

Dividend payment by ArcelorMittal S.A.

- **Luxembourg withholding tax at source**
- **Procedure to apply for an exemption from Luxembourg withholding tax**

The information contained in this informative memorandum regarding certain Luxembourg tax considerations is based on the laws and interpretations in force in Luxembourg as of the date of this informative memorandum and is subject to any changes in laws or interpretations. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, hold or dispose of shares in ArcelorMittal S.A.. It does not describe any tax consequences arising under the laws of any state or any taxing jurisdiction other than Luxembourg. Holders of shares in ArcelorMittal S.A. should consult their tax advisers as to the Luxembourg or any other tax consequences of the purchasing, holding or disposing of the shares in ArcelorMittal S.A..

LUXEMBOURG WITHHOLDING TAX AT SOURCE

Dividends distributed by ArcelorMittal S.A. are, in principle, subject to withholding tax in Luxembourg at the rate of currently 15%, unless a reduced rate applies under an applicable double tax treaty.

An exemption from Luxembourg withholding tax may apply under Article 147 of the Luxembourg income tax law (“LIR”) or under the specific provisions of a double tax treaty (if any applicable).

1. Withholding tax exemption under Article 147 LIR

Article 147 LIR provides for an exemption from withholding tax if the cumulative conditions below are met.

A. Condition linked to the shareholder

The shareholder must be:

- a) a collective entity covered by Article 2 of the European Council Directive 2011/96/EU on the common system of taxation applicable in the case of parent and subsidiary companies of different EU Member States as amended (the “EC Parent-Subsidiary Directive”); or
- b) a fully taxable corporation which is resident of Luxembourg and is not covered by the appendix of Article 166, paragraph 10; or
- c) the Luxembourg State, a Luxembourg municipality or union of municipalities or a Luxembourg public collective undertaking; or
- d) a permanent establishment of a collective entity of any of the three categories above; or
- e) a collective entity which is fully subject to a tax similar to the Luxembourg corporate income tax and which is resident in a country with which Luxembourg has concluded a double tax treaty, and the Luxembourg permanent establishment of such an entity; or
- f) a corporation which is resident of the Swiss Confederation and is subject to Swiss corporate income tax without being exempt; or
- g) a corporation or a cooperative company which is resident of a EEA (European Economic Area) country other than a EU Member State, and is fully subject to a tax similar to the Luxembourg corporate income tax; or
- h) a permanent establishment of a corporation or of a cooperative company which is resident in a EEA (European Economic Area) country other than a EU Member State.

Please note that an individual shareholder does not fall within the categories listed above.

B. Conditions linked to the shareholding

At the date when the dividends are put at its disposal, **the shareholder must have held directly for an uninterrupted period of at least twelve months, a shareholding** representing at least 10% of the share capital or **having an acquisition cost of at least EUR 1,200,000 (or its equivalent amount in a foreign currency)**¹.

In practice, the acquisition cost of the shareholding in ArcelorMittal S.A. must have remained equal or above EUR 1,200,000 (or its equivalent in a foreign currency) at all times during the twelve months period before the dividend payment date. To ensure this criterion is met, some shareholders choose to place a number of shares in ArcelorMittal S.A. with an acquisition cost of at least EUR 1,200,000 (or its equivalent in a foreign currency) on a separate account while trading freely with the remaining shares.

C. General anti-avoidance rule (“GAAR”)

Further to the amendment of the EC Parent-Subsidiary Directive in 2015, Luxembourg introduced the general anti-avoidance rule (“GAAR”) for the application of the Luxembourg participation exemption applicable to income allocated after 31st December 2015. The anti-abuse provision only applies to distributions falling within the scope of the EC Parent-Subsidiary Directive.

Accordingly, the exemption from Luxembourg dividend withholding tax to income (dividend) distributions to qualifying EU parent companies of a Luxembourg company, are not applicable if the income is allocated as part of “an arrangement or a series of arrangements which, having been put into place for the main purpose, or with one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the EC Parent-Subsidiary Directive, are not genuine having regard to all relevant facts and circumstances.”.

In accordance with the EC Parent-Subsidiary Directive as amended, the Luxembourg income tax law continues by stating that “an arrangement, which may comprise more than one step or part, or a series of arrangements, shall be regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.”

2. Withholding tax exemption under a double tax treaty with Luxembourg

Certain double tax treaties with Luxembourg provide for an exemption from withholding tax if specific conditions, generally based on the status of the beneficiary of the dividends, are met (example, certain eligible pension funds may, under certain conditions, apply for a withholding tax exemption).

¹ Article 147 LIR also provides for an exemption in case the shareholder commits to hold the qualifying shareholding for a period of at least twelve months under the conditions foreseen by article 149 4) LIR. According to article 149 4) LIR, a Grand Ducal regulation should determine the conditions to be respected for the exemption in the case where the sole condition of the 12-month holding period is not met and the shareholder commits to hold until the 12- month period is met a participation of at least 10% (or an acquisition price of at least EUR 1.2 million) in the share capital of the company paying the dividends. Until now, no Grand Ducal regulation has been adopted in this respect. However, according to a circular (Circular N° 154/2 of 13 February 2015) of the Luxembourg tax authorities, in the absence of such regulation, the withholding tax should be applied to any distributions made to shareholders holding a direct participation of at least 10% (or acquisition cost of at least EUR 1.2 million) before the 12- month period has elapsed. Repayment of such withholding tax can however ultimately be requested by the relevant shareholder as per article 149 4 a) LIR once the 12-month holding period is met.

PROCEDURE TO APPLY FOR A WITHHOLDING TAX EXEMPTION

ArcelorMittal S.A. has put in place a procedure for eligible shareholders who would like to apply for a withholding tax exemption at source². Such procedure is briefly described below.

1. First stage: as from the ex-date dividend to the dividend payment date

WHAT

The eligible shareholders must provide ArcelorMittal S.A. with the documents listed below.

A. Eligible shareholders under article 147 LIR

- **a confirmation letter in the form attached in annex 1** confirming that the conditions of Article 147 LIR are met and applying for a withholding tax exemption at source; **and**
- **a valid and up-to-date certificate of tax residence** issued by the competent tax authorities of the country of residence of the shareholder; **and**
- **complete bank details including IBAN-code; and**
- satisfactory evidence that the direct shareholding in ArcelorMittal S.A. has always remained at least equal to an acquisition cost of EUR 1,200,000 (or its equivalent in a foreign currency) since the 12-month period preceding the dividend payment date³; **and**
- **for applicants** who are not shareholders covered by the EC Parent-Subsidiary Directive and are not resident of Luxembourg, satisfactory evidence that they comply with the “subject to tax test” of Article 147 LIR⁴.

B. Eligible shareholders under a double tax treaty with Luxembourg

- **a valid and up-to-date certificate of tax residence** issued by the competent tax authorities of the country of residence of the shareholder; **and**
- **satisfactory evidence of the number of shares** held in ArcelorMittal S.A. at the ex-dividend date; **and**
- **complete bank details including IBAN-code; and**
- any additional satisfactory evidence that may be required as per the relevant provisions of the double tax treaty.

We underline that it may take several weeks to obtain a certificate of tax residence and the eligible shareholders should thus contact their competent tax authorities well in advance of the dividend payment date.

WHEN AND HOW

ArcelorMittal S.A. must have received all documents listed above **at least four working days before the dividend payment date.**

All documents listed above must be emailed at ArcelorMittalSAdividendpaymentcontacts@arcelormittal.com and confirmation letters and tax certificates (and any other relevant documents) must be sent in **original** to the following address:

² This procedure does not apply for shareholders registered in the shareholder register at ArcelorMittal S.A..

³ For instance, by providing evidence from a custodian bank or from an external auditor or by providing relevant account extracts.

⁴ For instance, by providing evidence from a reputable tax advisor or by providing satisfactory tax documentation.

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May 2024

ArcelorMittal S.A.
Tax department Luxembourg
24-26, boulevard d'Avranches
L-1160 Luxembourg

ArcelorMittal S.A. cannot be held responsible if an application is rejected because the documents are received after the deadline or are not received in a satisfactory format. However, an eligible shareholder may, at its own discretion, file a direct request in the forms and conditions prescribed by the applicable laws to the Luxembourg tax authorities to apply for a refund of the Luxembourg withholding tax at source.

2. Second stage: as from the dividend payment date

WHAT

On the dividend payment date, ArcelorMittal S.A. will pay 85% of the gross dividend amount to the shareholders through its paying agents.

Upon receipt of this amount, the eligible shareholders should provide to ArcelorMittal S.A. a **copy of a bank statement** mentioning the amount of dividend received at the dividend payment date (excluding bank costs) and the amount of Luxembourg withholding tax at source.

WHEN AND HOW

The bank statement should be emailed at ArcelorMittalSAdividendpaymentcontacts@arcelormittal.com **within three working days after the dividend payment date.**

ArcelorMittal S.A. will then pay the remaining 15% of the gross dividend by wire-transfer to the bank account number as provided by the eligible shareholders.

For any question related to this informative memorandum, please send an email at:

ArcelorMittalSAdividendpaymentcontacts@arcelormittal.com.

Your contacts at ArcelorMittal S.A. in relation with the dividend payment procedure are:

Luxembourg Tax Department

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