



RHI MAGNESITA

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NAME

ADDRESS

DATE

Dear NAME

I am writing to confirm your appointment for a further three-year term, further to your election by the General Meeting as a [non-executive director] /[Senior Independent Director and Deputy Chairman] of RHI Magnesita N.V. (the “**Company**”). This letter sets out the terms and conditions covering your appointment and will be effective from 10 June 2021.

## 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 Subject to the terms set out in this letter and the Articles, it is envisaged that you will serve for a term of three years (i.e., until the 2024 AGM) with an expectation that the Board of Directors of the Company (the “**Board**”) will then consider your tenure as a non-executive director for a further three-year period.
- 1.3 In line with the UK Code, any additional term upon re-appointment will expire at each AGM. At any such AGM, you will be eligible for re-appointment unless the Board determines otherwise, being typically not later than the date of notice of any such meeting.
- 1.4 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, or may already, serve on one or more of the board committees, or chair one of those committees. Where relevant, you will receive the committee(s)’s terms of reference and an induction programme as appropriate.

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 (which are two-day events in Austria), one of which would be part of a longer site visit trip, plus another working session at the same time as the AGM.
- 3.2** This total time commitment 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 ongoing training or 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. Please refer to clause 9 for further details on new appointments.

### **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 Principle H and Provision 13 of the UK Code and to the Guidance on Board Effectiveness, issued by the Financial Reporting Council in July 2018, 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 (as defined under 17.3 below), 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 Policy 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 and Deputy Chairman

Your responsibilities and duties as Senior Independent Director and Deputy Chairman are set out under the role profile approved by the Board, which can be found on the Company website. Generally, 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 and for any services to be provided by you prior to your formal appointment at the AGM, the Company will pay you as of the date of this letter a fee of £71,100 per annum and sub-paragraphs 6.2 to 6.7 below shall apply to your fee, except where otherwise provided in the Articles.

6.2 Where applicable, you will receive the following fees at the following annual rates for appointment to board committees:

Committee	Chairmanship	Membership
Audit	£19,100	£8,200

Nomination	-	£5,400
Remuneration	£19,100	£8,200
Corporate Sustainability	£19,100	£5,400

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

- 6.3** [For your appointment as Senior Independent Director and Deputy Chairman, an additional fee will be payable to you at an annual rate of £27,300. ]
- 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 Chairman.
- 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<sup>1</sup>**

- 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.

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<sup>1</sup> Not included for non-independent directors.

**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, notify the Company Secretary, 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** 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 make a copy of the current policy available in the board portal and provide to you on request.

**13.2** The Company has executed 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 law, where a director of a company directly or indirectly, has a personal interest 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** Subject to applicable law, 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-appointment, 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 Magnesita N.V.

Herbert Cordt  
Chairman of the Board

John Ramsay  
Senior Independent & Deputy Chairman of the Board



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I hereby acknowledge receipt of this letter, and upon appointment by the AGM, accept appointment as a non-executive director of the Company on the terms set out in this letter.

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Name

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Date

## **Schedule 1**

### **Role of Non-Executive Directors**

(extracted from the July 2018 FRC Guidance on Board Effectiveness)

Non-executive directors should, on appointment, devote time to a comprehensive, formal and tailored induction that should extend beyond the boardroom. Initiatives such as partnering a non-executive director with an executive board member may speed up the process of them acquiring an understanding of the main areas of business activity, especially areas involving significant risk. They should expect to visit operations and talk with managers and non-managerial members of the workforce. A non-executive director should use these conversations to better understand the culture of the organisation and the way things are done in practice, and to gain insight into the experience and concerns of the workforce.

It is vital that non-executive directors have sufficient time available to discharge their responsibilities effectively. The time commitment to engage with shareholders and other key stakeholders and get to know the business can be considerable. It is advisable for non-executive directors to assess the demands of their portfolios and other commitments carefully before accepting new appointments. They should devote time to developing and refreshing their knowledge and skills to ensure that they continue to make a positive contribution to the board and generate the respect of the other directors.

Non-executive directors need to 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. They should seek clarification or amplification from management where they consider the information provided is inadequate or lacks clarity.

It is important that non-executive directors do not operate exclusively within the confines of the boardroom, but have a good understanding of the business and its relationships with significant stakeholders. Accordingly, it is advisable for them to take opportunities to meet shareholders, key customers and members of the workforce from all levels of the organisation.