

AMENDED AND RESTATED EXPRESSION OF PRINCIPLES

DATED AS OF JULY 15, 2022

AS ENTERED INTO BETWEEN

1. TATA STEEL NEDERLAND B.V., REPRESENTED BY MR. J. VAN DEN BERG;

2. THE MINISTER OF ECONOMIC AFFAIRS AND CLIMATE POLICY OF THE NETHERLANDS, ACTING AS
ADMINISTRATIVE BODY AND AS REPRESENTATIVE OF THE STATE OF THE NETHERLANDS,
REPRESENTED BY MRS. M.A.M. ADRIAANSENS;

3. THE STATE SECRETARY OF INFRASTRUCTURE AND WATER MANGAGEMENT OF THE NETHERLANDS,
ACTING AS ADMINISTRATIVE BODY AND AS REPRESENTATIVE OF THE STATE OF THE NETHERLANDS,
REPRESENTED BY MRS. V.L.W.A. HEIJNEN;

AND

4. GEDEPUTEERDE STATEN, THE PROVINCIAL EXECUTIVES OF THE DUTCH PROVINCE NORTH-
HOLLAND, ACTING AS ADMINISTRATIVE BODY AND AS REPRESENTATIVE OF THE DUTCH PROVINCE
NORTH-HOLLAND, REPRESENTED BY MR. J. OLTHOF

ON

COOPERATION IN THE REDUCTION OF CO₂ EMISSIONS AS WELL AS ENVIRONMENTAL AND
INNOVATION PROJECTS, AND IN THE ADDRESSING OF PUBLIC CONCERNS

W I T N E S S E T H:

1 - WHEREAS, Tata Steel Nederland B.V. (jointly with its subsidiaries, "**TSN**") and the Minister of Economic Affairs and Climate Policy of the Netherlands ("**EZK**") entered into an Expression of Principles dated March 30, 2021 (the "**Original EoP**");

2 - WHEREAS, each of the State Secretary of Infrastructure and Water Management of the Netherlands ("**Sol**", jointly with EZK representing the Dutch Government) and the Provincial Executive of Public Health and Environment of the Dutch Province North-Holland ("**PEPHE**" and jointly with EZK and Sol, the "**Governmental Parties**" and, together with TSN, the "**Parties**") have over the past year obtained an increased role in the matters covered by the Original EoP;

3 - WHEREAS, with a view to the above, the Parties now wish to, hereby, update, amend, restate and replace the Original EoP, in its entirety, as reflected herein;

4 - WHEREAS, although TSN operates in IJmuiden one of the most efficient steel sites in Europe and is a steel industry top 10% lowest CO₂ emitter per tonne of steel among blast furnace-based steelmakers globally, according to research done by World Steel Association in 2018, TSN is also one of the largest industrial CO₂ emitters in the Netherlands and has the ambition to substantially reduce these emissions;

5 - WHEREAS, the Dutch Climate Agreement (*Klimaatakkoord*; the "**Dutch Climate Agreement**"), policy targets and the European Climate Law will require further efforts to achieve obligations of the Paris Agreement;

6 - WHEREAS, TSN wishes to acknowledge its responsibility to work now towards the achievement of CO₂ neutrality by 2050 (subject to its further ambition as laid down in recital 7 below) and to contribute to the national 2030 CO₂ reduction target as per the most recent Dutch Government coalition agreement (*Coalitieakkoord*; such most recent coalition agreement, as presented on 15 December 2021, the "**Coalition Agreement**") in the Netherlands, while at the same time reducing its impact on the environment, and that it is endeavouring to address health concerns from local residents. In the short term, TSN therefore is in the process of executing the Roadmap+ programme, while for the mid- and longer term TSN is willing to discuss further reduction ambitions;

7 - WHEREAS, TSN is committed to transition on a path towards clean, green and circular steel production, and is now accelerating its own ambition to achieve CO₂ neutrality of the IJmuiden operations by 2045, rather than 2050;

8 - WHEREAS, the Parties believe that TSN is well positioned to remain one of the most competitive and sustainable steel production sites in the EU focusing on high-end steel products;

9 - WHEREAS, TSN is a steel producer based in IJmuiden with ~ 11,000 employees in the Netherlands, with an output of 6.6 MT in 2021 steel for sectors like automotive, manufactured goods, packaging and construction;

10 - WHEREAS, this output approximately equals the national consumption of steel in the Netherlands (~ 6.4 MT in 2021 according to World Steel Association);

11 - WHEREAS, the Parties believe that TSN is of strategic importance to the Netherlands, the IJmond region and the metropolitan region of Amsterdam;

12 – WHEREAS, according to a research report published by Oxford Economics in July 2019, TSN delivers an economic contribution of EUR ~ 7.1 bn Gross Value Added to the Dutch economy (~ 1% of economy) and ~ 86,000 jobs in the Netherlands (~ 1% of the Netherlands' total), of which ~ 11,000 direct, ~ 47,000 indirect and ~ 28,000 induced jobs;

13 – WHEREAS, the Parties believe that TSN forms a key pillar for manufacturing and industry in the Netherlands and industrial supply chains across the EU, being recognised as a "Manufacturing Lighthouse" by the World Economic Forum (recognition for state-of-the-art facilities that serve as world leaders in how to successfully adopt and integrate the cutting-edge technologies of the Fourth Industrial Revolution), a top 5 manufacturing employer in the Netherlands (as researched by De Volkskrant in February 2020) and a major materials supplier to various industries, ensuring diversity of the Dutch economy beyond services, and that TSN is a knowledge and innovation hub for a strategic sector, providing a backbone of materials science in the Netherlands as well as, according to Keuzegids published in March 2020, the highest ranked MBO school in the Netherlands for process technology;

14 – WHEREAS, the Parties recognise TSN's unique location, configuration and infrastructural connections (e.g., access to offshore wind, connections to electricity and natural gas, the prospective hydrogen backbone connection, and a deep sea port allowing for import of iron ore, scrap and other imports, e.g. potentially hydrogen carriers, and for export of steel), allowing TSN to be a producer of high quality steel serving high-end technology markets;

15 – WHEREAS, apart from decarbonisation projects, TSN is seeking to strengthen its presence in the high-end steel market through the implementation of an innovation plan (STAR), introducing new products and increasing downstream capacity;

16 – WHEREAS, according to World Steel Association, the steel industry accounts worldwide for 8% of CO₂ emissions and TSN accounts in the Netherlands for 7.5% of CO₂ emissions, and it is generally accepted that the steel industry is a hard to abate sector;

17 – WHEREAS, TSN has the ambition to achieve its CO₂ reduction by 2030 in line with the Dutch Climate Agreement and the Coalition Agreement, and is investigating the feasibility to increase such reduction from 35% to 40%, thereby reducing CO₂ emissions by up to 5 MT/a by 2030 (against the baseline of 12.6 MT/a), which would exceed TSN's proportional share of the industry target under the Coalition Agreement, and investigating further breakthrough options for more, which would potentially lead to TSN further exceeding its proportional share of the industry target under the Coalition Agreement, whereby the higher the level of the ambition is set the higher the level of the required support and facilitation is expected to be needed to realise the ambition, and the Governmental Parties are investigating how to best support the ambition through among others generic and tailor made support instruments within the boundaries of the law and as far as in their control;

18 – WHEREAS, TSN is aiming to ensure its long-term contribution to decarbonisation and circularity, the Dutch economy and the IJmond region, whereby it makes an effort to (i) decarbonise its own operations by 2045 while it has the ambition to surpass the current climate goals for 2030, (ii) continue operations in IJmuiden, where it is improving its competitive position through execution of a transformation program, (iii) continue its innovation program (STAR) and strengthen the level of involvement in Dutch society in the area of technology, innovation, sustainability etc., and (iv) continue to reduce environmental issues, and address public concerns;

19 – WHEREAS, based upon, among other things, FNV's green steel plan, broader stakeholder input and preliminary conclusions of the independent research conducted by consultancy agency Roland Berger in August 2021, TSN announced on 15 September 2021 that it would be abandoning its previously announced decarbonisation route involving large scale CCS as an intermediate technology and that it would, going forward, be pursuing a direct decarbonisation route towards hydrogen, whereby, apart from it continuing to produce virgin steel, TSN is investigating the potential feasibility of increasing recycled content as part of the steel production process;

20 – WHEREAS, although TSN believes that the identified option of phasing out blast furnaces and replacing them by Direct Reduced Iron ("**DRI**")-based steelmaking is technically and operationally feasible to achieve the envisaged CO₂ reduction, the viability of this option is contingent on various issues, and the Parties are investigating how to contribute to the viability, including among other things adequate funding, effective options to pass-on remaining decarbonisation costs to the market and the availability of a functional infrastructure, with respect to which TSN is dependent on third parties, including the Governmental Parties;

21 – WHEREAS, noting that it will be possible to operate DRI installations using either natural gas or hydrogen, the Parties jointly aim towards maximising as soon as possible the use of green hydrogen in the DRI installations, subject to affordability and availability considerations, whereby the Parties recognise that using green hydrogen will ultimately be of importance both for maximising TSN's CO₂ reduction and environmental impact, as well as in function of pursuing the EU's strategic independence from natural gas;

22 – WHEREAS, TSN is in the process of evaluating multiple potential sources of hydrogen, considering, among other things, cost, availability and affordability, which might include the realisation of electrolysis facilities on TSN's production site to leverage the benefits of green hydrogen production with the production of steel;

23 – WHEREAS, the decarbonisation roadmap may be optimised to take into account technological, economic, political, commercial and control developments, if and when needed;

24 – WHEREAS, the Parties recognise that the innovative and transformational change of TSN's business comes with substantial risks and challenges for TSN, taking into account the impact of the geopolitical situation over time, the Governmental Parties are investigating how TSN can be supported in among others financing the decarbonisation projects (the "**Projects**"), developing a viable business case, managing financial risks of long-term commitments, timely decision-making on permit applications, addressing of NO_x issues, timely availability of affordable energy carriers and required infrastructure for these energy carriers (such as natural gas, electricity and hydrogen), effectiveness of CBAM especially with respect to non-EU markets, and addressing of (EU or other) regulatory uncertainty;

25 – WHEREAS, the Governmental Parties aim to facilitate the climate transition of the industry in the Netherlands, as stipulated in the Dutch Climate Agreement, both with pricing instruments such as the carbon levy for industry and with instruments covering uneconomical parts of necessary and efficient investments, and recognise the necessity of continued involvement with industry to monitor whether the current instruments are indeed suitable and sufficient towards this end;

26 – WHEREAS, the Governmental Parties have developed a national and regional infrastructure program (CES/MIEK) to (i) take stock of all infrastructural needs for the industry, including for TSN, and (ii) take action when addressing possible bottlenecks or acceleration of infrastructural projects is desirable and possible; to this end TSN's specific energy infrastructural needs for the operation of the DRI-production process, for example for hydrogen, natural gas, and power connections, will be assessed in this program, and when possible bottlenecks occur, addressed via this infrastructure program;

27 – WHEREAS, the Governmental Parties have the objective to stimulate a well-functioning and open gas market (especially during the transition phase) and are furthermore developing a well-functioning hydrogen market in the Netherlands, which is meant to give TSN and other industries the opportunity to realise contracts for energy carriers on these markets;

28 – WHEREAS, after 2030 and on the path to CO₂ neutrality by 2045, TSN foresees two further key steps, consisting of (i) the closure of a further blast furnace and related facilities by replacing it with DRI, REF or Recycled Steel facilities as soon as reasonably feasible and viable, and (ii) achieving scope 1/2 CO₂ neutrality as soon as possible after that but at least by 2045;

29 – WHEREAS, although TSN has historically generated a positive operational cashflow, the need for decarbonisation requires TSN to invest and may result in significant incremental operational costs. Such investments and increases in operational costs cannot be covered by the existing cash flows of EU steelmakers;

30 – WHEREAS, TSN is seeking support from the Governmental Parties to cover its funding gap in relation to amongst others the unprofitable parts of its investments in decarbonisation and the Parties are in ongoing dialogue to monitor whether TSN, the Governmental Parties, or other parties are able to generate or provide funding on the basis of existing instruments in order to realise the Projects, including the possibilities of support through EU funds;

31 – WHEREAS, TSN is looking into all possible Dutch and/or EU subsidies, loans or funding alternatives in an effort to secure the viability of the Projects;

32 – WHEREAS, the Netherlands, as stipulated in the Dutch Climate Agreement, intends to support among others TSN in order to contribute to additional CO₂-reduction while taking into account European principles regarding state aid and a level playing field on the internal market. In doing so, the Netherlands aims for a level playing field both within Europe and globally and will address any concerns regarding the internal market;

33 – WHEREAS, the National Government has formulated emission reduction and health gain ambitions as formulated in the Clean Air Agreement, the National Water Program, the National Environmental Policy Framework, the National Governmentwide program Netherlands Circular towards 2050, as well as emission policy that includes the legal obligation to minimise ZZS (*zeer zorgwekkende stoffen*) emissions and inform the authorities on achieved reduction and next steps every five years;

34 – WHEREAS, TSN recognises the need to appropriately address public, environmental and health concerns, including but not limited to those expressed by local residents, at all times before start-up of, during construction of and after commissioning of the new facilities;

35 – WHEREAS, TSN has developed Roadmap+ as part of its efforts to address public, environmental, and health concerns, TSN is committed to making all efforts necessary with the aim of timely realising the anticipated improvements as reflected in such Roadmap+ programme, and TSN is consistently reviewing what alternative or additional measures might potentially be feasible in an effort to effectively realise the anticipated improvements that are envisaged to result from Roadmap+ if it were to become clear that those improvements would not otherwise materialise solely by completing the Roadmap+ programme. This is without prejudice to the fact that the government will continue to update the current permits in line with among others the Industrial Emissions Directive;

36 – WHEREAS, the Parties stress the importance of stakeholder engagement, which includes dialogue with local residents on TSN's plans, and will work jointly towards improvement;

37 – WHEREAS, the Parties acknowledge that through the execution of the Roadmap+ programme, TSN is taking a fundamental step in reducing industrial NOx emissions and recognise that it is the ambition to continuously aim for further reduction of NOx emissions;

38 – WHEREAS, the Parties attach importance to and will discuss timely and appropriate communication and reporting on TSN's transition plans, the Projects and the environmental and climate performance;

39 – WHEREAS, the Parties acknowledge that during construction and transition phases, temporary additional emissions may occur as TSN is continuing its activities, whilst aiming towards minimisation of environmental impact during these phases;

40 – WHEREAS, the Parties envisage a coordinated response by the Governmental Parties to support TSN's own efforts to successfully implement decarbonisation, innovation and environmental projects;

41 – WHEREAS, the Parties acknowledge that apart from TSN's need to continually run its current and permitted operations, also to allow for timely construction and execution of the Projects there may be NOx issues that need to be addressed. The Governmental Parties acknowledge their role to address these issues, within legal boundaries and within their purview; and

42 – WHEREAS, the Parties acknowledge that an approach to risks resulting from any delay (if it were to occur) may be agreed upon among the Parties.

Now, therefore, the Parties hereby want to lay down their common understanding that:

1. Definitions

1. The following capitalised terms used in this document shall have the following meaning:

- a. Coalition Agreement: as defined in recital 6 hereto;
- b. DRI: as defined in recital 20 hereto;
- c. Dutch Climate Agreement: as defined in recital 5 hereto;
- d. EZK: as defined in recital 1 hereto;
- e. Governmental Parties: as defined in recital 2 hereto;
- f. Original EoP: as defined in recital 1 hereto;
- g. Parties: as defined in recital 2 hereto;
- h. PEPHE: as defined in recital 2 hereto;
- i. Projects: as defined in recital 24 hereto;
- j. Sol: as defined in recital 2 hereto; and
- k. TSN: as defined in recital 1 hereto.

2. Objective

1. The objective of this document is to establish a framework for mutually beneficial cooperation between the Parties and to lay down joint views on the Projects to be realised, recognising that they are still subject to development, in order to facilitate the execution of the Projects by TSN.

3. Intentions

1. The Parties intend to closely cooperate to address the risks and challenges associated with the implementation of the decarbonisation, innovation and environmental projects as described in the above recitals, and each of the Parties intends to maximise its efforts.
2. To do so, the Governmental Parties intend to accommodate the Projects, among other things, as part of the so-called "tailor-made Approach" (*Maatwerk Aanpak*).
3. As part of such approach, the Parties intend to develop a mutual understanding, whereby all Parties aim to maximise their efforts towards the timely realisation of the decarbonisation of TSN's operations, which among other things entails investigating possibilities with regard to the necessary financing of the Projects, the possible provision of support by the Governmental Parties, managing financial risks, the availability of affordable energy carriers and required infrastructure for these energy carriers, timely decision-making on permit applications (within the boundaries of the law and assuming adequate and complete permit applications), development of low CO₂ steel production, reducing the environmental impact and continued long-term investment in the Netherlands.
4. The Governmental Parties intend to facilitate as much as possible, and within their own purview, timely decision-making on permit applications (within the boundaries of the law and assuming adequate and complete permit applications), and to address NOx and capacity issues within the boundaries of the law and as far as within the reaches of their respective control. This is without prejudice to the fact that the government will continue to update the current permits in line with among others the industrial emissions directive.
5. The Parties recognise that existing financial support mechanisms are not always suitable and sufficient to enable some of the decarbonisation projects that industries such as TSN's deploy, and the Governmental Parties aim to improve and extend these mechanisms in an effort to address this deficiency.
6. As a result of the envisaged replacement of a Blast Furnace by new technology, it will become possible to close a Cokes & Gas Plant, whereby the Parties intend to investigate the potential possibility of – as well as the conditions to be fulfilled and assistance required to facilitate – the closing first of (the larger) Blast Furnace 7 and Cokes & Gas Plant 2.
7. The Parties aim to set out in the Tailor Made Approach timeframes and conditions to phase out the applicable existing installations.

8. TSN will start an investigation towards further reduction measures for the period after completions of the Roadmap+ programme, taking into account reasonable possibilities to reduce further impact on nature and environment before 2030, including termination of installations, such as Cokes & Gas Plant 2 and/or other measures, whereby the investigation will include considerations on environmental emission reduction, impact on the global CO₂ footprint, financial viability and technical viability.

4. Key Ongoing Review Items

1. Based on the identified funding and (re)payment risks, financial impact and potential risk responses, TSN is assessing its ability to finance the Projects, and the Parties are in a dialogue to assess to what extent, where and how governmental funding or other support is necessary and appropriate in an effort to enable TSN to realise the Projects.

5. Costs

1. Each Party will bear its own costs associated with the cooperative activities intended to be carried out under this document unless the Parties decide otherwise in writing. Activities under this document are subject to the availability of appropriate funds, in conformity with budgetary provisions and the relevant laws and regulations.

6. Interpretation of this document

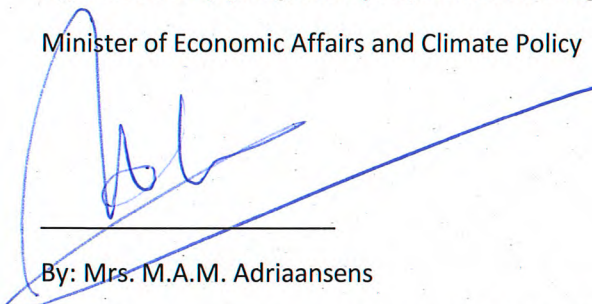
1. The terms of this document are solely meant to lay down the joint current understanding of, and the approach to, the Projects, possible funding options for such Projects, and next steps to be undertaken jointly in an effort to get to the realisation of the Projects.
2. The terms of this document are not legally binding and not legally enforceable upon either Party hereto.
3. This document is governed by and shall be construed in accordance with the laws of the Netherlands. Any dispute about the interpretation or implementation of this document will be resolved through consultations between the Parties.

7. Other

1. This document comes into effect on the date of the last signature and will be jointly reviewed upon written request of one of the Parties.

Signed in four (4) original copies, each in the English language.

Minister of Economic Affairs and Climate Policy

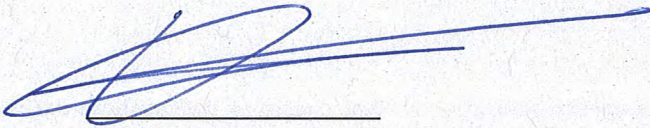


By: Mrs. M.A.M. Adriaansens

Title: Minister of Economic Affairs and Climate Policy

Date:

State Secretary of Infrastructure and Water Management

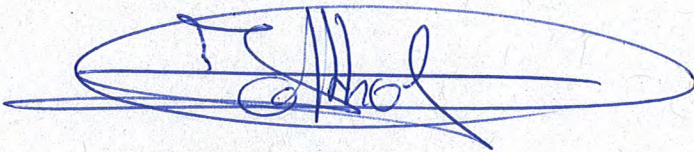


By: Mrs. V.L.W.A. Heijnen

Title: State Secretary of Infrastructure and Water Management

Date:

Provincial executive of Public Health and Environment of the Dutch Province North-Holland

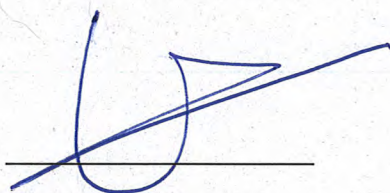


By: Mr. J. Olthof

Title: Provincial executive of Public Health and Environment of the Dutch Province North-Holland

Date:

Tata Steel Nederland B.V.

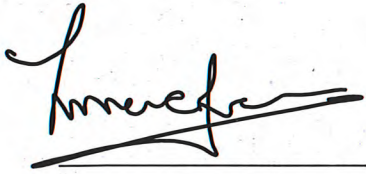


By: Mr. J. van den Berg

Title: Chairman Board of Management

Tata Steel Nederland B.V.

Date:

A handwritten signature in black ink, appearing to read 'T. V. Narendran', written over a horizontal line.

By: Mr. T.V. Narendran

Title: CEO & MD Tata Steel Limited

Date: