



RHI-MAG N.V.
Administrative seat (bestuurszetel):
Wienerbergstrasse 9
1100 Vienna
Austria

[Name of Non-Executive Director]

[Address]

13 October 2017

Dear [•]

Appointment as Non-Executive Director

I am writing to confirm your appointment as a non-executive director of RHI-MAG N.V. (to be renamed RHI Magnesita N.V.) (the “**Company**”), the ordinary shares (“**Shares**”) of which are to be admitted to the premium segment of the Official List of the UK Financial Conduct Authority (the “**FCA**”) and to trading on the premium segment of the London Stock Exchange Limited’s main market for listed securities. This letter sets out the terms and conditions covering your appointment as follows:

1 Appointment

- 1.1** Your appointment is subject to the Articles, board rules and any applicable laws and regulations as they apply to you as a director of the Company, including the Dutch Civil Code, general law, the FCA’s Listing Rules and Disclosure Guidance and Transparency Rules, the Dutch Corporate Governance Code (the “**Dutch Code**”) and the UK Corporate Governance Code (the “**UK Code**”).
- 1.2** Your appointment took effect on 6 October 2017. Subject to the terms set out in this letter and the Articles and subject to re-election at each AGM, it is envisaged that you will serve until the next annual General Meeting (which is expected to be held in June 2018) and then for a term of three years (i.e., until the 2021 AGM) with an expectation that the board will then consider your tenure as a non-executive director for a further three-year period.
- 1.3** Under the Articles your appointment will expire at the next annual General Meeting but we expect to propose you for re-election by shareholders at that meeting.
- 1.4** Thereafter (and despite anything to the contrary in the Articles) in line with the recommendations of the UK Code, any additional term upon re-appointment will expire at each AGM. At any such AGM, you will be eligible for re-election unless the board determines otherwise, typically not later than the date of notice of any such meeting.

- 1.5** Your appointment will terminate immediately if a Company Director's Disqualification Order is made in the United Kingdom (or you are otherwise required to vacate office under any applicable law in any jurisdiction).

2 Committees

As well as your appointment as a non-executive director of the Company, you may be asked to serve on one or more of the board committees, or chair one of those committees. Where relevant, we will write to you setting out the committee(s)'s terms of reference and the specific responsibilities associated with your membership or chairmanship of the committee(s).

Membership or chairmanship of a committee entitles you to an additional fee, as explained below.

3 Time Commitment

- 3.1** Overall we anticipate a total time commitment of around 25 to 30 days per annum, after the induction phase. We expect to hold six formal board meetings during the year (each of which are expected to be two-day events in Austria), plus another working session at the same time as the AGM (which will be a one day event in the Netherlands).
- 3.2** This total time commitment expectation includes preparation for, travel to and attendance at board meetings, the AGM and other general meetings of shareholders, separate meetings of non-executive directors, where required, led by either the Chairman or the senior independent director, any board strategy review 'away day', and at least one site visit per year. The estimate above excludes any additional time commitment that may be involved in preparing for, attending or chairing, as relevant, meetings of any committees of the board to which you are appointed.
- 3.3** In addition, you will be expected to devote such other time as is reasonably required to discharge properly your duties as a director (for example if the Company is involved in increased activity because it is involved in a major transaction).
- 3.4** By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations of your role to the satisfaction of the board. If at any time you are considering additional commitments that might affect the time you are able to devote to your role as a non-executive director of the Company you must first discuss the matter with the Chairman and, if deemed necessary by the Chairman, obtain the consent of the board.

4 Role and Duties

4.1 General Duties

- 4.1.1** Your duties will be those normally required of a non-executive director serving on a unitary board. You will be expected to faithfully, efficiently and diligently perform your duties to a standard commensurate with your skills and experience and to exercise your powers as a non-executive director in line with your obligations and

duties under Dutch company law and the customary expectations of a non-executive director of a UK listed company.

- 4.1.2 In particular, you should have regard to section A.4 of the UK Code and to the Guidance on Board Effectiveness, issued by the Financial Reporting Council in March 2011, of which an extract is included in Schedule 1 of this letter.
- 4.1.3 You should use your reasonable endeavours to promote and extend the interests and reputation of the Group, including assisting the Chairman and the Board in promoting the success of the Company through application of your particular knowledge and experience, and in doing so take decisions objectively in the interests of the Company and not do anything which is harmful to the Company or its business.
- 4.1.4 You should comply as appropriate with any applicable law or the regulations of any competent authority or of the Company, including any Share Dealing Code in force from time to time in relation to dealing in shares, debentures and other securities of the Company and inside or confidential information affecting the shares, debentures or other securities of the Company.
- 4.1.5 You should comply with all reasonable requests, instructions and regulations made or given by the Board (or by any duly authorised committee thereof) and give to the Board such explanations, information and assistance as the Board may reasonably require

4.2 [Specific Duties of the Senior Independent Director]

Following your appointment as Deputy Chairman, you will also be appointed as the senior independent director. In line with your responsibilities under the UK Code, as the senior independent director you should:

- 4.2.1 provide a sounding board for the Chairman and serve as an intermediary for other directors when necessary;
- 4.2.2 be available to shareholders if they have concerns which they have failed to resolve through the Chairman or executive directors or in respect of which such channels are inappropriate;
- 4.2.3 attend sufficient meetings with a range of major shareholders to listen to their views in order to help develop a balanced understanding of the issues and concerns of major shareholders; and
- 4.2.4 lead a meeting at least annually with the other non-executive directors, to appraise the Chairman's performance.]

5 Status of Appointment

You will not be an employee of the Company or any member of the Group and this letter shall not constitute a contract of employment. This letter sets out the only payments you will receive for performing your duties. Accordingly, no other remuneration or benefits will

be provided and, in particular, you will not participate in any of the Company's or Group's remuneration or benefit programmes, arrangements, schemes or plans.

6 Fees

6.1 In consideration of the appointment, the Company will pay you a fee of £65,000 per annum and sub-paragraphs 6.2 to 6.8 below shall apply to your fee except where otherwise provided in the Articles.

6.2 You will also receive the following fees at the following annual rates for any appointment to board committees:

	Chairmanship	Membership
Remuneration Committee	£12,500	£7,500
Audit Committee	£12,500	£7,500
Nomination Committee	£10,000*	£5,000
Corporate Responsibility Committee	£10,000	£5,000

* save where this role is held by the Chairman of the board

6.3 [For your appointment as Deputy Chairman (which includes acting as the Senior Independent Director), an additional fee will be payable to you at an annual rate of £25,000.]

6.4 All fee(s) will accrue on a daily basis and be payable quarterly in arrears by bank credit transfer on or about the last working day of March, June, September and December in each year, less any tax and social security contributions the Company is obliged to deduct.

6.5 Your fee(s) will be subject to an annual review by the board.

6.6 If for a reason related to illness, disability or injury you are unable to carry out your duties, continued payment of any fee(s) during that period of incapacity will be at the discretion of the board.

6.7 Any material specific and additional services rendered by you to the Company (or any Group Company) may be remunerated on a basis to be agreed by the board at the time such services are commissioned.

6.8 On termination of this appointment pursuant to this letter you shall only be entitled to such fees as may have accrued to the date of termination together with reimbursement in the normal way of any expenses properly incurred prior to that date.

7 Reimbursement of Expenses

The Company will reimburse you in accordance with any expenses procedures in force from time to time for any reasonable expenses properly incurred in performing your duties.

8 [Independent Status]

8.1 The board has determined you to be independent upon joining the Company according to the UK Code and the Dutch Code. As an independent non-executive director it is important that you remain independent in character and judgement.

8.2 You are required to inform the Company Secretary of the Company of any circumstances which are likely to affect, or could appear to affect, your status as an independent non-executive director.]

9 Outside Interests

9.1 It is accepted and acknowledged that you have business interests other than those of the Company, which may include directorships, partnerships, trusteeships or other forms of legal appointment in other entities, or equity shareholdings in other companies. As a condition to your appointment commencing you are required to declare any such directorships, appointments and interests to the board in writing.

9.2 If you take on any additional appointments or interests or become aware of any potential conflicts of interests, these must be disclosed to the board as soon as they arise or become known to you.

9.3 If at any time you are considering acquiring any new interest which might give rise to a conflict of interest with the Group you must first discuss the matter with the Chairman and, if necessary, obtain the consent of the board.

10 Confidentiality

10.1 You will not use or disclose to any person, firm or organisation (except as required by law or to carry out your duties under this letter) any trade secrets, knowhow, business information or other private or confidential information relating to the business, finances or affairs of the Company, or any customer of the Company, or any other information provided to you on the basis that it is confidential. You will use your best endeavours to prevent the unauthorised use or disclosure of any such information. This restriction will continue to apply after your appointment ends without limit in time but will not apply to information which becomes public, unless through unauthorised disclosure by you. After your appointment ends you will return all documents and information (whether written, visual or electronic) under your control which belong to the Company.

10.2 Paragraph 10.1 will apply (with the necessary amendments) to confidential information of each company in the Group and of any other persons. At the Company's request, you will enter into a separate agreement or undertaking with any such company and such other persons in the same terms as paragraph 10.1 with any necessary amendments.

11 Induction and Training

11.1 Immediately after appointment, the Company will provide a comprehensive, formal and tailored induction. We will also arrange for site visits and meetings with senior and middle management and the Company's auditors. We will also offer you the opportunity to meet major shareholders.

- 11.2** You are expected to update your skills and knowledge for the purposes of fulfilling your role as a non-executive director of the Company. The Company will assist you in this regard and will devote reasonable time and resources to allow you to do this. In compliance with the Company's obligations under the UK Code and the Dutch Code, the Chairman will meet with you regularly to discuss and agree your training and development needs.

12 Review Process

The performance of individual directors and the whole board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairman as soon as is appropriate.

13 Directors' & Officers' Liability Insurance and direct indemnification

- 13.1** The Company has directors' and officers' liability insurance ("**D&O Insurance**") in force for the benefit of current and former directors and officers of the Company (subject to the terms of that policy) and currently intends to maintain an equivalent policy for the full term of your appointment and beyond the date your appointment ends (for whatever reason), subject to the terms of the policies in force from time to time. The Company Secretary will provide a copy of the current policy to you on request.
- 13.2** The Company intends to execute a deed of indemnity in relation to your service as a director of the Company, as permitted by relevant law. This indemnity will only operate to the extent that the D&O Insurance does not provide cover.

14 Independent Professional Advice

Occasions may arise when you consider that you need professional advice in the furtherance of your duties as a director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company may meet the costs of obtaining such advice where this is incurred in accordance with the Company's policy.

15 Disclosure and Dealings in Shares

- 15.1** Under the Dutch Civil Code, where a director of a company is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company or one that has been entered into by the Company, he/she must declare the nature and extent of that interest. You may give any such notice at a meeting of the directors, in writing or by general notice.
- 15.2** During the continuance of your appointment you will be expected to comply (and to procure that your spouse and dependent children comply) where relevant with the Market Abuse Regulation and any other rule of law or regulation of any competent authority or of the Company from time to time in force in relation to dealings in shares, debentures and other securities of the Company and inside information (or unpublished price sensitive information) affecting the shares, debentures and other securities of the Company or any other company to which that information may relate.

16 Termination

- 16.1** The board may terminate your appointment at any time, by serving three months' written notice.
- 16.2** You may resign from your position at any time and are requested (but not obliged) to do so by serving three months' written notice.
- 16.3** Continuation of your appointment after the end of your annual term is contingent on satisfactory performance and on your re-election, as and when required, under this letter or the Articles. You will not be entitled to compensation (or payment in lieu of notice) if you are not re-elected by shareholders following any such retirement.
- 16.4** Your appointment may also be terminated in accordance with the provisions of the Articles.

17 In this letter:

- 17.1** “**AGM**” means the Company’s Annual General Meeting;
- 17.2** “**Articles**” means the Company’s Articles of Association from time to time in force;
- 17.3** “**Group**” means the Company and any subsidiary, subsidiary undertaking, affiliate or holding company of the Company and any subsidiary, subsidiary undertaking, affiliate or holding company of any subsidiary, subsidiary undertaking, affiliate or holding company of the Company; and
- 17.4** “**Listing Rules**” means the listing rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of the Financial Services and Markets Act 2000.

18 Entire Agreement

- 18.1** This appointment letter (taken together with the deed of indemnity referred to in paragraph 13.2) represents the entire understanding, and constitutes the whole agreement, in relation to your appointment at the date of this letter to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between yourself and the Company (or any of its predecessor undertakings) in relation to matters dealt with in this letter. By entering into the agreement constituted by this appointment letter you irrevocably confirm that you have not relied on any representation, warranty, assurance, covenant, indemnity, undertaking or commitment which is not contained or expressly referred to in this letter

19 Governing Law

This appointment letter and any non-contractual obligations arising out of or in connection with it is governed by and will be interpreted in accordance with the laws of England and Wales. Each of the parties submits to the exclusive jurisdiction of the Courts of England and Wales as regards any claim or matter arising under the agreement constituted by this letter.

Please acknowledge receipt and acceptance of the above terms by signing and returning the enclosed copy of this letter.

Yours sincerely

For and on behalf of RHI-MAG N.V.

Director

I hereby acknowledge receipt of and accept appointment as a director of the Company on the terms set out in this letter.

Signed

Dated 2017

Schedule 1

Guidance for Non-Executive Directors

(extracted from the March 2011 FRC Guidance on Board Effectiveness)

A non-executive director should, on appointment, devote time to a comprehensive, formal and tailored induction which should extend beyond the boardroom. Initiatives such as partnering a non-executive director with an executive board member may speed up the process of him or her acquiring an understanding of the main areas of business activity, especially areas involving significant risk. The director should expect to visit, and talk with, senior and middle managers in these areas.

Non-executive directors should devote time to developing and refreshing their knowledge and skills, including those of communication, to ensure that they continue to make a positive contribution to the board. Being well-informed about the company, and having a strong command of the issues relevant to the business, will generate the respect of the other directors.

Non-executive directors need to make sufficient time available to discharge their responsibilities effectively. The letter of appointment should state the minimum time that the non-executive director will be required to spend on the company's business, and seek the individual's confirmation that he or she can devote that amount of time to the role, consistent with other commitments. The letter should also indicate the possibility of additional time commitment when the company is undergoing a period of particularly increased activity, such as an acquisition or takeover, or as a result of some major difficulty with one or more of its operations.

Non-executive directors have a responsibility to uphold high standards of integrity and probity. They should support the chairman and executive directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond.

Non-executive directors should insist on receiving high-quality information sufficiently in advance so that there can be thorough consideration of the issues prior to, and informed debate and challenge at, board meetings. High-quality information is that which is appropriate for making decisions on the issue at hand – it should be accurate, clear, comprehensive, up-to-date and timely; contain a summary of the contents of any paper; and inform the director of what is expected of him or her on that issue.

Non-executive directors should take into account the views of shareholders and other stakeholders, because these views may provide different perspectives on the company and its performance.