



Extraordinary Shareholders' Meeting

August 26, 2009

Background to proposed resolutions

This document gives background information to the resolutions placed before the Extraordinary Shareholders' Meeting of RHJ International SA (the "**Company**") convened on August 26, 2009 and should be read in conjunction with the official Notice for such Extraordinary Shareholders' Meeting.

1 Renewal of capital authorizations

1.1 General capital authorization

On March 23, 2005, the Extraordinary Shareholders' Meeting granted the general authorization to the Board of Directors to increase the share capital of the Company under the conditions set forth in the Company's articles of association (the "**Articles of Association**").

Pursuant to the Articles of Association, the Board of Directors is authorized to increase the capital of the Company on one or more occasions by a maximum amount of EUR 663,955,470.

In accordance with Article 604 of the Belgian Companies Code, such authorization was granted for a period of 5 years, as from the publication of the decision of the Extraordinary Shareholders' Meeting of March 23, 2005 in the Annexes to the Belgian State Gazette (and such publication has occurred on April 26, 2005). It is now proposed to renew such authorization for a new period of 5 years, as from the publication of the decision of the Extraordinary Shareholders' Meeting of August 26, 2009 in the Annexes to the Belgian State Gazette.

The rationale, objectives and circumstances under which such authorization may be used by the Board of Directors are described in details in the special board report to the shareholders prepared by the Board of Directors in accordance with Article 604 of the Belgian Companies Code.

As indicated in such report, the primary objective of the general capital authorization is to allow the Board of Directors to increase the Company's capital, (i) when the sound management of the Company's business would call for a restructuring, an acquisition (whether private or public) of shares or assets in one or more companies, or, generally, an increase of the Company's share capital, or (ii) within the framework of incentive plans. In both cases, the flexibility of the authorized capital (as compared to the relatively burdensome procedure for increasing the share capital through a Shareholders' Meeting) allows the Company to react swiftly and efficiently to fluctuations in the capital markets and to business opportunities.

The circumstances under which such authorization may be used will remain the same as those under which the authorization granted in 2005 could be used. More specifically, the Board of Directors may restrict or exclude the shareholders' preferential subscription right in connection with capital increases effected under such authorization, provided that the justification for such exclusion is set out in a special report to shareholders (indicating also the issue price and the financial consequences of such exclusion), and that a report is prepared by the statutory auditor thereon.

1.2 Use of authorized capital in the context of a public takeover bid on the Company

In accordance with Article 607 of the Belgian Companies Code, the Extraordinary Shareholders' Meeting held on March 23, 2005 authorized the Board of Directors of the Company to use the general capital authorization to increase the capital of the Company in the event of a public takeover bid on the Company, for a period of 3 years commencing on the date of such meeting. It is now proposed to renew such authorization for a new period of 3 years, as from the date of the Extraordinary Shareholders' Meeting of August 26, 2009.

One of the main purposes of such renewal is to ensure that the Board of Directors has at its disposal appropriate tools to resist or negotiate an improvement to the terms of a hostile takeover bid on the Company, when it appears e.g. that such takeover bid could lead to a destruction of value for the current shareholders of the Company.

Moreover, the rights of the shareholders of the Company are protected by Article 607 of the Belgian Companies Code, which requires that any capital increase decided by the Board of Directors in the context of a takeover bid under the general capital authorization (i) be made at a price that is equal to or higher than the takeover bid price (thereby avoiding any dilution at terms not favourable for the current shareholders), (ii) be immediately paid up in full and (iii) be limited to 10% of the then issued and outstanding share capital.

2 Renewal of share buy-back authorization

The authorization was granted to the Board of Directors under the Articles of Association (Article 12) to carry out share buy-backs. Such authorization was granted by the Extraordinary Shareholders' Meeting held on September 16, 2008 for a period of 18 months (beginning on the date of such Extraordinary Shareholders' Meeting) which then corresponded to the maximum period provided for by Article 620, § 1, paragraph 5 of the Belgian Companies Code.

Article 620, § 1, paragraph 5 of the Belgian Companies Code has been amended by Royal Decree on October 8, 2008 and the maximum period referred to above was brought to a period of 5 years. The Board of Directors therefore proposes to amend Article 12, paragraph 2 of the Articles of Association to align the maximum period referred to in Article 12 on what is now provided for in the Belgian Companies Code.

3 Minutes of the Board of Directors

The purpose of the amendment to the Articles of Association referred to in item 7 of the agenda set out in the Notice for the Extraordinary Shareholders' Meeting is to simplify, by reducing the number of signatures required, the execution process for the board minutes. Such simplification is of purely clerical nature, and does not affect the requirement that board minutes be approved by a majority of the directors having attended the relevant meeting.

4 Other amendments to the Articles of Association

The amendments to the Articles of Association referred to in items 1, 2, 6 and 8 of the agenda set out in the Notice for the Extraordinary Shareholders' Meeting are proposed so that the Articles of Association reflect and are in line with recent changes in Belgian law.

5 Power for restatement of the Articles of Association and other formalities

Some of the proposed resolutions as described above require amendments to the Articles of Association and, as a result, there would be a need to restate the Articles of Association.

It is proposed to grant a power to the General Counsel (with right of substitution) for the purposes of proceeding to such restatement and to any other formality necessary or useful in connection with the amendments to the Articles of Association.

Quorum and adjournment

The Extraordinary Shareholders' Meeting will be convened on August 26, 2009, at 3 p.m., at Avenue Louise 326, 1050 Brussels (Belgium). As under the Belgian Companies Code, points 1 to 4 require, in order for the Shareholders' Meeting to validly proceed, that the shareholders attending the meeting, physically, by proxy or by correspondence, represent at least 50% of the outstanding share capital. There is a possibility that the Extraordinary Shareholders' Meeting will not be able to proceed on August 26, 2009 (if the 50% threshold is not met). In such case, a new Extraordinary Shareholders' Meeting will be convened on September 15, 2009 at 4 p.m., at the same place and will deliberate on points 1 to 4 regardless of the percentage of share capital taking part in the meeting. The proxies given for the Extraordinary Shareholders' Meeting of August 26, 2009 will also be valid for the Extraordinary Shareholders' Meeting of September 15, 2009, if such meeting takes place.

For the formal text of the proposed resolutions, the attendance modalities and voting percentages required for the resolutions, please refer to the Notice for the Extraordinary Shareholders' Meeting.

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Please direct any questions on the foregoing to Mr. Arnaud Denis, Investors Relation Director, at RHJ International SA, Avenue Louise 326, 1050 Brussels (tel no.: + 32 (0) 2 643 60 13; email: adenis@rhji.com).