

**Report of the Management Board
of RHI AG
Vienna, commercial register number FN 103123 b
on the authorization of the Management Board to purchase treasury shares by off-
market transactions as well as to alienate acquired treasury shares in a way
different from sale on an exchange or by way of a public offer (agenda item 8)**

The members of the Management Board submit the following report of the Management Board of RHI AG domiciled in Vienna pursuant to § 65 para. 1b AktG in connection with § 170 para. 2 AktG and § 153 para. 4 sentence 2 AktG to the General Meeting of RHI AG to be held on May 8, 2015.

1. The Management Board and the Supervisory Board of the Company intend to propose to the General Meeting of the Company to be held on May 8, 2015 to adopt the following resolutions concerning agenda item 8:
 - a) The Management Board shall be authorized in accordance with § 65 para. 1 (4) as well as para. 1a and para. 1b AktG to acquire, during a period of validity of 30 months starting on May 8, 2015, up to 12,000 no-par bearer shares of the Company by purchasing such shares both on an exchange and by off-market transactions, in each case at the stock exchange price of the day this authorization is exercised. The acquisition cannot be effected for the purpose of trading in treasury shares. The authorization may be made use of in full or in part or even in several tranches by the Company, by a subsidiary (§ 228 para. 3 UGB) or for the account of the Company by third parties.

The Management Board of RHI AG may resolve to purchase on an exchange but the Supervisory Board must be notified of this resolution afterwards. Any purchases by off-market transactions are subject to prior approval by the Supervisory Board.
 - b) The Management Board shall be authorized for a period of five years as from May 8, 2015 to decide in accordance with § 65 para. 1b AktG, with the approval of the Supervisory Board, to alienate and/or use treasury shares in a way different from sale on an exchange or by way of a public offer, with the regulations governing the exclusion of the shareholders' subscription rights applying by analogy, and to determine the terms of the alienation. The authorization may be made use of in full or in part or even in several tranches by the Company, by a subsidiary (§ 228 para. 3 of the UGB) or for the account of the Company by third parties, for the purpose of implementing an employee stock ownership program to issue shares to employees and executives of the Company as well as to members of the management, executives and employees of Group Companies (continuation of the "employee stock ownership plan 4+1").

2. Regarding the option of acquiring treasury shares by off-market transactions in accordance with § 65 para. 1 (4) AktG and alienating treasury shares acquired in accordance with § 65 para. 1 (4) pursuant to § 65 para. 1b AktG in a way different from sale on an exchange or by way of a public offer, the Management Board is required pursuant to § 65 para. 1b AktG in connection with § 170 para. 2 AktG and § 153 para. 4 sentence 2 AktG to submit a written report on the reason for the related exclusion of subscription rights and/or for the exclusion of the proportionate power of alienation going along with a possible acquisition by off-market transactions (reverse exclusion of subscription rights).

The Management Board of the Company may purchase treasury shares by off-market transactions only with the prior approval of the Supervisory Board, and may only with the approval of the Supervisory Board use a way different from sale on an exchange or by way of a public offer to alienate the treasury shares acquired by the Company. The Management Board of RHI AG may resolve to purchase on an exchange but the Supervisory Board must be notified of this resolution afterwards.

3. The treasury shares acquired in accordance with § 65 para. 1 (4) as well as para. 1a and para. 1b AktG may be alienated in a way different from sale on an exchange or by way of a public offer if the alienation of the shares is effected as part of the employee stock ownership plan 4+1, i.e. if the shares are to be granted to employees and executives of the Company as well as to members of the management, executives and employees of Group Companies. Pursuant to § 153 para. 5 AktG, issuing shares primarily to employees and executives of the Company as well as to members of the management, executives and employees of Group Companies constitutes an adequate reason for the exclusion of subscription rights.
4. Summing up, the Management Board of RHI AG comes to the conclusion that authorizing the Management Board of the Company to acquire treasury shares of the Company by off-market transactions or, if necessary, use a way different from sale on an exchange or by way of a public offer to alienate, with the approval of the Supervisory Board, any treasury shares acquired in accordance with § 65 para. 1 (4) as well as para. 1a and para. 1b AktG is in full compliance with the legal requirements.

The Management Board