

# RHI MAGNESITA N.V.

## RULES OF THE RHI MAGNESITA LONG-TERM INCENTIVE PLAN

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Directors' Adoption:	17 February 2023
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## **1 Granting Awards**

### **1.1 Eligibility**

The Directors may decide that an Award will be granted to anyone who is an Employee (including an executive director) on the Award Date.

However, unless the Directors consider that special circumstances exist, an Award may not be granted to an Employee who on the Award Date has given or received notice of termination of employment, whether or not such termination is or would be lawful.

### **1.2 Timing of Award**

Awards may only be granted within 42 days starting on any of the following:

- 1.2.1 the date of shareholder approval;
- 1.2.2 the end of any closed period under the Market Abuse Regulation (EU) 596/2014 or the UK retained version thereof (as applicable);
- 1.2.3 the date of the Company's annual general meeting or any special general meeting;
- 1.2.4 any day on which the Directors resolve that exceptional circumstances exist which justify the grant of Awards;
- 1.2.5 any day on which changes to the legislation or regulations affecting share plans are announced, effected or made; or
- 1.2.6 the lifting of Dealing Restrictions which prevented the granting of Awards during any period specified above.

### **1.3 Terms of Awards**

When the Directors decide that an Award will be granted, they will also determine:

- 1.3.1 whether the Award is:
  - (i) a Conditional Award;
  - (ii) an Option;
  - (iii) Forfeitable Shares,
 or a combination of these;
- 1.3.2 the number of Shares subject to the Award or the basis on which it will be determined;
- 1.3.3 the terms of any Performance Condition (see rule 1.4);
- 1.3.4 the Normal Vesting Date(s) and, if more than one, the number of Shares which will Vest on each such date or the manner in which that will be determined;
- 1.3.5 whether the Award carries a Dividend Equivalent and, if so, the basis on which it will be determined (see rule 1.5);
- 1.3.6 whether the Award is subject to a Holding Period and, if so, when it will normally end, the number of Held Shares or how that will be determined; and
- 1.3.7 in the case of an Option:

- (i) the Exercise Price, which may be nil; and
- (ii) the Final Lapse Date.

In setting the Normal Vesting Date and Holding Period for Awards to directors of the Company, the Directors will have regard to:

- 1.3.8 best practice principle 3.1.2 (vi) of the Dutch Corporate Governance Code, which requires that, the Normal Vesting Date or the end of the Holding Period should be at least five years from the date on which the Award is granted; and
- 1.3.9 best practice principle 3.1.2 (vii), which requires that Options awarded to directors of the Company cannot be exercised during the first three years after they are awarded.

#### 1.4 Performance Conditions

The Directors may decide that Vesting of an Award will be conditional on the satisfaction of one or more conditions (“**Performance Conditions**”) which may or may not be linked to the performance of the Company, the Participant, or the Member of the Group for whom or the business unit in which the Participant works.

When setting Performance Conditions for Awards granted to directors of the Company, the Directors will have regard to best practice principle 3.1.2 (v) of the Dutch Corporate Governance Code which requires that Performance Conditions be measurable, determined in advance and predominantly long-term in character.

Where an Award is subject to a Performance Condition, this must be specified at the Award Date.

The Directors may change a Performance Condition if events occur which cause them to consider that an amended Performance Condition would be a more appropriate measure of performance but the Directors must be satisfied that the amendment will not make the Performance Condition materially easier to satisfy.

#### 1.5 Dividend Equivalent

If an Award carries a Dividend Equivalent, subject to Rule 6.2.3, the Participant will be entitled to an amount equal to the Dividends paid on the number of Shares in respect of which the Award Vests from the Award Date to the date of Vesting or, where rule 6.1.1 applies, to the end of the Holding Period (rounded down to the nearest whole Share).

The Directors may decide, when the Award is granted that:

- 1.5.1 the Dividend Equivalent will be calculated on the basis that each dividend was notionally invested in further Shares on or around the date of payment; and/or
- 1.5.2 in the case of an Option, the Dividend Equivalent:
  - (i) will relate to Dividends from the Award Date to the date of Vesting; and
    - (a) will be added to the number of Shares in respect of which the Award Vests; and/or
    - (b) will be paid on exercise instead of Vesting; and/or

- (ii) will relate to Dividends from the Award Date to the date of exercise or, where rule 6.1.1 applies, to the end of the Holding Period instead of the date of Vesting; and/or
- (iii) will be paid in respect of the number of Shares in respect of which the Option is exercised.

## **1.6 Documentation of Awards**

Awards will be granted by deed (except Awards of Forfeitable Shares – see rule 3).

Each Participant will receive a certificate setting out the principal terms of the Award as soon as practicable after the Award Date. The certificate may be the deed referred to above or any other document. If any certificate is lost or damaged the Company may replace it on such terms as it decides.

## **1.7 No payment**

A Participant is not required to pay for the grant of any Award.

## **2 Limits**

### **2.1 Individual limit for Awards**

2.1.1 An Award must not be granted to an Employee if it would, at the proposed Award Date, cause the market value of Shares subject to Awards that he has been granted in respect of that financial year to exceed 200% of his annual basic salary from Members of the Group or 250% if the Directors consider that exceptional circumstances justify it.

2.1.2 For these purposes, market value may be determined by reference to share price averaged over any period specified by the Directors.

2.1.3 The following will not be included in this limit:

- (i) Dividend Equivalents; and
- (ii) awards granted to an Employee to compensate him for awards forfeited on leaving his or her previous employment over Shares with a market value of up to 250% of his annual basic salary.

2.1.4 “**Basic salary**” means gross salary before adjustment to take account of any flexible benefits.

### **2.2 Plan limits - 10 per cent**

An Award must not be granted if the number of Shares committed to be issued under that Award exceeds 10 per cent of the ordinary share capital of the Company in issue immediately before that day, when added to the number of Shares which have been issued, or committed to be issued, to satisfy Awards under the Plan, or options or awards under any other employee share plan operated by the Company, granted in the previous 10 years.

### **2.3 Plan limits - 5 per cent**

An Award must not be granted if the number of Shares committed to be issued under that Award exceeds 5 per cent of the ordinary share capital of the Company in issue immediately before that day, when added to the number of Shares which have been issued, or committed to be issued, to satisfy Awards under the Plan, or options or awards under any other discretionary employee share plan adopted by the Company, granted in the previous 10 years.

### **2.4 Scope of Plan limits**

Where the right to acquire Shares is released or lapses, the Shares concerned are ignored when calculating the limits in rules 2.2 and 2.3. Dividend Equivalents will be ignored.

As long as the Directors consider it best practice to do so, shares transferred from treasury to satisfy Awards are counted as part of the ordinary share capital of the Company and as shares issued by the Company.

## **3 Granting Forfeitable Shares**

### **3.1 Forfeitable Share Agreement**

Where an Award consists of Forfeitable Shares, the Participant must enter into a Forfeitable Share Agreement with the Grantor on such terms as may be determined by the Directors.

The Forfeitable Share Agreement must provide that, to the extent that the Award lapses under the Plan, the Shares will be forfeited and the Participant must immediately transfer his interest in them, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Grantor.

### **3.2 Transfer of Forfeitable Shares to Participant**

On or as soon as reasonably practicable after the grant of an Award of Forfeitable Shares, the Grantor will procure that the relevant number of Shares are transferred to the Participant or to another person to be held for the benefit of the Participant under the terms of the Plan and the Forfeitable Share Agreement.

### **3.3 Documents and elections**

**3.3.1** The Participant must sign any documentation, including a power of attorney, requested by the Directors. If he does not do so within a period specified by the Directors, the Award will lapse at the end of that period. The Grantor may retain the documents of title relating to any Forfeitable Shares.

**3.3.2** The Participant must enter into any elections required by the Directors, including elections under Part 7 of the Income Tax (Earnings and Pensions) Act 2003 and elections to transfer any liability, or agreements to pay, social security contributions. If he does not do so within a period specified by the Grantor, the Award will lapse at the end of that period.

## **4 Before Vesting**

### **4.1 Rights**

- 4.1.1** A Participant is not entitled to vote, to receive Dividends or to have any other rights of a shareholder in respect of Shares subject to an Award until the Shares are issued or transferred to the Participant.
- 4.1.2** Except to the extent specified in the Forfeitable Share Agreement, a Participant will have all rights of a shareholder in respect of Forfeitable Shares until the Award lapses.

### **4.2 Transfer**

A Participant may not transfer, assign or otherwise dispose of an Award or any rights in respect of it. If he does, whether voluntarily or involuntarily, then it will immediately lapse. This rule 4.2 does not apply:

- 4.2.1** to the transmission of an Award on the death of a Participant to his personal representatives; or
- 4.2.2** to the assignment of an Award, with the prior consent of the Directors, subject to any terms and conditions the Directors impose.

### **4.3 Adjustment of Awards**

#### **4.3.1** If there is:

- (i) a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, conversion, consolidation or reduction of share capital;
- (ii) a merger;
- (iii) a demerger (in whatever form);
- (iv) a special dividend or distribution; or
- (v) any similar transaction which is determined by the Directors as having an impact on the Award

the Directors may adjust the description, number and/or class of Shares or securities subject to the Award and/or, in the case of an Option, the Exercise Price.

#### **4.3.2** Subject to the Forfeitable Share Agreement, a Participant will have the same rights as any other shareholders in respect of Forfeitable Shares where there is a variation or other event of the sort described in rule 4.3.1. Any shares, securities or rights allotted to a Participant as a result of such an event will be:

- (i) treated as if they were awarded to the Participant under the Plan in the same way and at the same time as the Forfeitable Shares in respect of which the rights were conferred; and
- (ii) subject to the rules of the Plan and the Forfeitable Share Agreement.

## **5 Vesting**

### **5.1 Timing of Vesting**

Subject to the rest of these rules, an Award will normally Vest on the latest of:

- 5.1.1 the date on which the Directors determine the extent to which any Performance Condition has been satisfied (which they will do as soon as is reasonably practicable after the end of the period over which it is tested);
- 5.1.2 the Normal Vesting Date; and
- 5.1.3 the first date on which Vesting is not prevented by a Dealing Restriction.

### **5.2 Consequences of Vesting for Conditional Awards**

Within 30 days of a Conditional Award Vesting, the Grantor will arrange (subject to the rest of these rules) for the issue or transfer to the Participant of the number of Shares in respect of which the Award has Vested, including any Dividend Equivalent.

### **5.3 Consequences of Vesting for Options**

- 5.3.1 A Participant may only exercise an Option to the extent it has Vested. To exercise an Option, the Participant must give notice in the prescribed form to the Grantor or any person nominated by the Directors and pay the Exercise Price (if any) or make arrangements satisfactory to the Grantor for its payment.
- 5.3.2 Subject to a valid exercise of the Option, the Grantor will arrange (subject to the rest of these rules) for the issue or transfer to the Participant of the number of Shares in respect of which the Option was exercised including, if applicable, any Dividend Equivalent.
- 5.3.3 The Option will lapse, at the latest, on the close of business on the Final Lapse Date. If an Option lapses under more than one provision of the rules of the Plan, the provision resulting in the shortest exercise period will prevail.

### **5.4 Consequences of Vesting for Forfeitable Shares**

To the extent it has Vested, an Award of Forfeitable Shares will not be capable of lapse and the restrictions referred to in rule 3 and those contained in the Forfeitable Share Agreement will cease to have effect.

### **5.5 Source of Shares**

Forfeitable Shares may only be issued, and Conditional Awards and Options which may be satisfied with newly issued shares (within the meaning of Article 2:96 of the Dutch Civil Code) may only be granted, during such period(s) as the Board is/are authorised by shareholders (for the purposes of Article 2:96 of the Dutch Civil Code) to grant such rights to subscribe for shares under the Plan (provided that Conditional Awards and Options granted during such period(s) may be satisfied by a new issue of shares even after the end of such period(s)).

### **5.6 Adjustment to Vesting of Awards**

The Directors may adjust upwards or downwards (including to zero) the extent to which an Award (or part thereof) Vests if it considers that the extent to which the Award would



otherwise Vest is not a fair reflection of the performance of the Company, the Award Holder's performance and/or wider circumstances.

If the Directors consider that a Performance Condition has become incapable of being satisfied, in whole or in part, the relevant Award, or the appropriate part of it, shall lapse immediately.

## **5.7 Cash and Share alternative**

The Directors may decide that an Option, a Conditional Award and/or any Dividend Equivalent will be satisfied (in whole or in part) by paying to the Participant an amount equal the market value of each Share, less any exercise price.

An Option or a Conditional Award may be granted on the basis that it will always be satisfied in this manner.

In respect of Options or Conditional Awards which consist of a right to receive a cash amount, the Directors may decide instead to satisfy them (including any Dividend Equivalent) by the delivery of Shares. The number of Shares will be calculated by reference to the market value of the Shares on the date of Vesting for Conditional Awards and the date of exercise for Options.

## **5.8 Delayed Vesting**

The Directors may decide that Vesting of an Award will be delayed (wholly or in part) if any of the following circumstances apply on the anticipated date of Vesting:

- 5.8.1** the Participant is subject to any Disciplinary Action; or
- 5.8.2** the Participant has left employment or is about to do so in circumstances where it is not clear whether the Award should lapse under rule 8.

In these cases, Vesting will not occur unless and until the Directors determine that the Award should Vest.

## **5.9 Tax**

The Participant will be responsible for all taxes, social security contributions (apart from UK employer national insurance contributions) and other liabilities arising out of or in connection with an Award or the acquisition, holding or disposal of Shares. If the Grantor, any Member of the Group or the trustee of any employee benefit trust has any liability to pay or account for any such tax or contribution, it may meet the liability by:

- 5.9.1** selling Shares to which the Participant becomes entitled on his behalf and using the proceeds to meet the liability;
- 5.9.2** deducting the amount of the liability from any cash payment due under the Plan;
- 5.9.3** reducing the number of Shares to which the Participant would otherwise be entitled; and/or
- 5.9.4** deducting the amount from any payment of salary, bonus or other payment due to the Participant.

The Grantor will not be obliged to issue or transfer any Shares or pay any cash pursuant to an Award until the Directors are satisfied that arrangements are in place for the Participant's obligations under this rule 5.9 to be met.

## **6 Holding Period**

This rule 6 applies if the Directors determine under rule 1.3 that an Award is subject to a Holding Period.

### **6.1 How the Holding Period will apply to an Award**

Before the Award Vests, the Directors will decide whether:

- 6.1.1** the Award will continue in respect of the Held Shares through the Holding Period as described in rule 6.2; or
- 6.1.2** the Held Shares will be issued or transferred to or for the benefit of the Participant but subject to the Holding Period as described in rule 6.3.

### **6.2 Award continues**

- 6.2.1** Where the Directors decide that the Award will continue through the Holding Period, they will calculate the number of Shares which Vest in accordance with the rest of these rules but the Held Shares will only be issued or transferred or cash paid under that rule at the end of the Holding Period and subject to this rule 6 or, in the case of an Option, the Option will only become exercisable at the end of the Holding Period.
- 6.2.2** Except as required under rule 5.9 (tax), the Participant will have no rights in respect of the Held Shares until the Shares are acquired at the end of the Holding Period.
- 6.2.3** At the end of the Holding Period (or on exercise, if later), the Participant will be entitled to Dividend Equivalents on the Held Shares in respect of the period from the start of the Holding Period (unless Dividend Equivalents are payable from grant, in which case they will be paid from Award) until the end of the Holding Period.
- 6.2.4** At the end of a Holding Period, rule 5 will apply and Shares will be issued or transferred or cash paid pursuant as if the Award had Vested to the relevant extent on that date.

### **6.3 Owned Shares**

- 6.3.1** Where the Directors decide that Held Shares will be issued or transferred to or for the benefit of the Participant, they will calculate the number of Shares which Vest in accordance with the rest of these rules and will issue or transfer the Held Shares (if not already held in respect of an Award of Forfeitable Shares) for no consideration, to the Participant or to any other person specified by the Directors to be held during the Holding Period under this rule 6. Those Shares are '**Owned Shares**'.
- 6.3.2** Rule 3.3 will apply as if the Owned Shares were Forfeitable Shares.
- 6.3.3** During the Holding Period, the Participant will be entitled to vote and to receive Dividends and have all other rights of a shareholder in respect of the Owned Shares from the date the Participant becomes the beneficial owner.

**6.3.4** The Participant may not transfer, assign or otherwise dispose of the Owned Shares or any interest in them (or instruct anyone to do so) except in the case of:

- (i) the sale of sufficient entitlements nil-paid in relation to a Share to take up the balance of the entitlements under a rights issue;
- (ii) where malus or clawback applies (see rule 7); or
- (iii) to fund any tax or similar liability in accordance with rule 5.9 (tax)

**6.3.5** Any securities which the Participant receives in respect of Owned Shares as a result of an event described in rule 4.3 during the Holding Period will, unless the Directors decide otherwise, be subject to the same restrictions as the corresponding Owned Shares. This will not apply to any Shares which a Participant acquires on a rights issue or similar transaction to the extent that they exceed the number he would have acquired on a sale of sufficient rights under the rights issued nil-paid to take up the balance of the rights.

**6.3.6** At the end of a Holding Period, the restrictions described above will cease to apply and the Owned Shares will be transferred to the Participant (if not already held by him or her) or as he or she may direct.

## **6.4 End of the Holding Period**

The Holding Period will end on earliest of the following:

- 6.4.1** the date on which the Holding Period will normally end, as set by the Directors in relation to the Award under rule 1.3;
- 6.4.2** the date on which the Directors decide that the number of Held Shares is sufficiently small that the continuation of the Holding Period is not warranted;
- 6.4.3** the date on which the Participant dies;
- 6.4.4** if the Directors so decide, on the date the Participant leaves employment or such later date as they may determine;
- 6.4.5** the date of a Change of Control occurs, unless the Award is exchanged.

## **7 Malus and clawback**

### **7.1 Malus (adjustment)**

If the Directors become aware, before Shares have been issued or transferred or cash paid to satisfy an Award or during any Holding Period, that any of the events listed in rule 7.3 has occurred, they may decide that:

- 7.1.1** the number of Shares subject to the Award will be reduced (including a reduction to zero);
- 7.1.2** the Award will lapse (at a time they determine);
- 7.1.3** Vesting or the delivery of Shares or payment of cash will be delayed until any action or investigation is completed; and/or

- 7.1.4 additional conditions will be imposed on the Vesting of the Award or the delivery of Shares or payment of cash.

## **7.2 Clawback**

Without limiting article 2:135 of the Dutch Civil Code, if the Directors become aware, within three years of the date on which Shares were issued or transferred or cash paid to satisfy an Award or during any Holding Period, that any of the events listed in rule has occurred, they may decide that the Participant must:

- 7.2.1 transfer to or to the order of the Company (or such other person as the Directors may direct) a number of Shares which is equal to (or less than) the number of Shares issued or transferred to or for him pursuant to the Award; and/or
- 7.2.2 pay to or to the order of the Company an amount representing the value of all or some of the Shares acquired under the Award; and/or
- 7.2.3 pay to or to the order of the Company an amount equal to any cash paid pursuant to the Award.

In addition the Directors may decide that any Award, bonus or other benefit which might have been granted, Vested or paid to the Participant under the Plan or any other arrangement will be reduced, not awarded or will not Vest.

## **7.3 Events giving rise to malus or clawback**

Without limiting article 2:135 of the Dutch Civil Code, the events mentioned above are:

- 7.3.1 results announced for any period have subsequently appeared materially financially inaccurate or misleading as determined by the Directors;
- 7.3.2 there has been an error in the calculation of the level of grant or Vesting of any Award or the amount of any other variable remuneration paid to the Participant;
- 7.3.3 there has been a failure of risk management in the Company, group or a business unit (including one leading to an involuntary liquidation of the Company);
- 7.3.4 the Participant has been guilty of fraud or gross misconduct; or
- 7.3.5 the Company, any Member of the Group or a business unit has suffered serious reputational damage.

## **7.4 General**

- 7.4.1 For the avoidance of doubt, rules 7.1 and 7.2 can apply even if the Participant was not responsible for the event in question or if it took place before the Vesting or grant of the Award.
- 7.4.2 Those rules may be applied in different ways for different Participants in relation to the same or different events.
- 7.4.3 The Directors will notify the Participant of any adjustment under rule 7.1.
- 7.4.4 Without limiting rule 11.1, the Participant will not be entitled to any compensation in respect of the operation or purported operation of this rule 7.

- 7.4.5** No Shares will be issued or transferred or no cash paid to a Participant if he has not agreed, in such form as the Directors may require, the provisions of this rule 7 and to fully give effect to any clawback.

## **8 Leaving employment and death**

### **8.1 General rule on leaving employment**

Unless rule 8.2 applies, an Award which has not Vested will lapse on the date the Participant leaves employment.

### **8.2 Exceptions**

Subject to rule 8.3, an Award will not lapse but will continue in effect if a Participant leaves employment before Vesting due to:

- 8.2.1** ill-health, injury or disability;
- 8.2.2** retirement with the agreement of the Participant's employer;
- 8.2.3** the Participant's employing company ceasing to be a Member of the Group;
- 8.2.4** a transfer of the undertaking, or the part of the undertaking, in which the Participant works to a person which is not a Member of the Group;
- 8.2.5** redundancy; or
- 8.2.6** any other reason, if the Directors so decide within 30 days of leaving.

Unless the Directors decide otherwise, the number of Shares in respect of which the Award Vests will be reduced to reflect the proportion of the Pro-Rating Period which had elapsed by the date the Participant left employment.

The '**Pro-Rating Period**' is the period over which any Performance Condition is tested or, if the Award is not subject to a Performance Condition, the period from the date of grant to the Normal Vesting Date.

Where rule 8.2.6 applies, the Directors may reduce the level of Vesting further and/or may impose additional conditions on Vesting or exercise.

### **8.3 Early Vesting**

Where a Participant leaves employment for one of the reasons set out in rule 8.2, the Directors may decide, in their discretion, that the Award will Vest on the date the Participant leaves employment or any later date (not later than the Normal Vesting Date) set by them. Where they do so:

- 8.3.1** the Award will Vest to the extent that any Performance Condition has been or is likely to be satisfied (as determined by the Directors, at the time the Participant leaves employment, in the manner specified in the condition or in such manner as they consider reasonable);
- 8.3.2** the number of Shares in respect of which the Award Vests will, unless the Directors decide otherwise, be reduced to reflect the proportion of the Pro-Rating Period which had elapsed by the date the Participant left employment; and

8.3.3 the Award will lapse to the extent it does not Vest.

#### **8.4 Death**

If a Participant dies, his Awards will Vest on the date of death to the extent described in rule 8.3 as if the Participant had left employment on the date of death.

The Grantor will only arrange for Shares to be issued or transferred, or cash paid to the personal representatives of a deceased Participant if they have produced such evidence as the Directors may require of their status as such. The receipt of any person who has produced such evidence will discharge the Grantor from any obligation to the Participant or his estate.

#### **8.5 General**

8.5.1 A Participant will only be treated as “leaving employment” when he is no longer an Employee or director of any Member of the Group.

8.5.2 The Directors may decide that a Participant will be treated as leaving employment, for some or all purposes under the Plan, on the date he gives or receives notice terminating his employment, whether or not such termination is or would be lawful.

8.5.3 An Option which does not lapse when the Participant leaves employment will be exercisable for six months, from the date of leaving or, if later, the date on which it Vests. In the case of death, the Option will be exercisable for 12 months from the date of death.

### **9 Change of Control**

#### **9.1 Vesting**

If there is a Change of Control, an Award will Vest to the extent determined by the Directors, taking account of any Performance Condition. In addition, the number of Shares in respect of which the Award Vests will, unless the Directors decide otherwise, be reduced to reflect the early Vesting.

To the extent that the Award does not Vest as a result of this rule 9, the Directors may decide that it will be exchanged (wholly or partly) under rule 9.2. To the extent it does not Vest and is not exchanged, it will lapse.

An Option will be exercisable, to the extent it has Vested, for three months following a Change of Control after which it will lapse.

#### **9.2 Exchange**

An Award will not Vest under rule 9.1 (or, in the case of an Option, become exercisable) but will be exchanged for a new award to the extent that:

9.2.1 an offer to exchange the Award is made and accepted by a Participant; or

9.2.2 the Directors, with the consent of the Acquiring Company, decide before Change of Control that the Award will be automatically exchanged.

The new Award:

- 9.2.3** must confer a right to acquire shares in the Acquiring Company or another body corporate determined by the Acquiring Company;
- 9.2.4** must be materially equivalent to the existing Award, subject to rule 9.2.6;
- 9.2.5** will be treated as having been granted at the same time as the existing Award and, subject to rule 9.2.6, will Vest in the same manner and at the same time;
- 9.2.6** must:
- (i) where the existing Award is subject to a Performance Condition, be subject to a performance condition which is, so far as possible, equivalent to the Performance Condition applying to the existing Award; or
  - (ii) be in respect of the number of shares which is equivalent to the number of Shares comprised in the existing Award which would have Vested under rule 9.1; and/or
  - (iii) be subject to such other terms as the Directors consider appropriate in all the circumstances;
- 9.2.7** will be governed by the Plan, other than rule 10.2, as if references to 'Shares' were references to the shares over which the new award is granted and references to 'the Company' were references to the Acquiring Company or the body corporate determined under rule 9.2.3 above.

### **9.3 Directors**

In this rule 9, "**Directors**" means those people who were members of the remuneration committee of the Company immediately before the Change of Control.

## **10 Changing the Plan**

### **10.1 Directors' powers**

Except as described in the rest of this rule 10, the Directors may at any time change the Plan in any way, including changes to the terms of any outstanding Award even if they may be to the disadvantage of Participants.

### **10.2 Shareholder approval**

- 10.2.1** Except as described in rule 10.2.2, the Company in general meeting must approve in advance by ordinary resolution any proposed change to the Plan to the advantage of present or future Participants, which relates to:
- (i) the Participants;
  - (ii) the limits on the number of Shares which may be issued under the Plan;
  - (iii) the individual limit for each Participant under the Plan;
  - (iv) the basis for determining a Participant's entitlement to, and the terms of, securities, cash or other benefit to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, rights issue or open offer, sub-division, conversion or consolidation of shares or reduction of capital or any other variation of capital; or

- (v) the terms of this rule 10.2.1.

**10.2.2** The Directors can change the Plan and need not obtain the approval of the Company in general meeting for any minor changes:

- (i) to benefit the administration of the Plan;
- (ii) to comply with or take account of the provisions of any proposed or existing legislation;
- (iii) to take account of any changes to legislation; or
- (iv) to obtain or maintain favourable tax, exchange control or regulatory treatment of the Company, any Subsidiary or any present or future Participant.

**10.2.3** The Directors may, without obtaining the approval of the Company in general meeting:

- (i) establish further plans (by way of schedules to the rules or otherwise) based on the rules, but modified to take account of local tax, exchange control or securities law outside the UK but any Shares made available under such plans must count against any limits on individual or overall participation in the Plan under rules 2.2, 2.3 and 2.4; or
- (ii) change a Performance Condition in accordance with rule 1.4.

## **11 General**

### **11.1 Terms of employment**

**11.1.1** This rule 11.1 applies during an Employee's employment and after the termination of an Employee's employment, whether or not the termination is lawful.

**11.1.2** Nothing in the rules or the operation of the Plan forms part of the contract of employment of an Employee. The rights and obligations arising from the employment relationship between the Employee and his employer are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment.

**11.1.3** No Employee has a right to participate in the Plan. Participation in the Plan or the grant of Awards on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Awards on the same basis, or at all, in any future year.

**11.1.4** The terms of the Plan do not entitle the Employee to the exercise of any discretion in his favour.

**11.1.5** The Employee will have no claim or right of action in respect of any decision, omission or discretion, which may operate to the disadvantage of the Employee even if it is unreasonable, irrational or might otherwise be regarded as being in breach of the duty of trust and confidence (and/or any other implied duty) between the Employee and his employer.



**11.1.6** No Employee has any right to compensation for any loss in relation to the Plan, including any loss in relation to:

- (i) any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);
- (ii) any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision;
- (iii) the operation, suspension, termination or amendment of the Plan.

## **11.2 Directors' decisions final and binding**

The decision of the Directors on the interpretation of the Plan or in any dispute relating to an Award or matter relating to the Plan will be final and conclusive.

## **11.3 Documents sent to shareholders**

The Company is not required to send to Participants copies of any documents or notices normally sent to the holders of its Shares.

## **11.4 Costs**

The Company will pay the costs of introducing and administering the Plan. The Company may ask a Participant's employer to bear the costs in respect of an Award to that Participant.

## **11.5 Data protection**

For the purpose of operating the Plan, the basis for any processing of personal information about the Participant under the EU's General Data Protection Regulation (2016/679) or the UK's General Data Protection Regulation (Retained EU Legislation) 2016/679, to the extent applicable, (or, in each case, any successor laws) is set out in the Share Plan Privacy Notice provided to the Participant prior to the grant of an Award. The Share Plan Privacy Notice also contains details about how the Participant's personal information is processed and the Participant's rights in relation to that information. The Participant has a right to review the Share Plan Privacy Notice.

## **11.6 Consents**

All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in England and Wales or elsewhere. The Participant is responsible for complying with any requirements he needs to fulfil in order to obtain or avoid the necessity for any such consent.

## **11.7 Consistency with directors' remuneration policy**

Nothing in these rules or the terms of any Award will oblige the Grantor or any other person to make any remuneration payment or payment for loss of office which would be in breach of Chapter 4A of Part 10 of the Companies Act 2006 (which requires such payments to be within an approved remuneration policy or otherwise approved by shareholders) if it applied to the Company or article 2:135 of the Dutch Civil Code.

The Company will not be obliged to seek the approval of its shareholders in general meeting for any such payment but may make such changes as are necessary or desirable to the terms of any payment to ensure that it is not in breach of that Chapter or that article.

## **11.8 Share rights**

Shares issued to satisfy Awards under the Plan will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment. Where Shares are transferred to a Participant, including a transfer out of treasury, the Participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date. The Participant will not be entitled to rights before that date.

## **11.9 Listing**

If and so long as the Shares are listed and traded on a public market, the Company will apply for listing of any Shares issued under the Plan as soon as practicable.

## **11.10 Notices**

**11.10.1** Any information or notice to a person who is or will be eligible to be a Participant under or in connection with the Plan may be posted, or sent by electronic means, in such manner to such address as the Company considers appropriate, including publication on any intranet.

**11.10.2** Any information or notice to the Company or other duly appointed agent under or in connection with the Plan may be sent by post or transmitted to it at its registered office or such other place, and by such other means, as the Directors or duly appointed agent may decide and notify Participants.

**11.10.3** Notices sent by post will be deemed to have been given on the second day after the date of posting. However, notices sent by or to a Participant who is working overseas will be deemed to have been given on the seventh day after the date of posting. Notices sent by electronic means, in the absence of evidence to the contrary, will be deemed to have been received on the day after sending.

## **11.11 Governing law and jurisdiction**

The law of England and Wales governs the Plan and all Awards and their construction. The courts of England and Wales have exclusive jurisdiction in respect of disputes arising under or in connection with the Plan or any Award.

## **12 Definitions**

In these rules: “**Acquiring Company**” means a person who has or obtains control (within the meaning of Section 995 of the Income Tax Act 2007 (UK)) of the Company;

“**Award**” means a Conditional Award, Forfeitable Shares or an Option;

“**Award Date**” means the date on which an Award is granted by deed under rule 1.3;

“**Change of Control**” means

- (i) when a general offer to acquire Shares made by a person (or a group of persons acting in concert) becomes wholly unconditional; or
- (ii) a person (or a group of persons acting in concert) obtaining directly or indirectly (a) 30% or more of the voting rights in the Company, (b) the right to appoint or remove a majority of the Company's board of directors, or (c) the right to exercise a dominant influence over the Company, for example by having the right to give directions with respect to its operating and financial policies, with which directions the Company's directors are obliged to comply;

**"Company"** means RHI Magnesita N.V.;

**"Conditional Award"** means a conditional right to acquire Shares granted under the Plan;

**"Dealing Restrictions"** means any restriction on dealing in securities imposed by regulation, statute, order, directive or any code adopted by the Company as varied from time to time;

**"Directors"** means, subject to rule 9.3, the board of directors of the Company or a duly authorised person or group of persons or, following liquidation or administration, any liquidator or administrator;

**"Disciplinary Action"** for the purpose of rule 5.8, means any enquiry or investigation by any Member of the Group into the conduct, capability or performance of a Participant that may potentially lead to disciplinary action being taken against that Participant, and/or any disciplinary procedure (whether in accordance with any relevant contractual obligation, policy or otherwise) that has been commenced by any Member of the Group against a Participant;

**"Dividends"** means any (interim) distribution of profits and other distributions on Shares;

**"Dividend Equivalent"** means an entitlement in respect of Dividends payable before an Award is satisfied as described in rule 1.5;

**"Employee"** means any employee of a Member of the Group including an executive director;

**"Exercise Price"** means any amount payable on the exercise of an Option, as specified under rule 1.3.7;

**"Final Lapse Date"** means the tenth anniversary of the Award Date of an Option or an earlier date set under rule 1.3;

**"Forfeitable Shares"** means Shares held in the name of or for the benefit of a Participant subject to the Forfeitable Share Agreement;

**"Forfeitable Share Agreement"** means the agreement referred to in rule 3;

**"Grantor"** means, in respect of an Award, the Company or any other entity which has agreed with the Company or the Participant to satisfy the Award;

**"Held Shares"** means Shares which are subject to a Holding Period;

**"Holding Period"** means any period during which Shares must be held or an Award continues following Vesting, as described in rule 6;

**"Member of the Group"** means:

- (i) the Company;

- (ii) its Subsidiaries from time to time; or
- (iii) any other company which is associated with the Company and is so designated by the Directors;

**“Normal Vesting Date”** means the date or dates set by the Directors for Vesting of an Award under rule 1.3;

**“Option”** means a right to acquire Shares granted under the Plan on exercise;

**“Participant”** means a person holding an Award or his personal representatives;

**“Plan”** means these rules known as “The RHI Magnesita Long-term Incentive Plan”, as changed from time to time;

**“Pro-Rating Period”** has the meaning given to it in rule 8.2;

**“Shares”** means fully paid ordinary shares in the capital of the Company;

**“Subsidiary”** means a company which is a subsidiary of the Company within the meaning of article 2:24a of the Dutch Civil Code;

**“Vesting”** in relation to an Option, means the Option becoming exercisable; in relation to a Conditional Award, means a Participant becoming entitled to have the Shares issued (where applicable) or transferred to him subject to the Plan; and in relation to Forfeitable Shares, means the restrictions set out in the Forfeitable Share Agreement ceasing to have effect as described in rule 5.4.

## **13 Interpretation**

### **13.1 References to Shares**

In these Rules references to Shares shall include, where relevant, depositary interests of Shares issued by Computershare Investor Services PLC (or similar entity) and listed in the premium segment of the "Official List" on the Main Market of the London Stock Exchange.

### **13.2 References to employment**

In these rules references to employment shall include any contractual relationship between the Employee and a Member of the Group, regardless whether this is based on an employment or services agreement.

## SCHEDULE 1

### United States of America

- 1 The rules of this Schedule are made under and amend and supplement the Rules of the RHI Magnesita Long-Term Incentive Plan (the “**Plan**”). The rules of this Schedule apply to Awards granted to Participants subject to U.S. taxation (“**U.S. Participants**”). In the event of any conflict, this Schedule takes precedence over the Plan and any other applicable Schedule.
- 2 Any capitalized words used in this Schedule and not defined in this Schedule shall have the meaning given to them in the Plan.
- 3 Notwithstanding any provision of the Plan to the contrary, this Schedule shall be interpreted in such a manner that all provisions relating to the settlement of this Award are exempt from the requirements of Section 409A of the United States Internal Revenue Code of 1986, as amended, and any successor code, and related rules, regulations (the “**Code**”) as “short-term deferrals” as described in Section 409A of the Code. For the purposes of this Schedule, the U.S. Participant must be paid compensation designed to qualify as a “short-term deferral” by 15 March of the year in which the U.S. Participant became vested in such compensation and the U.S. Participant’s right to such compensation is no longer subject to a substantial risk of forfeiture. Further, each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with the Plan or any other plan maintained by the Company (including any taxes and penalties under Section 409A of the Code), and the Company shall not have any obligation to indemnify or otherwise hold such U.S. Participant (or any beneficiary) harmless from any or all of such taxes or penalties. Notwithstanding any provision of the Plan to the contrary, in the event that the Company’s Directors determine that any amounts payable hereunder will be subject to accelerated taxation or additional tax under Section 409A of the Code, then, prior to delivery to such U.S. Participant of such payment, the Company may (i) adopt such amendments to the Plan and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company’s Directors determine necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Awards hereunder, or (ii) take such other actions that the Company’s Directors determine necessary or appropriate to avoid or limit the imposition of such additional or accelerated tax under Section 409A of the Code.
- 4 Awards may not be granted in the form of Options or Forfeitable Shares and the definition of Award in rule 12 of the Plan is amended accordingly.
- 5 All Awards granted to U.S. Participants will be subject to the satisfaction of one or more Performance Conditions imposed under rule 1.4 of the Plan.
- 6 Rule 9.2.6(i) of the Plan is amended and restated as follows:  
  
“be subject to a Performance Condition which is, so far as possible, equivalent to any Performance Condition applying to the existing Award and shall be subject to any such other terms as the Directors consider appropriate in all the circumstances.”
- 7 Rules 9.2.6(ii) and (iii) of the Plan are deleted.