

CORPORATE GOVERNANCE

The following summarises aspects of ArcelorMittal's Board Practices and corporate governance practices. For recent proposed changes to the MOU (as defined below) please refer to 'Recent Developments' on pages 5 to 8.

Mittal Steel / Arcelor Memorandum of Understanding

On June 25, 2006, Mittal Steel, the Significant shareholder and Arcelor signed a binding Memorandum of Understanding (the "Memorandum of Understanding" or "MOU") on the basis of which Arcelor's Board of Directors recommended Mittal Steel's offer for Arcelor and pursuant to which, among other things, the parties agreed on certain corporate governance matters relating to ArcelorMittal. In particular, the Memorandum of Understanding includes certain special governance mechanisms designed to promote the integration of ArcelorMittal during an initial three-year transitional period beginning August 1, 2006, referred to as the Initial Term. Mittal Steel and Arcelor agreed to change and unify their respective corporate governance structures and rules until the merger of Mittal Steel into Arcelor in accordance with the MOU (the "Merger").

Following the resignation of Mr. Roland Junck as Chief Executive Officer of Mittal Steel and Arcelor on November 5, 2006, the Boards of Directors of Mittal Steel and Arcelor unanimously agreed upon certain amendments to the principles set forth in the MOU, in order to enable the appointment of Mr. Lakshmi N. Mittal as Chief Executive Officer of Mittal Steel and Arcelor. ArcelorMittal's corporate governance structure has been established on the same basis as those of Arcelor and Mittal Steel, in accordance with the MOU. Since the implementation of the Memorandum of Understanding, Arcelor and Mittal Steel (which, through a two-step process, merged into Arcelor and was then renamed ArcelorMittal) have been governed by a Board of Directors and a Group Management Board, which were identical in composition. Since the Merger, ArcelorMittal is governed similarly. In conformity with Luxembourg law, certain provisions of the MOU relating to corporate governance aspects have been incorporated into the Articles of Association of ArcelorMittal as approved by the extraordinary general meeting of shareholders on November 5, 2007.

Board of Directors, Group Management Board and Management Committee of ArcelorMittal

The Memorandum of Understanding provides that ArcelorMittal will be governed by a Board of Directors and a Management Board. The Management Board was subsequently renamed the Group Management Board.

The Memorandum of Understanding, as amended on November 5, 2006, further provides that during the Initial Term, the Board of Directors of ArcelorMittal will have the following characteristics:

- The Board of Directors would be composed of 18 non-executive members, the majority of whom would be independent, except that the Chief Executive Officer of the Company may be a member of the Company Board of Directors.
- Six members would be nominated by (the then-existing) Mittal Steel, three of whom would be independent.
- Six members would be from the (then-existing) Arcelor Board of Directors.
- Three members would be from the (then-existing) Arcelor Board of Directors representing then-existing Arcelor major shareholders.
- An additional three members would be employee representatives.

In addition, during the Initial Term, the Board of Directors will appoint one director as Chairman and one director as President of the Board of Directors.

Mr. Joseph J. Kinsch is currently the Chairman of the Board of Directors of ArcelorMittal, while Mr. Lakshmi N. Mittal is currently the President of the Board of Directors and CEO of ArcelorMittal.

The Memorandum of Understanding further provides that upon the retirement of Mr. Joseph Kinsch, Mr. Lakshmi N. Mittal would become the Chairman of ArcelorMittal and Mr. Joseph Kinsch would propose the successor President.

On December 4, 2007, ArcelorMittal announced that Mr. Joseph Kinsch would step down at the end of his mandate as Chairman of the Board of Directors at ArcelorMittal's annual general meeting of shareholders on May 13, 2008 and would not seek another term. The Board of Directors has unanimously nominated Mr. Lakshmi N. Mittal to be appointed by the Board of Directors as the new Chairman on May 13, 2008. Mr. Mittal will also continue as Chief Executive Officer, as noted below.

With respect to the Group Management Board, the MOU provides that it would include the four then-current members of Arcelor's Management Board and three members to be nominated by the then-current Mittal Steel Board of Directors, that is, seven members in total. The parties agreed that if the then-current CEO of Arcelor withdrew or resigned, the new CEO would be appointed by the relevant Board of Directors further to a proposal made by Mr. Joseph Kinsch and approved by Mr. Lakshmi N. Mittal.

Following the resignation of Mr. Roland Junck as Chief Executive Officer of Mittal Steel and Arcelor on November 5, 2006, Mr. Lakshmi N. Mittal was, on the same date, appointed a member of the Group Management Board and Chief Executive Officer of Mittal Steel. Effective November 5, 2006, Mr. Mittal resigned as a member of the Appointments, Remuneration and Corporate Governance Committee, and Mr. Sergio Silva de Freitas was appointed by the Board of Directors as Mr. Mittal's successor on the Appointments, Remuneration and Corporate Governance Committee. As a consequence, from January 1, 2007 the Group Management Board had six members; following the resignation of Mr. Roland Junck effective July 31, 2007, the Group Management Board had five members. In addition, as a consequence of the changes above, the Board of Directors includes one executive director, instead of being composed exclusively of non-executive directors.

The proposal to appoint Mr. Mittal as Chief Executive Officer of Mittal Steel and Arcelor was unanimously approved by the Boards of Directors of Mittal Steel and Arcelor. The general meeting of shareholders of Mittal Steel ratified this appointment at the annual general meeting of shareholders held on June 12, 2007. The Significant shareholder did not participate in the vote.

The Board of Directors is in charge of the overall management of ArcelorMittal. It is responsible for the performance of all acts of administration necessary or useful in furtherance of the corporate purpose of ArcelorMittal, except for those matters that are expressly reserved by Luxembourg law or the Articles of Association of ArcelorMittal for the general meeting of shareholders. The Articles of Association provide that the Board of Directors is composed of a minimum of 3 and a maximum of 18 members, all of whom except the Chief Executive Officer shall be non-executive and that none of the members of the Board of Directors, except for the Chief Executive Officer, shall have an executive position or executive mandate within ArcelorMittal or any entity controlled by ArcelorMittal. Currently, the Board of Directors is comprised of 17 non-executive directors and one executive director. The Chief Executive Officer of ArcelorMittal, Mr. Lakshmi N. Mittal, is the sole executive director.

The Articles of Association provide that the directors are elected and removed by the general meeting of shareholders by a simple majority of votes cast. Except as specifically described below, no shareholder has special rights to nominate, elect or remove directors. All directors are elected by the general meeting of shareholders for three-year terms (with respect to appointments made after November 13, 2007, except in the event of the replacement of a member of the Board of Directors during his or her mandate). Following the Initial Term, and subject to the ArcelorMittal's Articles of Association, the Significant shareholder will be entitled to representation on ArcelorMittal's Board of Directors in proportion to its shareholding.

The Group Management Board is entrusted with the day-to-day management of ArcelorMittal. Mr. Lakshmi N. Mittal, the Chief Executive Officer, is the Chairman of the Group Management Board. The members of the Group Management Board are appointed and dismissed by the Board of Directors. As the Group Management Board is not a corporate body created by Luxembourg law or ArcelorMittal's Articles of Association, the Group Management Board exercises only the authority granted to it by the Board of Directors.

In establishing ArcelorMittal's strategic direction and corporate policies, Mr. Lakshmi N. Mittal is supported by members of ArcelorMittal's senior management, who have substantial professional and worldwide steel industry experience. Some of the members of ArcelorMittal's senior management team are also members of the Group Management Board.

The Group Management Board is assisted by a Management Committee comprised of the members of the Group Management Board and 18 other senior executives. The Management Committee discusses and prepares group decisions on matters of group-wide importance, integrates the geographical dimension of the group, ensures in-depth discussions with ArcelorMittal's operational and resources leaders and shares information about the situation of the group and its markets.

Operation of the Board of Directors

In accordance with the provisions of the MOU, the required quorum for meetings of the Board of Directors is a majority of the directors, including at least the Chairman, the President and a majority of the independent directors present or represented.

Each director has one vote and none of the directors, including the Chairman of the Board of Directors, has a casting vote. Decisions of the Board of Directors are made by a majority of the directors present and represented at a quorate meeting, except as otherwise required by Luxembourg law.

During the Initial Term, the agenda of each meeting of the Board of Directors will be jointly agreed by the Chairman and the President of the Board of Directors and will include any matters proposed to be included on the agenda jointly by the Chairman and the President. In the event of a disagreement, the Chairman and the President will work together to try to resolve it. After the expiration of the Initial Term, the Chairman and the President will use their reasonable best efforts to agree on the agenda.

Separate Meeting of Non-Executive Directors

The non-executive members of the Board of Directors may schedule meetings outside the presence of management. There is no minimum number of meetings that the non-executive directors must hold per year. During 2007, the non-executive directors of ArcelorMittal held one meeting where the executive director did not attend.

Significant Shareholder Right of Opposition and Right of Board Representation

The Memorandum of Understanding provides that during the Initial Term, with respect to Board of Directors' decisions that require shareholders approval, the Significant shareholder will vote in accordance with the position expressed by the Board of Directors, unless the Significant shareholder opposes any such position, in which case the Significant shareholder can vote as it wishes, subject to the following requirements. During the Initial Term, if Mr. Lakshmi N. Mittal opposes any decision of the Board of Directors on a matter that does not require shareholder approval and that was not proposed by him, Mr. Lakshmi N. Mittal will have the right to request that such action first be approved by a shareholders' meeting, and the Significant shareholder will have the right to vote at such meeting as it sees fit. The Board of Directors will not approve any action that has been rejected by such shareholders' meeting.

The Memorandum of Understanding further provides that during the Initial Term, and subject to the Significant shareholder owning or controlling at least 15% of the outstanding share capital of ArcelorMittal, the Significant shareholder is entitled to elect to ArcelorMittal's Board of Directors a maximum of six directors, including three directors who are affiliated (directly or indirectly) with the Significant shareholder and three independent directors. Following the Initial Term, and subject to any applicable provisions of ArcelorMittal's Articles of Association, the Significant shareholder will be entitled to representation on ArcelorMittal's Board of Directors in proportion to its shareholding.

Board of Directors Committees

The Board of Directors has two committees: an Audit Committee and an Appointments, Remuneration and Corporate Governance Committee.

Audit Committee

The Articles of Association provide that the Audit Committee is composed solely of independent members of the Board of Directors. The Audit Committee is currently composed of four independent directors. The members are appointed by the Board of Directors. The Audit Committee makes decisions by a simple majority with no member having a casting vote.

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing:

- the financial reports and other financial information provided by ArcelorMittal to any governmental body or the public;
- ArcelorMittal's system of internal control regarding finance, accounting, legal compliance and ethics that the Board of Directors and members of management have established; and
- ArcelorMittal's auditing, accounting and financial reporting processes generally.

The Audit Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor ArcelorMittal's financial reporting process and internal controls system;
- review and appraise the audit efforts of ArcelorMittal's independent auditors and internal auditing department;
- provide an open avenue of communication among the independent auditors, senior management, the internal audit department and the Board of Directors;
- approve the appointment and fees of the independent auditors; and
- monitor the independence of the independent auditors.

The members of the Audit Committee are: Messrs. Narayanan Vaghul, José Ramón Álvarez Rendueles, Wilbur L. Ross and Edmond Pachura, all of whom are independent under ArcelorMittal's Corporate Governance guidelines and the NYSE standards. The Chairman of the Audit Committee is Mr. Vaghul, who has significant experience and financial expertise. Mr. Vaghul is the Chairman of ICICI Bank Ltd., a company that is listed on the NYSE and the Mumbai Stock Exchange. Mr. Álvarez Rendueles, a former Governor of the Banco de España and former President of the Banco Zaragozano, also has significant experience and financial expertise. Both Mr. Ross and Mr. Pachura have considerable experience in managing companies' affairs.

According to its charter, the Audit Committee is required to meet at least four times a year. During 2007, the Audit Committee met 11 times, six of which were physical meetings and five of which were held by teleconference.

Appointments, Remuneration and Corporate Governance Committee

The Appointments, Remuneration and Corporate Governance Committee is comprised of four directors, all of whom are independent. The members are appointed by the Board of Directors. The Appointments, Remuneration and Corporate Governance Committee makes decisions by a simple majority with no member having a casting vote.

The Board of Directors has established the Appointments, Remuneration and Corporate Governance Committee to:

- determine, on its behalf and on behalf of the shareholders within agreed terms of reference, ArcelorMittal's remuneration and compensation framework, including stock options for the Chief Executive Officer and the Chief Financial Officer of ArcelorMittal, the members of the Group Management Board and the members of the Management Committee;
- consider any candidate for appointment or reappointment to the Board of Directors at the request of the Board of Directors;
- provide advice and recommendations to it regarding the same; and
- develop, monitor and review corporate governance principles applicable to ArcelorMittal.

The Appointments, Remuneration and Corporate Governance Committee's principal criteria in determining the compensation of executives is to encourage and reward performance that will lead to long-term enhancement of shareholder value.

The members of the Appointments, Remuneration and Corporate Governance Committee are: Messrs. Joseph Kinsch, Sergio Silva de Freitas, Lewis Kaden and Jean-Pierre Hansen, all of whom are independent under ArcelorMittal's Corporate Governance guidelines and the NYSE standards. The Chairman of the Appointments, Remuneration and Corporate Governance Committee is Mr. Kaden.

The Appointments, Remuneration and Corporate Governance Committee is required by its charter to meet at least twice a year. During 2007, this committee met five times.

Governance Following the Initial Term

The Memorandum of Understanding provides that upon expiration of the Initial Term, ArcelorMittal's corporate governance rules described above will be reviewed in order to reflect the best standards of corporate governance for comparable companies and, in particular, have them conform with the corporate governance aspects of the NYSE listing standards applied to non-U.S. companies and the applicable Luxembourg corporate governance code or similar document. The Chairman and the President shall consult in the year prior to the end of the Initial

Term with a view to determining the identity of the directors to be recommended to the Appointments, Remuneration and Corporate Governance Committee.

Other Corporate Governance Practices

ArcelorMittal is committed to adopt best practice standards in terms of corporate governance in its dealings with shareholders.

In particular, ArcelorMittal aims to ensure good corporate governance by applying rules on transparency, quality of reporting and the balance of powers. ArcelorMittal continually monitors U.S., European Union and Luxembourg legal requirements and best practices in make adjustments to its corporate governance controls and procedures when necessary. In this regard, ArcelorMittal aims to comply with the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange.

Process for Handling Complaints About Accounting Matters

As part of the procedures of the Board of Directors for handling complaints or concerns about accounting, internal controls and auditing issues, ArcelorMittal's Code of Business Conduct encourages all employees to bring such issues to the Audit Committee's attention on a confidential basis. In accordance with ArcelorMittal's Whistleblower Policy, concerns with regard to possible irregularities in accounting, auditing or banking matters or bribery within the business of ArcelorMittal and its subsidiaries may also be communicated through the Corporate Governance - Whistleblower section of the ArcelorMittal website at www.arcelormittal.com where ArcelorMittal's Whistleblower Policy is also available.

During 2007, employees reported no significant complaints of this nature.

Internal Assurance

ArcelorMittal has an Internal Assurance function. It is the responsibility of the Head of Internal Assurance of ArcelorMittal, who reports to the Audit Committee. The function is staffed by full-time professional staff located at each of the principal operating subsidiaries and at the corporate level. Recommendations and matters relating to internal control and processes are made by the Internal Assurance function, and their implementation is regularly reviewed by the Audit Committee.

Independent Auditors

The appointment and determination of fees of the independent auditors is the direct responsibility of the Audit Committee. The Audit Committee is further responsible for obtaining at least once a year a written statement from the independent auditors that their independence has not been impaired. The Audit Committee has also obtained a confirmation from the principal independent auditors that none of its former employees is in a position with ArcelorMittal that may impair the principal auditors' independence.

Ethics and Conflict of Interest

Ethics and conflicts of interest are governed by ArcelorMittal's Code of Business Conduct. The Code of Business Conduct sets out standards for ethical behaviour that are to be followed by all employees and directors of ArcelorMittal in the exercise of their duties. They must always act in the best interests of ArcelorMittal and must avoid any situation in which their personal interests conflict, or could conflict, with their obligations to ArcelorMittal. As employees, they must not acquire any financial or other interest in any business or participate in any activity that could deprive ArcelorMittal of the time or the attention needed to devote to the performance their duties. Any behaviour that deviates from the Code of Business Conduct is to be reported to the employee's supervisor, a member of the management, the head of the legal department or the head of the internal audit/internal assurance department. The Code of Business Conduct is available in the "Corporate Governance - Code of Business Conduct" section of ArcelorMittal's website, www.arcelormittal.com.

Measures to Prevent Insider Dealing and Market Manipulation

The Board of Directors of ArcelorMittal adopted the currently applicable Insider Dealing Regulations ("IDR") on August 20, 2007. The IDR is available on ArcelorMittal's website www.arcelormittal.com under "Investors & Shareholders - Corporate Governance - Insider Dealing Regulations."

The IDR applies to the worldwide operations of ArcelorMittal. The Company regularly reviews the IDR to ensure they reflect applicable legal requirements and are properly enforced throughout ArcelorMittal. The secretary to the Board of Directors of ArcelorMittal is acting as compliance officer for the purposes of the IDR.

and answers questions that members of senior management, the Board of Directors, or employees may have about the IDR's interpretation. The compliance officer may assist senior executives and directors with the filing of notices with the CSSF (*Commission de Surveillance du Secteur Financier*) required under the Luxembourg Market Abuse Law of May 16, 2006. Furthermore, he has the power to conduct investigations in connection with the application and enforcement of the IDR in which any employee or member of senior management or, of the Board of Directors is required to cooperate.

Selected new employees of ArcelorMittal are required to participate in a training course about the IDR upon joining ArcelorMittal and every three years thereafter. The persons who must participate in the IDR training are the members of senior management, the employees who work in finance, legal, sales, mergers and acquisitions and other areas that the Company may determine from time to time. In addition, ArcelorMittal's Code of Business Conduct contains a section on "Trading in the Securities of the Company" that emphasises the prohibition to trade on the basis of inside information. All new employees of ArcelorMittal must acknowledge the Code of Business Conduct in writing upon joining and are periodically trained about the Code of Business Conduct in each worldwide location where ArcelorMittal operates.

Major Shareholders and Related Party Transactions

Major Shareholders

As of December 31, 2007, the authorised share capital of ArcelorMittal consisted of 1,470,000,000 common shares without nominal value. At December 31, 2007, 1,448,826,347 common shares (December 31, 2006: 934,818,280 class A common shares and 457,490,210 class B common shares) were issued and 1,421,570,646 common shares (December 31, 2006: 927,778,733 class A common shares and 457,490,210 class B common shares) were outstanding. All issued and outstanding shares are fully paid-up.

The following table sets forth information as of December 31, 2007 with respect to the beneficial ownership of ArcelorMittal common shares by each person who is known to be the beneficial owner of more than 5% of the shares and all directors and senior management as a group. At December 31, 2007 and to date, no shareholder other than the Significant shareholder owns more than 5% of ArcelorMittal's shares.

	ArcelorMittal Common shares ⁽¹⁾	
	Number	%
Significant shareholder ⁽²⁾	623,665,000	43.05
Treasury Stock ⁽³⁾	26,465,219 ⁽⁴⁾	1.83
Other Shareholders	798,696,128	55.13
Total	1,448,826,347	100.00
Directors and Senior Management ⁽⁵⁾	2,106,308 ⁽⁶⁾⁽⁷⁾	0.15

(1) For purposes of this table a person or group of persons is deemed to have beneficial ownership of any ArcelorMittal common shares as of a given date which such person or group of persons has the right to acquire within 60 days after December 31, 2007 upon exercise of vested portions of stock options. The first third of the stock options granted on September 1, 2006 and the first and second third of the stock options granted on August 23, 2005 have vested on August 23, 2006, and all stock options of the previous grants have vested. None of the stock options granted on August 2, 2007 have vested, the first third, however, will vest on August 2, 2008.

(2) Mr. Lakshmi Mittal and his wife, Mrs. Usha Mittal, have direct ownership of ArcelorMittal common shares and indirect ownership of holding companies that own ArcelorMittal common shares. Ispat International Investments S.L. is the owner of 98,250,000 ArcelorMittal common shares. Mittal Investments S.à r.l., a limited liability company organised under the laws of Luxembourg, is the owner of 525,000,000 ArcelorMittal common shares. Mr. Mittal is the direct owner of 30,000 ArcelorMittal common shares and holds options to acquire an additional 500,000 ArcelorMittal common shares of which 340,000 are, for the purposes of this table, deemed to be beneficially owned by Mr. Mittal due to the fact that those options are exercisable within 60 days. Mrs. Mittal is the direct owner of 5,000 ArcelorMittal common shares and holds options to acquire an additional 40,000 ArcelorMittal common shares of which all 40,000 options are, for the purposes of this table, deemed to be beneficially owned by Mrs. Mittal due to the fact that those options are exercisable within 60 days. Mr. Mittal and Mrs. Mittal share equally beneficial ownership of 100% of Ispat International Investments S.L. and share equally beneficial ownership of 100% of Mittal Investments S.à r.l. Accordingly, Mr. Mittal is the beneficial owner of 623,620,000 ArcelorMittal common shares and Mrs. Mittal is the beneficial owner of 623,295,000 common shares.

- Excluding options, Mr. Lakshmi Mittal and Mrs. Usha Mittal, together directly and indirectly through intermediate holding companies, own 623,285,000 ArcelorMittal common shares.
- (3) Represents ArcelorMittal common shares repurchased by ArcelorMittal pursuant to the previously announced share repurchase programmes of ArcelorMittal.
 - (4) Consisting of 27,375,557 ArcelorMittal common shares purchased between November 13, 2007 and December 31, 2007 and excluding (i) 119,856 options that were exercised during the November 13, 2007 – December 31, 2007 period, (ii) 530,338 stock options that can be exercised by directors and senior management (other than the Significant shareholder) and (iii) 380,000 stock options that can be exercised by the Significant shareholder, in each case within 60 days of December 31, 2007.
 - (5) Excludes shares beneficially owned by the Significant shareholder.
 - (6) These 2,106,308 ArcelorMittal common shares are included in shares owned by public shareholders indicated above.
 - (7) During 1998, ArcelorMittal awarded 198,750 common shares to certain members of senior management of ArcelorMittal in connection with ArcelorMittal's initial public offering undertaken in 1997 and also awarded 54,390 common shares to certain senior executives as bonus shares in connection with ArcelorMittal's stock bonus plan.

The ArcelorMittal common shares may be held in registered form only. Registered shares may consist of (i) shares traded on the NYSE, or New York Shares, which are registered in a register kept by or on behalf of ArcelorMittal by its New York transfer agent, (ii) shares traded on Euronext Amsterdam by NYSE Euronext, Euronext Brussels by NYSE Euronext, Euronext Paris by NYSE Euronext, the regulated market of the Luxembourg Stock Exchange and the Spanish Stock Exchanges (Madrid, Bilbao, Valencia and Barcelona), which are registered in ArcelorMittal's shareholders register, or ArcelorMittal European Registry Shares, which are registered in a local shareholder registry kept by or on behalf of ArcelorMittal by ABN AMRO Bank N.V., or directly on ArcelorMittal's Luxembourg shareholder registry without being held on ArcelorMittal's local Dutch shareholder registry. Under Luxembourg law, the ownership of registered shares is evidenced by the inscription of the name of the shareholder, the number of shares held by him or her and the amount paid up on each share in the shareholder registry of ArcelorMittal.

At December 31, 2007, there were 2,398 shareholders other than the Significant shareholder holding an aggregate of 41,403,606 ArcelorMittal common shares registered in ArcelorMittal's shareholders register, representing approximately 3% of the common shares issued (including treasury shares).

At December 31, 2007, there were 33 U.S. shareholders holding an aggregate of 75,086,431 New York Shares, representing approximately 10% of the common shares issued (including treasury shares). ArcelorMittal's knowledge of the number of New York Shares held by U.S. holders is based solely on the records of its New York transfer agent regarding registered ArcelorMittal common shares.

At December 31, 2007, there were 696,347,786 ArcelorMittal common shares being held through the Euroclear/Iberclear clearing system in The Netherlands, France, Luxembourg and Spain.

Shareholder's Agreement

The Significant shareholder, a holding company owned by the Significant shareholder and ArcelorMittal, have entered into a shareholder and registration rights agreement (the "Shareholder's Agreement") dated August 13, 1997. Pursuant to the Shareholder's Agreement, subject to the terms and conditions thereof, ArcelorMittal shall, upon the request of certain holders of restricted ArcelorMittal common shares, use its reasonable efforts to register under the United States Securities Act of 1933, as amended, the sale of ArcelorMittal common shares intended to be sold by those holders. By its terms, the Shareholder's Agreement may not be amended, other than for manifest error, except by approval of a majority of the ArcelorMittal shareholders (other than the significant shareholder and certain permitted transferees) at a general shareholders' meeting.

Repurchase of Shares from Entity related to a Director

On February 19, 2008, ArcelorMittal repurchased 25 million shares from Carlo Tassara International, an entity controlled by the Zygmunt Lubicz-Zaleski Foundation, a Dutch foundation (*Stichting*), at a price of €46.60 per share for a total consideration of €1.165 billion (approximately \$1.8 billion). Mr. Zaleski was a member of the ArcelorMittal Board of Directors at the time of such transaction. Mr. Zaleski resigned from the Board of Directors of ArcelorMittal on March 6, 2008.

OWN SHARES

On April 2, 2007, ArcelorMittal announced the start of a share buy-back programme designed to achieve the 30% distribution pay-out commitment described above. This share buy-back programme was completed on September 4, 2007 as the \$590 million limit was reached. ArcelorMittal purchased an aggregate of 9,513,960 Mittal Steel Class A common shares and ArcelorMittal shares under the programme.

On June 12, 2007, ArcelorMittal announced the start of a share buy-back programme for up to 27 million shares, for cancellation in due course. This share buy-back programme was designed to offset the issuance of 27 million shares in connection with ArcelorMittal's mandatory offer for ArcelorMittal Brasil. This share buy-back programme was completed on December 13, 2007. The shares were repurchased at an average price of €50.15 (\$72.39) per share and for a total amount of €1,354 million (\$1,954).

On November 5, 2007, ArcelorMittal announced the start of a share buy-back programme valid for a period of 18 months or until the date of its renewal by a resolution of the general meeting of shareholders if such renewal date is prior to the expiration of the 18-month period. This programme was completed on February 20, 2008 with the acquisition of 14.6 million shares from Carlo Tassara International S.A. ("Carlo Tassara") at a price of €46.60 (\$68.70) per share for a total amount of €680 million (\$1,003). Carlo Tassara is controlled by the Zygmunt Lubicz-Zaleski Foundation. Mr. Romain Zaleski was a member of the ArcelorMittal Board of Directors at the time of this transaction.

On December 12, 2007, ArcelorMittal announced the start of a share buy-back programme for up to 44 million shares. This programme has a two year term and shares bought under this programme may be used in potential future corporate opportunities or for cancellation. The Company acquired approximately 130,000 shares under this programme through December 31, 2007, for a total amount of €9 million at an average price of \$70.38 per share.

On February 19, 2008, ArcelorMittal purchased 10.4 million shares (out of a total of 25 million shares repurchased to date) under the 44 million share buy-back programme from Carlo Tassara at a price of €46.40 (\$68.70) per share.

As of December 31, 2007, the Company held 17,173,201 of its own shares, representing 1.2% of the total issued share capital.

ADDITIONAL INFORMATION ABOUT ARCELORMITTAL

ArcelorMittal, incorporated under the law of Luxembourg, is the parent company of the ArcelorMittal Group and is expected to continue this role over the coming years. The Company has no branch offices. ArcelorMittal generated earnings of \$7,611 million in 2007, primarily from revenues from its holdings including a gain of \$6,381 million following a legal restructuring of its investments in affiliated undertakings in Germany.

The annual general meeting of shareholders to be held on May 13, 2008 will be asked to approve the payment of a quarterly base dividend of \$0.375 per share, representing an increase over the prior amount of \$0.325. The base dividend is designed to provide a minimum payout per year to shareholders and will result in a total annualised cash dividend per share of \$1.50. In addition to the base dividend, ArcelorMittal's Board of Directors has approved an ongoing share buy-back programme in 2007 to achieve the commitment to return to shareholders an amount equal to 30% of the previous year's net profit, which programme is ongoing. For periodically updated information on the share buy-back programme, see "Investors & Shareholders – Share Information – Share Buy-back" on www.arcelormittal.com.

On January 8, 2008, ArcelorMittal received a writ of summons on behalf of four hedge fund shareholders of Arcelor to appear before the civil court of Luxembourg. The summons was also served on all the members of the Board of Directors of ArcelorMittal and on the Significant shareholder. The claimants request, among other things (i) the cancellation and the amendment of the corporate decisions relating to the second-step merger in order to reflect an exchange ratio of 11 ArcelorMittal (the entity resulting from the first step merger) shares for 7 Arcelor shares (ignoring the impact of the share capital restructuring of Arcelor) accompanied by the allocation by the Significant shareholder or the company of additional shares to the claimants to reflect this revised ratio, and alternatively, (ii) the payment of damages by the defendants (jointly and severally or severally, at the court's discretion), in an amount of EUR180 million.

Corporate Governance

One of the elements in the Corporate Responsibility strategy is 'transparent governance', showing ArcelorMittal's commitment to visible governance based on an understanding of business reality. This section provides a summary of the corporate governance practices of ArcelorMittal, including in particular the practices of its Board of Directors.

Board of Directors, Group Management Board and Management Committee

ArcelorMittal is governed by a Board of Directors and a Group Management Board. The Group Management Board is assisted by a Management Committee.

Board of Directors

The Board of Directors is in charge of the overall management of ArcelorMittal. It is responsible for the performance of all acts of administration necessary or useful in furtherance of the corporate purpose of ArcelorMittal, except for matters expressly reserved by Luxembourg law or the Articles of Association to the general meeting of shareholders. The Articles of Association provide that the Board of Directors is composed of a minimum of three and a maximum of 18 members, all of whom, except the Chief Executive Officer, must be non-executive directors, and none of the members of the Board of Directors, except for the Chief Executive Officer, may hold an executive position or executive mandate within ArcelorMittal or any entity controlled by ArcelorMittal.

At ArcelorMittal's annual general meeting of shareholders on May 13, 2008, Mr Joseph Kinsch stepped down as Chairman and Mr Lakshmi N Mittal became the new Chairman following a unanimous nomination by the Board of Directors. Mr Mittal also continues to hold his position as Chief Executive Officer.

As of the date hereof, the Board of Directors is comprised of 15 non-executive directors, 12 of whom are independent, and one executive director. The Chief Executive Officer of ArcelorMittal is the sole executive director.

The Articles of Association and the Memorandum of Understanding entered into among Mittal Steel NV, Arcelor SA and ArcelorMittal's largest shareholder on June 25, 2006 ('Memorandum of Understanding' or 'MoU') both provide that at least half of the Board of Directors must be composed of independent members. Currently, 12 of the 16 members of the Board of Directors are independent. A director is considered to be 'independent' if (a) he or she is independent within the meaning of the Listed Company Manual of the New York Stock Exchange, Inc., as it may be amended from time to time, or any successor provision, subject to the exemptions available for foreign private issuers, and (b) he or she is unaffiliated with any shareholder owning or controlling more than two percent of the total issued share capital of ArcelorMittal. For these purposes, a person is deemed affiliated to a shareholder if he or she is an executive officer, a director who also is an employee, a general partner, a managing member or a controlling shareholder of such shareholder. There is no requirement in the Articles of Association that directors be shareholders in the Company.

The Memorandum of Understanding provides that until August 1, 2009, subject to the Significant shareholder¹ owning or controlling at least 15% of the outstanding share capital of ArcelorMittal, the Significant shareholder will be entitled to elect to the Board of Directors a maximum of six directors, comprising three directors affiliated (directly or indirectly) with the Significant shareholder and three independent directors. The Articles of Association provide that the Significant shareholder will be entitled to a proportional right of representation on the Board of Directors after August 1, 2009.

As a general matter, the Articles of Association provide that directors are elected and removed by the general meeting of shareholders by a simple majority of votes cast. Except as described above, no shareholder has any specific rights to nominate, elect or remove directors. All directors are elected by the general meeting of shareholders for three-year terms, except in the event of the replacement of a member of the Board of Directors during his or her mandate.

None of the members of the Board of Directors, including the executive director, have entered into service contracts with ArcelorMittal or any of its subsidiaries that provide for benefits upon the termination of their mandate.

Operation of the Board of Directors

The Board of Directors meets when convened by the Chairman of the Board or two members of the Board of Directors. In order for a meeting of the Board of Directors to be validly held, a majority of the directors must be present or represented, including at least the Chairman and a majority of the independent directors. The Chairman may decide not to participate in a Board of Directors meeting, provided he has given a proxy to one of the directors who will be present at the meeting. The previously existing role of 'President' of the Board of Directors was replaced by the role of 'Lead Independent Director' as a result of changes approved in April 2008 to the Memorandum of Understanding. Please see 'Memorandum of Understanding and Initial Term' below.

¹ 'Significant shareholder' refers to Mr Lakshmi N Mittal and his wife, Mrs Usha Mittal, who together own approximately 45.63% of ArcelorMittal's outstanding voting equity as at December 31, 2008.

Each director has one vote and none of the directors, including the Chairman, has a casting vote. Decisions of the Board of Directors are made by a majority of the directors present and represented at a quorate meeting.

The agenda of the meeting of the Board of Directors is agreed by the Chairman of the Board of Directors and the Lead Independent Director.

Separate Meetings of Independent Directors

The Lead Independent Director may schedule meetings of the independent members of the Board of Directors outside the presence of management and of the non-independent directors. There is no minimum number of such meetings that must be held per year, and no such meetings were held in 2008.

Board of Directors Committees

The Board of Directors has two committees, the Audit Committee and the Appointments, Remuneration and Corporate Governance Committee.

Audit Committee

The Articles of Association provide that the Audit Committee is composed solely of independent members of the Board of Directors. The MoU further provides that the Audit Committee must be composed of at least three members and that the applicable standard of independence is that defined in Rule 10A-3 of the U.S. Securities Exchange Act of 1934. The members are appointed by the Board of Directors. The Audit Committee makes decisions by a simple majority with no member having a casting vote.

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing:

- the financial reports and other financial information provided by ArcelorMittal to any governmental body or the public,
- ArcelorMittal's system of internal control regarding finance, accounting, legal compliance and ethics that the Board of Directors and members of management have established, and
- ArcelorMittal's auditing, accounting and financial reporting processes generally.

The Audit Committee's primary duties and responsibilities are to

- be an independent and objective party to monitor ArcelorMittal's financial reporting process and internal controls system,
- review and appraise the audit efforts of ArcelorMittal's independent auditors and internal auditing department;
- provide an open avenue of communication among the independent auditors, senior management, the internal audit department and the Board of Directors,
- approve the appointment and fees of the independent auditors, and
- monitor the independence of the independent auditors.

The three members of the Audit Committee are Messrs Narayanan Vaghul, José Ramón Álvarez Rendueles and Wilbur L. Ross, each of whom is an independent director under ArcelorMittal's Corporate Governance guidelines and the NYSE standards. The Chairman of the Audit Committee is Mr Vaghul, who has significant experience and financial expertise. Mr Vaghul is the Chairman of ICICI Bank Ltd., a company that is listed on the NYSE and the Mumbai Stock Exchange. Mr Álvarez Rendueles, a former Governor of the Banco de España and former President of the Banco Zaragozano, also has significant experience and financial expertise. Mr Ross has been the Chairman of International Steel Group (ISG) since its creation, he is the Chairman of a number of international companies and is the Chairman and Chief Executive Officer of private equity firm WL Ross & Co LLC. As such, he has acquired significant experience in the steel industry and in the management of international companies in various economic sectors.

According to its charter, the Audit Committee is required to meet at least four times per year. During 2008, the Audit Committee met twelve times, seven of which were meetings held in person and five of which were held by teleconference.

Appointments, Remuneration and Corporate Governance Committee

The Appointments, Remuneration and Corporate Governance Committee is comprised of three directors, each of whom is an independent director under ArcelorMittal's Corporate Governance guidelines and the NYSE standards. The members are appointed by the Board of Directors. The Appointments, Remuneration and Corporate Governance Committee makes decisions by a simple majority with no member having a casting vote.

The Board of Directors has established the Appointments, Remuneration and Corporate Governance Committee to

- determine, on its behalf and on behalf of the shareholders within agreed terms of reference, ArcelorMittal's remuneration and compensation framework, including stock options for the Chief Executive Officer, the Chief Financial Officer, the members of the Group Management Board and the members of the Management Committee,
- consider any candidate for appointment or reappointment to the Board of Directors at the request of the Board of Directors and provide advice and recommendations to it regarding the same,
- evaluate the functioning of the Board of Directors and monitor the Board of Directors' self-assessment process, and
- develop, monitor and review corporate governance principles applicable to ArcelorMittal.

The Appointments, Remuneration and Corporate Governance Committee's principal criteria in determining the compensation of executives is to encourage and reward performance that will lead to long-term enhancement of shareholder value.

The three members of the Appointments, Remuneration and Corporate Governance Committee are Messrs Lewis Kaden, Sergio Silva de Freitas and Jean-Pierre Hansen, each of whom is 'independent' under ArcelorMittal's Corporate Governance guidelines and the NYSE standards. The Chairman of the Appointments, Remuneration and Corporate Governance Committee is Mr Kaden.

The Appointments, Remuneration and Corporate Governance Committee is required to meet at least twice a year. During 2008, this committee met six times.

Corporate Governance *continued*

Group Management Board

The Group Management Board is entrusted with the day-to-day management of ArcelorMittal. Mr Lakshmi N Mittal, the Chief Executive Officer, is the Chairman of the Group Management Board. The members of the Group Management Board are appointed and dismissed by the Board of Directors. As the Group Management Board is not a corporate body created by Luxembourg law or ArcelorMittal's Articles of Association, the Group Management Board may exercise only the authority granted to it by the Board of Directors.

In establishing ArcelorMittal's strategic direction and corporate policies, Mr Lakshmi N Mittal is supported by members of ArcelorMittal's senior management, who have substantial professional and worldwide steel industry experience. Some of the members of ArcelorMittal's senior management team are also members of the Group Management Board.

Management Committee

The Group Management Board is assisted by a Management Committee comprised of the members of the Group Management Board, 16 other senior executive officers, and one invitee to the Management Committee. The Management Committee discusses and prepares Group decisions on matters of Group-wide importance, integrates the geographical dimension of the Group, ensures in-depth discussions with ArcelorMittal's operational and resources leaders, and shares information about the situation of the Group and its markets.

Memorandum of Understanding and initial term

On June 25, 2006, Mittal Steel, the 'Significant shareholder'¹ and Arcelor signed a binding Memorandum of Understanding based on which Arcelor's Board of Directors recommended Mittal Steel's offer for Arcelor and the parties agreed to certain corporate governance matters relating to the Arcelor-Mittal combined Group. Certain provisions of the MoU relating to corporate governance were incorporated into the Articles of Association of ArcelorMittal at the extraordinary general meeting of shareholders on November 5, 2007.

In April 2008, the Board of Directors completed a review of certain provisions of the MoU to adapt it to the Company's needs in the post-merger and post-integration phase. In particular, the Board decided to create the role of Lead Independent Director. The Lead Independent Director replaces the 'President' of the Board of Directors created by the MoU and his/her function is to:

- co-ordinate the activities of the independent directors,
- liaise between the Chairman of the Board of Directors and the independent directors,
- call meetings of the independent directors when necessary and appropriate, and
- perform such other duties as may be assigned to him or her by the Board from time to time.

Mr Lewis B Kaden was elected by the Board of Directors as ArcelorMittal's first Lead Independent Director in April 2008.

Furthermore, the Board of Directors decided to remove references in the MoU to the size of the Board of Directors and the distinction between former Arcelor and Mittal directors. Finally, the Board of Directors decided that the Audit Committee and the Appointments, Remuneration and Corporate Governance Committee will each be composed of a minimum of three independent directors.

In accordance with the Memorandum of Understanding, until August 1, 2009, with respect to Board of Directors' decisions that require shareholders approval, the Significant shareholder will vote in accordance with the position expressed by the Board of Directors, unless the Significant shareholder opposes any such position, in which case the Significant shareholder can vote as it wishes subject to the following requirements. Until August 1, 2009, if Mr Lakshmi N Mittal opposes any decision of the Board of Directors on a matter that does not require shareholder approval and that was not proposed by him, he will have the right to request that such action first be approved by a shareholders' meeting and the Significant shareholder will have the right to vote at such meeting as it sees fit. The Board of Directors will not approve any action rejected by the shareholders' meeting.

The Memorandum of Understanding further provides that until August 1, 2009, subject to the Significant shareholder owning or controlling at least 15% of the outstanding share capital of ArcelorMittal, the Significant shareholder is entitled to elect to the Board of Directors a maximum of six directors comprised of three directors affiliated (directly or indirectly) with the Significant shareholder and three independent directors. Thereafter, the Significant shareholder will be entitled to representation on the Board of Directors in proportion to its shareholding in ArcelorMittal.

¹ As such term is defined in the introduction to the Board of Directors section of this Corporate Governance section

Upon expiration of a three-year transitional period (referred to as the Initial Term) on August 1, 2009, ArcelorMittal's corporate governance rules described above will be revised to reflect, subject to certain provisions of the MoU incorporated into the Articles of Association, the best standards of corporate governance for comparable companies and to conform with the corporate governance aspects of the NYSE listing standards applicable to non-U.S. companies and the Luxembourg Stock Exchange code of governance

Other corporate governance practices

ArcelorMittal is committed to adopt best practice standards in terms of corporate governance in its dealings with shareholders and aims to ensure good corporate governance by applying rules on transparency, quality of reporting and the balance of powers. ArcelorMittal continually monitors U.S., European Union and Luxembourg legal requirements and best practices in order to make adjustments to its corporate governance controls and procedures when necessary.

Ethics and Conflicts of Interest

Ethics and conflicts of interest are governed by ArcelorMittal's Code of Business Conduct, which establishes the standards for ethical behavior that are to be followed by all employees and directors of ArcelorMittal in the exercise of their duties. They must always act in the best interests of ArcelorMittal and must avoid any situation in which their personal interests conflict, or could conflict, with their obligations to ArcelorMittal. As employees, they may not acquire any financial or other interest in any business or participate in any activity that could deprive ArcelorMittal of the time or the attention needed to devote to the performance of their duties. Any behavior that deviates from the Code of Business Conduct is to be reported to the employee's supervisor, a member of management, the head of the legal department or the head of the internal audit/internal assurance department. Code of Business Conduct training is offered throughout ArcelorMittal. All new employees of ArcelorMittal must acknowledge the Code of Business Conduct in writing upon joining and are periodically trained about the Code of Business Conduct in each location where ArcelorMittal has operations. The Code of Business Conduct is available in the 'Corporate Governance – Code of Business Conduct' section of ArcelorMittal's website at www.arcelormittal.com.

Process for Handling Complaints on Accounting Matters

As part of the procedures of the Board of Directors for handling complaints or concerns about accounting, internal controls and auditing issues, ArcelorMittal's Code of Business Conduct encourages all employees to bring such issues to the Audit Committee's attention on a confidential basis. In accordance with ArcelorMittal's Whistleblower Policy, concerns with regard to possible irregularities in accounting, auditing or banking matters or bribery within ArcelorMittal or any of its subsidiaries or other controlled entities may also be communicated through the 'Corporate Governance – Whistleblower' section of the ArcelorMittal website at www.arcelormittal.com, where ArcelorMittal's Whistleblower Policy is also available.

During 2008, employees reported 184 total complaints, of which 32 were deemed significant complaints by the Internal Assurance team.

Internal Assurance

ArcelorMittal has an Internal Assurance function that, through its Head of Internal Assurance, reports to the Audit Committee. The function is staffed by full-time professional staff located within each of the principal operating subsidiaries and at the corporate level. Recommendations and matters relating to internal control and processes are made by the Internal Assurance function and their implementation is regularly reviewed by the Audit Committee.

Independent Auditors

The appointment and determination of fees of the independent auditors is the direct responsibility of the Audit Committee. The Audit Committee is further responsible for obtaining, at least once each year, a written statement from the independent auditors that their independence has not been impaired. The Audit Committee has also obtained a confirmation from ArcelorMittal's principal independent auditors to the effect that none of its former employees are in a position within ArcelorMittal that may impair the principal auditors' independence.

Measures to Prevent Insider Dealing and Market Manipulation

The Board of Directors of ArcelorMittal has adopted Insider Dealing Regulations ('IDR'), which are updated when necessary and in relation to which training is conducted throughout the Group. The most recent version of the IDR is available on ArcelorMittal's website, www.arcelormittal.com, under 'Investors & Shareholders – Corporate Governance – Insider Dealing Regulations'.

The IDR apply to the worldwide operations of ArcelorMittal. The Company Secretary of ArcelorMittal is the IDR compliance officer and answers questions that members of senior management, the Board of Directors, or employees may have about the IDR's interpretation. The IDR compliance officer may also assist senior executives and directors with the filing of notices required by Luxembourg law to be filed with the Luxembourg financial regulator, the CSSF (*Commission de Surveillance du Secteur Financier*). Furthermore, the IDR compliance officer has the power to conduct investigations in connection with the application and enforcement of the IDR, in which any employee or member of senior management or of the Board of Directors is required to cooperate.

Selected new employees of ArcelorMittal are required to participate in a training course about the IDR upon joining ArcelorMittal and every three years thereafter. The individuals who must participate in the IDR training include the members of senior management, employees who work in finance, legal, sales, mergers and acquisitions and other areas that the Company may determine from time to time. In addition, ArcelorMittal's Code of Business Conduct contains a section on 'Trading in the Securities of the Company' that emphasizes the prohibition to trade on the basis of inside information.

Corporate Governance *continued*

Compensation

Compensation information

The total annual compensation of the members of ArcelorMittal's Board of Directors paid in 2007 and 2008 was as follows:

	Year ended 31 December 2007	Year ended 31 December 2008
<i>(Amounts in \$ thousands except option information)</i>		
Base salary and/or directors fees	4,334	5,569
Short-term performance-related bonus	2,181	2,200
Long-term incentives (number of options)	60,000	60,000

The annual compensation paid to the members of ArcelorMittal's Board of Directors for services in all capacities in 2007 and 2008 was as follows:

	2007 ¹	2008	2007 Short-term Performance Related	2008 Short-term Performance Related	2007 Long-term Number of Options	2008 Long-term Number of Options
<i>(Amounts in \$ thousands except option information)</i>						
Lakshmi N Mittal	2,001	1,916	2,181	2,200	60,000	60,000
Vanisha Mittal Bhatia	—	199	—	—	—	—
Narayanan Vaghul	—	240	—	—	—	—
Malay Mukherjee ²	—	—	—	—	—	—
Wilbur L. Ross, Jr	—	224	—	—	—	—
Lewis B Kaden	—	221	—	—	—	—
François Pinault	—	176	—	—	—	—
Joseph Kinsch ³	338	368	—	—	—	—
José Ramón Álvarez Rendueles	297	227	—	—	—	—
Sergio Silva de Freitas	181	206	—	—	—	—
Georges Schmit	197	196	—	—	—	—
Edmond Pachura ⁴	213	227	—	—	—	—
Michel Angel Marti	180	199	—	—	—	—
Manuel Fernández López ⁵	163	187	—	—	—	—
Jean-Pierre Hansen	200	199	—	—	—	—
John Castegnaro	180	199	—	—	—	—
Antoine Spillmann ⁶	163	196	—	—	—	—
HRH Prince Guillaume de Luxembourg	184	199	—	—	—	—
Romain Zaleski ⁷	37	190	—	—	—	—
Ignacio Fernández Toxo ⁸	—	—	—	—	—	—
Total	4,334	5,569	2,181	2,200	60,000	60,000

¹ The compensation that was paid in 2007 to the former Arcelor Board Members was for their services to Arcelor in 2006. No compensation was paid to the former Mittal Steel Board Members on the ArcelorMittal Board in 2007. Compensation with respect to 2007 was paid after shareholder approval at the AGM held on May 13, 2008. Attendance fees for 2007 amounting to approximately \$0.4 million were paid in February 2008 and are included in the 2008 column above. Compensation with respect to 2008 will be paid after shareholder approval at the AGM held on May 12, 2009. Attendance fees for 2008 amounting to approximately \$0.4 million were paid in January 2009 and are not included in the 2008 column above.

² Mr Mukherjee was elected to ArcelorMittal's Board of Directors on May 13, 2008, prior to which he was a Member of the Group Management Board, responsible for Asia, Africa, Mining and CIS. Mr Mukherjee was compensated as a member of senior management in 2007 and in 2008 until his appointment to the Board, and as a Director since then. The table above relates solely to compensation received by Mr Mukherjee while a Director. Compensation received by Mr Mukherjee in 2008 prior to becoming a Director is included in the aggregate amount disclosed below for senior management.

³ The mandate of Mr Kinsch ended on May 13, 2008.

⁴ The mandate of Mr Pachura ended on May 13, 2008.

⁵ Mr Fernández López resigned on May 13, 2008.

⁶ Mr Spillmann was elected to ArcelorMittal's Board of Directors on May 13, 2008, replacing Corporación IMAC. Mr Spillmann had been the representative of Corporación IMAC on the Board before May 13, 2008. Compensation received by Mr Spillmann both as a representative of Corporación IMAC and as a Director in his own right is included in this table.

⁷ Mr Zaleski resigned on March 5, 2008.

⁸ Mr Fernández Toxo was elected to ArcelorMittal's Board of Directors on May 13, 2008.

On February 10, 2009 the Board of Directors decided that it would propose to the next annual general meeting of shareholders to reduce the annual remuneration of board members (including the Chairman and Chief Executive Officer) by 15% as compared to the previous year as an additional measure to address the current situation in the steel industry and to show leadership and solidarity with the Company's employees affected by redundancies and temporary lay-offs.

As of December 31, 2007 and 2008, ArcelorMittal did not have outstanding any loans or advances to members of its Board of Directors, and, as of December 31, 2008, ArcelorMittal had not given any guarantees for the benefit of any member of its Board of Directors.

The following table provides a summary of the options outstanding and the exercise of the options granted to ArcelorMittal's Board of Directors (in 2001, 2003 and 2004, no options were granted to members of ArcelorMittal's Board of Directors):

	Granted in 1999	Granted in 2000	Granted in 2002	Granted in 2005	Granted in 2006	Granted in 2007	Granted in 2008	Total	Weighted Average Exercise Price
Lakshmi N Mittal	80,000	80,000	80,000	100,000	100,000	60,000	60,000	560,000	\$30.15
Vanisha Mittal Bhatia	—	—	—	—	—	—	—	—	—
Narayanan Vaghul	—	—	—	—	—	—	—	—	—
Malay Mukherjee	—	—	—	—	—	—	—	—	—
Wilbur L Ross	—	—	—	—	—	—	—	—	—
Lewis B Kaden	—	—	—	—	—	—	—	—	—
François Pinault	—	—	—	—	—	—	—	—	—
Joseph Kirsch	—	—	—	—	—	—	—	—	—
José Ramón Álvarez Rendueles	—	—	—	—	—	—	—	—	—
Sergio Silva de Freitas	—	—	—	—	—	—	—	—	—
Georges Schmit	—	—	—	—	—	—	—	—	—
Emond Pachura ¹	—	—	—	—	—	—	—	—	—
Michel Angel Marti	—	—	—	—	—	—	—	—	—
Manuel Fernández López ⁴	—	—	—	—	—	—	—	—	—
Jean-Pierre Hansen	—	—	—	—	—	—	—	—	—
John Castegnaro	—	—	—	—	—	—	—	—	—
Antoine Spillmann ⁵	—	—	—	—	—	—	—	—	—
HRH Prince Guillaume de Luxembourg	—	—	—	—	—	—	—	—	—
Romain Zaleski ⁶	—	—	—	—	—	—	—	—	—
Ignacio Fernández Toxo ⁷	—	—	—	—	—	—	—	—	—
Total	80,000	80,000	80,000	100,000	100,000	60,000	60,000	560,000	—
Exercise price	\$11.94	\$8.57	\$2.26	\$28.75	\$33.755	\$64.30	\$82.57	—	\$30.15
Term (in years)	10	10	10	10	10	10	10	—	—
Expiration date	September 14, 2009	June 1, 2010	April 5, 2012	August 23, 2015	September 1, 2016	August 2, 2017	August 5, 2018	—	—

¹ Mr Mukherjee was elected to ArcelorMittal's Board of Directors on May 13, 2008, prior to which point he was a Member of the Group Management Board responsible for Asia, Africa, Mining and CIS. Mr Mukherjee was compensated as a member of senior management in 2007 and in 2008 until his appointment to the Board on May 13, 2008, and as a Director since then. Options granted before this date are not included in this table but are included in the table with respect to outstanding share options held by senior management.

² The mandate of Mr Kirsch ended on May 13, 2008.

³ The mandate of Mr Pachura ended on May 13, 2008.

⁴ Mr Fernández López resigned on May 13, 2008.

⁵ Mr Spillmann was elected to ArcelorMittal's Board of Directors on May 13, 2008, replacing Corporación IMAC. Mr Spillmann had been the representative of Corporación IMAC on the Board before May 13, 2008.

⁶ Mr Zaleski resigned on March 5, 2008.

⁷ Mr Fernández Toxo was elected to ArcelorMittal's Board of Directors on May 13, 2008.

Corporate Governance *continued*

The total compensation paid in 2008 to members of ArcelorMittal's senior management was \$20.5 million in base salary (including various allowances paid in cash) and \$21 million in short-term performance-related bonuses. As of December 31, 2008, approximately \$1.2 million was accrued by ArcelorMittal to provide pension benefits to its senior management.

In connection with the Board of Directors' decision in February 2009 to reduce its compensation in light of conditions in the steel market, Group Management Board members similarly voluntarily decided to reduce their salary by 12%, and the members of the Management Committee voluntarily decided to reduce their salary by 10%, as compared to the previous year.

During 2008, no loans or advances to ArcelorMittal's senior management were outstanding. As of December 31, 2007, no loan was outstanding.

Executive compensation policy

Philosophy

The ArcelorMittal Compensation Policy for executives is based on the following principles:

- Provide a total compensation competitive with executive compensation levels of industrial companies of a similar size and scope,
- Promote internal equity and market median base pay levels for our executives, combined with 'pay for performance',
- Motivate managers towards the achievement of Group-wide and personal goals, including efficiency and growth, and
- Retain individuals who consistently perform at expected levels and contribute to the success of the organization.

Governance Principles

The Appointments, Remuneration and Corporate Governance Committee of ArcelorMittal reviews and recommends proposals annually for the Board of Directors on ArcelorMittal's executive compensation. The Committee also prepares proposals on the fees to be paid annually to the members of the Board of Directors. Such proposals relating to executive compensation comprise the following elements:

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

and apply to the group of senior executives, i.e.

- the Chief Executive Officer,
- the members of the Group Management Board, and
- the members of the Management Committee

Decisions on short and long-term incentive plans may apply to a larger group of employees. The Appointments, Remuneration and Corporate Governance Committee receives updates about the application of these plans on a regular basis.

Fixed Annual Salary

The size of the fixed annual salary is targeted to the median salary level of the peer group of companies, i.e. industrial companies of a similar size and scope. The base salary levels are reviewed annually to ensure that ArcelorMittal remains competitive.

Short-term Incentives

Performance-related Bonus

A discretionary bonus plan is in place at ArcelorMittal. The performance of the ArcelorMittal Group as a whole, the performance of the relevant business units, the achievement of specific objectives and the individual's overall performance and potential determine the outcome of the bonus calculation. This bonus plan, called the Global Performance Bonus Plan, is applicable to more than 2,000 executives and managers worldwide.

The bonus is calculated as a percentage of the individual's base salary. Different percentage ranges are used depending on the hierarchical level of the individual. Performance-related bonuses are paid only if certain minimum performance thresholds are exceeded by the ArcelorMittal Group as a whole and/or the relevant business segment.

Long-term Incentives Stock Options

The Chief Executive Officer, the Group Management Board members and the Management Committee members benefit from the Global Stock Option Plan. This plan also applies to a larger group of employees. The overall cap on options available for grants during a year is approved by the shareholders at the annual general meeting. The stock option plan is detailed in Note 17 of the Consolidated Financial Statements.

Other Benefits

In addition to the main compensation elements described above, other benefits may be provided to executives, such as company cars and contributions to pension plans and insurance policies.