

## RHI Magnesita website wording

### LONG-TERM INCENTIVE PLAN – PERFORMANCE TARGETS

“Set out below are performance targets for the RHI Magnesita long-term incentive performance share awards to be granted, subject to shareholder approval of the RHI Magnesita Long-Term Incentive Plan, to be sought at the Company’s Annual General Meeting on 7 June 2018. Full details of the proposed directors’ remuneration policy are set out in the annual report published for the year ended 31 December 2017 (“FY2017”).

An RNS will be made at the time the awards are made.

Our ambitious plans to grow profitability beyond cyclical effects arising from the exciting merger of the RHI and Magnesita businesses should start showing themselves in FY2018 and in the financial targets we have set for FY2020.

The performance period for the 2018 long-term incentive awards is the three-year period FY2018 to FY2020. Awards will vest on the third anniversary of the date of grant. For the most senior executives, shares acquired on vesting must then be retained until the fifth anniversary of the date of grant, other than to pay related tax.

Exceptionally this year the Remuneration Committee felt that the Earnings Per Share (“EPS”) and Earnings Before Interest and Tax (“EBIT”) targets that will be required for **maximum** vesting are commercially sensitive and so has undertaken to disclose them at the latest in the Financial Year 2018 annual report. These targets require a significantly higher level of performance to be met than the targets set for threshold vesting and included in the table below.

	<b><i>Minimum (Threshold) vesting (25% of that part of the award)*</i></b>	<b><i>Maximum vesting (100% of that part of the award)*</i></b>
<b><i>RHI Magnesita TSR compared to the FTSE 350 Index</i></b>	Matching the Index	At least 25% in absolute terms higher than the Index (e.g. if Index TSR is 23% over 3-years then the vesting range is TSR of 23% to 48%)
<b><i>EPS in FY2020</i></b>	Euro 5.2	As this target is felt to be commercially sensitive it will be disclosed in the FY2018 annual report
<b><i>EBIT in FY2020</i></b>	Euro 390 million	As this target is felt to be commercially sensitive it will be disclosed in the FY2018 annual report

\*Linear vesting between threshold and maximum performance