraisal Process assesses whether or not an individual has achieved the goals and expectations in his or her performance plan. By measuring an individual's performance at the end of the year, the manager and the employee can formally evaluate performance against plan seeking feedback from other interested parties and assess competencies, potential and career aspirations

5. Definitions performance/potential

- 5.1 Performance is about an individual's actual contribution to the business in the performance year and covers specific requirements of delivery in the role. Reference to performance objectives and expectations should be made in determining overall performance rating.
- 5.1.1 Rating 1: Below Expectations (BE) – Needs significant improvement and specific actions laid out to bring about improvement (regular review). Meets some expectations, but continuously falls short.
- 5.1.2 Rating 2: Somewhat Meets Expectations (SME) – Performance needs to be improved. Meets a majority of expectations expected for the role, but improvement required in some areas.
- 5.1.3 Rating 3: Fully Meets Expectations (FME) – Very solid performance. Fully meets requirements for the role and performs at a fully competent level. A 3 rating demonstrates successful achievement of all.
- 5.1.4 Rating 4: Exceeds Expectations (EE) – An excellent contribution. Performance meets all and exceeds some of the requirements expected for the role.
- 5.1.5 Rating 5: Significantly Exceeds Expectations (SEE) – An outstanding contribution. Performance significantly exceeds the requirements for the role and has shown significant contribution above the normal demands.
- 5.2 Potential is about an individual's future growth and is NOT a performance assessment but a review of their future progression within the Organisation.
- 5.2.1 Rating 1: No Upward Potential (NP) – Has no potential and is overgraded for the contribution being made. Needs reassignment (subject to Performance rating above).
- 5.2.2 Rating 2: Reached Potential (RP) – Has reached current level of potential and upward progression unlikely. A perfectly acceptable assessment for people who are doing a good job and do not want more responsibility.
- 5.2.3 Rating 3: Further Potential (FP) – Has the ability and aspiration to move laterally within the Organisation or advance in a specialist or functional area. Is committed to the Organisation.
- 5.2.4 Rating 4: Significant Potential (SP) – Has the ability and aspiration to successfully advance AND/OR take on additional responsibilities in other sectors/functions and is committed to the Organisation.
- 5.2.5 Rating 5: Outstanding Potential (OP) – Has the ability and aspiration for successful move to a major role above the current level of responsibility within the Group in the near future, and is totally committed to the Organisation.
- 5.2.6 For advancement outside of the local level and for those people with aspirations to develop a career at a Group level, mobility and good working knowledge of English language are requirements.

6. Scope

This procedure applies to all Executive Vice Presidents, Vice Presidents, General Managers, Managers and exempts of ArcelorMittal, including Globally Mobiles, MBA Hires and Expatriates.

7. Responsibilities

7.1 Senior and line Managers:

- Conduct the Performance Management process within their teams
- Model the principles of the Company's performance management system
- Apply the full GEDP

7.2 Individuals:

- In charge of their performance and hold their managers accountable for implementing the process
- Request continuous feedback from their manager

7.3 Corporate and Local Human Resources

Leadership Development:

- Contributes to performance management by facilitating the process and providing the necessary training and support to managers and individuals.



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Talent Identification

1. Purpose

The purpose of this procedure is to define the Talent Identification process at ArcelorMittal.

2. Detailed Statement

The identification and development of ArcelorMittal internal talents is considered to be one of the key challenges for the business today. As any other business planning process, talent planning is a very important organisational capability which will directly reflect on the management of our processes by an effective leadership pipeline.

This process will be implemented and performed in accordance with the respective national laws, in particular with respect to labor law and data protection requirements.

3. Key objectives of Talent identification and management

The key objectives of the Talent Management process are:

- Realise ArcelorMittal business strategy in future through developing people and giving career development opportunities.
- Lead the organisation into fast and effective growth and development by:
 - Having the right people in the right places
 - Preparing future leaders
 - Identifying people for succession plans for 'senior' positions.

- Anticipate and support changes in a multicultural, multi-experience and diverse Group by 'nursing' internally the generations of tomorrow
- Make performance gains sustainable through empowered and motivated talents.

4. Definition of a Talent

A Talent is someone with the ability, engagement and aspiration to rise to and succeed at a next level position; and/or is able to take on increased responsibilities in other sectors/functions in the organisation; and has demonstrated a consistent history of successful performance. In GEDP terms, the Potential rating should be 4 or above and the Performance rating should be 3 or above.

5. Key Steps

There are 5 key steps involved in Talent management as described below:

- 5.1 Identification of the Talents through annual assessment and validation
- 5.2 Communication between direct superior and nominee
- 5.3 Identification of skill gaps and creation of development plans
- 5.4 Tracking and reporting of Talent pool by Corporate Leadership Development
- 5.5 Managing the Talent nominee.

6. Scope

This procedure applies to all individuals who are identified as being Talents at ArcelorMittal.

7. Responsibilities

- 7.1 **Group Management Board:**
 - Carries out full review of Talent pool;
 - Champions the process as a way of growing our own talents.
- 7.2 **Career Committees / Group Reviews**
 - Review and validate Performance and Potential ratings.
- 7.3 **Business Units Human Resources:**
 - Support the implementation of individual development plan for nominee, containing career aspirations, next potential position, strengths, weaknesses etc.:
 - Support the definition of training and development and job based opportunities
 - Assist with cross-checking individual needs with organisation needs in a drive to identify the "right fit";
 - Assist with placing the nominee, when appropriate, in the new position and provide support and monitor performance;
 - Follow-up career planning and progress
- 7.4 **Direct Managers:**
 - Understand and implement the Talent identification process;
 - Provide feedback and assist nominees with objective setting, competency assessment and development planning;
 - Manage Talents expectations.
- 7.5 **Corporate Leadership Development:**
 - Promotes the Talent identification process throughout the organisation;
 - Monitors and track the progress of Talent pool;
 - Provides reports to highlight successes and identify gaps.



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Succession Planning

1. Purpose

The purpose of this procedure is to define the Succession Planning process at ArcelorMittal.

2. Detailed Statement

The Succession Planning process is a deliberate and systematic effort by our organisation to encourage individual enhancement and to ensure continuity in key positions, including management, technical and professional specialist roles. Succession management is fundamental to organisational learning as it is aimed at preserving the company's memory and continuous improvement in individual and organisational effectiveness.

The outcome of the Succession Planning process is to identify successors for key positions and evaluate each successor's readiness and development needs for assuming new leadership roles. The priority for development is in building leadership and professional capabilities.

The succession management process involves evaluating position risks, vacancies and needs, and determining the best way to deal with a potential vacancy. Some vacancies will be filled with the best-qualified successor. Other positions may be filled with a high potential, or involve restructuring the position, or changing the timing of when the position is filled.

This process will be implemented and performed in accordance with the respective national laws, in particular with respect to labor law and data protection requirements.

3. Key Steps

There are 5 key steps involved in Succession Management as described below:

3.1 Identify key positions and successors

3.2 Build successor profiles

3.3 Mid-year succession review

3.4 Modify/update development goals and action plan

3.5 Compile, maintain and report data

4. Scope

This procedure applies to key positions within ArcelorMittal.

5. Responsibilities

5.1 Group Management Board:

Carries out full review of GEDP ratings in preparation for succession management

Carries out succession review

5.2 Business Unit Leads:

Understand the succession management process

Identify with HR key positions and successors through GEDP

Assist with the building of successor profiles

Conduct feedback meetings with potential successors where appropriate

Develop and put in place a Development Plan in accordance with the future and planned next steps

5.3 Operational Leads / Operational HR / Business Unit HR / Career Committees:

Understand the succession management process

Assist with the building of successor profiles

Conduct feedback meetings with potential successors where appropriate

Review and challenge succession plan during Career Committees

5.4 Human Resources Leadership Development:

Facilitates the gathering of information from all sources data, create reports and maintain the succession management information

Quality check and audit to ensure full implementation of the succession plan

5.5 Managers:

Understand the succession planning process and roles and responsibilities

Apply the full succession management process to appropriate members of team

Conduct feedback meetings with potential successors where appropriate

Develop individual development plans

5.6 Potential Successors:

Understand the process and their role

Set and document succession plan and goals with input from their manager

Request feedback from their manager



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Development Planning

1. Purpose

The purpose of this procedure is to define the Development Planning process at ArcelorMittal.

2. Detailed Statement

The development planning process is essential to complement the people management at ArcelorMittal and focuses on identifying and assessing current and future developmental needs in order to identify gaps that need to be filled to enhance current and future performance.

Development Plans are very important part of the Performance Planning process. Development Plans focus on current job needs and future career aspirations as well as leverage existing strengths and build on any areas for development.

Good development plans include a mix of development opportunities, including training courses, on-the-job experiences (including stretch activities), and relationship building activities.

The Development Plans should be realistic, yearly achievable and fully supported by the employee's manager. Responsibility for the development plan is shared: managers should help their direct reports meet their goals, whilst the employees themselves should measure progress against goals and work against the timetable set out in the plan.

At least once a year, employee and manager need to establish developmental objectives and actions required to support the achievement of each employees' annual performance goals based on current job requirements and competencies. The development plans should be developed and agreed at the start of each year.

This process will be implemented and performed in accordance with the respective national laws, in particular with respect to labor law and data protection requirements.

3. Scope

This procedure applies to all Executive Vice Presidents, Vice Presidents, General Managers, Managers and exempts of ArcelorMittal, including Globally Mobiles, MBA Hires and Expatriates.

4. Responsibilities

- 4.1 **Senior and line Managers:**
Understand and implement the development planning process;
Ensure that all individuals have development plans in place.
- 4.2 **Individuals:**
In charge of their development actions and hold their managers accountable for implementing the process.
- 4.3 **Human Resources Leadership Development:**
Supports the managers by facilitating the process and providing the necessary guidance to stakeholders involved
- 4.4 **Local Human Resources Department**
Supports individuals and managers put in place development planning actions and measure results.



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Diversity and Inclusion

1. Purpose

In ArcelorMittal we are convinced that the diversity of our workforce is an asset; bringing fresh ideas, perspectives and experiences in a welcoming environment which supports our values of Leadership, Quality and Sustainability.

For ArcelorMittal diversity means a workforce reflective of different cultures, generations, genders, ethnic groups, nationalities, abilities, social backgrounds and all the other unique differences that make each of us individuals. Inclusion is about creating a work environment where everyone has the opportunity to fully participate in creating business success and where all employees are valued for their distinctive skills, experiences and perspectives.

Leadership

Our people live the standards and business behaviors set by the Code of Business Conduct, competency framework and values. Our leaders model an open and inclusive approach to the organization of work, relationships with communities, suppliers, customers and other stakeholders with the aim of driving continually improving and sustainable levels of performance.

Sustainability

In order to transform tomorrow and to continue to set new standards we are growing international standard business leaders who have both deep local and ArcelorMittal specific knowledge. We leverage the diverse ideas and approaches at all levels within the organization to continually build and enhance our performance and service to our customers.

Quality

We want to attract and retain the best people and strive to be seen as an attractive employer of choice to the widest possible talent pool. We also want to be recognized for supporting all our people to reach their potential and contribute to the success of ArcelorMittal.

2. Principles

To support this, we are committed to:

- Proactively identifying, analyzing and addressing diversity challenges within the Group and its units in order to support the deployment of this policy.
- Ensuring that all business units comply with legal, regulatory obligations, Code of Business Conduct and Values.
- Removing unlawfully discriminatory behaviors at every step of work life and at every hierarchical level.
- Giving the right to all employees or service providers to a workplace free from harassment.
- Creating a supportive and understanding workplace environment in which all individuals feel welcome, respected and heard, and where they can realize their full potential regardless of their race, colour, sex, age, religion, ethnic or national origin, and disability.
- Adapting internal processes and procedures to support diversity and inclusion.
- Providing training and awareness on the responsibilities and benefits of diversity and inclusion to promote understanding of differences and similarities. We strive to decrease judgmental behavior and increase acceptance and flexibility and so enhance the efficiency of our multicultural teams.

3. Scope

This policy applies to all employees.

4. Responsibilities

Each employee is responsible for ensuring that their behavior and actions are in accordance with this policy.

Each manager is responsible for supporting the implementation of the policy principles and ensuring that the behavior and actions within their teams are in accordance with this policy.

The Corporate Diversity and Inclusion team is responsible for establishing the global processes, metrics and systems to support this policy.

Local Human Resources is responsible for ensuring understanding of this policy through providing local training, ensuring local processes and systems to support the implementation of the policy principles and for supporting managers to address any behavior which is not consistent with this policy.



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Resourcing Procedure

1. Purpose

By resourcing we mean getting the right people to the right place at the right time at the right cost.

This includes planning the people we need in the future as well as attracting, selecting, deploying and inducting the most suitable candidates. The Resourcing team's work is aligned with the strategy and values of the company.

2. Detailed Statement

ArcelorMittal is committed to ensuring that each applicant is treated with fairness and dignity and supports diversity. Accordingly, any unlawful discriminatory practice based on race, colour, sex, age, religion, ethnic or national origin, disability or any other unlawful basis will not be tolerated.

ArcelorMittal wants a transparent and dynamic job market covering all countries where we are present supporting individual career paths, personal development and international mobility. The only exception to this are jobs filled through a managed job move process, such as through succession planning.

In addition, prior to any external recruitment, all qualified internal local candidates must be considered and internal local candidates meeting the job requirements will be granted preference over external candidates.

This process will be implemented and performed in accordance with the respective national laws, in particular with respect to labor law and data protection requirements.

To achieve these aims:

- As a general guideline, job rotation is usually not faster than two years.
- All open roles are to be advertised on Job Market On-line up to and including Manager level positions. General Manager and above roles are advertised at perimeter's discretion.

- Ideally all applicants should inform their line manager that they are applying for another role internally. The host HR will communicate with applicant's home HR once the applicant has been through a successful first interview.
- The decision not to transfer an employee to another role can only be exercised by an Executive Vice President. This decision may only be based upon justified business reasons.
- Once an internal applicant has secured another role they should not be requested to wait for an unreasonable length of time before the transfer is made (and this period of time cannot be longer than their notice period unless the delay is due to international transfer processes).
- Timely and appropriate responses are to be provided to all internal and external applicants
- Before a hiring decision is made, each candidate must have been interviewed in person by a minimum of two people including by an HR representative and the hiring manager.
- Each interview is to be conducted in accordance with national laws in particular labour laws. Only questions relevant to the job description and permitted under applicable under local laws are to be asked. Interviews are to be documented including the interview questions and responses, however only the record of the successful interview candidate will be retained and then only in accordance with national data protection requirements.
- Candidates will be ranked solely on the factual requirements and competencies as outlined in the job description.

3. Scope

The Resourcing procedure is applicable for resourcing undertaken for positions which are classified by the Company as exempt.

4. Responsibilities

- All General Managers and above hires should be sourced in liaison with Corporate resourcing
- Engagement of all retained search firms is to be undertaken in conjunction with support of Corporate Resourcing
- Final resourcing decisions must be taken by the hiring manager or as per the delegation of authority and validated by the HR owner.



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Vetting Procedure

1. Purpose

- In order to minimise the potential impact of fraud, theft and business disruption caused by inappropriate hiring decisions, pre-employment vetting is standard practice for all new employees and for existing employees who are promoted into General Manager and above roles unless they have been vetted previously by ArcelorMittal.
- The principal purpose of pre-employment vetting is to reduce risk to the business by identifying adverse information or discrepancies which will or may impact on a candidate's ability to perform a role effectively and to ensure compliance with regulatory requirements, including Sarbanes Oxley.

2. Detailed Statement

- Vetting requirements will only be conducted in line with the national and local legislation where the person will be employed. Where national and/or local legislation requires additional vetting steps (compared to those outlined below) these additional steps will also be performed. It is the responsibility of the Segment/Function HR Lead to ensure legal compliance with local legislation within their perimeter. Where there is an inconsistency between this policy and the national and/or local legislation the national/local legislation requirements shall prevail.
- All vetting will take place before the potential employee takes up their new role.
- All vetting will be with the preferred candidate's prior written consent and in accordance with data protection requirements of the country where the person will be employed.

Level 1 - Principles to be applied to all new non-exempt employees

- All new non-exempt employees must be checked for the following:
 - Full name (for example via identity card, passport)
 - Address (for example via identity card, recent utility bill)

- Satisfactory work record for the last 5 years (or since leaving university/college/school)
- Legal right to work in the country in which the offer is made.

Level 2 – Principles to be applied to all new exempt employees

- All Level 1 principles apply
- In addition, the following must be checked for:
 - criminal convictions (excluding minor driving and parking offenses)
 - verification of declared relevant educational qualifications ;
 - financial probity for roles with financial accountabilities for profit and loss; for agreeing contracts or authorizing expenditure; or as agreed by the responsible Segment/ Function HR Lead
 - identification of any potential conflicts of interest through ongoing ownership of, or employment with other companies or organisations.

Level 3 – Principles to be applied to all external General Managers and above hires & internal promotions to General Manager for employees who have not previously been vetted

- All General Manager and above hires or internal promotions must be checked for the following:
 - Full name (for example via identity card, passport)
 - Address (for example via identity card, recent utility bill)
 - Satisfactory work record for the last 5 years
 - Legal right to work in the country in which the offer is made.
 - Criminal convictions (excluding minor driving and parking offenses)
 - Verification of declared relevant educational qualifications
 - Financial probity for roles with financial accountabilities for profit and loss, for agreeing contracts or authorizing expenditure in excess of US \$250,000 for a single transaction;
 - Identification of any potential conflicts of interest through ongoing ownership of, or employment with other companies or organisations;

– Pre-employment medical examination to determine if an applicant can effectively and safely perform the job requirements of the position they are seeking. The offer to join the company will be dependant on the satisfactory health assessment relative to the job they have been offered. For external candidates the health checks will be conducted after the candidate accepts the offer and before the candidate joins ArcelorMittal. In the case of promotions the health checks will be conducted as required by the position and as permitted by local laws.

3. Scope

The vetting procedure applies to all newly hired employees and the in case of General Manager and above roles to employees who have been internally promoted into these positions.

4. Responsibilities

- For General Manager and above hires and internal promotions Corporate Resourcing will be accountable for ensuring that the third-party supplier is commissioned at the time a current employee is identified as the preferred candidate or when a potential employee indicates that they wish to accept an offer to join ArcelorMittal. Corporate Resourcing is also accountable for scrutinizing the third-party report.
- Discrepancies or adverse information will not automatically disqualify the person from employment; all information identified is considered in light of the role requirements and responsibilities. For General Manager and above positions all adverse reporting will be referred to the most appropriate Segment/Functional Executive Vice President and the Head of Group HR who will decide whether to continue with, or withdraw the offer of the new role. For all other positions the senior local HR person is responsible for deciding the relevance of the discrepancy to the role being offered.
- For all other positions the vetting will be conducted by local HR or by a locally-contracted third party supplier who has been approved by Segment/Function Lead.
- The Segment/Function HR Lead is responsible for nominating a local HR person in each country who has accountability for ensuring compliance with this Vetting Policy.



ArcelorMittal

Global Induction Programme

1. Purpose

The Induction Programme is designed to support the integration of new employees into the ArcelorMittal environment and enable them to maximise their contribution to the performance of their team, business unit and to support the realisation of the Group's objectives, business plans and strategy.

2. Detailed Statement

Induction is a defined programme of planned activities which commences from when a candidate accepts a job offer until the end of six months of employment or any other pre-determined period of time.

This programme will be implemented and performed in accordance with the respective national laws, in particular with respect to labor law.

The programme comprises three elements:

1. global content which is consistent across all geographies and business units and focuses on ArcelorMittal's vision, mission, values and business strategy.
2. local content which is tailored to the segment, business unit, local team's mission, goals and plans
3. individual content which is based on individual job requirements including performance and development plans

3. Principles

The programme is designed to enable new employees to:

- understand the Group's and their business unit's vision, mission, values and business strategy
- feel part of their team and be safe and challenged in their working environment
- accelerate their understanding of their team and their individual accountabilities
- maximise their contribution to their team's performance

To facilitate the above goals, the programme comprises:

- Welcome pack including written and electronic materials
- The induction checklist
- Site visit checklist
- Learning log
- An assigned buddy
- Line manager and HR support

4. Scope

All new employees of the Company should undertake the induction programme.

5. Accountabilities

Segment/Function HR Leads own the programme and are accountable for its deployment within their perimeter.

Local HR is accountable for ensuring that the programme is used each time a new person joins their organisation.

The Line Manager is accountable for ensuring that all the items in the induction programme are conducted either by direct action or by delegation.

The new employee is ultimately accountable for managing their own induction activities, ensuring that he or she complete any induction activities and submitting a completed checklist to HR at the end of their first six months of employment.



ArcelorMittal

Job Classification and Job Titling

1. Purpose

The purpose of Job Classification is to group and then value positions in a fair, consistent and transparent manner across functions and geographies.

This process supports other Human Resources processes such as Compensation, Succession Planning and the identification of career paths.

The purpose of Job Titling is to provide a title to each classification grouping so that the responsibility and level of the position is recognised in a consistent and equitable manner.

2. Detailed Statement

The ArcelorMittal job classification process utilises a customised LDA methodology. This methodology grades the content, responsibility and function of the job. The LDA methodology compares jobs according to several factors to derive a numerical value or 'job points'. A range of numerical values or job points are then grouped together as a job classification level.

The factors considered by the LDA methodology are:

- **Business area:** added value of the considered unit.
- **Functional domain:** the scope of the function covered by the position identified in the job map.
- **Functional role:** role within the functional area.

- **Professional responsibility:** level and application of general knowledge and professional know-how.
- **People management:** total number of people directly managed.
- **Autonomy:** number of reporting levels between the position and the CEO of ArcelorMittal.
- **International role:** scope of the position i.e. national, regional or global.
- **Customer relations:** nature and importance of the relations managed and the level of responsibility for customers, suppliers, partners and other internal and external contacts.
- **Business Environment & Challenges:** additional accountabilities that significantly add value to the usual job (business risk, degree of unknown, degree of change, ...).

The numerical value or jobs points are the addition of all criteria.

3. Principles

Prior to undertaking an evaluation the following information is to be gathered:

- Formatted job description
- Organisational chart
- Relevant financial metrics
- Former evaluations of the position (where they have been conducted)

These details are then confirmed with an interview with the current incumbent and their manager to ensure a complete understanding of the position.

The evaluation should then be conducted in line with the following:

- Each evaluation outcome is to be validated by the job evaluation committee (which includes the Segment HR Lead and a member of the Corporate Compensation team).
- An evaluation is to be conducted in light of the business unit/functional structures and evaluations to avoid 'spot' evaluation outcomes which may not be internally consistent.
- Only the position is evaluated, not the incumbent.
- Evaluations commence with the most senior role in the business unit or segment and then are cascaded down to ensure alignment.
- Consistency of evaluation outcomes needs to be confirmed with like positions in other areas as well as former evaluations of the position.

Once an evaluation has been conducted by the job evaluation committee, it is then submitted to the Segment HR Lead and to the Corporate HR Compensation team for approval.

Any position evaluated potentially as a General Manager or Vice President position must be approved by the Group Management Board.

The following documentation must be submitted in support of the evaluation:

- Job documentation: information collected about the position.
- Job evaluation: analysis of the job content and application of the methodology.
- Validation: confirmation of internal consistency vertically and horizontally and with former evaluations.
- Decision/Approval by the concerned Job Evaluation Committee.

Based on the outcome of the job evaluation, a title is then provided to the role. Titles within ArcelorMittal are based on a two tier approach, the official ArcelorMittal title and the local title. A person can hold two titles, one being recognised globally throughout the Group, while the other is recognised only locally.

The ArcelorMittal Group titles are:

- Senior Executive Vice-President of ArcelorMittal,
- Executive Vice-President of ArcelorMittal,
- Vice-President of ArcelorMittal ,
- General Manager of ArcelorMittal and
- Manager of ArcelorMittal.

To obtain an ArcelorMittal Group title, the candidate must have a minimum of 6 months in the position to be eligible for the title nomination process. Local titles may be deployed in units taking care to avoid confusion with ArcelorMittal Group titles.

4. Scope

This procedure applies to all exempt and above positions.



ArcelorMittal

Remuneration and Benefits

1. Purpose

The purpose of the ArcelorMittal Remuneration and Benefits procedure is to provide the guidelines for the design, implementation and maintenance of remuneration and benefits plans for Executive and Exempt employees within the Company.

This procedure is designed to ensure that ArcelorMittal Total Compensation offer is able to attract and retain engaged and high-performing employees globally through a consistent approach to Remuneration and Benefits.

This procedure will be implemented in accordance with the respective national laws, in particular with respect to labor law and data protection requirements. This procedure is deployed through ArcelorMittal local companies.

2. Definitions

'Executive employees' here refers to the employees who have been nominated General Manager, Vice President, Executive Vice President or Senior Executive Vice President of ArcelorMittal according to the "Job Classification and Titling Policy".

'Exempt employees' are those defined according to local laws and practice. Generally they are employees who are not governed by Collective Labour Agreements; this category may be extended to other employees exercising responsibilities or high expertise level according to local definitions, rules, labour agreements or practices.

'Collective Labour Agreements' are agreements entered into by a group of employees (and/or

one or more unions) and a site or part of a site regarding the particular wages and conditions which are to apply to the group of employees.

'Total Compensation' includes base salary/fixed annual salary, variable pay (bonus/short term incentive), Long Term Incentive Plans (LTIP), benefits and other company provided financial elements.

'Benefit programs' refers to the pension and health care insurance plans that are put in place by ArcelorMittal. The benefits programs are designed and adapted to the local needs and customs in each country where we operate.

'Other company provided financial elements' refers to elements such as a company car, meal vouchers, etc. and are based upon local practices. They are included in the Total Compensation to ensure proper benchmarks.

'Total Reward Statements' are statements provided to Executive Employees detailing the Total Compensation and other relevant non monetary reward items. ArcelorMittal supports providing Total Reward Statements to all executive employees to ensure transparency and knowledge of their total compensation package.

'Peer Group' refers to the relevant group of industrial companies of a similar size and scope in each local market. "Hay Industry High Revenue" segment is generally used as Peer Group when available. Information on those companies is always provided by independent compensation specialists.

3. Detailed Statement

Total Compensation packages are influenced by various factors such as:

- competitive market practices
- local approaches and practices
- position in the company
- retention of key people
- cost efficiency
- global and local business results
- individual performance
- individual potential

Total compensation outcomes are based on the following principles:

- **Performance:** direct link between individual, Site, Business Unit, and Company performance. We want to motivate our employees towards the achievement of Company and personal goals, including Health & Safety, Financial and Operational Performance and Leadership behaviour. In addition we want to retain individuals who consistently perform at or above expected levels and contribute to the success of the organization.
- **Competitiveness:** our intent is to have a competitive total package compared to packages offered by other Companies who are of a similar size and scope and with whom we compete for talent the 'Peer Group'. A competitive package is defined by reference to the 'percentile salary level' of a Peer Group of comparable jobs within a local market.
- **Cost:** our programmes are costs-effective and affordable.

3.1 Total Compensation

3.1.1 Fixed Annual Salary or Base Salary

The fixed annual salary or base salary is the foundation of Total Compensation. Fixed annual salary practices are determined locally. Some categories have their salary managed (ArcelorMittal VPs and above) or followed for consistency (ArcelorMittal GMs, Expatriates, Globally Mobiles) at Corporate level.

The size of the fixed annual salary is targeted to a defined salary level of the Peer Group of companies.

3.1.2 Adjustments to the Fixed Annual Salary

The Group Management Board (GMB) of ArcelorMittal reviews on an annual basis, after the completion of the Global Executive Development Programme (GEDP) cycle, the fixed annual salary situation to determine whether any adjustment is necessary. Information that is considered includes national inflation levels, government mandatory salary increases, salary trends (as provided by salary international consultants), the prior three years of salary increases, salary outcomes of local collective labour agreements and recommendations of local management.

Salary increases and adjustments are generally determined on an individual by individual basis in order to recognize a position, motivate and reward personal performance. Generally across-the-board increases are avoided unless legally or contractually required.

3.1.3 Variable pay: Short term incentive/ bonus

ArcelorMittal Managers and above: The Global Performance Bonus Plan is a short term incentive bonus plan for ArcelorMittal Managers and above. The outcome, whilst ultimately discretionary, is based upon the performance of the ArcelorMittal Group, the performance of the relevant business unit, site or department and the individual's overall performance and potential.

Each year, after review and approval by the GMB, the details of that year's bonus is published in the bonus plan brochure.

The bonus is calculated as a percentage of the individual's base salary. The specific bonus plan brochure should be consulted each year, however as a general principle performance-related payments are only made if certain minimum performance thresholds are exceeded by the ArcelorMittal Group as a whole and/or the relevant business segment and if the beneficiary is still in the Company at the time of the payment (provided compatibility with local laws and regulations). In case of retirement or early retirement, the performance bonus will be paid in prorata of the time worked in the year before retirement.

Exempt employees below ArcelorMittal Manager level: local rules apply. Unit Management ensure, with their HR teams, that the local rules reflect a

proper alignment with Company objectives and guidelines.

Performance-related bonus plans can be deployed at a local level for the other employees of the Company following the same general principles as the Global Performance Bonus Plan.

3.1.4 Long-term incentives

A discretionary Long Term Incentive Plan (LTIP), currently a Stock Option Plan is in place in ArcelorMittal. This plan applies to the Executive employees but more generally to a group of employees as determined by the Appointments, Remuneration and Corporate Governance Committee (ARCG) of ArcelorMittal. The overall number of 'awards' available to be granted during a year will be approved by the shareholders at the annual general meeting.

The objective of a LTIP is to link the individual engagement and performance to the longer term development of the Company.

- The 'award' of stock options or other equity has a total term of ten years. An award is totally vested at the third anniversary of the grant date, provided the participant is still employed by the ArcelorMittal group at the time of vesting. The exercise price of a stock option is equal to the average of the highest and the lowest price of a share of ArcelorMittal common stock on the New York Stock Exchange on the last day on which trading occurred preceding the grant date.
- Vesting stops when an individual leaves the Company for a reason other than a retirement in the conditions defined by the ARCG.
- The LTIP may be adapted in accordance with the laws, customs and practices of each country.

3.1.5 Other company provided financial elements

These elements may include a company car, meal vouchers and other benefits that are provided according local rules, practices and customs.

3.1.6 ArcelorMittal Senior Executive Compensation

The ARCG draws up proposals for the Board of Directors on ArcelorMittal's Senior Executive compensation (CEO and members of the Group Management Board and any Executive identified as Senior by the ARCG).

Such proposals relating to Senior Executive compensation comprise the following elements:

- Fixed annual salary
- Short-term incentives, e.g. performance-related bonus
- Long-term incentives, e.g. stock options

The ARCG is informed about the application of these plans on a regular basis.

3.2 Benefits Programs: Pension and Insurance Plans

Pension and Insurance plans at ArcelorMittal are generally designed to provide a reasonable level of retirement income reflecting the number of years of service with the company and to provide safety against financial hardship that may result from death or disability.

In accordance with the laws, customs and practices of each country, the group participates in plans offering retirement, death, disability, healthcare and sometimes specific termination benefits.

These plans provide benefits based on various factors such as length of service, salaries, integration of other benefits (e.g. local Social Security...).

We recommend employees to pay a personal contribution in the countries where it is in line with regulation and tax effectiveness.

The benefit plan is targeted to be market competitive compared to other appropriate organizations with which we compete for talent in each geography and to maintain an adequate standard of living.

Each benefit plan is designed to ensure long-term financial sustainability.

3.2.1 Pension plans

The Defined Contribution plan is the preferred vehicle for providing pension benefits.

Whenever possible and practical, Defined Benefit Plans should be converted into Defined Contribution Plans. Retirement benefits for new entrants should be delivered under Defined Contribution plans.

Employees who participate in a maintained legacy Defined Benefit plans can continue to accrue benefits in such plans for past service or past and future service depending on the specificity of the country.

The plan assets of Defined Benefit plans are managed in the most cost effective manner to mitigate and limit the volatility associated with plan funding.

The Corporate Pension Committee, comprising Corporate Consolidation, Corporate Treasury, Corporate Human Resources and Corporate Legal, monitors the pension governance and manages the risk associated with the pension plans. Corporate approval is required for any change in benefit plans, as well for implementation of modifications. Social, financial and accounting consequences have to be analyzed before any change.

In addition each Pension Plan will have a local Committee to follow it and ensure all policy and regulatory requirements are met.

The international assignees are enrolled in specific pension and health care plans. Please refer the "International Assignment Policy" for further details.

3.2.2 ArcelorMittal Senior Executives Benefits

The ARCG of ArcelorMittal draws up proposals for the Board of Directors on ArcelorMittal's senior Executive's (the Chief Executive Officer, the members of the Group Management Board and any Executive identified as Senior by the ARCG) pension and insurance plans.

The ARCG is informed about the application of these plans on a regular basis.

3.3 Non Monetary Rewards

The Company considers that the recognition process of our employees is not only based solely on monetary rewards and benefits and encourages the deployment and use of all kinds of non monetary reward approaches.

4. Scope

Unless otherwise specified this procedure applies to Exempt and above employees.

5. Responsibilities

The ArcelorMittal Corporate Compensation and Benefits Group is the owner of ArcelorMittal Remuneration and Benefits procedure and processes. Any request to external consultants in relation to Compensation & Benefits matters e.g. salary survey, transformation of compensation structure, job evaluation, implementation or modification of benefit plan, is discussed or coordinated with the ArcelorMittal Corporate Compensation and Benefits Group.

Segment/ business unit HR understand and support the Remuneration and Benefits procedure and care for fair and consistent application of its principles in his/her segment / business unit.

Local Management ensure with their HR teams that the local rules reflect a proper alignment with the Company Remuneration and benefits procedure and refers questions of interpretation to the Corporate Compensation and Benefits Group.



ArcelorMittal

Employee Relations

Employee Relations (ER)

in a global Group like ArcelorMittal is critical both for sustainability and employee growth.

Our philosophy is aligned with the ArcelorMittal values, and company vision "To create a sustainable business capable of delivering value through the cycle," is driven by a joint commitment towards transformation, continuous improvement, development, and prosperity for the Group, its shareholders, management and staff.

Our mission

- To contribute to the sustainability of the company through continued social dialogue with our employees and trade unions.
- To ensure that the behaviour of employees is guided by the code of business conduct.
- To create a work environment, that privileges the quality of life and stimulates behaviours that conciliate the economic, professional and personal interests.

Employee Relations Policy

The implementation of the ER policy in our operations will be in consultation with Corporate Employee Relations. Dedicated applicable training modules for all key players are developed and presented, ensuring knowledge and understanding

To support the Policy, the Corporate Employee Relations Team develops guidelines, procedures and processes for implementation in all the Group's operations

Employee Relations - Policy

- ArcelorMittal regards its employees as an important and highly valued resource to be cared for, empowered and rewarded.
- ArcelorMittal views trade unions as constructive role players in the organisation. ArcelorMittal subscribes to the principle of freedom of association.
- The competitive advantage of ArcelorMittal's' business is dependant on its ability to harness and optimise the human capital within the organisation. The Group establishes structures through the organisation to proactively engage trade unions and employees with a view to create and strengthen constructive relationships.
- The accountability for managing employee relations rests with the management teams of the each of the Group's operations. The Corporate Employee Relations has a specific role to establish policies and procedures, support operations by providing guidance on employee relations processes and procedures, facilitate relationship building, ER strategy development and build ER capacity.
- It is the policy of ArcelorMittal to implement and maintain non-discriminatory employee practices and internationally recognised employment standards.
- ArcelorMittal encourages the implementation of formal communication to all employees through the implementation of communication channels and systems in all of its operations. Regular interaction and consultations will take place with employee representatives.
- It is the policy of ArcelorMittal to operate within and adhere to the legislative and collective bargaining framework of the countries in which it operates.
- Group operations will enter into Collective Agreements with any representative trade union. Nothing contained herein will prevent any of the Group operations to have dealings with other unions and non-union members.
- Procedures and structures are introduced at operations level to give expression to the need to institutionalise employee relations in a mutually beneficial way, with the aim to build productive relationships and to achieve business goals.
- ArcelorMittal recognise the right of employees to lawfully withhold labour. This policy statement must be read within the context of the provisions of local legislation and the provisions of applicable CLA's that are in force.
- Notwithstanding the above, ArcelorMittal promotes agreements on continuity of sensitive units like blast furnaces or coke ovens that by design should not stop under any circumstances.
- To continuously develop the capacity of the various role players to effectively manage Employee Relations, applicable training programmes will be provided on an ongoing basis. These programmes will include training in the application of processes, policies and procedures.
- Corporate Employee Relations will regularly monitor and assess the application of the Group's ER Policy.



ArcelorMittal

Workforce Planning

1. Purpose

Workforce planning is about getting 'the right number of people with the right skills, experiences and competencies in the right jobs at the right time and at the right cost'. The ArcelorMittal workforce planning approach aims to provide the organisation with a framework for making staffing decisions based on the organisation's business objectives, strategic plans, budgets and necessary workforce competencies to achieve the business goals.

2. Detailed Statement

Workforce planning provides managers the means of identifying the competencies needed in the workforce not only in the present but also in the future and then selecting and developing that workforce. Essentially this process assists ArcelorMittal to effectively manage organisational and workforce changes and to minimise adverse impacts and outcomes. To achieve this each site/function is expected to undertake the workforce planning process which consists of:

- a) **Analysis of current workforce:** This stage focuses on identifying the competency profile of current workforce using the competency framework/s, identifying current business productivity and performance levels, analyzing workforce demographics and identifying overall regional/country/functional employment trends.
- b) **Future organisational requirements based on business strategies and tactics:** This stage seeks to identify the levels of future activities and workloads and describes the competency

set needed by the workforce of the future. The demand analysis needs to take into account not only workforce changes driven by changing work, but also workforce changes driven by different future business scenarios, changing work processes and therefore changing workload.

- c) **Gap analysis:** This is the process of comparing the analysis of the current workforce to the organisational requirements analysis to identify the differences (the gaps) between the current organisational competencies and the competency set and personnel level needed in the future workforce.
- d) **Solution analysis:** This provides the plan for addressing competency and personnel level differences between current and future states. The aim of this process is to identify the particular interventions necessary for closing any gaps identified including training required, development and succession planning. As stated in the Resourcing Policy ArcelorMittal wants to grant preference to internal candidates over external candidates, however where the identified gaps can not be practically closed using internal resources, external recruitment programs will also be put into place.

This process will be implemented and performed in accordance with the respective national laws, in particular with respect to labor law and data protection requirements.

3. Scope

This procedure applies to all ArcelorMittal business and sites and is deployed through local companies.



ArcelorMittal

Training Procedure

1. Purpose

Fulfilling our brand promise of “Transforming Tomorrow” requires outstanding technical mastery and executional excellence at all levels of the organisation. ArcelorMittal aims to provide continuous training and development to improve the skills and competence of the entire workforce, based upon workforce plans, skill and training needs analysis. It is ultimately an individual employee’s responsibility to pursue these trainings and development opportunity and to continue to improve their skills and competences.

2. Detailed Statement

The purpose of training is to equip people with the necessary skills, knowledge and attributes to meet the organisation’s needs in relation to its objectives. It is the responsibility of each employee to pursue these development opportunities and to support continuous improvement across the company.

ArcelorMittal recognises that such development is a continuing process for every employee at every level of the organisation and that formal training is only one element amongst several development opportunities.

ArcelorMittal wants to ensure that training is made available on a fair basis and allocated in a transparent manner based solely on business requirements.

All training will be implemented and performed in accordance with the respective national laws, in particular with respect to labour law, anti-discrimination laws, data protection requirements and (national) refunding system rules.

3. Areas of Training

ArcelorMittal supports a wide range of training/development methods including formalized on-the-job training, self directed study, online programmes, internal classroom training and seminars.

Externally provided training should only be chosen when no suitable and competitive alternative exists within the organisation. The decision process for the participation in externally provided training should be the same as for internal programmes.

Training and development can be broken down into categories to aid understanding and organisation. The categories of training used at ArcelorMittal are:

a) Induction

The aim of this process is to enable the newcomer to adjust as quickly as possible to the new working environment and to achieve effectiveness in the shortest possible time.

b) Formalized On-The-Job Training

The largest percentage of learning in the workplace happens on the job. On-the-job training needs to follow a specific format incorporating appropriate learning methodologies and a systematic approach to support the transfer of skills and knowledge from one individual to the next.

c) Leadership programmes

Increasing the effectiveness of first level, middle and senior management is an important part of ensuring the continued growth and success of ArcelorMittal

The enrolment in and the validation of learning needs for the leadership programmes is in all cases coordinated by the relevant HR organisation. E.g. participation to the corporate Talent Pipeline programmes is determined by the Segment career committee.

d) General management training

There are a range of general skills and knowledge which are not specific to one occupational area, which are often referred to as a 'toolbox' and includes subjects such as team management and coaching, presentation skills, decision making, time management, etc.

e) Professional, Functional and Technical Training

Employees working in a range of vocational areas such as steel making, maintenance, various operational areas and functional areas, such as finance, purchasing, human resources, etc. need to keep up-to-date with changes and developments in their particular field.

For all employees in professional, functional and technical areas a skills and/or competence matrix is defined and training should be offered to ensure that the workforce has the required competence level.

f) Language training

English is the international business language of ArcelorMittal. Every employee is encouraged to reach an adequate level of English proficiency to facilitate exchange of information, best practices, etc. through the Global English program.

Support for other language skills is provided to assist in employees achieving efficient communication with their workforce and business relations.

In addition specific training relating to safety, compliance and other matters related to company policies and local laws are available. In some cases this training is mandatory for all employees, local management/functional teams are responsible for ensuring that this training takes place.

4. Training Processes

a) Training Needs Analysis

Training needs flow out from organisational, service and individual objectives. This ensures

training is focused on the needs of the organisation.

Assessment of skills may take place in a range of circumstances:

- At appraisal stage: these formal reviews (GEDP or similar processes) are the main vehicle of reviewing and identifying training needs to improve job performance.
- As part of the workforce planning process in order to meet current or emerging skills gaps.
- As part of the preparation for a career move, preferably in line with a succession plan or an approved development plan.
- Specific requirements of a project.
- Training related to professional development: where applicable, all professional staff are required to comply with the rules of their professional bodies in respect of continuing professional development.

b) Registration

Individuals interested in registering for training programs must follow the registration process defined by the organizing unit. The criteria for participation in a training course should be clearly defined, especially when training courses are by nomination only or when access is granted only after an assessment.

Unless otherwise stated, the cost is paid by the participant's unit.

c) Training record

A record of training is established for each individual employee and held centrally at unit level on the personnel file. This will be continually updated throughout the lifecycle of their employment to provide an auditable trail of their training and development. This will be collected and stored (preferably electronically) in line with data protections laws.

d) Training Evaluation

Training events are evaluated and their contribution to meeting objectives at each level is measured.

Progressively all trainings should include a formal evaluation of the knowledge acquired and how this is applied at the workplace (outcome based assessment).

5. Scope

This procedure is applicable to the whole ArcelorMittal organisation and all its employees and is deployed through local companies.

6. Responsibilities

Units Management Role

The Management of Units has a key role to play in training by:

- Ensuring that training and development plans are focused on the organisation's needs and provide cost effective resources to meet these needs.
- Ensuring training and development actions are evaluated in relation to service and organisational objectives and the benefits clearly identified. Provide feedback to the Training Organisation regarding these results.
- Demonstrating a commitment to train and develop employees in relation to the organisation's objectives and setting objectives.

Managers' Role

Managers' and Supervisors' main areas of responsibility are to:

- Induct new employees.
- Identify training needs jointly with employees in relation to individual objectives
- Formulate training plans in collaboration with the Training department.
- Carry out/facilitate on-the-job instruction and coaching.
- Make all employees aware of training and development opportunities open to them.
- Wherever possible supports employees by releasing from their work to participate in any approved training.
- Supports those who are trained share their learning with others wherever possible and appropriate.
- Evaluate the effectiveness of training events in relation to service and individual objectives with those involved.

Training Department's Role

The Training Department's role is to:

- Publicise training activities (objectives, target audience, calendar and location, cost and cancellation rules).
- Establish and provide guidance on training policy processes and procedures.

- Assist Managers to identify and quantify training needs / Perform a Training Needs Analysis.
- Advise and train managers to carry out their training responsibilities.
- Develop a training plan annually and assist with the formulation of departmental training plans.
- Implement agreed training plan/s
- Facilitate the design, development and organisation of specific training activities. Facilitate training externally, if in-house programmes are not available.
- Facilitate the effective evaluation of training activity in liaison with appropriate managers at individual, service and organisational levels.
- Report on the selected KPIs for training.
- Liaise with local national structures in terms of government grants or subsidies.

Individual Employee's Role

The individual employee's role is to:

- Identify personal training needs in relation to their personal objectives and unit service plans.
- Be aware of training and development opportunities open to them and request training where appropriate to their training needs.
- Actively participate in the training in which he/she is registered.
- Evaluate the effectiveness of training with their line manager.
- Share learning with colleagues wherever possible and appropriate.

Role of ArcelorMittal's training organization and its Learning Council

The global training organisation operates a 'hub and spoke' decentralized model:

- Training is a local managerial responsibility
- HR Corporate teams provide global policies and guidelines.
- ArcelorMittal University and the Functional Academies constitute the delivery part at the global corporate level. The Functional Academies are organized by function or group of functions.
- The Main Training Centres and/or Training Shared Services Centres in each country or region are part of the Training Centre of Excellence Network, which are aligned and coordinated in terms of activities in training design and delivery. These centres operate across segments and provide support to all sites in the country or region.
- The Training Centres at site/unit level, are linked to the Training Centre of Excellence Network.



ArcelorMittal

International Assignment



April 2010

Table of contents

General information	3	G. Housing in the host country	8
1. Non discrimination clause	3	i. Lease agreement	8
2. Assignment approvals	3	ii. Housing budget	8
3. Organisation of Mobility	3	iii. Housing deduction	8
4. Definitions and principles	3	H. Education	8
A. Commuter, Globally mobile employee or International Temporary Assignee	3	i. Type of school	8
B. Directives of the policy	4	ii. Schooling costs	9
C. Transfer versus secondment	4	3. Social security & benefits	9
5. Work permit	4	A. Social security	9
6. Interpretation and application	4	B. Complementary Company Benefits Plan	9
7. Exceptions to Policy	4	C. Medical insurance	10
Short term assignments	5	4. Localisation	10
1. Definition	5	5. Other	10
2. Status	5	A. Orientation trip	10
3. Compensation	5	B. Settling-in allowance	10
A. Base Salary	5	C. Home Leave	11
B. International Mobility Premium (IMP)	5	i. Assignees on an accompanied status	11
C. Hardship allowance	5	ii. Commuter	11
D. Housing	5	D. Shipping or storage and travel to Host Country	11
4. Others	5	i. Shipping	11
A. Return trips Home	5	ii. Storage	11
B. Income taxes	5	E. Travel to Host Country	11
Long term assignments	6	F. Income taxes	11
1. Terms sheet	6	G. Working hours, vacation and holidays	11
2. Compensation	6	H. Culture and language course	12
A. Base salary	6	I. Partner Support	12
i. Host country base salary	6	J. Impact on Host Country	12
ii. Host Country salary review	6	6. End of Assignment	12
B. Variable pay and/or bonus	7	i. Repatriation to Home Country	12
C. Sleeping Base Salary	7	ii. New international assignment	12
D. Cost of living differential (COL)	7	iii. New assignment in current Host Country	12
E. International Mobility Premium (IMP)	7	GLOSSARY	13
F. Hardship allowance	7		

General information

As a global business operating in over 60 countries, ArcelorMittal ("the Company") needs to mobilise, leverage and transfer its best skills and talent quickly and to effectively compete with the very best.

This policy aims to give you an overview of the expatriates terms and conditions. For further information, the International Assignment Services Team remains at your disposal.

1. Non discrimination clause

ArcelorMittal is an equal opportunity employer and throughout the policy "he" should be read as "he or she".

2. Assignment approvals

Approval by the EVP Human Resources and by the appropriate GMB member is required for:

- Long term international assignments for GM's and VP's (more than 1 year) as part of Global career planning. This is also applicable for Short term assignments for GM's.

Approval by the HR manager in charge of International Mobility and by the respective Management Committee member is required for all transfers below General Manager level (for some areas, the approval of the relevant GMB member will also be required):

- Long term international assignments (more than 1 year)
- Short term international assignments (three to twelve months).

All International assignments are subject to the assignee being found medically suitable for deployment to the proposed Host Country.

N.B. – appropriate approvals being in place due to legality of work permits are required before effective transfer.

3. Organisation of Mobility

A Mobility case is handled like a project. The HR of the Host Segment in conjunction with the HR of the Host country are the leaders of the Project (Business Partner). The International Assignment Services Team is the keeper of the rules defined by the Company.

4. Definitions and principles

A. Commuter, Globally mobile employee or International Temporary Assignee

For long term assignments, three types of deployment may be applicable:

- Globally mobile employee:

Talent hired specifically in emerging markets for placement in emerging markets, but generally to be globally mobile.

- International Temporary Assignee:

International Temporary Assignee moving from a Home Country to work in a Host Country – single civil status or accompanied (if assigned with family).

- Commuter:

Assignee – on long term international mobility without family – working in a Host Country and returning regularly to the Home country where the family remains – Home Country and Host Country being in the same region and the distance in-between does not allow commuting on a daily basis.

The term family is defined as spouse, partner and dependant children. Nanny, Au-pair, etc. are not regarded as family.

This manual outlines the policies and procedures of the Company for the following types of assignments:

ASSIGNMENT TYPE	DURATION	STATUS
Short term assignment	Three to twelve months	Single
Long term assignment	Over twelve months – to a maximum of three years per Host Country	Single or Accompanied

The duration of three years mentioned is the maximum duration. However, the duration of the assignment will be decided by the V.P. Human Resources in collaboration with the Business Units Management and can last less than three years.

Icons have been included in order to underline the implications of your personal situation on each of the terms and conditions:



Application for Globally Mobile Employees



Application for single assignee or assignee accompanied by his family on International Temporary Assignment



Application for commuters

B. Directives of the policy

This policy does apply to EVP, VP, General Managers and Managers and will also apply to exempts/specialists but would exclude administrative support staff unless specifically approved by a GMB Member.

If an employee is transferred to a country in which he has been resident within the last 3 years, this policy will not be applicable and he will be transferred on a local package.

For additional assignment in the Host Country, please refer to Chapter 6. iii "New assignment in current Host Country".

Globally mobile employees assigned to developed countries will be employed via a local contract.

This policy does not :

- apply to transfers occurring at the request of the employee.
- cover mobility within a Country. Those are covered by the national mobility policies where they exist – those policies being put in place in collaboration with Group Human Resources,
- cover split of professional activities between two countries or more. Those exceptional cases are to be handled by the International Assignment Services Team due to tax issues,
- apply for assignments to the London office. All London positions are on a local hire basis only.
- apply to non exempt positions.

Trips with duration from one day to three months will be considered as business trips and will not incur any uplifts. Reasonable expenses may be claimed.

C. Transfer versus secondment

As basic principle, when an assignee is transferred to a Host Country, he will sign a work contract with the Host Company and his Home Country contract will be either frozen or he will receive a return guarantee depending on the Home Country legislation.

Due to social security reasons, the International Assignment Services Team will decide in exceptional cases where a secondment (i.e. maintaining the assignee on Home Country contract) is to be applied considering in particular tax and legal implications (such as the creation of permanent establishments) and the overall costs of such a secondment.

5. Work permit

In some countries, work and residence permits are an essential condition for the assignment.

Before moving to the Host Country, the Host Company will help the assignee to obtain the work permit. The assignee is expected to participate actively in the procedure and to provide the Host HR contact with all required documents and information within the specified timeframe.

In some countries the work permit procedure can last several months so International Assignments requiring work permits should be, wherever possible, planned by the Business Units at least 6 months before departure date.

6. Interpretation and application

The provisions of this policy will be applied to the extent that they are consistent with the local laws and regulations of the countries to which assignees are assigned.

7. Exceptions to Policy

The policy applies without exception. Difficulties in applying the policy will be elevated to host EVP (through the International Assignment Services Team) and to the EVP Human Resources.

Short term assignments

1. Definition

The Short Term Policy sets out the guidelines to be followed when employees are assigned to a Host Country for a period between 3 months and 12 months. Missions below 3 months duration will be considered as business trips.

2. Status

The Short Term Assignment is based on single status i.e. the Company will not pay for additional costs if the family moves to the Host Country with the assignee.

An assignee on a Short Term Assignment will be seconded to the Host Country i.e. he will remain on Home Country payroll and subject to Home Country social security schemes.

3. Compensation

A. Base Salary

The assignee will continue to receive their regular pay in their Home Country.

B. International Mobility Premium (IMP)

The IMP of 10% of Home net salary is a cash incentive to encourage ArcelorMittal assignees to work abroad. It is a fixed payment paid monthly as a net amount.

C. Hardship allowance

This allowance, based on third party data, compensates the assignee for various constraints such as geographical, cultural and linguistic differences, as well as the political, social, economic and public health climate in the Host Country.

D. Housing

The assignee will be provided with furnished accommodation consistent with the single status of their relocation.

4. Others

A. Return trips Home

The assignee is entitled to:

- One monthly round trip Home if the short term assignment is a regional transfer and
- One round trip Home every two months if the Short Term Assignment is a cross regional transfer.

B. Income taxes

Prior to an employee being relocated, the Home and Host Country Human Resources should contact the International Assignment Services team to discuss the possible tax consequences to the Company and the employee of each assignment.

Long term assignments

1. Term sheet



For every long term transfer, a term sheet stipulating the conditions of the transfer will be prepared by the International Assignment Services Team and will be subject to Terms and Conditions approved by Host country or receiving segment Human Resources (Project Leader) and the HR Manager International Mobility.

The terms sheet will be used as a basis for the new contract in the Host Country and for the addendum to the Home Country contact.

All terms sheets will not be valid unless they are signed by a member of the International Assignment Services Team and the assignee.

2. Compensation

A. Base salary

i. Host country base salary

The Host Country base salary is determined by using the Home Country net salary grossed up in the Host Country.

1. Determination of the Home country base salary

International Temporary Assignees and Commuters



The Home Country base salary corresponds to the gross salary that the assignee receives or would receive for an equivalent position in his Home Country. This salary is agreed between **Home and Host Country HR**.

This salary serves also as "sleeping base salary" in the Home Country (see Section 2).

All mobility packages are prepared according to ArcelorMittal Compensation guidelines.



Globally mobile employees

Salary is paid on a net USD basis.

The same salary increase principles as mentioned above are applicable. This is not applicable where a Globally mobile employee is assigned to a developed country.

2. Determination of the expatriate net income



A Home Country net will be calculated after deductions of:

- Home Country social security contributions,
- Home Country income tax (considering standard deductions),
- Possible contributions to home company benefits e.g. pension.

To calculate the net expatriate income, the Company will take into account compensation for losses related to:

- Child allowance,
- Company profit sharing schemes.

3. Determination of the gross Host Country salary



The expatriate net income will be converted, when necessary, into the currency of the Host Country using the average exchange rate over the last 12 months used by the Company for its financial statements.

The net income will be grossed up considering the Host Country Tax and Social Security deductions in order to determine the gross salary that will be paid in the Host Country.

For assignees moving from an emerging market to a developed market, the International Assignment Services Team in collaboration with the Host Country HR may determine an additional allowance payable only during the assignment duration for those whose so-determined gross Host salary is below the minimum wage requirement.

ii. Host Country salary review



The Host Country salary will be reviewed and increased if applicable, using the mechanisms for salary increases in the Host Country.

If a salary increase has been applied at the beginning of the assignment as a result of an approved promotion, (cf. II. A. i. 1 above), this increase will be considered when reviewing the Host Country salary.

Note - Regarding adjustments to Home Base Salary, see section II. C. for maintaining home salary levels for repatriation or new assignment (this is not applicable for globally mobile employees).

B. Variable pay and/or bonus



The Host Country variable pay or bonus schemes will apply.

Home Country Variable pay/bonuses will no longer apply.



Globally mobile employees are eligible for the same variable pay or bonus schemes wherever they exercise their employment activity.

C. Sleeping Base Salary



During the assignment, a "Sleeping Base Salary" will be maintained by the International Assignment Services Team.

The Sleeping Base Salary will be reviewed by applying:

- The Host Country salary merit increase percentage (if applicable). NB – the Host Country merit increase percentage is the total percentage increase minus any percentage relating to Host Country inflation
- and Home Country inflation percentage applied by the Home Company to local employees and approved by the Group Management Board. Should the Home Country have a mandatory indexation of salaries, this will be applied in all cases. The inflation increase considered in the Home Country will not be applied on the sleeping base salary if the employee does not have a salary increase in the Host country and if indexation is not mandatory in Home Country.

The review will be carried out annually by Home Country HR and communicated to the International Assignment Services Team.

It is the responsibility of Home Country HR to advise the assignee of the new Sleeping Base Salary.

The Sleeping Base Salary is used for the calculation of Home Country social security, pension plan and insurances where applicable.

It also serves to keep the assignee informed about the level of salary in the Home Country. This is particularly important for assignees whose base salary was temporarily increased for the duration of their international assignment.

D. Cost of living differential (COL)



The COL differential is intended to maintain a purchasing power in the Host Country similar to the one in the Home Country. The COL differential is calculated on the portion of base salary typically spent on goods and services. This is referred to in this policy as spendable income.

The spendable income corresponds to 60% of the Home Country net salary for both single (civil status) and accompanied assignees.

For assignees, whose family remains in the Home Country, the spendable income corresponds to 20% of the Home country net salary.

The COL can be positive, negative or non-existent. Negative differentials will not be deducted for transfers from developed markets to emerging markets.

COL data will be provided by independent third party. The COL differential will be calculated at the beginning of the assignment and will not be reviewed.

E. International Mobility Premium (IMP)



The IMP of 10% of Home net salary is a cash incentive to encourage ArcelorMittal assignees to work abroad. It is a fixed payment calculated at the commencement of the assignment and is not increased during the period in the Host Country. If a subsequent assignment occurs to a new country, a new calculation will be carried out.

After determining the net amount, it will be grossed-up using Host Country tax and social security rates. IMP will be shown as a separate line on the monthly pay slip.

F. Hardship allowance



This allowance, based on third party data, compensates the assignee for various constraints such as geographical, cultural and linguistic differences, as well as the political, social, economic and public health climate in the Host Country. The hardship allowance will be calculated in line with third party data at the beginning of the assignment and will not be reviewed.

The allowance is paid as a percentage of Home net salary (fixed at the time of departure), which will be grossed up using Host country tax and social security rates. Hardship allowance will be shown as a separate line on the monthly pay slip.



Hardship allowances are paid to globally mobile employees for assignments to specific countries, such as: Algeria, Liberia and Senegal. The full list of applicable countries will be maintained (and updated as necessary) by the International Assignment Services Team.

G. Housing in the host country

i. Lease agreement



Company will pay approved housing costs in Host Country. This may be paid to either the assignee or to the landlord (whichever is the most tax efficient as determined by the International Assignment Services Team, not by assignee choice).

Whether the rental agreement is signed by the assignee or the employer will be determined by the International Assignment Services Team. In all cases, the assignee is responsible for all damages.

Host Country HR or its designated relocation service will provide the assignee with advice regarding the content of any proposed lease agreement.

Where possible, it is advisable to ensure that such agreements contain a termination clause that allows the assignee to break the lease on short notice when leaving the Host Country.

If there are costs involved, necessary to conclude a rental agreement, these costs will be reimbursed by the Company.

Should the assignee be responsible for the lease agreement, the deposit to be paid to the landlord at the start of the rental contract will be advanced by the Company. At the end of his assignment, the assignee is responsible for the repayment of this advance to the Company and will be held personally accountable for any deductions made by the Landlord.

In the case of a forced move due to conclusion of a lease, the Company will bear the costs of moving to a new rental property. Note: this is not applicable due to employee choice or default by the employee on a condition of the lease.

ii. Housing budget



The International Assignment Services Team sets a Housing budget (based on third party data plus a Company supplement for General Managers, VP's and EVP's) that takes into account Host city and family size.

If the assignee chooses to rent more expensive housing than the maximum fixed by the Company, he will pay the additional cost himself.

A fixed monthly sum will be paid to cover utilities where this is not provided for in the rental agreement. Data from the third party provider will be provided to determine this figure. Utilities are regarded as electricity, domestic household water, gas / heating oil. Cleaning costs are not covered by the Company.

iii. Housing deduction



The assignee is required to pay a contribution towards Host Country housing costs. This deduction recognises that the full costs of housing are provided in the Host Country. This deduction is either:

- 30% of the Company approved housing budget including utilities or
- 10% of net home salary,

whichever is the lower amount.

If the assignee chooses to rent less expensive housing than the maximum fixed by the Company, the calculation of the 30% will be based on this lower amount including utilities.

If the assignee chooses to rent more expensive housing than the maximum fixed by the Company - where the Company is paying the rental directly to the Landlord - the additional cost will be added to the above-mentioned housing deduction.

H- Education



Payment of school fees or the payment of a school fees differential (where an employee was already paying for school fees in the Home country) will only apply to:

- Dependant children from the age of three years old who accompany parents to the Host Country or to
- Dependant children who remain in the Home Country, while both parents are in the Host Country.

The Company will not be responsible for any payment of University / College fees.

i. Type of school

The eligibility for payment of school fees or of a differential will be evaluated on a case-by-case basis after evaluation of schooling in Host Country as per following steps:

- Local Schooling if suitable,
- EU or native language Schooling,
- International Schooling.

Boarding School **may** be available by exception.

The Company will not reimburse the cost of private schooling where the Host Country provides education based on the Home Country state school curriculum.

ii. Schooling costs

For children who attend approved kindergarten, primary school or secondary school in the Host location, the company will reimburse the following costs:

- A one-off registration fee (and other fees mandatory for enrolment) – not included in the US\$ 15,000 per child per year.
- Tuition fees up to a maximum of US\$ 15,000 per child per year.
- The receipted cost of the first uniform where this is a requirement of the school e.g. - UK.

For local schooling (in the appropriate language) the Company will pay a maximum of US\$ 2,500 per child per year.

Should no appropriate schooling exist, consideration may be given to the payment of fees for schooling outside the Host Country.

The Company reserves the right to cap total schooling fees at a maximum sum of US\$ 25,000 per family per year.

Non company costs include:

Meals,
School supplies,
Books,
Field trips,
Gym clothes,
Gym fees,
Concerts,
Board and lodging,
Physical and dental examinations,
Sport activities, dance,
Extra curricular activities and excursions,
Music lessons,
Insurance,
Etc..

Nursery costs are not reimbursed.

3. Social security & benefits

A. Social security



All aspects relating to Social Security will be determined on a case by case basis by the International Assignment Services Team taking into account the following principles:

The Host Country HR Department will enrol the assignee in the mandatory Host Country social security.

Where the social security is not equitable to Home Country social security, the International Assignment Services Team will decide in exceptional cases where a secondment (i.e. maintaining the assignee on Home Country contract) is to

be applied considering tax and legal implications (such as permanent establishment issue) and the overall costs of such a secondment. In those cases, the assignee remains on a Home Country social security scheme.

Should the secondment not be retained as a solution (where the social security is not equitable to Home Country social security), the Company will enter the assignee in an expatriate social security scheme.

B. Complementary Company Benefits Plan



The Host Country HR Department will enrol the assignee in the Host Country complementary pension plan when they are on Host Country contract.

In exceptional cases of secondments, the assignee will remain in the Home Country Complementary Company Benefits Plan.



Globally Mobile employees hired on or after November 1st 2007 will have the opportunity to join a Defined Contribution pension plan with a 5% Company contribution with five year vesting rights.

For Globally Mobile employees hired before October 31st 2007, the existing gratuity scheme will remain in place with increased dividends for employees that have been assigned to emerging markets.

Dividends are not considered for the period of time where Globally Mobile employees participate in a local pension plan.

1/ Gratuity scheme principles:

- Dividends are equal to 15 calendar days per year of employment with the Company
- Calculation of the premium is based upon the final annual base salary (paid over the last 12 months). One day value is equal to the final annual base salary divided by 365 days.
- An increase factor is only applied for accumulated years spent in countries with hardship $\geq 20\%$

Job Tenure [years]	Factor
3 < T ≤ 5	1.0
5 < T ≤ 10	1.2
10 < T ≤ 15	1.6
T > 15	2.0

There is no right to a gratuity scheme payment if the assignee has less than 3 years service with the Group.

- Dividends are not considered for the period of time where Globally Mobile employees participate in a local pension plan and get vested rights.

- Payments are made by the last country of assignment. If the Globally Mobile remuneration is set up in net, the dividend is calculated and paid in net. If not, the dividend is calculated in gross and taxed as per local rules.

2/ Gratuity scheme calculation: Example

Assignment	Location	Years	Factor	Total
01.01.1999 to 30.09.2002	Kazakhstan	3.75	1.2	4.5
01.10.2002 to 31.12.2004	Ukraine	2.25	1.2	2.7
01.01.2005 to 31.12.2006	Belgium (local pension plan)	2	0	0
01.01.2006 to 30.06.2008	Liberia	2.5	1.2	3
01.07.2008 to 31.12.2008	Spain	0.5	1	0.5

- a) Years of seniority in countries with hardship $\geq 20\%$:
Kazakhstan: 3.75 years, Ukraine: 2.25 years, Liberia: 2.5 years, Total = 8.5 years
Therefore a factor of 1.2 ($5 < T \leq 10$) applies to Kazakhstan, Ukraine and Liberia as they are countries with a hardship factor $\geq 20\%$
- b) There is no gratuity scheme computation for Belgium as assignees are enrolled into the Belgian pension plan. The assignee will receive their vested rights from this plan at retirement age.
- c) Final Gratuity Scheme calculation = $4.5 (= 3.75 \times 1.2) + 2.7 (= 2.25 \times 1.2) + 3 (= 2.5 \times 1.2) + 0.5 (= 0.5 \times 1) = 10.7$ years x 15 days of final salary
All calculations relating to Gratuity scheme final payments must be carried out by the Corporate Benefits Department.

C. Medical insurance



Private Medical insurance including dental is provided. This includes medical evacuation where needed.

Assignees and family will be affiliated by the International Assignment Services Team.

4. Localisation



Individual assignments will be for a maximum of three years. The duration of three years

mentioned is the maximum duration. However, the duration of the assignment will be decided by Human Resources in collaboration with the Business Units managements and can last less than three years.

One year before the end of his assignment, the assignee will be given notice by Host Country Human Resources that at the end of a 12-month period he will be 'transferred to local terms'.

NOTE - allowances paid whilst on International Assignment will not be included in the local package.

5. Other

A. Orientation trip



The future assignee and his spouse/partner may visit the new location for house hunting, discovering the area, first contacts with school etc when agreed in advance with Host Country Human Resources. The assignee's trip must coincide with a business trip when possible. The orientation trip must not exceed 1 week.

The Company will pay for a round trip visit in economy class (business if authorised by the business expense policy), rental of a car and hotel accommodation (agreed by the Company) and meals.

The details and planning of the visit are handled by the Host Company HR.

B. Settling-in allowance



Expenses resulting from the move which are not covered may be paid up to the maxima mentioned below:

- Single: US\$ 3,000
- Accompanied: US\$ 6,000

This reimbursement intends to cover miscellaneous expenses such as:

- Cleaning, painting and fixing the previous home and the new home,
- Fitting curtains to the new home,
- Carpets and flooring,
- Light fixtures,
- Non-reclaimable fees for unexpired insurances, licenses, memberships, etc.,
- Driving licenses,
- Residence permit fee,
- Passport fee and photos,
- Installation cost for cable TV and/or internet.

Payment is against receipt only.

The settling-in allowance does not cover any furniture.

Where electrical appliances will have to be adapted, a special solution will be agreed by the International Assignment Services Team.

C. Home Leave

i. Assignees on an accompanied status



The Company will pay one economy class round trip to Home Country per year. The Company will pay the fares and possible transportation from the airport to the home, but no other costs e.g. rental car.

When the Host Country is considered a hardship location (20% hardship allowance or more) and **only in those cases**, the International Assignment Services Team **may** agree an additional Home leave.

This section does not apply to globally mobile employees.

ii. Commuter



Commuters are entitled to two round trips to Home Country per month.

Should the assignee use his private car, the reimbursement will be based upon Home Country or Host Country mileage policy (depending on which Country issues his work contract).

Should the assignee use trains or take flights, the round trips must be in economy class or budget flights, if available.

This section does not apply to globally mobile employees.

D. Shipping or storage and travel to Host Country

i. Shipping



The International Assignment Services Team will supervise the shipping of household goods and will provide the assignee with either the name of the selected moving service or a list of moving services. In the latter case, employees should request three price quotations. The International Assignment Services Team will decide upon a provider based upon price, quality and reliability.

The Company will bear the costs to move the assignee's household goods to the Host Country – including packing, unpacking, shipping and insurance.

The maximum amount that will be shipped at the Company's expense is determined according to the table below. The Company will pay any duty imposed by the Host Country on goods which the Company agrees to ship.

The assignee is responsible for coordinating the removal company e.g. be present for packing, unpacking.

The Company will not arrange, pay for or assume any liability for shipment to the Host Country of items that are difficult or unusually costly to transport or insure such as: pets, musical instruments (grand piano, bass, etc.), safe, car, motorcycle, works of art, wines and spirits, weapons, etc.

Number of people moving	Amount
Single assignee	20 ft container + 120 kg by air freight
Assignee + spouse (partner)	40 ft container + 240 kg by air freight
Assignee + spouse + dependant children	40 ft container + 120 kg by air freight per family member

ii. Storage



The assignee is responsible for the cost of storing his personal effects in his Home Country if he has used the surface container detailed above.

In other cases, prior approval of the International Assignment Services Team is necessary.

E. Travel to Host Country



The Company will provide one-way economy class air fare for the assignee and any authorised accompanying family member from the Home Country to the site of the new Host Country assignment.

F. Income taxes



All payments to the employee will comply with the tax regulations of the Host Country.

Tax assistance will be provided for the employee when he departs/returns his Home Country and for three years maximum in the Host Country.

If the employee delays submission of information to the tax consultant which results in penalties or/and interests payments, it should be clear that these are to be paid by the assignee.

G. Working hours, vacation and holidays



The working schedule of the assignee will be in accordance with the Host Location Policy if the assignee is on a local work contract.

Vacation and public or statutory holiday entitlements will be according to the practice of the Host Location. Should the difference between Home and Host entitlements be greater than 10 days, the International Assignment Services Team will agree on a solution.

Outstanding vacation days will be paid by the Home Country when the employee deploys.

In all cases, vacation must be agreed in advance by the Host Country Manager.

H. Culture and Language course



The assignee can partake in language training for the language of the Host Country. His spouse/partner may be granted 40 hours of language course where necessary by the Host Country HR. The language training will be collective training where possible.

Language lessons may be set in agreement between Host Country HR and the International Assignment Services Team.

The Company may also reimburse the costs of cultural training where necessary.

I. Partner Support



The assignee should involve his partner in his intended international move as early as possible, so he will be able to integrate fully into the Host Country. It is recommended to examine all possible situations he can face during the assignment: career interruption, Host Country labour market, new life style, etc.

For partners having resigned to follow the assignee to the Host Country, the Company offers an assistance programme providing he has not secured employment in the Host Country.

Under this programme, the following expenses may be reimbursed by the Company up to the limit of US\$ 20,000 for the entire assignment:

- Advanced language training,
- Training programmes consistent with the spouse's professional experience or work project,
- Job hunting assistance in the Host Country,
- Job hunting assistance in the Home Country on return.

In addition, providing the partner does not find an employment, the Company will cover state retirement pension contributions (in countries where this is possible), for a maximum total duration of three years.

J. Impact on Host Country

Host Country HR (or receiving segment HR) will evaluate with International Mobility Assignment Services Team the impact of the compensation and benefits status of the potential assignee on the Host Country. For emerging countries, their recommendation will be reviewed by EVP HR and GMB member before finalising the package.

6. End of assignment

i. Repatriation to Home Country



Guarantee

In order to protect the assignee during the first three years of working abroad, the Company will provide a Home Country Return guarantee. This is applicable either when the assignment ends due to personal reasons or at the end of the assignment.



Repatriation costs

The Company will pay approved costs of repatriation except in cases of gross misconduct. However, the Company will respect local legislation.

The Company will apply the same shipment for repatriation as it did for deployment.

ii. New International Assignment



If the employee undertakes a new international assignment, all Terms and Conditions relating to the previous assignment are discontinued.

The new assignment is calculated as if the expatriate was about to leave for the first time.

iii. New Assignment in current Host Country



Any additional assignment in the current Host Country within the 3-year period will be deemed to be a continuation of the first assignment but may have different COL/housing/hardship amounts.

Any additional assignment in the current Host Country after localisation will be deemed to be a domestic assignment and local domestic policy will apply.

All domestic policies must be approved by Group HR before implementation.

Glossary

Commuter	Assignee working in a Host Country and returning regularly in the Home Country where the family remains – Home Country and Host Country being in the same region.
Cost of living differential (COL)	A differential aimed at compensating the difference of costs of goods and services in the Host Country to the costs in the Home Country.
Emerging markets	The list includes but is not exhaustive : Algeria, Argentina, Bosnia & Herzegovina, Brazil, Chile, China, Colombia, Cuba, Czech Republic, India, Iran, Kazakhstan, Liberia, Macedonia, Malaysia, Mauritius, Mexico, Morocco, Poland, Romania, Russia, Senegal, South Africa, Thailand, Trinidad & Tobago, Turkey, Ukraine, Vietnam.
Family	The term family means spouse, partner and dependant children. Nanny, Au-pair, etc. do not belong to family.
Globally mobile employee	Talent hired especially for the emerging markets but required to be globally mobile.
Hardship allowance	Cash incentive to compensate the various constraints experienced in the Host Country such as geographical, cultural and linguistic differences as well as the political, social, economic and public health climate in the Host Country.
Home Country	Country of initial ArcelorMittal Employment.
Host Country	Country to which the employee is assigned.
International Mobility Premium	Cash incentive to encourage assignees to work abroad.
International Temporary Assignee	Assignee moving from a Home Country to work in a Host Country - single civil status or accompanied (if assigned with family).
Localisation	Process of transferring an employee who used to be under expatriate terms and conditions to local employment conditions following a three year assignment.
Regions	The regions are: North America, South America, Europe, Asia, Africa.
Sleeping base salary	Home Country Gross salary reviewed by applying the Host Country salary percentage merit increase (if applicable) and Home Country inflation percentage applied by the Home Company to local employees. This constitutes the salary applicable in case of return to the Home Country or to be considered in case of additional assignment.
Spendable income	Estimated portion of Net Home Country salary spent on Goods & Services. It represents the money spent for goods excluding housing. The difference with the net Home Country salary makes up the other expenses in the Home Country (savings for example) that are not adjusted to the cost of living differential.

Please note that this document is intended for guidance only and has no legal force. It does not form part of your contractual terms and conditions of employment, nor does constitute an offer of or a contract of employment. In the event of any inconsistency between the contents of this document and your employment conditions, your contractual terms and conditions of employment shall prevail.

This document sets out our current policies and practices and we reserve the right to change these at any time.

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