

**MEMORANDUM RELATING TO THE 2016 REPORTING
ON FINANCIAL TRANSPARENCY OF ERAMET GROUP**

The “accounting” directive 2013/34/EU was adopted in June 2013 and implemented into French law through the Law n° 2014-1662 of December 30th, 2014². Those texts require large companies active in the extractive industry or the logging of primary forests to publish a report on payments to governments on an annual basis. This obligation is directly inspired by the Extractive Industries Transparency Initiative (EITI) which ERAMET voluntarily integrated in 2011. The main goal of the EITI is to fight corruption by encouraging transparency on money transfers between mining, oil and gas companies and countries hosting those economic activities.

The payments to be declared shall include the payments in cash or in kind, made as a single payment or as a series of related payments, for an amount equal to or above 100.000 euros within a financial year. The following subsidiaries of the ERAMET group are subject to this obligation:

- SLN – Le Nickel (France – New Caledonia),
- Comilog SA (Gabon),
- Maboumine (Gabon),
- Somivab (Gabon),
- PT Weda Bay Nickel (Indonesia),
- ERAMET South Africa (South Africa),
- Grande Côte Opérations SA (Senegal),
- ERAMINE SUDAMERICA SA (Argentina).

Payments of the following types shall be taken into account:

- Production entitlements,
- Taxes levied on the income, production or profits of the companies, excluding taxes levied on consumption such as value added taxes, personal income taxes or sale taxes,
- Royalties,
- Dividends,
- Signature, discovery and production bonuses,
- License fees, rental fees, entry fees and other considerations for licenses and/or concessions,
- Payments for infrastructure improvements.

In the absence of any precise legal compelling definition, the types of payments have been defined according to the EITI guidance. For the sake of clarity, the various types of payments have been separated into two general categories: payments imposed on the legal entity as a commercial entity and payments imposed on the legal entity as mining operator.

In 2016, the following subsidiaries only made some payments inferior to 100.000 euros and have thus nothing to declare: Maboumine, PT Weda Bay Nickel, ERAMET South Africa, ERAMINE SUDAMERICA SA.

This report was approved by the Board of Directors of ERAMET SA on May 23rd, 2017.

² Article L.225-102-3 of the Code du commerce.