ArcelorMittal

Remuneration report 2019 Senior Management

Remuneration report at a glance

B. Compensation

Content

Annual statement by the ARCGS Committee Chairman	
Board of Directors	
Remuneration at a glance - senior management	Overview of the Company's remuneration policy and rationale of each performance metric
Remuneration at a glance - 2019 pay outcomes	Comparison of pay outcomes 2019 vs. 2018 Explanation of results for 2018 short-term incentives paid in 2019
Remuneration	
Remuneration strategy	Explanation of what informs the ARCGS's decision on pay
Remuneration policy	Explanation of policies applied to senior management
Remuneration mix	Overview of the remuneration mix for senior management
2019 Total remuneration	Overview of 2019 outcomes
Short-term incentives	Description of short-term incentives plan ("STI")
Long-term incentive plan	Description of long-term incentive plan ("LTIP" or "LTI"s)
Global stock option plan	Description of global stock option plan
Other benefits	Description of other benefits
SOX 304 and Clawback	Explanation of SOX section 304 rules regarding clawbacks of CEO/CFO remuneration

Abbreviations

EBITDA	Operating income plus depreciation, impairment expenses and exceptional items
FCF	Free cash flow
STI	Short-term incentives
LTI/LTIP	Long-term incentives (plans)
EPS	Earnings per share
PSU	Performance share units
RSU	Restricted share units
ROCE	Return on capital employed
TSR	Total shareholder return

Annual statement by the ARCGS Committee Chairman

Dear Shareholders,

Description of the year:

Business and results

After a strong 2018, market conditions in 2019 were challenging, with the profitability of ArcelorMittal's steel segments suffering due to lower steel prices combined with higher raw material costs. This was only partially offset by improved profitability from the mining segment. Despite this challenging environment, ArcelorMittal has achieved notable progress which reflects the efforts in recent years through Action 2020 to strengthen the business. Significant cash flow generation in 2019 resulted in a historical low point for ArcelorMittal net debt. Global overcapacity remains a clear challenge, as such the Company reduced capacity in Europe in response to the current weak demand environment. Further action needs to be taken to address the increasing level of imports entering the continent due to ineffective safeguard measures. ArcelorMittal continues to engage with the European Commission to create a level playing field for the sector. A supportive regulatory and funding environment is also crucial for the Company's ambition to significantly reduce its emissions. ArcelorMittal also continue to evolve its sustainable product offering, for example with Steligence, its low-carbon solutions for the construction market. Despite the current challenges, the Company is well positioned to benefit from any improvement in market conditions and the current very low spread environment.

Board and Committees

The Board and Chairman have overall responsibility for the governance and strategic direction of ArcelorMittal, which includes considering the effects of climate change. The Board has two committees with further oversight and responsibilities on climate-related issues. Risks are also considered by boards of subsidiaries worldwide. The ARCGS oversees the implications of sustainability issues under five sustainability pillars, of which one is climate change. The chair of the ARCGS also liaises closely with the chair of the Audit & Risk Committee. The Committee considers the implications of climate change for the business and oversees the Company’s strategic planning in response to the risks and opportunities that arise. It receives regular reports from senior management on stakeholder expectations, the Company’s low-emissions technology strategy, climate-related policy engagement and carbon performance.

Activities

Remuneration and Nomination

During 2019, the ARCGS Committee conducted the Annual Self-Assessment of the Board of Directors, reviewed and approved short term incentive proposals for senior management and approved the remuneration report for 2019. The ARCGS Committee also reviewed remuneration and governance related proposals for the annual general meeting of shareholders. The ARCGS Committee revised succession plans for the Board, the CEO office and senior executives. The ARCGS Committee also reviewed the salaries for the CEO, CFO and the Executive Vice Presidents. It reviewed the grant and vesting criteria for future grants, reviewed and selected performance and compensation peer groups under the Long-Term Incentive Plan and confirmed the vesting of existing plans in accordance with the criteria set in advance. The ARCGS Committee also considered the need for additional retention plans. The annual general meeting of shareholders in May 2019 approved an increase in remuneration for the non-executive members of the Board of Directors. A review of this remuneration takes place once every three years.

Environment

In May 2019 ArcelorMittal published its first Climate Action report in which it announced its ambition to significantly reduce CO_2 emissions globally and be carbon neutral in Europe by 2050. The report explains in greater detail the future challenges and opportunities for the steel industry, the plausible technology pathways the Company is exploring as well as its views on the policy environment required for the steel industry to succeed in meeting the targets of the Paris Agreement. In addition, the Committee held quarterly meetings dedicated to Corporate Social Responsibilities, including Health & Safety, Environment and Community relations and reviewed progress and proposed management actions in this field. The year showed substantial progress in terms of quality of reporting and follow up actions.

Going forward

The acquisition of AMNS India is an important strategic step for ArcelorMittal. The newly established joint venture with Nippon Steel Corporation, called AMNS India, with nominal crude steel production capacity of 9.6 million tonnes per year in India, is one of the most promising steel markets in the world. ArcelorMittal is confident that AMNS India will create significant value - for shareholders, its business partners, employees and communities in India.

As for ArcelorMittal Italia, the Company experienced both business and stakeholder issues at the Taranto plant. These issues are persistent and ongoing.

As a result of the implementation of the recommendations of the previous Board self-assessment in January 2019, there were noticeable improvements in this year's process. In particular, the new responsibilities of the Committee on sustainable development matters and the increased emphasis given to succession planning are seen as important improvements.

Corporate Social Responsibility including Climate Action will remain a key focus area for the Committee in 2020. Even greater emphasis will be placed on health and safety matters as well. In the field of Remuneration, the Committee expects to consider proposals to ensure appropriate remuneration and management retention in challenging market conditions. Succession planning will remain a priority.

Sincerely yours,

Bruno Lafont

Board of Directors

Directors' fees

The ARCGS Committee of the Board of Directors prepares proposals on the remuneration to be paid annually to the members of the Board of Directors.

At the May 7, 2019 annual general meeting of shareholders, the shareholders approved the annual remuneration for non-executive directors for the 2018 financial year, based on the following annual fees (euro denominated amounts are translated into U.S. dollars as of December 31, 2018):

- Basic director's remuneration: €151,956 ($173,990);
- Lead Independent Director's remuneration: €214,326 ($245,403);
- Additional remuneration for the Chair of the Audit & Risk Committee: €29,484 ($33,759);
- Additional remuneration for the other Audit & Risk Committee members: €18,144 ($20,775);
- Additional remuneration for the Chairs of the other committees: €17,010 ($19,476); and
- Additional remuneration for the members of the other committees: €11,340 ($12,984).

The total annual remuneration of the members of the Board of Directors for their service for the last five financial years was as follows:

	Year ended December 31,				
(Amounts in $ thousands except Long-term incentives information)	**2019**	**2018**	**2017**	**2016**	**2015**
Base salary[1]	1,569	1,604	1,505	1,550	1,746
Director fees	1,554	1,509	1,744	1,900	1,856
Short-term performance-related bonus[1]	3,198	2,775	2,333	—	1,910
Long-term incentives [1, 2, 3]	89,933	70,302	49,431	168,214	59,773

1 Chairman and CEO only. Slight differences between the years are possible, due to foreign currency effects.

2 See "Item 6.B—Directors, senior management and employees—Compensation—Remuneration—Long-term incentive plan."

3 Long-term incentives for the 2015 financial year were 179,320 prior to the 2017 reverse stock split which consolidated each three existing shares in the Company without nominal value into one share without nominal value.

The annual remuneration for the last five financial years to the current and former members of the Board of Directors for services in all capacities was as follows:

(Amounts in $ thousands)	**2019[1]**	**2018[1]**	**2017[1]**	**2016[1]**	**2015[1]**
Lakshmi N. Mittal	1,569	1,604	1,505	1,550	1,746
Vanisha Mittal Bhatia	171	166	174	153	160
Narayanan Vaghul	—	—	69	182	204
Suzanne P. Nimocks	183	178	187	164	184
Wilbur L. Ross, Jr.	—	—	32	171	180
Lewis B. Kaden	—	—	95	250	244
Bruno Lafont	280	272	255	171	180
Tye Burt	183	178	187	164	173
Antoine Spillmann	—	—	—	55	198
Karyn Ovelmen	204	198	203	171	—
Jeannot Krecké	171	166	174	153	173
Michel Wurth	171	166	174	153	160
Karel de Gucht	191	185	194	114	—
Total	**3,123**	**3,113**	**3,249**	**3,451**	**3,602**

1. Remuneration for non-executive Directors with respect to 2019 will be paid in 2020 subject to the shareholder approval at the annual general meeting to be held on May 5, 2020. Remuneration for non-executive Directors with respect to 2018, 2017, 2016 and 2015 was paid in 2019, 2018, 2017 and 2016, respectively, following the shareholder approval at the annual general meetings held on May 7, 2019, May 9, 2018, May 10, 2017 and May 4 , 2016, respectively. Slight differences between the years are possible, due to foreign currency effects.

Members of the Board of Directors have not received any remuneration from any subsidiary of the Group.

The annual remuneration for the last five financial years on a full-time equivalent basis of employees of ArcelorMittal S.A. was as follows:

(Amounts in $ thousands)	2019[1]	2018[1]	2017[1]	2016[1]	2015[1]
Average Remuneration	389	408	379	336	326

1. The annual remuneration is calculated for the approximately 20 employees with a labor contract with ArcelorMittal S.A.

ArcelorMittal has performed a benchmarking on remuneration with its selected peers and fixed the remuneration of the employees and Directors based on the outcome of that exercise.

The policy of the Company is not to grant any share-based remuneration to members of the Board of Directors who are not executives of the Company. As of December 31, 2019, ArcelorMittal did not have any loans or advances outstanding to members of its Board of Directors and ArcelorMittal had not given any guarantees in favor of any member of its Board of Directors. None of the members of the Board of Directors, including the Chairman and CEO, benefit from an ArcelorMittal pension plan. Executive short-term incentives were as follows for the last five financial years:

	2019	2018	2017	2016	2015
			Short-term Incentives		
Lakshmi N. Mittal	3,198	2,775	2,333	—	1,910

The following tables provide a summary of the options and the exercise price of options and PSUs granted (long-term incentives) to the Chairman and CEO, who is the sole executive director on the Board of Directors, as of December 31, 2019.

	Options granted in 2010
Lakshmi N. Mittal	18,833
Exercise price	91.98
Term (in years)	10
Expiration date	Aug. 3, 2020

	PSUs grants in 2019	PSUs granted in 2018	PSUs granted in 2017	PSUs granted in 2016	PSUs granted in 2015
Lakshmi N. Mittal[2]	89,933	70,302	49,431	168,214	59,773
Term (in years)	3	3	3	3+2	3
Vesting date[1]	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020 and January 1, 2022	June 30, 2018

1. See "Item 6.B—Directors, senior management and employees—Compensation—Remuneration—Long-term incentive plan", for vesting conditions.
2. The PSUs granted were revised following the completion of the Company's share consolidation of each three existing shares without nominal value into one share without nominal value on May 22, 2017.

Remuneration at a glance - senior management

The following table provides a brief overview of the Company's remuneration policy for senior management. Additional information is provided below.

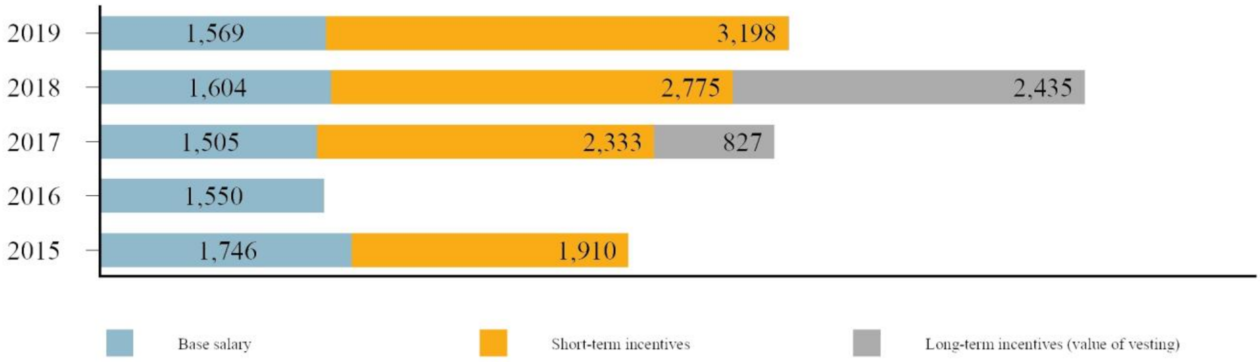
ArcelorMittal's Remuneration Policy			
Remuneration	**Period**	**Strategy**	**Characteristic**
Salary	2019	Recruitment and retention	• Reviewed annually by the ARCGS Committee considering market data • Increases based on Company performance and individual performance
STI	2019	Delivery of strategic priorities and financial success	• Maximum STI award of 270% of base salary for the CEO, 225% of base salary for the CFO and 135% of base salary for other Executive Officers • 100% STI paid in cash • ArcelorMittal's first priority Health and Safety is part of the STI • Overperformance towards competition
LTIP	2020-2022	Encourages long term shareholder return	• Performance share units granted with a face value of 100% of base salary for the CEO and CFO and 60% for Executive Officers • Shares vest after a three-year performance period • Performance related vesting

Key Performance Metrics from 2019		
Metrics	**Scheme**	**Rationale**
EBITDA FCF	STI STI	• Demonstrates growth and operational performance of the underlying businesses
ROCE	STI	• Critical factor for long-term success and sustainability of the Company
Gap to competition	STI / LTIP	• Outperform peers
Health & Safety	STI	• Employee health and safety is a core value for the Company
Business Specific measures	STI	• For corporate functions, links reward to strategic priorities of their functions
EPS	LTIP	• Links reward to delivery of underlying equity returns to shareholders
TSR	LTIP	• Creates a direct link between executive pay and shareholder value • Measure is split equally between comparison against S&P 500 index and a peer group of companies

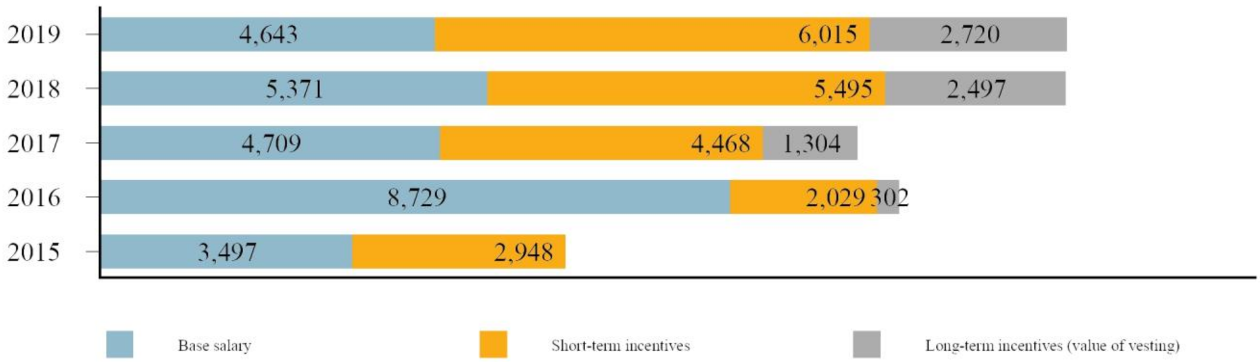
Remuneration at a glance - 2019 Pay outcomes

The following graphics compare the compensation paid to the CEO, CFO and other Executive Officers in 2019, 2018, 2017, 2016 and 2015 in thousands of U.S. dollars. Information with respect to total remuneration paid is provided under "—Remuneration—2019 Total remuneration" below.

Chief Executive Officer



President and Chief Financial Officer and Executive officers / GMB in 2015



2018 short-term incentives paid in 2019

	Executive	Realization as % of business target
CEO office	Lakshmi Mittal Aditya Mittal	139%
Corporate	Brian Aranha	139%
Flat Carbon Europe	Geert van Poelvoorde	118%
Long Carbon South America	Jefferson de Paula	150%
Mining	Simon Wandke	75%
Corporate	Bart Wille	138%

Note: Individual performance not included in the percent of realization.

2019 LTI vesting (2016 grants)

The following tables provide information about the vesting in 2019 of long-term incentives granted to senior management in prior years. See also note 8.3 to the consolidated financial statements.

CEO office

There was no vesting scheduled in 2019 for the CEO Office.

Executive Officers

In 2019, the following long-term incentives vested:

Vehicle	Date of vesting	Date of Grant	Number of PSUs granted to the Executive Officers and outstanding	Number of Shares acquired by the Executive Officers
PSUs	January 1, 2019 Performance approved by ARCGS Committee on March 19, 2019	December 18, 2015	10,668	11,603
PSUs[1]	January 1, 2019 Performance approved by ARCGS Committee on March 19, 2019	June 30, 2016	149,920	112,818

1. The grant number corresponds to half of the grant as only half vested in 2019.

Remuneration

Remuneration strategy

The ARCGS Committee assists the Board of Directors to maintain a formal and transparent procedure for setting policy on senior management's remuneration and to determine an appropriate remuneration package for senior management. The ARCGS Committee should ensure that remuneration arrangements support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives while complying with applicable rules and regulations.

Board oversight

To this end, the Board of Directors has established the ARCGS Committee to assist it in making decisions affecting employee remuneration. All members of the ARCGS Committee are required to be independent under the Company's corporate governance guidelines, the NYSE standards and the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange.

The members are appointed by the Board of Directors each year after the annual general meeting of shareholders. The members have relevant expertise or experience relating to the purposes of the ARCGS Committee. The ARCGS Committee makes decisions by a simple majority with no member having a casting vote and is chaired by Mr. Bruno Lafont, Lead Independent Director.

Appointments, remuneration, corporate governance and sustainability committee

The primary function of the ARCGS Committee is to assist the Board of Directors with respect to the following:

- review and approve corporate goals and objectives regarding remuneration relevant to the CEO Office and Executive Officers and other members of executive management as deemed appropriate by the committee, and assess performance against goals and objectives;
- make recommendations to the Board with respect to incentive remuneration plans and equity-based plans;
- identify candidates qualified to serve as members of the Board, the CEO Office and Executive Officers;
- recommend candidates to the Board for appointment by the general meeting of shareholders or for appointment by the Board to fulfill interim Board vacancies;
- develop, monitor and review corporate governance principles applicable to the Company;
- facilitate the evaluation of the Board;
- review the succession planning and the executive development of the members of the CEO Office and Executive Officers;
- submit proposals to the Board on the remuneration of the members of the CEO Office and Executive Officers, and on the appointment of new members thereto and new directors; and
- make recommendations to the Board of Directors in respect of the Company's framework of remuneration for the members of the CEO Office and Executive Officers and such other members of the executive management as designated by the committee. In making such recommendations, the committee may take into account factors that it deems necessary. This may include a member's total cost of employment (factoring in equity/long term incentives, any perquisites and benefits in kind and pension contributions).

The ARCGS Committee met six times in 2019. Its members comprise Mr. Bruno Lafont (Chairman), Mrs. Suzanne Nimocks and Mr. Tye Burt.

Regular invitees include Mr. Lakshmi N. Mittal (CEO and Chairman) and Mr. Bart Wille (Head of Group Human Resources and Corporate Services). Mr. Henk Scheffer (Company Secretary) acts as secretary.

Individual remuneration is discussed by the ARCGS Committee without the person concerned being present. The ARCGS Committee Chairman presents its decisions and findings to the Board of Directors after each ARCGS Committee meeting.

Remuneration policy

The ARCGS Committee set policies applied to senior management on base salary, short-term incentives and long-term incentives. According to Shareholders Right Directive II, that was transposed into Luxembourg law in August 1, 2019, the remuneration policies must be approved at the AGM at least every 4 years and whenever there is a material change.

Scope

ArcelorMittal's remuneration philosophy and framework apply to the following groups of senior management:

- the CEO and the President and CFO; and
- the other Executive Officers.

The remuneration philosophy and governing principles also apply, with certain limitations, to a wider group of employees including Executive Vice Presidents, Vice Presidents, General Managers and Managers.

Remuneration philosophy

ArcelorMittal's remuneration philosophy for its senior management is based on the following principles:

- provide total remuneration competitive with executive remuneration levels of peers of similar size, scope and industry;
- encourage and reward performance that will lead to long-term enhancement of shareholder value; and
- promote internal pay equity by providing base pay and total remuneration levels that reflect the role, job size and responsibility as well as the performance and effectiveness of the individual.

Remuneration framework

The ARCGS Committee develops proposals for senior management remuneration annually for the Board of Directors' consideration. Such proposals include the following components:

- fixed annual salary;
- short-term incentives (i.e., performance-based bonus); and
- long-term incentives (i.e., stock options (prior to May 2011), RSUs and PSUs (after May 2011), PSUs only as from 2016).

The Company does not have any deferred compensation plans for senior management, including the Chairman and CEO.

The following table provides an overview of the remuneration policy applied by the ARCGS:

Remuneration component and link to strategy	Operational and performance framework	Opportunity
Fixed annual salary ***Competitive base salary to attract and retain high-quality and experienced senior executives***	* Base salary levels are reviewed annually with effect from April 1 (except promotion) compared to the market to ensure that ArcelorMittal remains competitive with market median base pay levels * Reviews are based on market information obtained but not led by benchmarking to comparable roles, changes in responsibility and general economic conditions	The ARCGS does not set a maximum salary, instead when determining any salary increases it takes into account a number of reference points including salary increases across the Company
Benefits ***Competitive level to ensure coverage of the executives***	* May include costs of health insurance, death and disability insurances, company car, tax return preparation, etc. * Relocation benefits may be provided where a change of location is made at Company's request	The cost to the Company of providing benefits can change from year to year. The level of benefit provided is intended to remain competitive
Pension ***Competitive level of post-employment benefit to attract and retain executives***	* Local benchmark of pension contributions for comparable roles	
Short term incentives (STI) ***Motivate the senior executives to achieve stretch performance on strategic priorities***	* Scorecard is set at the commencement of each financial year * Measures and relative weights are chosen by the ARCGS Committee to drive overall performance for the coming year * STI calculations for each executive reflect the performance of ArcelorMittal and /or the performance of the relevant business units, the achievement of specific objectives of the department and the individual executive's overall performance * No STI is paid for a performance below threshold 80% for each criteria; 100% STI payout for performance achieved at 100% for each criteria; 150% STI payout for performance achieved at 120% or above for each criteria	Range for CEO: 0 to 270% with a target at 120% of base salary Range for President and CFO: 0 to 225% with a target at 100% of base salary Range for Executive Officers: 0 to 135% with a target at 60% of base salary
LTIP ***Sustain shareholder wealth creation in excess of performance of a peer group and incentivize executives to achieve strategy***	CEO Office LTIP * The vesting is subject to a relative TSR (Total Shareholder Return) compared to the S&P 500 and a peer group and to a relative EPS of a peer group over a three year- period *The peer group is determined by the ARCGS Committee * No vesting will occur below the median for all grants as from 2016 * Performance is determined by the ARCGS Committee Executive Officers LTIP - The vesting is subject to one or two measures depending on the business units, Gap to competition and ROCE, in 2019 - Vesting will occur if the performance is reached - Performance is determined by the ARCGS Committee	Maximum value at grant: 100% of base salary for CEO and President and CFO 60% of base salary for Executive Officers

Remuneration mix

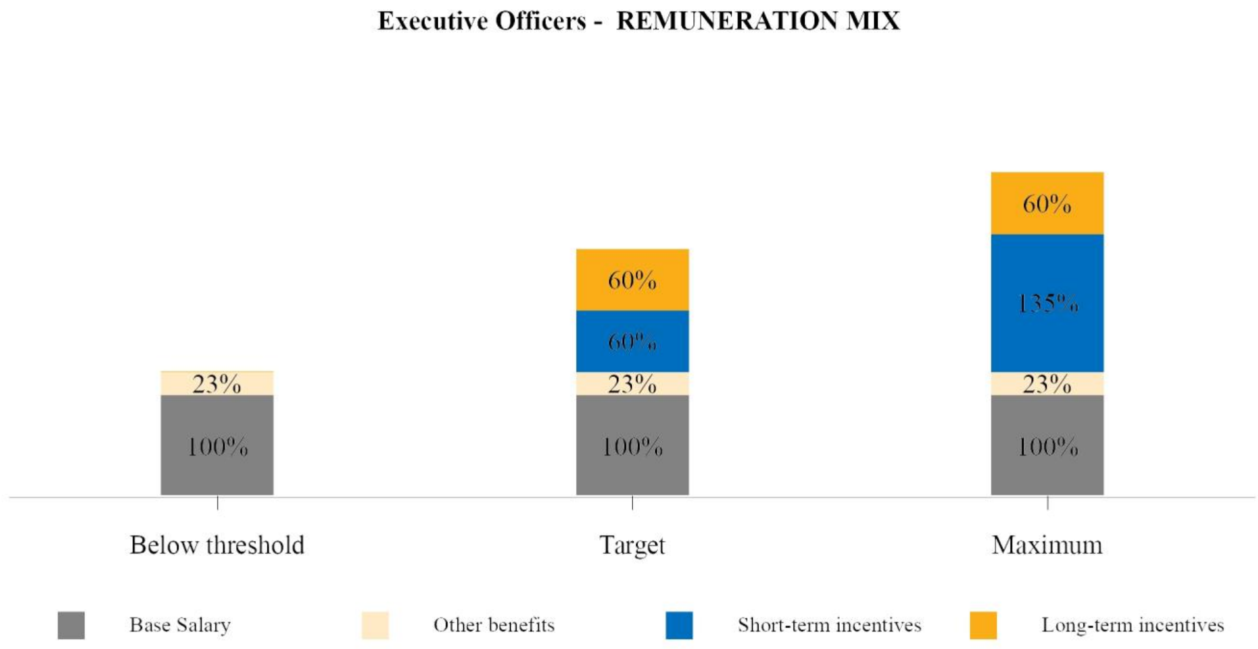
The total remuneration target of the CEO and the President and CFO is structured to attract and retain executives; the amount of the remuneration received is dependent on the achievement of superior business and individual performance and on generating sustained shareholder value from relative performance.

The following remuneration charts, which illustrate the various elements of the CEO, the President and CFO and the other Executive Officers' compensation, are applicable for 2019. For each of the charts below, the columns on the left, middle and on the right, respectively, reflect the breakdown of compensation if targets are not met, met and exceeded.

CEO OFFICE REMUNERATION MIX

Note: no pension contribution

PRESIDENT AND CFO REMUNERATION MIX



Note: Other benefits, as shown above, do not include international mobility incentives that may be provided.

2019 Total remuneration

The total remuneration paid in 2019 to members of ArcelorMittal's senior management listed in "Item 6.A—Directors, senior management and employees—Directors and senior management" (including Mr. Lakshmi N. Mittal in his capacity as CEO) was \$6.5 million in base salary and other benefits paid in cash (such as health, other insurances, lunch allowances, financial services, gasoline and car allowance) and \$9.2 million in short-term performance-related variable remuneration consisting of a short-term incentive linked to the Company's 2018 results. During 2019, approximately \$0.7 million was accrued by ArcelorMittal to provide pension benefits to senior management (other than Mr. Mittal).

No loans or advances to ArcelorMittal's senior management were made during 2019, and no such loans or advances were outstanding as of December 31, 2019.

The following table shows the remuneration received by the CEO, the President and CFO and the Executive Officers as determined by the ARCGS Committee in relation to the five most recent financial years including all remuneration components:

		Chief Executive Officer					President and Chief Financial Officer and Executive Officers (Other GMB members for 2015)				
(Amounts in $ thousands except for Long-term incentives)		**2019**	**2018**	**2017**	**2016**	**2015[7]**	**2019**	**2018[5]**	**2017**	**2016[6]**	**2015[7]**
Base salary[1]		1,569	1,604	1,505	1,550	1,746	4,643	5,371	4,709	8,729	3,497
Retirement benefits		—	—	—	—	—	698	862	849	898	305
Other benefits[2]		47	48	41	42	40	223	314	250	225	101
Short-term incentives[3]		3,198	2,775	2,333	—	1,910	6,015	5,495	4,468	2,029	2,948
Long-term incentives	- fair value in $ thousands[4]	1,339	1,166	1,130	2,297	1,530	3,096	2,702	1,922	6,882	2,431
	- number of share units	89,933	70,302	49,431	168,214	59,773	183,084	141,109	94,553	509,623	94,995

1. The base salaries of the CEO and President and CFO were increased by 3.4% in 2019.
2. Other benefits comprise benefits paid in cash such as lunch allowances, financial services, gasoline and car allowances. Health insurance and other insurances are also included.
3. Short-term incentives are entirely performance-based and are fully paid in cash. The short-term incentive for a given year relates to the Company's results in the previous year.
4. Fair value determined at the grant date is recorded as an expense using the straight line method over the vesting period and adjusted for the effect of non-market based vesting conditions. The remuneration expenses recognized for the PSUs granted to the CEO and to the President and CFO and Executive Officers was nil and $4 million (net of reversal of expenses relating to unvested PSUs) for the year ended December 31, 2019 and December 31, 2018, respectively.
5. Henri Blaffart was included until March 31, 2018, Robrecht Himpe was included until June 30, 2018.
6. Jim Baske was included until June 30, 2016, Davinder Chugh was included until July 20, 2016 and Robrecht Himpe was included as from July 1, 2016.
7. Long-term incentives for the 2015 financial year were 179,320 for the CEO and 284,985 for the President and CFO and Executive Officers (Other GMB members for 2015) prior to the 2017 reverse stock split which consolidated each three existing shares in the Company without nominal value into one share without nominal value.

Short-term incentives

Targets associated with ArcelorMittal's 2019 Annual Performance Bonus Plan were aligned with the companies' strategic objectives of improving health and safety performance and overall business performance and competitiveness.

For the CEO and the President and CFO, the 2019 annual performance bonus formula is based on the achievement of the following performance targets.

For the CEO and the President and CFO, the 2019 annual performance bonus formula is based on the achievement of the following performance targets:

- EBITDA targets at Group level: 30%;
- FCF targets at Group level: 20%;
- ROCE targets at Group level: 20%;
- Gap to competition targets at Group level: 20%; and
- Health and safety performance targets at Group level: 10%.

For the CEO , 100% achievement of the agreed performance targets results in an annual performance bonus which equals to 120% of base salary. For the CFO, 100% achievement of the agreed performance targets results in an annual performance bonus which equals to 100% of base salary.

For the other Executive Officers, the 2019 annual performance bonus formula has been tailored for their respective positions and is generally based on the following performance targets:

- EBITDA targets at Group, segment or Business unit level;
- FCF targets at Group, segment or Business unit level;
- ROCE targets at Group level, segment or Business unit level;
- Gap to competition targets at Group level, segment or Business unit level;
- Health and safety performance targets at Group, Segment or Business unit level; and
- Business specific measures for corporate functions.

For the other Executive Officers, 100% achievement of the agreed performance targets results in an annual performance bonus which equals to 60% of base salary.

For the calculation of the annual performance bonus, the achievement level of every performance target is calculated separately, and these are added up.

Individual performance and assessment ratings define the individual annual performance bonus multiplier that will be applied to the annual performance bonus calculated based on actual performance against the performance measures. Those individuals who consistently perform at expected levels will have an individual multiplier of 1. For outstanding performers, an individual multiplier of up to 1.5 may cause the annual performance bonus pay-out to be higher than 150% of the target annual performance bonus, up to 270% of the target annual performance bonus being the absolute maximum for the CEO. Similarly, a reduction factor will be applied for those at the lower end.

In exceptional circumstances, the ARCGS committee can exercise discretion in the final determination of the annual performance bonus.

The achievement level of performance for the annual performance bonus for the CEO, the President and CFO and the other Executive Officers is summarized as follows:

Functional level	Target achievement threshold @ 80%	Target achievement @ 100%	Target achievement ≥ ceiling @ 120%
Chief Executive Officer	60% of base pay	120% of base pay	180% of base pay
President and Chief Financial Officer	50% of base pay	100% of base pay	150% of base pay
Executive Officers	30% of base pay	60% of base pay	90% of base pay

Long-term incentive plan

ArcelorMittal operates a long-term incentive plan to incentivize shareholder wealth creation in excess of performance of a peer group and incentivize executives to achieve strategy.

On May 10, 2011, the annual general meeting of shareholders approved the ArcelorMittal Equity Incentive Plan, a new equity-based incentive plan that replaced the Global Stock Option Plan (see below and note 8.3 to the consolidated financial statements for a description of the Global Stock Option Plan). The ArcelorMittal Equity Incentive Plan is intended to align the interests of the Company’s shareholders and eligible employees by allowing them to participate in the success of the Company. The ArcelorMittal Equity Incentive Plan provides for the grant of RSUs and PSUs to eligible Company employees (including the Executive Officers) and is designed to incentivize employees, improve the Company’s long-term performance and retain key employees. On May 8, 2013, the annual general meeting of shareholders approved the GMB PSU Plan, which provides for the grant of PSUs to GMB members (and is now applicable to the CEO Office). Until the introduction of the GMB PSU Plan in 2013, GMB members were eligible to receive RSUs and PSUs under the ArcelorMittal Equity Incentive Plan. In 2016, a special grant was approved in order to align the grant with the Action 2020 plan put in place by ArcelorMittal.

The maximum number of PSUs (and RSUs previously) available for grant during any given year is subject to the prior approval of the Company’s shareholders at the annual general meeting. The annual shareholders’ meeting on May 4, 2016 approved the maximum to be granted until the next annual shareholders’ meeting. For the period from the May 2016 annual general shareholders’ meeting to the May 2017 annual general shareholders’ meeting, a maximum of 30,000,000 PSUs (10,000,000 after the reverse stock split) may be allocated to eligible employees under the ArcelorMittal Equity Incentive Plan and the GMB PSU Plan combined. The 2017 Cap for the number of PSUs that may be allocated to the CEO Office and other retention based grants below the CEO Office was approved at the annual shareholders' meeting on May 10, 2017 at a maximum of 3,000,000 shares (9,000,000 before the reverse stock split). The 2018 Cap for the number of PSUs that may be allocated to the CEO Office and other retention based grants below the CEO Office level was approved at the annual shareholders’ meeting on May 9, 2018 at a maximum of 1,500,000 shares. The 2019 Cap for the number of PSUs that may be allocated to the CEO Office and other performance based grants below the CEO Office level, was approved at the annual shareholders' meeting held on May 7, 2019 at a maximum of 2,500,000 shares.

In 2016, ArcelorMittal adapted the plan:

- To consider the comments of shareholders that vesting should not happen below the median and
- To adapt to Action 2020 (Special grant)

Conditions of the 2019 grant were as follows:

	CEO Office			Executive Officers	
2019 Grant	• PSUs with a three year performance period • Value at grant 100% of base salary for the CEO and the President and CFO • Vesting conditions:			• PSUs with a three year performance period • Vesting conditions	
		Threshold	**Target**		**Target**
	TSR/EPS vs. peer group	100% median	≥120% median	ROCE	100% target 100% vesting
	TSR vs. S&P 500	Performance equal to Index	≥Performance equal to Index + 2% outperformance	Gap to competition (where applicable)	100% target 100% vesting
	Vesting percentage	50%	100%		

Awards made in 2015 through 2018

The Company's Long-Term Incentive Plan for senior management including Executive Officers follows the Company's strategy.

In 2016, a special grant was deployed on a five-year performance period to achieve the Company's Action 2020 plan. ROCE remained a key target and Gap to Competition was added as performing against competition is essential.

The plans in 2015, 2016, 2017 and 2018 are summarized below.

	CEO Office	Other Executive Officers

2015 Grant

CEO Office

PSUs with a three-year performance period

Performance criteria: 50% TSR (½ vs. S&P 500 and ½ vs. peer group) and 50% EPS vs. peer group

Value at grant: 100% of base salary for the CEO and 80% for the President and CFO

Vesting conditions:

	Threshold	Target	Stretch
TSR/EPS vs. peer group	80% median	100% median	≥120% median
TSR vs. S&P 500	Performance equal to 80% of Index	Performance equal to Index	≥Performance equal to Index + 2% outperformance
Vesting percentage	50%	100%	150%

Other Executive Officers

- RSUs with a three-year vesting period (2015 grant vested in December 2018)
- PSUs with a three-year performance period
- Performance target: mainly ROCE and mining volume plan for the Mining segment
- One PSU can give right to 0 through up to 1.5 share
- Vesting conditions:

Performance	Threshold	Target	Stretch
Performance	80%	100%	≥120%
Vesting	50%	100%	150%

2016 Special Grant

CEO Office

- PSUs with a five-year performance period, 50% vesting after three-year performance period and 50% after additional two-year performance period
- Performance criteria: 50% TSR (½ vs. S&P 500 and ½ vs. peer group) and 50% EPS vs. peer group
- Value at grant: 150% of base salary for the CEO and the President and CFO
- Vesting conditions:

	Threshold	Target
TSR/EPS vs. peer group	100% median	≥120% median
TSR vs. S&P 500	Performance equal to Index	≥Performance equal to Index + 2% outperformance
Vesting percentage	50%	100%

Other Executive Officers

- PSUs with a five-year performance period, 50% vesting after three-year performance period and 50% after additional two-year performance period
- Performance criteria: ROCE and Gap to competition in some areas
  one target grant: a share will vest if performance is met at target
  one overperformance grant: a share will vest if performance exceeds 120%
- Vesting conditions:

Performance	100%	≥120%
Target award vesting	100%	100%
Overperformance award (=20% of target award)	-	100%

2017 Grant

CEO Office

- PSUs with a three-year performance period
- Performance criteria: 50% TSR (½ vs. S&P 500 and ½ vs. peer group) and 50% EPS vs. peer group
- Value at grant: 100% of base salary for the CEO and the President and CFO
- Vesting conditions:

	Threshold	Target
TSR/EPS vs. peer group	100% median	≥120% median
TSR vs. S&P 500	Performance equal to Index	≥Performance equal to Index + 2% outperformance
Vesting percentage	50%	100%

Other Executive Officers

- PSUs with a three-year performance period
- Performance criteria: TSR and Gap to competition in some areas
- Vesting conditions:

Performance	Threshold	Target
TSR vs. peer group	100% median 50% vesting	≥120% median 100% vesting
Gap to competition (where applicable)	-	100% target 100% vesting

<table>
<tr><th></th><th colspan="3">CEO Office</th><th colspan="2">Executive Officers</th></tr>
<tr><td rowspan="5">2018 Grant</td><td colspan="3">• PSUs with a three year performance period
• Value at grant 100% of base salary for the CEO and the President and CFO
• Vesting conditions:</td><td colspan="2">• PSUs with a three year performance period
• Vesting conditions</td></tr>
<tr><td></td><td>Threshold</td><td>Target</td><td></td><td>Target</td></tr>
<tr><td>TSR/EPS vs. peer group</td><td>100% median</td><td>≥120% median</td><td>ROCE</td><td>100% target
100% vesting</td></tr>
<tr><td>TSR vs. S&P 500</td><td>Performance equal to Index</td><td>≥Performance equal to Index + 2% outperformance</td><td>Gap to competition (where applicable)</td><td>100% target
100% vesting</td></tr>
<tr><td>Vesting percentage</td><td>50%</td><td>100%</td><td></td><td></td></tr>
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See note 8.3 to the consolidated financial statements for further details on PSUs.

Global Stock Option Plan

Prior to the May 2011 annual general shareholders' meeting adoption of the ArcelorMittal Equity Incentive Plan described above, ArcelorMittal's equity-based incentive plan took the form of a stock option plan known as the Global Stock Option Plan.

See note 8.3 to the consolidated financial statements for further details on stock options.

Other benefits

In addition to the remuneration described above, other benefits may be provided to senior management and, in certain cases, other employees. These other benefits can include insurance, housing (in cases of international transfers), car allowances and tax assistance.

SOX 304 and clawback policy

Under Section 304 of the Sarbanes-Oxley Act, the SEC may seek to recover remuneration from the CEO and CFO of the Company in the event that it is required to restate accounting information due to any material misstatement thereof or as a result of misconduct in respect of a financial reporting requirement under the U.S. securities laws (the "SOX Clawback").

Under the SOX Clawback, the CEO and the CFO may have to reimburse ArcelorMittal for any short-term incentive or other incentive- or equity-based remuneration received during the 12-month period following the first public issuance or filing with the SEC (whichever occurs first) of the relevant filing, and any profits realized from the sale of ArcelorMittal securities during that 12-month period.

The Board of Directors, through its ARCGS Committee, decided in 2012 to adopt its own clawback policy (the "Clawback Policy") that applies to the members of the former GMB and to the Executive Vice President of Finance of ArcelorMittal. In 2016, the Clawback Policy was updated to reflect the Company's structural changes and now applies to the CEO Office and the Executive Officers.

The Clawback Policy comprises cash short-term incentives and any other incentive-based or equity-based remuneration, as well as profits from the sale of the Company's securities received during the 12-month period following the first public issuance or filing with the SEC (whichever first occurs) of the filing that contained the material misstatement of accounting information.

For purposes of determining whether the Clawback Policy should be applied, the Board of Directors will evaluate the circumstances giving rise to the restatement (in particular, whether there was any fraud or misconduct), determine when any such misconduct occurred and determine the amount of remuneration that should be recovered by the Company. In the event that the Board of Directors determines that remuneration should be recovered, it may take appropriate action on behalf of the Company, including, but not limited to, demanding repayment or cancellation of cash short-term incentives, incentive-based or equity-based remuneration or any gains realized as the result of options being exercised or awarded or long-term incentives vesting. The Board may also choose to reduce future remuneration as a means of recovery.