



RHI MAGNESITA

**THIS DOCUMENT IS IMPORTANT AND
REQUIRES YOUR IMMEDIATE ATTENTION.**

RHI Magnesita N.V.

(incorporated under the laws of the Netherlands)

NOTICE OF ANNUAL GENERAL MEETING

Notice of the 2018 Annual General Meeting of the Company to be held at
Hilton Amsterdam Airport Schiphol, Schiphol Boulevard 701, 1118 BN Schiphol,
the Netherlands, on 7 June 2018 at 1:30 p.m. (CET) is set out on page 2 of this document.

PART I

RHI Magnesita N.V.

(a public company incorporated under the laws of the Netherlands)

Company details

RHI Magnesita N.V., a public company incorporated under the laws of the Netherlands (*naamloze vennootschap*), having its official seat (statutaire zetel) in Arnhem, the Netherlands, and its office at Wienerbergstrasse 9, 1100 Vienna, Austria, registered with the Dutch Trade Register of the Chamber of Commerce under number 68991665 (the “Company”).

26 April 2018

To the holders of Company Shares and Depository Interests

Notice of Annual General Meeting 2018

Dear Shareholder/Depository Interest Holder,

I am pleased to be writing to you with details of our Annual General Meeting (“AGM”) which we are holding at Hilton Amsterdam Airport Schiphol, Schiphol Boulevard 701, 1118 BN Schiphol, the Netherlands, on 7 June 2018 at 1:30 p.m. (CET). The formal notice of AGM is set out in Part II on pages 3 to 5 of this document.

The instructions and documents for participation and voting at the AGM for Shareholders and Depository Interest Holders in the Company are set out on pages 6 and 7 of this document.

Final dividend

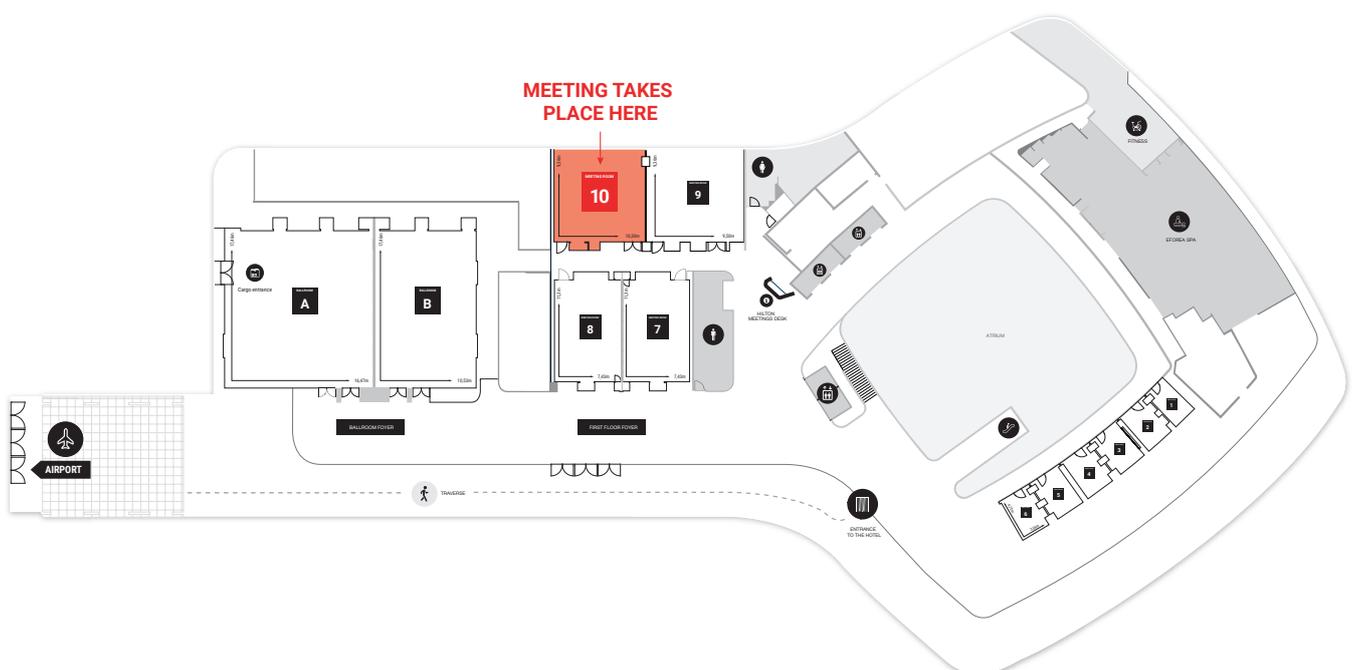
Shareholders are being asked to approve a final dividend of EUR 0.75 per share for the financial year ended 31 December 2017. If the recommended final dividend is approved, the shares will be quoted ex-dividend on 14 June 2018. The record date for the dividend will be 15 June 2018. The dividend will be payable on 2 July 2018.

An explanation of the business to be considered at this year’s AGM appears in Part III on pages 8 to 10 of this document.

The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its Shareholders as a whole. Your Board unanimously recommends that you vote in favour of them.

Yours sincerely,

Herbert Cordt
Chairman



PART II

RHI Magnesita N.V.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the first Annual General Meeting of RHI Magnesita N.V. will be held at Hilton Amsterdam Airport Schiphol, Schiphol Boulevard 701, 1118 BN Schiphol, the Netherlands, on 7 June 2018 at 1:30 p.m. (CET) for the following purposes.

1. To consider the annual report of the directors and the auditors' statement for the financial year ended 31 December 2017 (discussion).
2. To explain the policy on additions to reserves and dividends (discussion).
3. To explain the implementation of the remuneration policy of the Board (discussion).
4. To adopt the annual accounts for the financial year ended 31 December 2017 (voting).
5. To declare a final dividend of EUR 0.75 per share for the financial year ended 31 December 2017 (voting).
6. To release the directors from liability for the exercise of their respective duties during the financial year 2017 (voting).
7. To determine the number of executive directors and non-executive directors (voting).
8.
 - a. To re-elect S. Borgas as executive director and CEO (voting).
 - b. To re-elect O. Cortes Pereira Lopes as executive director and CFO (voting).
9.
 - a. To re-elect H. Cordt as non-executive director and Chairman (voting).
 - b. To re-elect W. Ruttenstorfer as non-executive director (voting).
 - c. To re-elect S.O.L.B Prinz zu Sayn-Wittgenstein-Berleburg as non-executive director (voting).
 - d. To re-elect D.A. Schlaff as non-executive director (voting).
 - e. To re-elect K. Sevelde as non-executive director (voting).
 - f. To re-elect C.F. Baxter as non-executive director (voting).
 - g. To re-elect J.W. Leng as non-executive director with the title of Senior Independent Director and Deputy Chairman (voting).
 - h. To re-elect F. Lamas Lambranco as non-executive director (voting).
 - i. To re-elect J. Ramsay as non-executive director (voting).
 - j. To re-elect A.J. Hosty as non-executive director (voting).
10. To reappoint PricewaterhouseCoopers Accountants N.V. as the Company's auditor for the financial year 2019 (voting).
11. To discuss any substantial change in the corporate governance structure of the Company and its compliance with the Dutch and UK Corporate Governance Code (discussion).
12. To adopt a new directors' remuneration policy (voting).
13. To approve, as a non-binding resolution, the directors' remuneration report (excluding the directors' remuneration policy) for the period ended 31 December 2017 (voting).
14. To approve the Rules of the RHI Magnesita Long Term Incentive Plan (the "**Plan**"), including with regard to the remuneration in the form of ordinary shares or rights to acquire ordinary shares contained in the Plan as proposed by the Board:
 - (i) the maximum number of ordinary shares or rights to acquire ordinary shares that may be issued or granted, respectively, to directors as set out under number 6 of Annex 2;
 - (ii) the criteria for issuing ordinary shares or granting rights to acquire ordinary shares to directors and for changing the number of ordinary shares issued or the number of rights granted as set out on pages 89 and 90 of the Company's 2017 annual report,

and to irrevocably authorise the Board until the end of the next Annual General Meeting or the date which falls 15 months from the date of this Annual General Meeting, whichever is the earlier, to resolve to issue ordinary shares or grant rights to acquire ordinary shares pursuant to and in accordance with the terms of the Plan up to an aggregate nominal amount of EUR 2,240,951 and to limit or exclude pre-emptive rights in respect of such issue or grant for the same period, but so that the Company may, before the expiry of such authority, make offers and enter into agreements which would, or might, require shares to be issued after the authority given by this resolution has expired,

as well as to authorise the Board to establish such further plans for the benefit of employees overseas based on the Plan subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation provided that any shares made available under such further plans are treated

as counting against any limits on individual participation, or overall participation in the Plan and to make such modifications to the Plan as the directors may consider appropriate to take account of the requirements of best practice and for implementation of the Plan and to adopt the Plan as so modified and to do all such other acts and things as they may consider appropriate to implement the Plan (voting).

15. To irrevocably authorise the Board until the end of the next Annual General Meeting or the date which falls 15 months from the date of this Annual General Meeting, whichever is the earlier, to resolve to issue ordinary shares or grant rights to acquire ordinary shares:

- (i) up to an aggregate nominal amount of EUR 14,939,679; and
- (ii) up to a further nominal amount of EUR 14,939,679 in connection with an offer by way of a rights issue;

in each case so that the Company may, before the expiry of such authority, make offers and enter into agreements which would, or might, require shares to be issued after the authority given by this resolution has expired (voting).

For the purposes of this Resolution "**rights issue**" means an offer to:

- (a) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (b) people who are holders of other equity securities if this is required by the rights of those securities or, if the Board considers it necessary, as permitted by the rights of those securities,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable instrument) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, record dates or legal, regulatory or practical problems in, or under the laws of, any territory, and the authorisation of the Board shall include the authority to make such exclusions or limitations for the same period.

16. Subject to the passing of Resolution 15 above, to irrevocably authorise the Board until the end of the next Annual General Meeting or the date which falls 15 months from the date of this Annual General Meeting, whichever is the earlier, to resolve to limit or exclude pre-emptive rights in respect of any issue of ordinary shares or granting of rights to acquire ordinary shares:

- (i) pursuant to the authority given by paragraph (i) of Resolution 15 above:
 - (a) in connection with a pre-emptive offer; and
 - (b) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of EUR 2,240,951; and
- (ii) pursuant to the authority given by paragraph (ii) of Resolution 15 above in connection with a rights issue (voting).

For the purposes of this Resolution:

- (i) "**rights issue**" has the same meaning as in Resolution 15 above;
- (ii) "**pre-emptive offer**" means an offer of ordinary shares open for acceptance for a period fixed by the Board to holders (other than the Company) on the register on a record date fixed by the Board of ordinary shares in proportion to their respective holdings but subject to such exclusions or limitations of pre-emptive rights or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, record dates or legal, regulatory or practical problems in, or under the laws of, any territory, and the authorization of the Board shall include the authority to make such exclusions or limitations for the same period;
- (iii) references to an issue of ordinary shares shall include a sale of treasury shares; and
- (iv) the nominal amount of any shares shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be issued pursuant to such rights.

17. Subject to the passing of Resolution 15 above and in addition to any authority granted under Resolution 16 above, to irrevocably authorise the Board until the end of the next Annual General Meeting or the date which falls 15 months from the date of this Annual General Meeting, whichever is the earlier, to resolve to limit or exclude pre-emptive rights in respect of any issue of ordinary shares or granting of rights to acquire ordinary shares pursuant to the authority given by paragraph (i) of Resolution 15 above, such authority to be:
- (i) limited to a further aggregate nominal amount of EUR 2,240,951; and
 - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice (voting).
18. To irrevocably authorise the Board until the end of the next Annual General Meeting or the date which falls 15 months from this Annual General Meeting, whichever is the earlier, to acquire shares in the Company or depositary receipts of such shares (including depositary interests) by way of transfer pursuant to a transfer deed, electronic settlement or such other way as deemed appropriate by the Board at its discretion (voting).

BY ORDER OF THE BOARD

Robert K Moorhouse
Company Secretary

26 April 2018

RHI Magnesita N.V.
Wienerbergstrasse 9
1100 Vienna, Austria

Notes and instructions and documents for participation and voting at the AGM

In this document a shareholder registered as such in the Company's share register is referred to as a "Shareholder" and a holder of depository interests in respect of shares in the Company is referred to or a "Depository Interest Holder".

Proxy appointments

1. Each Shareholder is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at the AGM. A proxy need not be a shareholder of the Company. A Shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder.
2. Depository Interest Holders may vote through the CREST Voting Service in accordance with Note 10 below or alternatively by completing the enclosed form of instruction to be returned by 12:30 p.m. (BST) on 30 May 2018.
3. For Shareholders (who do not hold their interest through CREST) a form of proxy is included. This form cannot be used by Depository Interest Holders. The form of proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be deposited at Computershare Netherlands B.V. (the "Registrar") (c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom) so as to be received no later than 12:30 p.m. (BST) on 31 May 2018. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting at the meeting in person.

Information about shares and voting

4. The total number of issued ordinary shares in the Company on the date of this notice is 44,819,039, carrying one vote each. Therefore, the total number of votes exercisable as at 26 April 2018 is 44,819,039.

Right to attend and vote

5. Entitled to vote and/or to attend the AGM are all Shareholders who on 10 May 2018 at 6:00 p.m. (CET), after processing of all book entry settlements of that day (*registratiedatum*); are registered as such in one of the registers designated for this purpose by the Board and have applied for attendance to the AGM.

Depository Interest Holders

If a Depository Interest Holder or a representative of that holder, wishes to attend the AGM and/or vote at the AGM, they must notify the Depository Computershare Investor Services PLC in writing (The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom) or by email IUKALLDITeam2@computershare.co.uk by 31 May 2018. On receipt the Depository will issue an Attendance Card. The completion of the form of instruction will not preclude a holder from attending the AGM and voting in person once such Attendance Card has been issued.

Shareholders (registered in the Company's register)

Shareholders should notify the Registrar by 31 May 2018 if they wish to attend the AGM (either in person or by proxy), by ticking the box on the form of proxy. They will be sent an attendance card issued in their name (the "Attendance Card"). This will serve as an admission certificate to be submitted by the entitled attendees to enter the AGM.

Language and venue arrangements

6. The AGM will be held in the English language.
7. To facilitate entry to the meeting, Shareholders (or their proxies) are requested to bring with them the Attendance Card.
8. Attendees should note that the doors to the AGM will be open at 12:30 p.m. (CET).
9. Mobile phones may not be used in the meeting hall, and cameras and recording equipment are not allowed in the meeting hall.

CREST Members

10. Depository Interest Holders all of whom who are CREST Members and who wish to issue an instruction through the CREST electronic voting service may do so by using the procedures described in the CREST manual (available from www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST Members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting services provider(s), who will be able to take the appropriate action on their behalf.

In order for instructions made using the CREST service to be valid, the appropriate CREST message (a "CREST Voting Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited ("EUI") and must contain the information required for such instructions, as described in the CREST manual (available from www.euroclear.com).

The message, regardless of whether it relates to the voting instruction or to an amendment to the instruction given to the Depository must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) no later than 12:30 p.m. (BST) on 30 May 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the issuer's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST.

CREST Members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that the CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST service by any particular time. In this connection, CREST Members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Voting Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Questions

11. Any Shareholder (or its proxy) or Depository Interest Holder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Use of electronic address

12. Shareholders may not use any electronic address provided in either this notice of meeting or any related documents (including the enclosed form of proxy) to communicate with the Company for any purposes other than those expressly stated.

Documents available for inspection

13. The following AGM documents:
 - RHI Magnesita's annual accounts (including — inter alia — the directors' report, the consolidated financial statements and statutory annual accounts) and the auditor's statement;
 - the agenda and explanatory notes to the agenda with proposed resolutions and information about members of RHI Magnesita's board whose re-appointment has been proposed;
 - the Plan;
 - total number of outstanding shares and voting rights;
 - form of proxy for Shareholders;
 - form of instruction for Depository Interest Holders; and
 - a route description to Hilton Amsterdam Airport Schiphol.

are available on RHI Magnesita's website (www.rhimagnesita.com). These documents, together with the directors service contracts and letters of appointment, are also available at RHI Magnesita's offices at Wienerbergstrasse 9, 1100 Vienna, Austria, for Shareholders, Depository Interest Holders and other persons entitled to attend the meeting who at request will receive a copy free of charge.

PART III

EXPLANATORY NOTES TO THE RESOLUTIONS

The following pages give an explanation of the proposed resolutions.

For each of the Resolutions to be passed, more than half of the votes cast must be in favour of the resolution, provided that if less than 50% of the issued and outstanding capital is represented, Resolutions 14 to 17 can only be adopted by a majority of at least two-thirds of the votes cast. If 50% or more of the issued and outstanding capital is represented, a simple majority is sufficient to adopt Resolutions 14 to 17.

Resolution 3: Explanation of the implementation of the remuneration policy of the Board

This agenda item provides for a discussion on the implementation of the remuneration policy for the financial year 2017 (ended on 31 December 2017) as outlined in the Company's 2017 financial statements.

The Company's existing remuneration policy was adopted by the General Meeting, on a proposal by the Board, on 23 October 2017. A copy is attached as Annex 1.

Resolution 5: Final dividend

The Board has determined which part of the profits will be added to the reserves of the Company. The part of the profits of the Company remaining after the appropriation to the reserves is at the disposal of the General Meeting. Within the scope of the policy on additions to reserves and on dividend of the Company as discussed under agenda item 2, it is proposed that a final dividend of EUR 0.75 per share shall be distributed to the shareholders.

Resolution 7: Number of executive directors and non-executive directors

It is proposed to determine that the maximum number of executive directors (2) and non-executive directors (17) permitted to be appointed under the Company's articles of association may be appointed.

Resolution 8: Re-election of Executive Directors

In accordance with the Company's articles of association, the following persons retire and offer themselves for re-election at the nomination of the Board:

- a. S. Borgas as executive director and CEO.
- b. O. Cortes Pereira Lopes as executive director and CFO.

Biographical and other relevant details of each of the executive directors standing for re-election is contained in the Company's 2017 annual report.

The Board has confirmed that all executive directors standing for re-election continue to perform effectively and demonstrate commitment to their roles.

Resolution 9: Re-election of Non-Executive Directors

In accordance with the Company's articles of association, the following persons retire and offer themselves for re-election at the nomination of the Board:

- a. H. Cordt as non-executive director and Chairman.
- b. W. Ruttenstorfer as non-executive director.
- c. S.O.L.B Prinz zu Sayn-Wittgenstein-Berleburg as non-executive director.
- d. D.A. Schlaff as non-executive director.
- e. K. Sevelda as non-executive director.
- f. C.F. Baxter as non-executive director.
- g. J.W. Leng as non-executive director with the title of Senior Independent Director and Deputy Chairman.
- h. F. Lamas Lambranhó as non-executive director.
- i. J. Ramsay as non-executive director.
- j. A.J. Hosty as non-executive director.

Biographical and other relevant details of each of the non-executive directors standing for re-election is contained in the Company's 2017 annual report.

The Board has confirmed that all non-executive directors standing for re-election continue to perform effectively and demonstrate commitment to their roles.

Resolution 10: Re-election of auditors

The Board, on the recommendation of the audit committee, recommends the re-election of PricewaterhouseCoopers Accountants N.V. as auditors, to hold office until the next meeting at which accounts are laid.

Resolution 12: New Directors' Remuneration Policy

The current directors' remuneration policy (see Annex 1), as adopted by the general meeting of the Company on a proposal by the Board on 23 October 2017, was intended as a short-term measure to enable the executive directors' existing remuneration packages to continue post admission. This enabled a new directors' remuneration policy to be developed taking into account UK and Dutch governance standards and regulation as well as providing alignment of directors' remuneration with the long-term performance of the Company and its long-term share performance while rewarding them for creating and delivering shareholder value. The Board proposes to the general meeting of the Company to adopt by binding resolution this new directors' remuneration policy. The proposed directors' remuneration policy is set out in the Company's 2017 annual report on pages 87 to 95.

The Company is not incorporated in the UK and is therefore not required under UK regulation to obtain shareholder approval for the directors' remuneration policy but does so as a requirement of Dutch law and to meet the best UK governance standards. If passed, the new directors' remuneration policy will apply with effect from 1 January 2018 replacing the current policy. All remuneration payments to the directors must be made in accordance with the approved policy. If this resolution is not passed, the current remuneration policy approved by the general meeting on 23 October 2017 will continue in effect. Under Dutch law shareholders are required to approve substantive changes to the shareholder approved policy and in line with best UK governance standards and regulation applicable to UK incorporated and listed companies, the Company will seek re-approval of this policy or approval for a new policy in three years' time, if no changes are required before then.

Resolution 13: Directors' Remuneration Report

This vote will be proposed as an advisory vote to approve the directors' remuneration report for 2017 (excluding the remuneration policy). Because the Company is not incorporated in the United Kingdom it is not required to propose this resolution but does so to meet the best UK governance standards. An advisory vote will not affect the actual remuneration paid to an individual director.

Resolution 14: RHI Magnesita Long Term Incentive Plan

This resolution seeks approval for the Plan, a new share-based incentive plan for selected employees and executive directors of the RHI group. The key features of the Plan are summarised in [Annex 2](#) hereto.

The Company seeks approval for the Plan to ensure that the Company can provide share awards for the executive directors and other senior management that aligns them to shareholders' interests and the long-term performance of the Company while ensuring that the Plan operates consistently with the new directors' remuneration policy. Authority is also sought to allow supplementary plans based on the Plan but modified to take account of overseas securities laws, exchange controls or tax legislation for awards to be made to individuals based in countries where this is relevant.

The Plan rules are drafted to provide flexibility for different types of share awards to be granted including share options, restricted shares and performance shares. However it is only intended at this time that performance share awards will be granted to the executive directors and senior management of the Company. Performance share awards are the award of free shares providing pre-determined performance targets are met.

The authorisation in Resolution 14 to issue ordinary shares or grant rights to acquire ordinary shares pursuant to and in accordance with the terms of the Plan is limited to an additional number of shares up to a nominal value of EUR 2,240,951, which is equivalent to approximately 5% of the issued share capital of the Company. If the authority given in Resolution 14 is used, the Company will publish details of its use in its next annual report.

The rules of the Plan are available for inspection (see page 7 under 13).

Resolutions 15 to 18: Share capital resolutions

The authorisation in paragraph (i) of Resolution 15 to issue ordinary shares or grant rights to acquire ordinary shares is limited to shares up to a nominal value of EUR 14,939,679, which is equivalent to approximately 33% of the total issued share capital of the Company as at 26 April 2018.

At 26 April 2018, the Company did not hold any shares in treasury.

The authorisation in paragraph (ii) of Resolution 15 will allow the Board to issue ordinary shares and grant rights to acquire ordinary shares only in connection with a rights issue up to a further nominal value of EUR 14,939,679, which is equivalent to approximately 33% of the total issued share capital of the Company as at 26 April 2018. This is in line with the Investment Association's Share Capital Management Guidelines issued in July 2016.

Pre-emptive offers

Resolution 15; in conjunction with limbs (i)(a) and (ii) of Resolution 16, seeks shareholder approval to issue a limited number of ordinary shares or other equity securities on a pre-emptive basis but subject to such exclusions as the Board may deem appropriate to deal with certain legal, regulatory or practical difficulties. For example, in a rights issue, there may be difficulties in relation to the issue of new shares to certain shareholders, particularly those resident in certain overseas jurisdictions.

Non pre-emptive offers — general disapplication

In addition, there may be circumstances when the Directors consider it in the best interests of the Company to issue a limited number of ordinary shares on a non pre-emptive basis. The Pre-Emption Group's Statement of Principles were last updated in March 2015. They support the annual disapplication of pre-emption rights in respect of issuances of shares where this represents no more than 5 per cent of the issued ordinary share capital, without restriction as to the use of proceeds of those allotments.

Accordingly, the purpose of limb (i) of Resolution 15 in conjunction with limb (i)(b) of Resolution 16 is to authorise the Board to issue ordinary shares or grant rights to acquire ordinary shares, without the shares first being offered to existing shareholders in proportion to their existing holdings. This authorisation is limited to shares up to a nominal value of EUR 2,240,951, which is equivalent to approximately 5% of the issued share capital of the Company as at 26 April 2018.

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles and not to issue shares on a non pre-emptive basis pursuant to the authority in Resolution 15 in conjunction with Resolution 16 in excess of an amount equal to 7.5 per cent of the total issued ordinary share capital of the Company within a rolling three-year period, other than:

- (i) with prior consultation with shareholders; or
- (ii) in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

Non pre-emptive offers – acquisitions and specified capital investments

The Pre-emption Group's Statement of Principles also support the annual disapplication of pre-emption rights in respect of issuances of shares where this represents no more than an additional 5 per cent of issued ordinary share capital, and are used only in connection with an acquisition or specified capital investment. The Pre-emption Group's Statement of Principles defines "specified capital investment" as meaning one or more specific capital investment related uses for the proceeds of an issue of shares, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

Accordingly, the authorisation in Resolution 17 to limit or exclude pre-emptive rights in respect of any issue of ordinary shares or granting of rights to acquire ordinary shares otherwise than in connection with a pre-emptive offer is limited to an additional number of shares up to a nominal value of EUR 2,240,951, which is equivalent to approximately 5% of the issued share capital of the Company as at 26 April 2018 only in connection with or on the occasion of acquisitions or specified capital investments which are announced contemporaneously with the issuance, or which have taken place in the preceding six-month period and are disclosed in the announcement of the

issue. If the authority given in Resolution 17 is used, the Company will publish details of its use in its next annual report. Resolution 17 has been drafted in line with the template resolutions published by the Pre-emption Group in May 2016.

The authorisations under Resolutions 15 to 17 are intended to give the Board maximum flexibility permitted by corporate governance guidelines to respond to market developments, to finance the Company in the most efficient manner and flexibility in the context of mergers, acquisitions or strategic alliances and/or to cover obligations under share-based compensation plans. The Board currently has no intention to use these authorisations other than in respect of obligations under share-based compensation plans in accordance with the approved remuneration policy. These authorisations are granted in addition to the authority granted by the general meeting of the Company on 23 October 2017.

Acquisitions of shares in the Company

The authorisation under Resolution 18 to acquire shares in the Company or depositary receipts of such shares (including depositary interests) is limited to a maximum of 5% of the issued share capital of the Company at the date of acquisition. The purpose of this proposal is to give the Board the authorisation to reduce the Company's outstanding share capital in order to return capital to the Company's shareholders, and/or to cover obligations under share-based compensation plans or for other purposes. The proposal is made in accordance with Section 2:98, subsection 4 of the Dutch Civil Code. Shares may be acquired at the stock exchange or otherwise, at a price between par value and 5% above the average market price at the London Stock Exchange for the 5 business days prior to the date of the acquisition. Shares may be acquired up to 5% of the issued share capital at the date of acquisition and provided that the Company and its subsidiaries will not hold more than 5% of the issued share capital in the Company following such acquisition. This authority is granted in addition to the authority granted by the general meeting of the Company on 23 October 2017.

Annex 1

Resolution 3: Existing Remuneration Policy RHI Magnesita N.V.

REMUNERATION POLICY

Adopted by the General Meeting, on a proposal by the Board on 23 October 2017

1 Introduction

1.1 This remuneration policy (the “**Remuneration Policy**”) has been adopted by the general meeting of RHI Magnesita N.V. (the “**Company**”) on a proposal by the board of directors of the Company (the “**Board**” and its members the “**Directors**” and each “**Director**” and, as applicable, “**Executive Director**” or “**Non-Executive Director**”).

1.2 This Remuneration Policy is temporary in nature and will apply until a new and more extensive remuneration policy is adopted, which will likely be in the course of 2018.

2 General

2.1 The Remuneration Policy has a clear objective, namely to provide remuneration in a form which will attract, retain and motivate the Directors, while protecting and promoting the objectives of the Company.

2.2 The remuneration committee (the “**Remuneration Committee**”) shall ensure that a competitive remuneration package shall be maintained under the remuneration policy and benchmarked appropriately. For these purposes, the above-mentioned new remuneration policy will be drafted and adopted.

2.3 Deviations on elements of this Remuneration Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be disclosed in the annual report or, in case of an appointment, in good time prior to the appointment of the individual.

2.4 To ensure that remuneration is linked to performance, a part of the remuneration package of the Executive Directors may be variable and dependent on performance of the individual Executive Director and the Company.

3 Remuneration

3.1 The Chairman of the Board will receive a fee of GBP 220,000 per year, in respect of all services that he or she provides to the Company.

3.2 Each Non-Executive Director will receive a base fee of GBP 65,000 per year. Additional fees are granted for the following roles:

Role	Additional fee per year
Deputy-Chairman of the Board (including serving as the Senior Independent Director)	GBP 25,000
Chairman Audit and Compliance Committee	GBP 12,500
Chairman Remuneration Committee	GBP 12,500
Chairman Nomination Committee (unless this role is fulfilled by the Chairman of the Board)	GBP 10,000
Chairman Corporate Responsibility Committee	GBP 10,000
Other members Audit and Compliance Committee	GBP 7,500
Other members Remuneration Committee	GBP 7,500
Other members Nomination Committee	GBP 5,000
Other members Corporate Responsibility Committee	GBP 5,000

3.3 The Non-Executive Directors are not entitled to any variable remuneration.

3.4 For the Executive Directors, their remuneration is based on their historic remuneration which they were entitled to under their prior engagement with the RHI Group and Magnesita Group. The Executive Directors will be remunerated in line with these packages until the new remuneration policy is approved.

3.5 For 2017, Stefan Borgas will receive a base salary of EUR 950,000, a bonus of up to 120% of the base salary, depending on meeting qualitative and quantitative targets, the quantitative targets being mostly based on operative EBIT and ROACE, and will be entitled to an annual cash payment based on 50% of the base salary translated into a number of virtual shares using a reference price and depending on the RHI share price at the payment date, conditional to his remaining employed by the Group. In addition to his normal annual bonus Mr Borgas was awarded a special bonus, relating to his achievements regarding the acquisition by the Company of 50% plus one share in the capital of Magnesita Refratários S.A., a corporation incorporated under the laws of Brazil, (“**Magnesita**”) of 100% of his base salary which was paid in October, 2017. RHI contributes to the statutory severance system for Mr. Borgas. Mr. Borgas is entitled to use an upper midrange company car.

3.6 For 2017, Octavio Lopes will receive a base salary of GBP 550,000, a bonus of up to 120% of the base salary and the first half of a total retention bonus of GBP 1.1 million (the first half of which has been paid in October 2017 and the second half is to be paid in October 2018 unless unilaterally terminated by Magnesita without cause, in which case the bonus would immediately become due and payable).

Mr. Lopes receives a cash payment of 30% of the base salary (GBP 165,000) in lieu of a pension contribution. Mr. Lopes further receives private health insurance for himself and his family in Brazil and the UK, life insurance, income protection insurance and may claim reasonable relocation expenses in case of a termination, without cause, of his service contract.

4 Share Plan

- 4.1 The Company expects to establish a long term incentive plan (the "LTIP") to align the interests of participants in the LTIP with the shareholders of the Company.
- 4.2 The details of the LTIP and the number of employees and other key personnel of the group that will be eligible to participate in the LTIP will be developed by the Remuneration Committee and following a period of consultation with shareholders, be presented to the Company's general meeting in 2018 for approval. Subject to such approval, the LTIP is expected to start in the course of 2018.

5 Indemnification

- 5.1 Pursuant to an indemnity agreement to be entered into with each Director prior to admission, the issuer shall indemnify the Directors from and against any liability and all claims, decisions, penalties and loss ("Claims") that the Director suffered in connection with imminent, pending or terminated actions, investigations or other civil, criminal or administrative proceedings initiated by a party other than the Issuer itself or any of its group companies, as a result of acts or omissions in his/her capacity as Director or a related capacity. Claims also include derivative proceedings against the Director, which were initiated on behalf of the Issuer or its group companies and claims of the issuer (or one of its group companies) to compensate claims of third parties that arose because the Director was jointly and severally liable towards such third party in addition to the Issuer. No entitlement to indemnification exists from and against Claims to the extent they relate to personal gain, benefits or fees to which he/she was not entitled under applicable law, or if the Director's liability on account of gross negligence, willful misconduct or deliberate recklessness has been established at law.
- 5.2 The issuer shall reimburse all costs (including reasonable attorney's fees, procedural costs and taxes payable on the indemnification granted) incurred by the Director in connection with the abovementioned proceedings, less any amounts reimbursed to the Director, or amounts the Director is entitled to be reimbursed, under any applicable

directors' and officers' liability insurance or other insurance, but only after receipt of a written undertaking by the Director that he/she will repay such costs if a competent court establishes that he/she was not entitled to be reimbursed in this manner or, in the event of proceedings initiated by the Issuer or one of its group companies, if a competent court rules in favor of the Issuer or such group company.

6 Appointment letters Non-Executive Directors

- 6.1 Prior to admission, the Non-Executive Directors will each enter into an appointment letter with the Issuer. These letters will be governed by the laws of England and Wales. The appointment letter can be terminated with three months' notice period by the Issuer but do not otherwise provide for any severance arrangements with the Issuer.

7 Service Agreements Executive Directors

- 7.1 Mr. Borgas is employed by RHI AG under a free service contract (*freier Dienstvertrag*). The terms and conditions of employment are governed by Austrian corporate and, to the extent applicable, employment law. Mr. Borgas entered into the service contract effective as of December 1, 2016 with an initial term of three years and a provision to extend by a further two years' term to be agreed at the latest 12 months before the end of the first term. Absent terminations for gross misconduct or negligence giving reason to remove him from the board of directors of RHI AG, in case of termination before the end of the terms specified above Mr. Borgas may claim compensation until the end of his respective service term with a maximum of two year's compensation and bonuses pro rata the time he spent with the company during the respective business year. The service contract provides that upon the admission of the Company's ordinary shares to the premium listing segment of the Official List of the UK Financial Conduct Authority and to trading on the London Stock Exchange plc's main market for listed securities, Mr. Borgas will be offered a management contract with the Issuer at terms at least equivalent to his current service contract with a 12 months' notice period.
- 7.2 Octavio Lopes has a service contract with Magnesita International Ltd, 10 Norwich Street, London, EC4A 1BD, UK ("**Magnesita International**"). The terms and conditions of employment are governed by English law. Mr. Lopes entered into the service on June 30, 2016 with an initial term of two years, subject to a 12-month notice period. Absent termination for gross misconduct or reasons leading to his resignation from the Magnesita board of directors, Mr. Lopes may claim base salary and benefits until the end

of such notice period. In case of early termination, the service contract provides for pro-rata claims for bonus and determines the corresponding applicable score level. Magnesita's variable CEO compensation is determined at between 80% and 120% of a target bonus size, depending on Magnesita's yearly score, in a range from zero to 13, and subjected to Magnesita achieving a score equal to or higher than 7.

8 Claw-back and malus

8.1 By law, any variable remuneration which the Executive Directors of the Company would receive is subject to claw-back and malus.

9 Loans and guarantees

9.1 The Company will not grant loans or guarantees, including mortgage loans, to its Directors.

Annex 2

Resolution 13: RHI Magnesita Long Term Incentive Plan

The key features of the Plan are as follows:

1 Eligibility

Employees and executive directors of the Company and designated subsidiaries and joint ventures are eligible to participate in the Plan.

2 Grant of awards

The Board, or in the case of executive directors, the remuneration committee (the “**Committee**”) will decide who will be granted awards and over how many shares.

Awards will normally only be granted within 42 days of the announcement of the Company’s results for any period or of the Company’s annual general meeting.

No awards can be granted more than 5 years after the date of the AGM.

3 Form of awards

Awards can take any of the following forms:

- rights to receive free shares (“**conditional awards**”);
- options to acquire shares at an exercise price set at the time of award (which may be zero);
- shares issued or transferred at award which are forfeited to the extent the award lapses (“**restricted shares**”);
- cash equivalents of conditional awards or options.

For the time being, it is intended to grant only conditional awards (or nil cost options) but the Plan provides flexibility to accommodate future changes in policy or local requirements.

When the participant becomes entitled to shares or entitled to exercise an option, the award is said to have “**vested**”.

4 Performance conditions

An award will only vest to the extent that any performance condition set by the Committee at the time of award is satisfied.

The performance conditions for awards to directors of the Company will be consistent with the prevailing directors’ remuneration policy. The performance conditions for initial awards to directors are relative total shareholder return (TSR), earnings per share (EPS) and reported earnings before interest and tax (EBIT) each for one-third of the award. Targets for the TSR element will be included in the directors’ remuneration report in the annual report. The targets for the EPS and EBIT elements will be announced to the market at the time awards are granted following approval of the Plan. However, with full realisation of synergies following the merger of RHI and

Magnesita, targets on a normalised basis, are expected to be between mid-single and low double digit annual earnings growth.

5 Individual limits

The aggregate market value (at the time of the award) of the shares subject to awards granted to any one participant in respect of any financial year will not exceed 200% of his or her annual basic salary or 250% if the Committee considers that there are exceptional circumstances which justify grants at the higher level. This limit does not include:

- dividend or other distribution equivalents; or
- awards granted to compensate a new joiner for awards forfeited on leaving his or her previous employment which may be up to 250% of salary.

6 Plan limits

In any 10 year period, not more than 10% of the issued ordinary share capital of the Company may be issued or be issuable under the Plan and all other employees’ share plans operated by the Company. In addition, in any 10 year period, not more than 5% of the issued and outstanding ordinary share capital of the Company may be issued or be issuable under award under all discretionary share award plans adopted by the Company. These limits do not include awards which have lapsed.

Treasury shares transferred to satisfy an award will be counted as if new shares had been issued for so long as it is considered best practice to do so.

7 Vesting of awards

The period over which an award will normally vest will be set when the award is granted and an award will vest, at the end of that period, to the extent that any performance condition has been satisfied.

Shares will be issued or transferred to the participant shortly after vesting of a conditional award, unless the Company decides to satisfy the award in cash.

Once an award of restricted shares vests, they will cease to be subject to any restrictions.

An option is only exercisable to the extent it has vested and shares will be issued or transferred to the participant shortly after exercise, unless the Company decides to satisfy the option in cash. The option will lapse, at the latest, 10 years after it is awarded.

8 Dividend equivalents

An award may be granted on the basis that it carries a right to a payment (in cash or additional shares) on the date of vesting, exercise or the end of any holding period equal to the dividends or other distributions payable on the number of shares received from grant to that date. Dividend or other distributions equivalents may be calculated on the basis that notional dividends or other distributions had been reinvested in further shares.

9 Malus and clawback

The Committee can reduce the amount by which an award will vest (including a reduction to zero) if:

- there has been a mis-statement of results;
- there has been an error in the calculation of the level of grant or vesting of a bonus or award;
- there has been a failure of risk management (including one leading to involuntary liquidation); or
- the participant has been guilty of fraud or gross misconduct or has brought the group into disrepute.

Similarly, the participant can be required to give back some or all of his or her bonus and/or shares or cash received under the Plan (or pay an amount equal to the value of shares) if, within three years of vesting, the Committee becomes aware that any of the events described above has occurred.

10 Holding period

An award may be subject to a holding period during which some or all of the shares received on vesting or exercise (other than those required to be sold to pay tax) must be held for a further holding period.

During the holding period:

- malus and clawback will apply;
- the participant will receive dividends and other distributions (or dividend or other distributions equivalents);
- the participant must not transfer the shares, except to take up rights in a rights issue or similar transaction, to pay any tax or social security contributions.

The holding period can also be achieved by delaying issue or transfer of the shares and paying dividend or other distributions equivalents until the end of the holding period.

11 Leaving employment

An unvested award will normally lapse if the participant leaves employment.

But if the participant dies or leaves because of disability, ill-health, injury, redundancy, retirement, sale of his or her employer (or in other circumstances if the Committee allows), the award will continue in effect and, when it does vest, any performance condition will be applied in the normal way and, unless the Committee decides otherwise, the number of shares in respect of which it vests will be reduced pro-rata to reflect the fact that the participant left early.

The Committee can decide that any holding period will come to an end if the participant leaves employment.

Alternatively, the Committee may allow the award to vest on, or at some point after leaving, in which case, any performance condition will be tested to the date of vesting and unless the Committee decides otherwise, the number of shares in respect of which it vests will be reduced pro-rata to reflect the fact that it is vesting early.

If the Participant dies, the award will vest on the date of death to the extent described above.

12 Takeovers and reorganisations

Awards will generally vest early on a takeover, merger or other corporate reorganisation. Alternatively, participants may be allowed or required to exchange their awards for equivalent awards over shares in the acquiring company.

Where an award vests in these circumstances, the level of vesting will be determined by the Committee taking account of the performance condition and unless the Committee decides otherwise, the number of shares in respect of which it vests will be reduced to reflect the fact that it is vesting early. Clawback will continue to apply.

13 Rights issues, demergers etc

If there is a rights issue, special dividend, demerger, merger, any variation in the share capital of the Company or any similar transaction which is determined by the Committee as having an impact on an award, the Committee can adjust the number or kind of shares subject to an award and/or any exercise price to take account of the effect of the transaction.

Annex 2

Resolution 13: RHI Magnesita Long Term Incentive Plan continued

14 General

Awards are not transferable (except to personal representatives on death or with the consent of the Committee) and are not pensionable and participants do not pay for the grant of an award.

Any shares issued following the vesting of awards will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

References to shares include dematerialized depositary interests representing entitlements to shares which can be settled electronically through and held in CREST, as issued by Computershare Investor Services PLC, which will hold (itself or through its custodian) the underlying securities on trust.

15 Amendments

The Committee can amend the Plan in any way. However, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to eligibility, individual and plan limits, the rights attaching to awards and shares, the adjustment of awards on variation in the Company's share capital and the amendment powers.

The Committee can, without shareholder approval, make minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. It can also amend any performance conditions without shareholder approval if events occur which cause it to consider that an amended performance condition would be a more appropriate measure of performance but the Committee must be satisfied that the amendment will not make the condition materially easier to satisfy.

The Committee may also, without shareholder approval, establish further plans based on the Plan but modified to take account of overseas securities laws, exchange controls or tax legislation. Shares made available under such further plans will be treated as counting against any limits on individual or overall participation in the Plan.