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THE SCHEME CREDITORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE SCHEME, INCLUDING THE MERITS AND RISKS INVOLVED.

THE TRUSTEES MAKE NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THIS PRACTICE STATEMENT LETTER AND EXPRESS NO OPINIONS WHATSOEVER AS TO THE MERITS OF THE PROPOSALS AS PRESENTED TO EXISTING NOTEHOLDERS OR EXISTING CONVERTIBLE BONDHOLDERS IN THIS PRACTICE STATEMENT LETTER. THIS PRACTICE STATEMENT LETTER IS BEING DELIVERED TO EXISTING NOTEHOLDERS AND EXISTING CONVERTIBLE BONDHOLDERS SOLELY AT THE INSTIGATION OF THE COMPANY WITHOUT THE PRIOR APPROVAL OR CONSENT OF THE TRUSTEES. THE TRUSTEES THEREFORE MAKE NO ASSESSMENT OF THE IMPACT OF THE PROPOSALS AS PRESENTED TO EXISTING NOTEHOLDERS OR EXISTING CONVERTIBLE BONDHOLDERS, EITHER AS A CLASS OR AS INDIVIDUALS.

From: NN2 Newco Limited (the ***Company*** or ***NN2***)
Company Number: 12052549
Suite 1, 3rd Floor
11-12 St. James's Square
London SW1Y 4LB

To: Scheme Creditors (as defined in paragraph 3 below)

LETTER

19 June 2019

Dear Sir/Madam

Proposed scheme of arrangement in relation to the Company under Part 26 of the Companies Act 2006

THIS LETTER CONCERNS MATTERS WHICH MAY AFFECT YOUR LEGAL RIGHTS AND ENTITLEMENTS AND YOU MAY THEREFORE WISH TO TAKE APPROPRIATE LEGAL ADVICE ON ITS CONTENTS

PURPOSE OF THIS LETTER

1. The Company is sending you this letter in accordance with the practice statement issued on 15 April 2002 (the ***Practice Statement***) by the Chancery Division of the High Court of Justice of England and Wales (the ***Court***), in relation to a proposed scheme of arrangement under Part 26 of the Companies Act 2006 between the Company and the Scheme Creditors (as defined in paragraph 3 below) (the ***Scheme***)[1].

2. You are being contacted as the Company believes that you are or may be:

   (a) a holder of the €350 million 8.5 per cent. senior notes due 15 September 2019 (Regulation S Notes ISIN: XS1107268135 and Rule 144A ISIN: XS1107268564) (the ***2019 Notes***) (a ***2019 Noteholder***) which were issued by Nyrstar Netherlands (Holdings) B.V. (***NNH***) pursuant to an indenture dated 12 September 2014 (the ***2019 Indenture***), as amended and supplemented by a supplemental indenture dated 18 May 2016 (the ***2019 Supplemental Indenture***), a second supplemental indenture dated 18 April 2019 (the ***2019 Second Supplemental Indenture***), and a third supplemental indenture dated 19 June 2019 (pursuant to which the Company acceded as a co-issuer, for the purposes of facilitating the Scheme) (the ***2019 Third Supplemental Indenture***) and of which €340 million aggregate principal amount is currently outstanding;

   (b) a holder of the €500 million 6.875 per cent. senior notes due 15 March 2024 (Regulation S Notes ISIN: XS1574789746 and Rule 144A ISIN: XS1574790835) (the ***2024 Notes***) (a ***2024 Noteholder***), of which €400 million were originally issued by NNH pursuant to an indenture dated 10 March 2017 (the ***2024 Indenture***), as amended and supplemented by a supplemental indenture dated 15 September 2017 (pursuant to which further notes in an aggregate principal amount of €100 million were issued) (the ***2024 Supplemental Indenture***), a second supplemental indenture dated 18 April 2019 (the ***2024 Second Supplemental Indenture***), and a third supplemental indenture dated 19 June 2019 (pursuant to which the Company acceded as a co-issuer, for the purposes of facilitating the Scheme) (the ***2024 Third Supplemental Indenture*** and together with the 2019 Third Supplemental Indenture, the ***Third Supplemental Indentures***) and of which €500 million aggregate principal amount is currently outstanding, (the 2019 Indenture, 2019 Supplemental Indenture, 2019 Second Supplemental Indenture, 2024 Indenture, 2024 Supplemental Indenture, 2024 Second Supplemental Indenture and the Third Supplemental Indentures are together referred to as the ***Existing Notes Governing Documents***); and/or

   (c) a holder of the €115 million 5.00 per cent. senior unsecured convertible bonds due 11 July 2022 (ISIN: BE6288132101) (the ***Existing Convertible Bonds***) (an ***Existing Convertible Bondholder***) which were issued by Nyrstar NV (the ***Parent***) and constituted by a trust deed dated 11 July 2016 (the ***Trust Deed***) (which was amended by a supplemental trust deed dated 19 June 2019 (the ***Supplemental Trust Deed***) pursuant to which the Company acceded as a co-obligor, for the purposes of facilitating the Scheme) and of which €115

[1] Practice Statement: Schemes of Arrangement [2002] 1 WLR 1345.

million aggregate principal amount is currently outstanding (the Trust Deed and Supplemental Trust Deed along with the convertible bonds guarantee dated 15 September 2016 between Nyrstar NV, the Existing Convertible Bonds Trustee (as defined below) and the guarantors under the convertible bonds guarantee (the ***Convertible Bonds Guarantee***) are together referred to as the ***Existing Convertible Bonds Governing Documents***),

(the 2019 Noteholders and the 2024 Noteholders are together referred to as the ***Existing Noteholders*** and the Existing Notes Governing Documents and the Existing Convertible Bonds Governing Documents are together referred to as the ***Governing Documents***).

3. A person who is an Existing Noteholder and/or an Existing Convertible Bondholder will be a scheme creditor (each a ***Scheme Creditor*** and together, the ***Scheme Creditors***) for the purposes of the Scheme. In addition, the Law Debenture Trust Corporation p.l.c. as trustee of each of the 2019 Notes, the 2024 Notes and the Existing Convertible Bonds, is a Scheme Creditor solely in its capacity as the beneficiary of the covenants to repay principal and interest on the 2019 Notes, the 2024 Notes and the Existing Convertible Bonds pursuant to the respective Governing Document (the ***2019 Notes Trustee***, the ***2024 Notes Trustee*** and the ***Existing Convertible Bonds Trustee*** respectively and together, the ***Trustees***). The Trustees will each provide an undertaking to the Company and the Court that, among other things (as further described in paragraph 48), they will not exercise any voting rights to which they may be entitled as a Scheme Creditor at the Scheme Meetings (as defined below).

4. This letter is being sent to Lucid Issuer Services Limited in its capacity as the information agent under the Scheme (the ***Information Agent***) for the purpose of making it available to Scheme Creditors by:

   (a) distributing it to Scheme Creditors via Euroclear Bank S.A./N.V. (***Euroclear***), Clearstream Banking société anonyme (***Clearstream***) and National Bank of Belgium (***NBB***) via KBC as paying and conversion agent for the Convertible Bonds (NBB together with Euroclear and Clearstream, the ***Clearing Systems***);

   (b) distributing it to the 2019 Notes Trustee, the 2024 Notes Trustee and the Existing Convertible Bonds Trustee;

   (c) making it available at www.lucid-is.com/nyrstar (the ***Scheme Website***);

   (d) making it generally available for inspection at the offices of the Information Agent during business hours on working days at the address set out in paragraph 111 below; and

   (e) publishing it via the Luxembourg Stock Exchange where the Existing Notes are listed.

5. This letter will also be published on the Group's (as defined below) website (https://www.nyrstar.com/en/investors/restructuring) and will be publicly available.

6. If you have assigned, sold or otherwise transferred your interests in the Existing Notes or the Existing Convertible Bonds, or intend to do so before the "Voting

Record Time" for the purpose of the Scheme Meetings, which will be confirmed in the Explanatory Statement (as defined below), you should forward a copy of this letter to the person or persons to whom you have assigned, sold or otherwise transferred such interests or the person or persons to whom you intend to assign, sell or otherwise transfer such interests.

7. The purpose of this letter is to inform you of:

   (a) the Company's intention to propose the Scheme;

   (b) the objectives of the proposed Scheme;

   (c) the reason why the Company considers the Court has jurisdiction in relation to the Scheme;

   (d) the Company's intention to apply to the Court to seek an order convening meetings of the Scheme Creditors for the purpose of considering and, if thought fit, approving the Scheme (the ***Scheme Meetings***); and

   (e) the intended class composition of the Scheme Meetings.

BACKGROUND TO THE GROUP AND REASONS FOR THE RESTRUCTURING

Corporate Structure

8. The Company is a newly incorporated company in the Nyrstar group comprising the Parent and its subsidiaries (the ***Group***, and the Parent or the Group as the context so requires being ***Nyrstar***) and is a wholly owned subsidiary of NN1 Newco Limited (***NN1***) (which is also a newly incorporated company). NN1 is a wholly owned subsidiary of the Parent.

9. The Company is a private limited liability company incorporated in England and Wales, is a UK tax resident, and has its centre of main interests in the UK. It is a holding company which was incorporated to facilitate the Scheme and the Restructuring (as defined below). The principal purpose of the Company is to act as: (i) co-issuer of the Existing Notes; (ii) co-obligor of the Existing Convertible Bonds; and (iii) a holding company for the restructured Group's assets, which shall be transferred to it prior to the Restructuring Effective Date (as defined below) (such assets including, but not limited to, holding shares in its subsidiaries (the Company and the subsidiaries, the ***Operating Group***)). As to its position as co-issuer of the Existing Notes and co-obligor of the Existing Convertible Bonds, the Company acceded as both co-issuer and co-obligor on 19 June 2019. The accessions occurred subsequent to consents being obtained from requisite thresholds of the Existing Noteholders through a consent solicitation process and from the Existing Convertible Bondholders at an Existing Convertible Bondholder meeting (both consent processes are further detailed in paragraph 57(a)).

10. A simplified structure chart of the Group which also shows the debt borrowings as at the date of this letter is set out in the diagram at Schedule 1 of this letter.

Background to the Group

11. The Nyrstar business was created on 31 August 2007 by combining the zinc and lead smelting and alloying operations of Zinifex Limited and Umicore NV/SA. The

Nyrstar business is a global multi-metals business, with a market leading position in zinc and lead, and growing positions in other base and precious metals, which are essential resources that are fueling rapid global urbanisation and industrialisation. It is one of the world's largest zinc smelting companies based on production levels. The Nyrstar business has mining, smelting and other operations located in Europe, the Americas and Australia and employs approximately 4,200 people. The ultimate group Parent is incorporated in Belgium and has corporate offices in Zurich, Switzerland. The ordinary shares of the Parent have been admitted to trading on Euronext Brussels since 29 October 2007.

Group's performance

12. The Group has been impacted by a number of operational/financial issues which have negatively affected the Group's performance.

13. On 20 September 2018, the Parent issued a press release advising that the Group would likely record an Underlying EBITDA[2] result for H2 2018 that was materially below the €120 million result achieved in H1 2018. The Interim Management Statement that was issued on 30 October 2018 reported a Q3 2018 Underlying EBITDA of €13 million. This weak performance was particularly impacted by a deterioration in commodity prices, historically low zinc treatment charges and increased energy costs in Europe. Over the course of Q4 2018, commodity prices, exchange rates and treatment charges were at similar levels to those experienced in Q3 2018. However, energy prices in Europe were higher and the Port Pirie smelting facility (***Port Pirie***) was impacted by maintenance shut downs for the majority of December 2018.

14. In the Full Year 2018 results, which were published on 26 May 2019, the Parent reported a Group Underlying EBITDA for 2018 of €99 million which was down 52 per cent. compared to 2017. This result highlights the negative Underlying EBITDA performance of the Group since the publication of the H1 2018 results.

15. Revenue for the Group was €3,812 million in 2018, an increase of 8 per cent. on 2017, driven primarily by increased zinc metal and concentrated zinc production (up 4 per cent. and 14 per cent. respectively year-on-year). On the back of the higher production, the Group gross profit for 2018 of €1,118 million was up 4 per cent. on 2017, but was negatively impacted by deteriorating treatment charge terms (down 19 per cent. year-on-year) and a weaker US dollar against the Euro (an average of 1.18 in 2018 versus 1.13 in 2017). Direct operating costs for 2018 of €1,014 million increased 16 per cent. on 2017, due to the higher zinc production volumes in mining and metals processing, higher electricity prices at the smelters (primarily electricity), increased mining costs as a result of the delayed recommencement of operations at

[2] ***Underlying EBITDA*** meaning profit or loss for the period, adjusted to exclude profit or loss from discontinued operations (net of income tax), income tax (expense)/benefit, share of loss of equity accounted investees, gain on the disposal of equity-accounted investees, net finance expense, impairment losses and reversals, restructuring expense, M&A related transaction expenses, depreciation, amortization and depletion, income or expenses arising from embedded derivatives recognized under IAS 39 "Financial Instruments: Recognition and Measurement" and other items arising from events or transactions that are clearly distinct from the underlying activities of the Nyrstar business.

the Myra Falls mine and weak production and operating cost performance at the Middle Tennessee mines.

16. The net finance expense (including foreign exchange) for the Group in 2018 of €151 million was down €56 million on 2017, primarily due to a net foreign exchange gain of €6.5 million in 2018 compared to a loss of €59.9 million in 2017. The interest expense in 2018 of €128.3 million was higher than in 2017 (€104.4 million). A loss after tax of €618 million was realised in 2018, compared to a net profit of €47 million in 2017, mainly as a result of the impairment charges related to the write down of the carrying value of the Langlois and Myra Falls mines, the partial derecognition of Nyrstar Sales & Marketing AG (***NSM***) and Nyrstar's US deferred tax assets due to reduced expected recoverability, the operational losses incurred in 2018 and change of control impacts.

17. Net debt for the Group at the end of 2018 stood at €1,643 million which was 49 per cent. higher compared to the end of 2017 (€1,102 million at the end of 2017). This figure includes perpetual securities and certain zinc and silver prepays which the Group had no ability to settle by physical delivery from its own production. This was predominantly due to:

    (a) a substantial working capital outflow during Q4 2018 due to higher commodity prices;

    (b) no renewal of / entry into new prepayment agreements for the production / delivery of silver in H2 2018 increasing the cash flow and liquidity pressure on the Group;

    (c) a reduction in non-committed letter of credit lines available from banking counterparties;

    (d) tightened credit terms with a number of suppliers;

    (e) the reclassification of €82.5 million and €50.7 million of prepayments for deliveries of silver metal and zinc metal respectively from deferred income to loans and borrowing at 31 December 2018 as the Group had no ability to physically deliver the requisite silver metal and zinc metal from its own production; and

    (f) the reclassification of perpetual securities (€174.9 million at 31 December 2018) from equity to financial liability and included within loans and borrowings.

18. The net debt inclusive of the Politus zinc metal prepay and TFFA zinc and lead metal prepay (each as defined below), Langlois prepay and other zinc and lead prepays classified under Deferred Income at the end of 2018 was €2,193 million, up 45 per cent. compared to the end of 2017. The cash balance at the end of 2018 was €239 million, compared to €68 million at the end of 2017 (including funds arising from the NSM's entry into the TFFA (see paragraph 24 below) on 6 December 2018).

Steps taken to address the Group's performance

19. In light of the deterioration in revenues and cash flow that were experienced in Q4 2018 and H1 2019, the Group has adopted a number of measures to address trading

and short-term liquidity challenges, as described below. Unfortunately these measures have not been sufficient to address the increased costs of the trading business. Absent the Restructuring, it is likely that group-wide insolvencies would occur as a result of which the recoveries for Scheme Creditors would likely be significantly less than if the Restructuring were to be successfully completed.

20. The Parent announced that it had initiated a review of its capital structure (the ***Capital Structure Review***) in its 2018 Interim Management Statement on 30 October 2018, the purpose of which was to explore the various options available to address the upcoming debt maturities in mid-to-late 2019, specifically in respect of the 2019 Notes (€340 million). At this stage, the liquidity position of the Group was perceived to be adequate, with liquidity broadly expected to remain sufficient through to the 2019 Notes maturity in September 2019.

21. The Parent retained and instructed Morgan Stanley & Co. International Plc (***Morgan Stanley***) in October 2018 to provide financial advice to the Group. The Parent considered this to be necessary in view of the challenging macro, financial and operating conditions being faced by the Group. As explained in paragraph 14 above, these challenging conditions resulted in weak financial results, particularly in the third and fourth quarters of 2018 which, in the Parent's view, rendered a refinancing of the 2019 Notes increasingly unlikely to be achievable.

22. In November 2018, the Group experienced increased working capital requirements as its liquidity position suddenly and unexpectedly deteriorated following negative press coverage surrounding the Capital Structure Review. In particular, a significant portion of the Group's uncommitted letter of credit lines were suspended or terminated, or required to be cash collateralized, either partly or fully.

23. Nyrstar made efforts to mitigate this impact. First, the Parent considered it prudent to obtain additional support to assist with cash management, financial oversight and more generally in respect of the Capital Structure Review. This led to the appointment of Mr Corner-Jones (a partner at Alvarez & Marsal Europe LLP (***A&M***)) as Chief Restructuring Officer, supported by a financial advisory team from A&M, to work closely with the Group. Since then, he and various colleagues from A&M have worked closely with the boards and management of the Parent and NSM (in particular) to try to stabilise the Nyrstar business and operations during the Capital Structure Review and have been closely involved in Nyrstar's engagement with its financial and commercial stakeholders during the restructuring process.

24. Further, Nyrstar sought an alternative financing arrangement as an interim measure, in advance of a wider restructuring. This financing was sought from Trafigura Pte. Ltd. (***Trafigura***) on an accelerated basis in order to meet the Group's interim funding needs. On 21 November 2018, NSM signed a short term USD 220 million prepayment agreement with Trafigura with a committed term sheet for USD 650 million which later rolled into a larger and extended term USD 650 million secured committed trade finance facility in favour of NSM. This USD 650 million facility comprised a USD 450 million revolving advance payment facility and USD 200 million revolving account trade and letter of credit guarantee facilities, maturing in June 2020. This facility is documented in a trade finance framework agreement entered into on 6 December 2018, between (among others) Trafigura as trade credit

provider and NSM, as subsequently amended and supplemented on 14 January 2019 and 13 February 2019 (the ***TFFA***).

25. In autumn 2018, a representative group of the Existing Noteholders and the Existing Convertible Bondholders (the ***Ad-hoc Group***) appointed Milbank LLP and Moelis & Company UK LLP (***Moelis***) to represent them in relation to the financial situation of the Group. The Ad-hoc Group comprises institutions representing (around the date of this letter) approximately 70 per cent. of the aggregate outstanding principal amount of the 2019 Notes, the 2024 Notes and the Existing Convertible Bonds.

26. A co-ordinating committee of lenders under certain of the Group's bank facilities began to form in late 2018, with advisers being appointed in January 2019. The co-ordinating committee was formally constituted on or around 1 February 2019 (the ***Co-ordinating Committee***). The Co-ordinating Committee appointed Clifford Chance LLP and FTI Consulting LLP to represent it in relation to the financial situation of the Group.

27. During the period of the Capital Structure Review and as announced on 1 February 2019, the Parent developed a new five-year business plan for the Group (the ***Latest Thinking Forecast***). For financial year 2019, the Latest Thinking Forecast (dated 15 February 2019) identified: (i) Underlying EBITDA performance of €245 million; (ii) negative cash flow before financing costs of €297 million; and (iii) total debt outstanding as at 15 February 2019 of nearly €2,600 million with total trade finance facilities of approximately €140 million and prepays of approximately €675 million.

28. While the Capital Structure Review was ongoing, Nyrstar took many steps to seek to improve liquidity and cash preservation, including: (i) reducing stock levels and concentrate purchases; (ii) negotiating consignment stock agreements with suppliers; and (iii) extending certain payments under the TFFA. However, the Group faced continued short-term cash flow and liquidity pressure, including further working capital outflows in January and February 2019.

29. Based on the foregoing, it became clear that the Group would be unable to meet its liabilities and funding requirements in the coming year without a material reduction of the Group's indebtedness. As a consequence, the Capital Structure Review necessitated negotiations between the Group's financial creditors in order to develop a deleveraging and funding plan as part of a comprehensive balance sheet recapitalisation. Nyrstar engaged primarily with its three main financial stakeholder groups and each of their advisers, specifically: (i) Trafigura; (ii) the Ad-hoc Group and (iii) the Co-ordinating Committee, to develop a restructuring plan which was intended to achieve: (a) a significant deleveraging of the Group; (b) a sizeable new capital injection; and (c) an extension to the maturity of certain debt facilities, which would be in the best interests of the Group and all its stakeholders.

Short Form Lock-Up Agreement

30. On 18 March 2019, Trafigura and the Ad-hoc Group reached an in-principle agreement on most of the key commercial terms for a consensual restructuring of the Existing Notes and Existing Convertible Bonds. On 22 March 2019, the Parent and certain other Group entities entered into a short-form lock-up agreement with Trafigura and six significant holders of the Existing Notes and/or Existing Convertible Bonds (the ***Original Ad-hoc Group Holders***), to formalise the terms of

the in-principle agreement and provide some stability for the Group whilst restructuring negotiations with the Group's other key financial creditor groups were ongoing (the ***Short Form Lock-Up Agreement***).

31. Pursuant to the Short Form Lock-Up Agreement, each party (among other things):

    (a) confirmed its support for, and agreed to facilitate further discussions to agree to, a restructuring of the Group on the terms of the in-principle agreement with representatives of the Group's key financial creditor groups; and

    (b) agreed not to take (or direct or encourage any other person to take) any enforcement action or deliver any notice of default, event of default or acceleration, nor vote or allow any proxy appointed by it to vote, in favour of any enforcement action or the delivery of any notice of default, event of default or acceleration in respect of such party's debt instruments.

32. Pursuant to Clause 9.1 (*Termination*) of the Short Form Lock-Up Agreement, the Short Form Lock-Up Agreement automatically terminated upon the entry into the Lock-Up Agreement on 14 April 2019 (as defined and set out in further detail in the following paragraphs).

Lock-Up Agreement

33. As the Capital Structure Review and discussions between various financial stakeholders in relation to a consensual restructuring progressed, another lock-up agreement was entered into by, among others, the Parent (and certain of its Group subsidiaries), Trafigura, Trafigura Group Pte Ltd (***TGPTE***) and representative lenders across each of the Group's key financial creditor groups on 14 April 2019, setting out the agreed commercial terms of the Restructuring (the ***Lock-Up Agreement***[3]). Among others, the Parent, certain other companies in the Group and in excess of 93 per cent. of the 2019 Noteholders, 93 per cent. of the 2024 Noteholders and 97 per cent. of the Existing Convertible Bondholders (the ***Consenting Holders***) are parties to the Lock-Up Agreement.

34. Under the terms of the Lock-Up Agreement, the Consenting Holders have agreed, among other things:

    (a) promptly to take all actions which are reasonably required or desirable in order to support, facilitate or implement the Restructuring in a manner consistent with the terms of the Lock-Up Agreement;

    (b) to support and vote promptly in favour of amendments, waivers, consents and proposals reasonably necessary or desirable to implement the Restructuring (including in any scheme or other legal process used to implement the Restructuring); and

    (c) not to take any action which would or would reasonably be expected to frustrate, delay or impede the Restructuring, until such time as the Lock-Up Agreement is terminated.

[3] A copy of the Lock-Up Agreement is available on request from the Information Agent. For details of how to contact the Information Agent, see paragraph 111 below.

Work Fee

35. Under the Lock-Up Agreement, Trafigura has agreed to pay, or procure the payment of, a transaction work fee to each Original Ad-hoc Group Holder in a Euro cash amount equal to 1.5 per cent. of the face value of the Existing Notes and/or Existing Convertible Bonds held by the relevant Original Ad-hoc Group Holder as of 18 March 2019 (the ***Work Fee***). The Work Fee is to be paid by Trafigura to each Original Ad-hoc Group Holder on the Restructuring Effective Date.

36. The Company has been informed by the advisers for the Original Ad-hoc Group Holders and Trafigura that the Work Fee compensates the Original Ad-hoc Group Holders: (i) by reference to the amount of work that has been and was likely to be involved by the Original Ad-hoc Group Holders in working on the Restructuring as compensation for time spent, expenses and the opportunity cost of allocating resources away from other investments; and (ii) on the basis that Original Ad-hoc Group Holders bore financial risk (proportionate to the size of their holdings) by agreeing to receive material confidential information in order to engage in meaningful negotiations, thereby rendering them unable to trade their holdings for so long as that information remained non-public. The Original Ad-hoc Group Holders incurred additional risk as it was uncertain how long any restriction on trading would last. The aggregate Work Fee to be paid to the Original Ad-hoc Group Holders is €5,118,315.00.

37. The Work Fee is conditional upon the success of the Restructuring, is payable by Trafigura (and not by any member of the Group) and is considered by the Company to be *de minimis* relative to the holdings of the Original Ad-Hoc Group Holders and to their respective Scheme Creditor Entitlements (as defined below).

Bond Timely Consent Fee

38. It is a term of the Lock-Up Agreement that, on the Restructuring Effective Date (as defined below), the Parent, NNH or NSM must pay, or shall procure the payment of, a fee (the ***Bond Timely Consent Fee***) equal to 1.5 per cent. of the aggregate principal amount of the Consenting Holders' qualifying bondholder debt (i.e. bond debt locked-up on or before 7 May 2019). This fee was considered by the Parent to be appropriate in order to secure an early indication as to what levels of support for the Restructuring would be possible from the Group's diverse and extensive Existing Noteholders and Existing Convertible Bondholders to provide the Group with stability and visibility over the implementation of the Restructuring. Each Consenting Holder that holds Existing Notes and/or Existing Convertible Bonds that were subject to the Lock-Up Agreement on or prior to 7 May 2019 will be entitled to receive the Bond Timely Consent Fee (only in respect of such Existing Notes and/or Existing Convertible Bonds, as applicable) provided that the Restructuring Effective Date has occurred and that such holder has:

    (a) acceded to the Lock-Up Agreement;

    (b) not breached any material provision of the Lock-Up Agreement (save for any breach that is remedied within two business days of written notice of such breach by the Parent to the relevant Consenting Holder); and

(c) not terminated the Lock-Up Agreement with respect to itself pursuant to Clause 12.5 (*Individual termination by a Consenting Creditor*) of the Lock-Up Agreement.

39. All Existing Noteholders and Existing Convertible Bondholders had the opportunity to become eligible to receive the Bond Timely Consent Fee provided that they satisfy the three conditions above. The deadline for accession to the Lock-Up Agreement, such accession being required in order to receive the Bond Timely Consent Fee, was extended from the original date of 25 April 2019 to 7 May 2019 (11.59 pm) on notice to the Existing Noteholders and Existing Convertible Bondholders to provide such holders with additional time to satisfy the requisite conditions. Assuming that all holders eligible to receive the Bond Timely Consent Fee satisfy those conditions, the total Bond Timely Consent Fee will be paid in respect of 93.39 per cent. of the Existing Notes and 97.57 per cent. of the Existing Convertible Bonds.

40. The Bond Timely Consent Fee follows the Existing Notes and the Existing Convertible Bonds if they are traded. Under the Lock-Up Agreement, Consenting Holders are restricted from transferring their Existing Convertible Bonds or their Existing Notes, unless and until: (i) the transferee has also acceded to the Lock-Up Agreement; and (ii) both the transferor and the transferee provide the Information Agent with an updated confirmation of their respective holdings. This allows the Information Agent to track the trades and ensure the Bond Timely Consent Fee is paid to the holders of the Existing Notes and/ or Existing Convertible Bonds that were locked-up on or before 7 May 2019 as at the Restructuring Effective Date. The aggregate Bond Timely Consent Fee to be paid to the Existing Noteholders and Existing Convertible Bondholders is €13,450,710.00.

Termination

41. The Lock-Up Agreement shall remain in place until it is terminated by agreement or by notice in accordance with its terms. If not so terminated, the Lock-Up Agreement also provides for automatic termination on the earliest to occur of:

(a) the implementation of the Restructuring;

(b) any applicable court of competent jurisdiction granting a final order (following any appeal process) declining to sanction any scheme proposed in respect of the Restructuring;

(c) an Insolvency Event in relation to a Material Company (each as defined in the Lock-Up Agreement), other than an Insolvency Event expressly contemplated by the Restructuring Steps Plan or which has otherwise been approved by the Majority Consenting Creditors (each as defined in the Lock-Up Agreement); and

(d) 30 August 2019, which may be extended with the consent of the Parent, Trafigura, the Co-ordinating Committee and the Ad-hoc Group, provided that such date is not later than 30 September 2019.

42. By executing the Lock-Up Agreement, each Consenting Holder acknowledges and submits to the jurisdiction of the English Court in respect of any scheme used to implement the Restructuring, and agrees that it shall enter an appearance formally in connection with such a scheme (if required by the English Court or, if any creditor

that is not a Consenting Holder formally objects to a scheme required to implement the Restructuring, as reasonably requested by Nyrstar) or be willing to be joined formally to such a scheme as a defendant (if required by the English Court).

Bridge Finance Facility

43. In conjunction with entering into the Lock-Up Agreement, on 16 April 2019, Trafigura, through its affiliate Urion (Holdings) Malta Limited (as lender) (***Urion***), provided USD 250 million to NSM through a committed term loan facility (the ***Bridge Finance Facility***) to strengthen the Group's liquidity position and provide for its interim funding requirements prior to completion of the Restructuring. Without this funding the Group would have faced severe liquidity challenges before the Restructuring Effective Date. As further set out in paragraph 57(a), consent was sought and obtained from the Existing Noteholders and the Existing Convertible Bondholders as to entry into the Bridge Finance Facility and the security associated with the Bridge Finance Facility.

THE RESTRUCTURING

44. As described above, as a part of its Capital Structure Review, the Group identified a substantial additional funding requirement that the Group is unable to meet without a material reduction in the Group's indebtedness.

45. The proposed Scheme is part of the broader Restructuring, the implementation of which will ensure the continuing operations of the Operating Group for the benefit of all stakeholders, with the key elements for a sustainable capital structure and a foundation from which the Company can deliver long-term value for all of its stakeholders.

46. As of the date of this letter, formal consents to the Lock-Up Agreement have been received from:

    (a) over 93 per cent. by value of aggregate outstanding principal amount under the 2019 Notes;

    (b) over 93 per cent. by value of aggregate outstanding principal amount under the 2024 Notes;

    (c) over 97 per cent. by value of aggregate outstanding principal amount under the Existing Convertible Bonds;

    (d) 100 per cent. of the lenders under the SCTF (as defined in paragraph 52(c) below); and

    (e) 100 per cent. of lenders under the Group's Unsecured Facilities (as defined in paragraph 52 below), save for in connection with a USD 150 million prepayment facility provided to NSM by Politus B.V. (***Politus***) (the ***Politus Prepay***) where 87.5 per cent. by value of the lenders to Politus (exclusive of Trafigura's position as a lender to Politus) and a majority in number have now acceded to the Lock-Up Agreement.

47. As explained in paragraph 24 above, Trafigura, as trade credit provider under the TFFA (through its affiliate, Urion), as lender under the Bridge Finance Facility, in respect of the shares in the Parent held by it and any of its affiliates (including Urion),

and as future majority owner of the Operating Group in accordance with the Restructuring, and TGPTE as future guarantor (or issuer as applicable) of the New Instruments and the reinstated facilities, are also a party to the Lock-Up Agreement.

48. Save for one of the lenders to the Politus Prepay, all stakeholders required to take steps in connection with the Restructuring are locked-up and have agreed, subject to agreeing full form documentation, to take any and all steps required to implement the Restructuring (providing such steps are consistent in all material respects with the restructuring steps anticipated in the Lock-Up Agreement). The Trustees (in their respective capacities) will each provide an undertaking to the Company and the Court that they will perform their respective obligations under the Scheme, execute all documents to which they are a party as required by the Scheme, take any further steps as instructed by the Scheme Company (acting on behalf of the Scheme Creditors) to give effect to the Scheme and, as explained in paragraph 3 above, to not vote in respect of the Scheme.

49. As explained at paragraph 46(e), the Group's unsecured facilities include the Politus Prepay provided to NSM by Politus. Politus is a limited recourse special purpose vehicle incorporated in the Netherlands whose principal creditors are the lenders in respect of a facility agreement corresponding to the prepayment amount under the Politus Prepay (the ***Politus Facility Agreement***). The ability of Politus to meet its obligations to the lenders under the Politus Facility Agreement (which is limited in recourse) is dependent on the ability of NSM to meet its obligations to deliver zinc under the Politus Prepay, the export contract and the agency agreement as the sale of such zinc to Trafigura (as the offtaker under these agreements) provides Politus with the cash it requires to make repayments under the Politus Facility Agreement. A parallel scheme of arrangement is being proposed by Politus in relation to the Politus Facility Agreement as part of the Restructuring (the ***Politus Scheme***). The Company and Politus intend to make applications to the Court for the Convening Hearing (as defined below) to request that Scheme Meetings in respect of both the proposed Scheme and the Politus Scheme take place on the same day. As also noted above at paragraph 46(e), under the Lock-Up Agreement, 87.5 per cent. by value of the lenders to Politus (exclusive of Trafigura's position as a lender to Politus) and a majority in number have agreed to take any and all steps to support and vote in favour of the Politus Scheme.

50. The primary objectives of the Restructuring are to:

    (a) obtain new capital in order to enable the Group to cover its operating expenses and recover its competitive position (through the provision of a new money facility by certain of the Group's existing lenders (the ***New Money Facility***);

    (b) reduce the total indebtedness of the Group to a sustainable level;

    (c) ensure the Group can service its general corporate and working capital obligations; and

    (d) implement a new capital structure so that the Group will possess a strengthened balance sheet and a more appropriate and serviceable level of debt going forward.

51. Failure to implement the Restructuring is highly likely to lead to the insolvency of the Group, which is anticipated to result in significant losses to most stakeholders, including the Group's 4,200 employees. Absent the Restructuring, it is likely that Group entities will have to file for bankruptcy or liquidation (or another formal insolvency process), as a result of which the recoveries for Scheme Creditors would likely be significantly less than if the Restructuring were to be successfully completed.

52. The Restructuring envisages all of the following steps occurring on the Restructuring Effective Date. Every step is inter-conditional upon the others such that none of the below steps would be deemed to occur unless all other steps also take place (save where otherwise specified and see also the pre-restructuring steps described in paragraph 57). The steps below shall together be the ***Restructuring***:

(a) **Transfer of the Operating Group to Trafigura**

(i) Prior to the Restructuring Effective Date, upon the relevant FIRB approval being granted (see paragraphs 66 to 68 below), a sale of the Operating Group by the Parent to the Company shall be effected pursuant to an agreement entered into on 19 June 2019 (the ***NNV – NN2 SPA***). The sale will include most of the Parent's assets (excluding certain excluded assets), and certain liabilities.

(ii) On the Restructuring Effective Date (as defined below), Nyrstar Holdings Limited (to become Nyrstar Holdings PLC prior to the completion of the Restructuring) (***Trafigura New HoldCo***) will become 98 per cent. owner of the Operating Group (through a 98 per cent. shareholding in the Company being issued to it on the Restructuring Effective Date under an agreement dated 19 June 2019 (the ***NN2 Subscription Deed***)).

(b) **2 per cent. equity retained by the Parent**

(i) On the Restructuring Effective Date, the Parent will be released from all of its liabilities in respect of the Existing Convertible Bonds, the Existing Notes, the Unsecured Facilities (as defined below), the TFFA and the Bridge Finance Facility.

(ii) However, the Parent will continue to be a holding company under Belgian law, listed and traded on Euronext Brussels, holding 2 per cent. of the Operating Group (through a 2 per cent. shareholding in the Company being issued to it in accordance with the NN2 Subscription Deed).

(iii) The Company will provide certain ongoing support to the Parent under the terms of the NNV-NN2 SPA. In particular, the Company agrees (i) to use reasonable endeavours to procure the release of the Parent from any obligations owed to third parties under any parent company guarantees in respect of commercial, financial and other obligations of the Operating Group (***PCGs***), and to the extent the Parent is not released, indemnifies the Parent for any liabilities arising from such PCGs, and (ii) to indemnify the Company for

certain other liabilities that are specifically listed in the NNV-NN2 SPA, In addition, on or around the Restructuring Effective Date, the Company or another member of the Trafigura Group that is a holding company of the Operating Group will enter into a limited recourse loan facility in favour of the Parent as borrower (the ***Funding Agreement***), intended to ensure that the Parent can meet its forecast liabilities. In an agreement dated 19 June 2019 between the Parent, Trafigura and Trafigura New HoldCo (the ***NNV - Trafigura Deed***), Trafigura and Trafigura New HoldCo agree to provide certain minority protections in respect of the Parent's 2 per cent. shareholding in the Company.

(c) **Reinstatement of various facilities**

Reinstatement of the SCTF

(i) On 28 January 2010, NSM entered into an English law-governed, secured, multi-currency, revolving structured commodity trade finance facility, between, among others, itself, the Parent and Deutsche Bank AG, Amsterdam Branch as Facility Agent and Security Agent (as defined therein), as amended and restated from time to time (the ***SCTF***).

(ii) The SCTF will be terminated, with the SCTF lenders being reinstated under a new agreement in an aggregate amount equaling the USD equivalent of between €510 million and €600 million, comprised of:

(A) 85 per cent. of the principal amount outstanding under the SCTF; and

(B) lenders choosing to participate in up to the USD equivalent of €100 million of the New Money Facility, will, for each €1 of participation, receive additional reinstatement of €0.90.

(the ***Reinstated SCTF***).

(iii) The Reinstated SCTF will be divided equally between a revolving borrowing base facility and a term loan facility, each with a five-year bullet maturity and an interest margin of LIBOR/EURIBOR + 1.00 per cent. per annum and will benefit from comprehensive security in respect of the European subsidiaries of the Operating Group and a corporate guarantee from TGPTE, in addition to the existing borrowing base security over certain inventories and receivables of NSM.

Amendment and Restatement of the TFFA

(iv) All security and guarantors supporting the TFFA will be released on the Restructuring Effective Date. Its term will be extended to a new five year maturity and it will have an interest margin of LIBOR/EURIBOR + 0.75 per cent. per annum (the ***Reinstated TFFA***).

Reinstatement of certain unsecured facilities

(v) Certain of the Group's unsecured facilities and the Politus Facility Agreement (the ***Unsecured Facilities***) will be terminated, with the lenders to the Unsecured Facilities being reinstated under a new agreement in the following amounts:

(A) a blended rate of 35 per cent. of the principal amount outstanding (calculated in respect of principal and accrued interest owing as at 15 March 2019, save in respect of the amounts paid under certain Unsecured Facilities in late March 2019). This will be structured as a term loan owing by NSM to the reinstated lenders; and

(B) those reinstated lenders choosing to participate in their pro rata share of up to €60 million of the New Money Facility will for each €1 of participation receive additional reinstatement (on a blended rate) of €0.50 (up to 47.5 cents in the Euro in aggregate).

(the ***Reinstated Unsecured Facilities***).

(vi) The Reinstated Unsecured Facilities will have a five year maturity and an interest margin of LIBOR + 1.5 per cent. per annum with a six month run-off period in the final year and will benefit from a corporate guarantee by TGPTE plus security over a collection account through which will flow the proceeds of certain sales by the Operating Group.

The Bridge Finance Facility

(vii) The Bridge Finance Facility will be converted to unsecured on-demand intercompany debt with no fixed maturity, which will be subordinated to the Reinstated SCTF, the Reinstated Unsecured Facilities and the New Money Facility.

(d) **Provision of New Money**

(i) The New Money Facility is a new revolving credit facility of €160 million which will be provided by participating lenders under the SCTF and Unsecured Facilities.

(ii) The New Money Facility will have a four year maturity and an interest margin of LIBOR/EURIBOR + 1.25 per cent. per annum.

(iii) The New Money Facility will share on a pari passu basis the same security and guarantee package (including the corporate guarantee from TGPTE) as the Reinstated SCTF, save for having second ranking security over the inventory and receivables securing the borrowing base which, after the discharge of the borrowing base tranche of the Reinstated SCTF, shall rank pari passu with the security for the term loan tranche of the Reinstated SCTF.

(iv) All of the lenders under the SCTF and Unsecured Facilities (including the Politus Facility Agreement) have been given the opportunity to participate in the New Money Facility.

(e) **The Scheme**

As described herein in further detail, the Scheme would:

(i) from the Scheme Effective Date (see paragraph 62 below), grant authority to the Company to execute on behalf of Scheme Creditors certain documents required to implement certain Restructuring steps contemplated by and in connection with the Scheme (the ***Scheme Restructuring Documents***), such documents to take effect in accordance with the terms of the Restructuring Implementation Deed (as defined below);

(ii) upon the Restructuring Effective Date (see paragraph 53 below), in accordance with the terms of an implementation deed to be entered into governing the terms of the implementation of the Restructuring (the ***Restructuring Implementation Deed***) and the Scheme Restructuring Documents:

(A) effect the release and cancellation of the Existing Convertible Bonds;

(B) effect the release of the Company from its liabilities as co-issuer of the Existing Notes;

(C) following the release under (B), effect the transfer of the Existing Notes from the Existing Noteholders to the Company (following the Scheme the Existing Notes will be equitised as further detailed at paragraph 52(f));

(iii) pursuant to the Scheme and/or entry into the Restructuring Documents, with effect on and from the Restructuring Effective Date and following the transfer of the Existing Notes to the Company:

(A) discharge all of the rights, title and interest of the Scheme Creditors to their Scheme Claims (as defined below) in exchange for which the Scheme Creditors will be eligible to receive the Scheme Creditor Entitlements; and

(B) release fully and finally any liability to the Scheme Creditors arising in relation to or arising out of or in connection with the Scheme Claims and/or the negotiation and the implementation of the Scheme and the Restructuring against the Company, the Parent, NNH, Trafigura, TGPTE, all guarantors, and advisers in respect of those parties (excluding, for the avoidance of doubt, any past or present auditors of the Group), the Trustees and any other Scheme Creditors (subject to certain exceptions as provided by the terms of the Scheme),

in each case in exchange for the Company procuring the issue of the ***New Perpetual Notes***, the ***New 2023 MTNs*** and the ***New CLIs*** (as further described below) to the Existing Noteholders and the Existing Convertible Bondholders (on a pro rata basis in accordance with their Scheme Claims (as defined below) calculated in respect of principal and accrued interest owing as at 15 March 2019) (together, the ***New Instruments***).

Minimum Denomination Trusts

(iv) Where the amount of any of the New Instruments to be issued to any Existing Noteholder or Existing Convertible Bondholder under the Scheme would be below the minimum denomination for such New Instrument, the Existing Noteholders and Existing Convertible Bondholders (who are able to make the necessary representations and warranties) will hold beneficial interests in the fractional amounts of such New Instruments (***Beneficial Interests***) through a trust in respect of each type of New Instrument (the ***Minimum Denomination Trusts*** and each a ***Minimum Denomination Trust***). Three bare trusts (in respect of the New Perpetual Notes, the New 2023 MTNs and the New CLIs) will therefore be set up to receive and hold a number of the New Instruments.

(v) The terms of the Minimum Denomination Trusts would provide for, among other things:

(A) the holders of the Beneficial Interests to receive their pro rata share of payments of interest and principal made under the New Instruments (in an amount corresponding to the proportion of the Beneficial Interests held by a holder to the aggregate Beneficial Interests in that trust);

(B) the holders of the Beneficial Interests to be able to freely transfer all, but not part of, their Beneficial Interests to any person;

(C) the trustee to distribute to a holder of the Beneficial Interests the nominal amount of New Instruments corresponding to its respective Beneficial Interests (as soon as any holder holds Beneficial Interests corresponding to at least the minimum denomination of the relevant New Instrument);

(D) an ability for a number of holders of the Beneficial Interests together (holding Beneficial Interests corresponding to at least the minimum denomination of the relevant New Instrument) to direct the trustee to sell their Beneficial Interests and distribute the net proceeds thereof to holders (in an amount corresponding to the ratio of the Beneficial Interests held by a holder to the aggregate Beneficial Interests subject to the sale); and

(E) the trustee to procure a sale (by way of an arms' length sale effected by a nominated broker at the best price available) of

any remaining New Instruments in the Minimum Denomination Trust (any person including the holders of Beneficial Interests being free to participate in such arms' length sale) on the earlier of the date falling 3 years after the date of the trust and the date on which the amount of New Instruments in the relevant trust fall below a certain level (the ***Liquidation Sale***). The proceeds of any New Instruments sold would be distributed to the relevant holders of the Beneficial Interests in accordance with their share of the sold New Instruments.

(vi) Up to the date of completion of each Liquidation Sale, the relevant issuer (as detailed in paragraph 52(e)(ix) will bear all costs of the trustee, with respect to the trust into which its New Instruments were issued and otherwise pro rata to the New Instruments issued by it which are remaining in the trusts.

(vii) To the extent any trust has not terminated as a result of the sale of New Instruments through the Liquidation Sale, the assets of such trust will bear all costs of, and reasonably indemnify, the trustee; save that the relevant issuer will undertake to bear any costs of such trustee, to the extent that the assets of such trust are insufficient to meet those costs.

(viii) The costs associated with the transfer and distribution of payments with respect to Beneficial Interests, and Beneficial Interests, will be borne, at all times, by the relevant trust assets.

New Instruments

(ix) The key terms of the New Instruments are summarised as follows:

<u>New Perpetual Notes</u>

(I) €262.5 million of perpetual resettable step-up subordinated securities (the ***New Perpetual Notes***) issued by TGPTE (the ***New Perpetual Notes Issuer***). The New Perpetual Notes will be governed by English law (other than the status, subordination and winding up provisions which will be governed by the law of Singapore).

(II) There shall be no fixed maturity date and the New Perpetual Notes will pay an interest rate of 7.5 per cent. per annum with the interest rate resetting after five years to an amount equal to the Euro 5 year swap rate with respect to the reset date plus the initial spread and a step-up margin of 3 per cent.

(III) The denomination of the New Perpetual Notes will be €100,000 with integral multiples of €1,000 in excess thereof.

(IV) The New Perpetual Notes will constitute direct, unsecured and subordinated obligations of the New Perpetual Notes Issuer which will rank:

(aa) junior to: (i) the claims of all senior and unsubordinated creditors of the New Perpetual Notes Issuer; and (ii) the claims of all other subordinated creditors of the New Perpetual Notes Issuer except for those holding the Pari Passu Claims and the Subordinated Claims (each as defined below);

(bb) pari passu among themselves and with any claims of other creditors of the New Perpetual Notes Issuer in respect of loans, securities or other obligations of the New Perpetual Notes Issuer (***Pari Passu Claims***); and

(cc) senior to: (i) claims of shareholders of the New Perpetual Notes Issuer in respect of the New Perpetual Notes Issuer's ordinary and preferred share capital (***Equity Securities***); and (ii) claims of creditors of the New Perpetual Notes Issuer in respect of subordinated loans, securities and other obligations of the New Perpetual Notes Issuer which, in each case, rank or are expressed to rank junior to the New Perpetual Notes (***Subordinated Claims***).

(V) An application will be made for the listing of the New Perpetual Notes on the Official List of the Singapore Exchange Securities Trading Limited (***SGX-ST***). Such permission will be granted when the New Perpetual Notes have been admitted to the Official List of the SGX-ST.

<u>New 2023 MTNs</u>

(I) Guaranteed senior notes (the ***New 2023 MTNs***) issued by Trafigura Funding S.A. (the ***Senior Notes Issuer***) under the €3bn Euro Medium Term Note Programme in the USD equivalent of €80.6 million, to be determined on the issue date in accordance with the terms of the Scheme, less the amount of accrued interest from 19 March 2019 (or the most recent interest payment date, whichever is later) to the issue date (the New 2023 MTNs to be

consolidated with the USD 400 million notes issued in March 2018).

(II) The New 2023 MTNs will be unconditionally and irrevocably guaranteed, on a joint and several basis, by TGPTE, Trafigura Trading LLC and Trafigura. The bearer global note representing the New 2023 MTNs will be immobilized in a clearing system within the meaning of IRS Notice 2012-20 for US federal income tax purposes.

(III) The denomination of the New 2023 MTNs will be USD 200,000 with integral multiples of USD 1,000 in excess thereof.

(IV) The New 2023 MTNs will be governed by English law, will mature on 19 March 2023 and will pay an interest rate of 5.250 per cent. per annum.

(V) The New 2023 MTNs will constitute direct, general and unconditional obligations of the Senior Notes Issuer which will at all times rank pari passu among themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Senior Notes Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

New CLIs

(I) The USD equivalent of €225 million, to be determined on the issue date in accordance with the terms of the Scheme, of guaranteed zero coupon commodity-linked principal amortising instruments (the ***New CLIs***) issued by Nyrstar Holdings Limited (to become Nyrstar Holdings PLC prior to the completion of the Restructuring), a subsidiary of TGPTE (the ***CLI Issuer***) and unconditionally and irrevocably guaranteed, on a joint and several basis, by TGPTE, Trafigura and Trafigura Trading LLC.

(II) The New CLIs will constitute direct, unsubordinated and (subject to a negative pledge) unsecured obligations of the CLI Issuer and will rank pari passu and without any preference among themselves and equally with all other unsecured and unsubordinated obligations of the CLI Issuer from time to time outstanding, save for such obligations as may be preferred by provision of law that are of both mandatory and general application.

(III) The New CLIs will be governed by English law and have a seven-year maturity. They will include an early repayment schedule that is linked to average zinc prices (calculated quarterly by reference to 5% of 250,000 tonnes multiplied by the excess of the average zinc price during the quarter over USD 2,500/t up to USD 2,900/t plus an additional 10% of 250,000 tonnes multiplied by the excess of the average zinc price during the quarter over USD 2,900/t).

(IV) No early repayment is permitted where the average zinc price during the relevant quarter is equal to or less than USD 2,500/t.

(V) The denomination of the CLI will be USD 200,000 with integral multiples of USD 1,000 in excess thereof.

(the New Perpetual Notes, the New 2023 MTNs and the New CLIs together, the ***Scheme Creditor Entitlements***);

(f) **Following the Scheme**

(i) The Existing Convertible Bonds will have been cancelled pursuant to the Scheme (as described in paragraph 53(e)(ii)(A)).

(ii) The Existing Notes will be equitised and cancelled by means of the Company and NNH entering into an English law agreement under which:

(A) the Existing Notes will be immediately repayable in full;

(B) the Company will subscribe at par for shares equivalent in nominal value to the full repayment value of the Existing Notes, with the subscription price due immediately;

(C) the two payment obligations will be set off (with no cash movement); and

(D) all guarantees of the Existing Notes will be automatically released by the repayment to NNH.

53. As explained and defined in paragraph 64 below, the Restructuring shall only occur if (and upon the date by which): (i) certain conditions (the "Restructuring Conditions" as defined in paragraph 64 below) are satisfied; and (ii) the Scheme Effective Date (as defined in paragraph 62 below) has occurred (the ***Restructuring Effective Date***). The scheme steps to take effect on the Restructuring Effective Date shall take effect in accordance with a Restructuring Implementation Deed to be entered into between various parties, including, among others, the Company, the Scheme Creditors (executed by the Company on their behalf pursuant to the authority granted by the Scheme), Trafigura and TGPTE.

54. Immediately following the Restructuring Effective Date, the capital structure of the Group is envisaged to be that set out in the simplified structure chart at Schedule 2 of this letter.

Other Fees

55. The fees and costs incurred in connection with the Restructuring by the Co-ordinating Committee and the Trustees and the financial and legal advisers to the Ad-hoc Group, the Co-ordinating Committee and the Trustees are being met by Nyrstar. The payment of such fees shall not be contingent on the successful completion of the Restructuring. Moelis (as financial advisor to the Ad-hoc Group) will be paid a 'Restructuring Fee' which shall be contingent on the successful completion of the Restructuring.

56. Nyrstar shall pay or procure the payment of all such fees and expenses by no later than the Restructuring Effective Date.

Pre-Scheme Steps

57. In order to facilitate and implement the Restructuring, the following steps have already been taken, more detail on which will be provided in the Explanatory Statement (as defined below):

    (a) consent solicitations were completed to seek consents from the holders of the Existing Notes and a meeting of the Existing Convertible Bondholders was held to, among other things:

        (i) provide for amendments to the Governing Documents to permit the Group's entry into the Bridge Finance Facility, the granting of security in connection with the Bridge Finance Facility and the insertion of NN1 and the Company as additional intermediate holding companies into the Group;

        (ii) permit the accession of the Company as co-issuer of the Existing Notes and co-obligor of the Existing Convertible Bonds;

        (iii) change the governing law of the Existing Notes; and

        (iv) amend the jurisdiction clause of the Existing Notes and Existing Convertible Bonds,

        each of these steps being effected in order to facilitate the Restructuring and to establish a connection with the courts of England and Wales as required for the purposes of the Scheme;

    (b) NN1 and the Company were incorporated in England as holding companies and to accede as guarantors (in the case of NN1) to the Existing Notes and Existing Convertible Bonds (as well as other indebtedness described below) and in the case of the Company, to accede as co-issuer/obligor to the Existing Notes and Existing Convertible Bonds and to propose the Scheme;

    (c) NN1 acceded as a guarantor to the Bridge Finance Facility, Existing Notes, Existing Convertible Bonds, Hydra Prepayment Documents and GS Prepayment Documents (each as defined in the Lock-Up Agreement);

(d) applications for FIRB approval were made by Trafigura and the Parent (as further described and defined below);

(e) the following agreements were entered into (each to take effect in accordance with its own terms): the NNV - Trafigura Deed, the NNV – NN2 SPA and the NN2 Subscription Deed (further detail on such agreements is set out in paragraph 52); and

(f) the rationalisation of intercompany loans prior to the Restructuring Effective Date to facilitate certain steps in the Restructuring.

PURPOSE OF THE SCHEME

58. As explained in paragraph 44 above, the Scheme is being proposed to the Scheme Creditors as part of a broader restructuring of the Group's capital structure.

59. The Scheme will affect the claims of holders of Existing Notes and Existing Convertible Bonds arising directly or indirectly in relation to, or arising out of or in connection with the Governing Documents, including any accrued but unpaid interest in respect of the 2019 Notes, the 2024 Notes and the Existing Convertible Bonds, other than those which arise as a result of failure to comply with the terms of the Scheme (the ***Scheme Claims***).

60. The Scheme will, among other things (with such steps to take effect in the order set out in the Restructuring Implementation Deed):

(a) authorise the Company (from the Scheme Effective Date) to enter into certain Scheme Restructuring Documents on behalf of the Scheme Creditors;

(b) release the Company from its obligations as co-obligor in respect of the Existing Convertible Bonds and release the Parent and the guarantors from all liabilities under or in connection with the Existing Convertible Bonds and bring about the cancellation of the Existing Convertible Bonds;

(c) release the Company from its obligations as co-issuer in respect of the Existing Notes and require the transfer of the Existing Notes to the Company;

(d) following the transfer in (c), release any remaining claims that the holders of Existing Notes still hold as against NNH and the guarantors;

(e) oblige the Company to procure that the New Instruments are issued by the relevant entity to the Existing Noteholders and the Existing Convertible Bondholders (as applicable, in accordance with each Scheme Creditor Entitlement calculated pursuant to the Scheme (on a pro rata basis in accordance with principal and interest owing to them as at 15 March 2019)); and

(f) with effect on and from the Restructuring Effective Date and following the transfer of the Existing Notes to the Company:

(i) discharge all of the rights, title and interest of the Scheme Creditors to their Scheme Claims in exchange for which the Scheme Creditors will be eligible to receive the Scheme Creditor Entitlements; and

(ii) release fully and finally any liability to the Scheme Creditors arising in relation to or arising out of or in connection with the Scheme Claims and/or the negotiation and the implementation of the Scheme and the Restructuring against the Company, the Parent, NNH, Trafigura, TGPTE, all guarantors, and advisers in respect of those parties (excluding, for the avoidance of doubt, any past or present auditors of the Group), the Trustees and any other Scheme Creditors (subject to certain exceptions as provided by the terms of the Scheme).

61. Further details of the Scheme will be set out in the explanatory statement (the ***Explanatory Statement***) to be provided in connection with the Scheme, which, provided that the Court gives its permission to convene the Scheme Meetings, will be made available to Scheme Creditors shortly after the Convening Hearing (as defined below).

CONDITIONS TO THE EFFECTIVENESS OF THE SCHEME

62. In order for the Scheme to become effective on its terms and legally binding on the Company and the Scheme Creditors (the ***Scheme Effective Date***):

(a) the Scheme must be approved by a majority in number representing 75 per cent. in value of the Scheme Creditors present and voting (in person or by proxy) at the Scheme Meetings convened for the purpose of considering the proposed Scheme;

(b) the Scheme must be sanctioned by the English Court; and

(c) an official copy of the court order sanctioning the Scheme must be delivered to the Registrar of Companies for England and Wales,

(the ***Scheme Conditions***).

CONDITIONS TO THE EFFECTIVENESS OF THE RESTRUCTURING

63. The terms of the Scheme and the Restructuring shall be implemented under, and in accordance with, a Restructuring Implementation Deed to be entered into between, among others, the Company, the Scheme Creditors (executed by the Company on their behalf pursuant to the authority granted by the Scheme), Trafigura and TGPTE.

64. The Restructuring is conditional upon:

(a) the Scheme Effective Date occurring (see above);

(b) the Competition Act Clearance;

(c) the FIRB Approval;

(d) the Perpetual Securities Consent;

(e) an order under Chapter 15 of the US Bankruptcy Code (the ***Chapter 15 Order***) to recognise the Scheme in the US being granted (see below) which condition may be waived in accordance with the terms of the Restructuring Implementation Deed; and

(f) the Politus Scheme becoming effective on its terms (as described in paragraph 49).

(each of (b) – (e) inclusive as defined in the Lock-Up Agreement and as explained in further detail in paragraphs 66 to 78 below (the ***Restructuring Conditions***)) such that neither the Scheme nor the Restructuring shall take effect until and unless the conditions outlined at (a) – (e) above (inclusive) have been satisfied.

65. The Company will be granted authority to execute the Scheme Restructuring Documents on behalf of the Scheme Creditors on and from the Scheme Effective Date, in order that the relevant conditions precedent can be fulfilled or waived in accordance with the terms of those Scheme Restructuring Documents. However, the Scheme Restructuring Documents will only become effective in accordance with the terms of the Scheme and the terms of the Scheme Restructuring Documents themselves.

FIRB Approvals

66. The Australian Foreign Investment Review Board (***FIRB***) examines proposals by foreign persons to invest in Australia and makes recommendations to the Australian Treasurer on any such proposals subject to the Foreign Acquisitions and Takeovers Act 1975 and Australia's foreign investment policy.

67. Applications have been submitted to the Australian Treasurer for approval of the Company's acquisition of the Operating Group (as described in paragraph 52(a)(ii) above) (the ***Nyrstar Application***) and Trafigura's acquisition of 98 per cent. of the shares of the Company (the ***Trafigura Application***) under the Australian Foreign Acquisitions and Takeovers Act, 1975 (Cth). Such approvals are a precondition to the effectiveness of the Restructuring.

68. It is expected that the FIRB approval with respect to the Nyrstar Application will be received in mid-late June 2019 and as such the Company's acquisition of the Parent's assets can take place in advance of the Scheme being sanctioned by the English Court. It is expected that the approval with respect to the Trafigura Application will be received late June to early July 2019 such that this condition would be satisfied prior to the Restructuring Effective Date.

Competition Act (Canada) Clearance

69. An application was submitted to the Canadian Commissioner of Competition (the ***Commissioner***) for clearance to proceed with the Scheme (which constitutes a 'notifiable transaction' under the Competition Act (Canada)). A 'No Action Letter' was issued by the Commissioner on 28 May 2019, specifying that the Commissioner does not currently intend to challenge the transaction. As such, this Restructuring Condition is deemed to be satisfied, and should not prevent the effectiveness of the Scheme and the Restructuring.

Australian Perpetual Securities Consent

70. Nyrstar is a party to a binding agreement for the funding and support package for the redevelopment of Port Pirie with, among others, the Australian Export Finance and Insurance Corporation (***EFIC***) and the Treasurer of South Australia (for and on behalf of the State of South Australia). The agreed funding package comprises three

parts: (i) a direct contribution from Nyrstar of approximately AUD 249 million (including approximately AUD 147 million of project funding in excess of the original estimates from 2014); (ii) the forward sale (completed in 2014) of a portion of the silver output from the redeveloped Port Pirie facility for an upfront payment of approximately AUD 120 million; and (iii) an AUD 291.25 million structured investment was made by third party investors, with their investment benefiting from a guarantee from EFIC from which drawdowns have been made since November 2015 (the ***Perpetual Securities***).

71. The Perpetual Securities, issued by Nyrstar Port Pirie Pty Ltd (***NPP***) are perpetual, direct, deferrable, cumulative (if deferred), unconditional, subordinated and unsecured obligations of NPP and are constituted under the Perpetual Security Deed Poll (***Perpetual Securities Deed Poll***) dated 16 November 2015 (as amended from time to time). Each of the Perpetual Securities has an issue price of AUD 1,000 and the maximum number of Perpetual Securities issued was limited to 291,250. NPP progressively issued Perpetual Securities to the trustee of the Port Pirie Transformation Funding Trust for a total value of AUD 291.25 million from 2015 to November 2017. NPP has received all of that funding.

72. On 29 April 2019, Nyrstar Port Pirie Pty Ltd notified the holder of the Perpetual Securities that it elected to cash pay all of the distribution amount (interest/fees) on the Perpetual Securities for the period 27 November 2018 to 27 May 2019 (being AUD 13.2 million) and also that it would redeem 29,125 Perpetual Securities with a value of AUD 29.1 million. This is the targeted number of Perpetual Securities for the relevant period under the financing arrangement involving the State of South Australia. Nyrstar will pay the aggregate of both amounts, AUD 42.3 million (EUR 26.1 million) on 27 May 2019.

73. A waiver in writing, on terms satisfactory to the Parent, acting reasonably, from the Treasurer of South Australia and/or the trustee of the Perpetual Securities (under direction of the Treasurer of South Australia) is required in order to avoid triggering an Early Redemption Event (as defined in the Perpetual Securities Deed Poll) (the ***Perpetual Securities Consent***). The relevant Early Redemption Event relates to circumstances in which the Parent ceases to legally or beneficially own (directly or indirectly) 100 per cent. of the issued voting share capital of Nyrstar Port Pirie Pty Ltd, which will occur as a result of the Restructuring. Nyrstar has requested that this consent be granted.

74. The Restructuring envisages that the Parent guarantee in relation to the Perpetual Securities is released and the Perpetual Securities Consent (as described above) is a condition to the Restructuring. However, no amendment to these Perpetual Securities is required as part of the Restructuring.

US Chapter 15 Order

75. The Company will seek recognition under Chapter 15 of the US Bankruptcy Code (***Chapter 15 Recognition***) of the Scheme as a condition precedent to the Scheme's effectiveness (subject to the right of the Scheme Creditors to waive this condition as described in the above paragraph) (the ***Chapter 15 Filing***). Certain of the Scheme Creditors are expected to be US persons. In order to help ensure enforcement in the US and to give effect to the Scheme (if approved by the requisite majorities of each

class of Scheme Creditors and sanctioned by the English Court) in the United States, the Company has resolved to seek Chapter 15 recognition and appoint Jane Moriarty as its foreign representative and to commence the Chapter 15 Filing (as defined below) by her with the US Bankruptcy Court (the ***US Court***) on or around the date of the Explanatory Statement. The Company is advised that the Scheme is likely to be recognised by the US Court as a foreign "main" proceeding within the meaning of the Chapter 15 procedure.

76. Chapter 15 of the US Bankruptcy Code is designed to give judicial access to a foreign debtor (or representative thereof) to, among other things, protect the foreign debtor's US assets and authorise the foreign debtor or its representative to administer the foreign debtor's US assets. Chapter 15 is predicated on principles of comity and the fair and efficient administration of cross-border insolvencies. Chapter 15 functions through "recognition" of a foreign proceeding.

77. If the US Bankruptcy Court recognises the Scheme as a foreign "main" proceeding of the Company, the stay of actions and selected other provisions of the US Bankruptcy Code automatically take effect within the United States (if the US Bankruptcy Court recognises the Scheme as a foreign "non-main" proceeding of the Company, the US Bankruptcy Court must be petitioned for further relief).

78. The Company, through its representative, will request that the US Court hold a recognition hearing as soon as possible after the Sanction Hearing (as defined below) to avoid any delays in the consummation of the Restructuring. Notice of the Chapter 15 Filing and the relevant dates will be served upon the following parties:

    (i) the Company;

    (ii) the Office of the US Trustee for the Southern District of New York;

    (iii) Milbank LLP as counsel to the Ad-hoc Group;

    (iv) all persons or bodies authorised to administer the Scheme proceedings;

    (v) all parties required to be given notice under Rule 2002(q)(1) of the Federal Rules of Bankruptcy Procedure (the ***US Bankruptcy Rules***);

    (vi) the Information Agent;

    (vii) such other parties with an interest in the relevant proceedings that have timely requested notice pursuant to US Bankruptcy Rules; and

    (viii) additionally, the Company will publish notice of the Chapter 15 Filing on the Scheme Website.

SCHEME CREDITORS WILL BE AFFECTED BY THE SCHEME

79. If the Scheme becomes effective, the Scheme will affect all Scheme Creditors. All Scheme Creditors (including those who do not vote in favour of the Scheme or those who do not vote at all in respect of the Scheme) will be bound by the terms of the Scheme, along with the Company.

80. The detailed terms of the Scheme will be included within the Scheme Documentation (as defined in paragraph 106 below).

SCHEME JURISDICTION

81. The Company considers that the Court has domestic jurisdiction under English law to sanction the Scheme because (i) the Company is incorporated and registered in England and Wales; and (ii) the rights being varied or released by the Scheme are governed by English law. Further, no rule of trans-national law, including in Regulation (EU) No 1215/2012 on Jurisdiction and Recognition and Enforcement of Judgments in Civil and Commercial Matters (***Brussels (Recast) Regulations***), excludes that jurisdiction. In particular, if the Brussels (Recast) Regulations apply in relation to the Scheme, the Court would have jurisdiction under the Brussels (Recast) Regulations because:

(a) a number of Scheme Creditors (both holding the Existing Notes and the Existing Convertible Bonds) are domiciled in England and Wales and are subject to the personal jurisdiction of the English Court by virtue of having their head office, central administration or principal place of business in the jurisdiction of the English Court;

(b) with respect to the Existing Convertible Bonds:

(i) the Existing Convertible Bonds are governed by English law; and

(ii) the Existing Convertible Bonds Trust Deed has been amended by way of Supplemental Trust Deed (following a meeting of the Bondholders on 21 May 2019 in respect of the Existing Convertible Bonds) and provides that, inter alia:

(A) the courts of England and Wales shall have exclusive jurisdiction to settle any disputes and accordingly any legal action in respect of the Existing Convertible Bonds may be brought in such courts; and

(B) the Parent, the Company and the Existing Convertible Bonds Trustee (in its own capacity as such and on behalf of the Existing Convertible Bondholders) irrevocably submit to the jurisdiction of such courts and waive any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum;

(iii) notwithstanding the foregoing, Belgian courts shall still have exclusive jurisdiction over matters concerning the validity of decisions of the board of directors of the Parent, of the general meeting of shareholders of the Parent and of the general meeting of Existing Convertible Bondholders;

(c) with respect to the Existing Notes:

(i) the relevant Governing Documents have each been amended by way of a third supplemental indenture (following a consent solicitation

process which expired on 21 May 2019 with the necessary consents having been obtained) and provide that:

(A) the governing law of the relevant Governing Documents, the Existing Notes and the guarantees under the Existing Notes (the ***Notes Guarantees***) (and all non-contractual obligations arising out of or in connection with them) has been changed to the laws of England and Wales;

(B) the courts of England and Wales shall have jurisdiction to settle any disputes that arise out of or in connection with the relevant Governing Documents, the Existing Notes and the Notes Guarantees, and accordingly any legal action or proceedings arising out of or in connection with the Governing Documents, the Existing Notes and the Notes Guarantees (***Proceedings***) may be brought in such courts;

(C) the courts of England and Wales shall have exclusive jurisdiction to settle any Proceedings instituted by NNH, the Company or any of the guarantors under the Existing Notes (the ***Notes Guarantors***) in relation to any Existing Noteholder or the 2019 Notes Trustee or the 2024 Notes Trustee on behalf of the Existing Noteholders of the 2019 Notes or 2024 Notes, as applicable (***Issuer Proceedings***);

(D) NNH, the Company, each of the Notes Guarantors, the 2019 Notes Trustee, the 2024 Notes Trustee and each Existing Noteholder (for the purposes of this paragraph, each, a ***Party***) irrevocably submit to the jurisdiction of such courts and agree that the courts of England and Wales are the most appropriate and the most convenient courts to settle Issuer Proceedings and accordingly no Party shall argue to the contrary; and

(E) notwithstanding the foregoing, the 2024 Notes Trustee, the 2019 Notes Trustee and each of the Existing Noteholders shall have the right to institute any Proceedings against NNH, the Company or any of the Notes Guarantors in any other court of competent jurisdiction. The taking of Proceedings in one or more jurisdictions will not preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

THE PROPOSED VOTING CLASSES OF SCHEME CREDITORS

82. Under the Practice Statement, it is the responsibility of the Company to formulate the classes of creditors for the purpose of convening one or more meetings to consider and, if thought fit, approve the proposed Scheme. Each class must be properly constituted so that any meeting consists of creditors whose rights against the Company are not so dissimilar as to make it impossible for them to consult together with a view to their common interest. If the rights of Scheme Creditors are so different or would be affected so differently by the Scheme as to make it impossible

for them to consult together with a view to their common interest, they must be divided into separate classes and a separate meeting must be held for each class of creditor.

83. The Company has considered the present rights of each of the Scheme Creditors against the Company and the way in which those rights will be affected by the Scheme. Having taken legal advice (privilege in which is not waived), the Company considers that whilst it would have been permissible for all Scheme Creditors to have been put in the same class, the Company has decided to adopt a more cautious approach and has concluded that the Scheme Creditors fall into two separate classes for the purposes of voting on the Scheme at the Scheme Meetings. That is in view of the facts that, among other things: (i) the Existing Convertible Bonds are convertible into equity and the Existing Notes are not; (ii) the Company has acceded as co-issuer / obligor (as applicable) in respect of the Existing Notes and the Existing Convertible Bonds, but the instruments were initially issued by different entities; and (iii) although Existing Noteholders and Existing Convertible Bondholders will ultimately receive the same forms of Scheme Creditor Entitlements, this will take place as a result of different accession processes under the Scheme / broader Restructuring. The two separate classes shall therefore be as follows:

(a) the Existing Convertible Bondholders and the Existing Convertible Bonds Trustee (the ***Existing Convertible Bonds Class***); and

(b) the 2019 Noteholders, the 2019 Notes Trustee, the 2024 Noteholders and the 2024 Notes Trustee (the ***Existing Notes Class***),

(together, the ***Classes***).

84. The principal reasons for the Scheme Creditors constituting their respective Classes are explained in paragraphs 85 to 95 below.

The Existing Notes Class

85. The Company considers that the rights of the Existing Notes Scheme Creditors against the Company are not so dissimilar as to make it impossible for them to consult together with a view to their common interest, in that:

(a) in respect of their holdings of Existing Notes:

(i) the Existing Notes Scheme Creditors will all be in the same position in circumstances where the Scheme does not become effective and the Company and other Group companies enter an insolvency process, regardless of the differing maturity dates and interest rates applicable to the 2019 Notes and the 2024 Notes. In an insolvency scenario, the Existing Notes would be accelerated and only accrued interest would be provable, with the result that Existing Notes Scheme Creditors would rank pari passu between themselves as all Existing Notes Scheme Creditors have substantially the same rights against the Company to be repaid principal and interest with respect to the Existing Notes. Further, the 2019 Notes and the 2024 Notes each have the same set of guarantors and would have recourse to the same set of assets in the event that the Notes Guarantees were called upon (as further detailed in paragraph 81(c));

(b) in respect of Scheme Creditor Entitlements:

(i) each of the Existing Notes Scheme Creditors is being offered the New Instruments in proportion to their holdings of the Existing Notes on the same terms; and

(ii) each of the Existing Notes Scheme Creditors was offered the ability to receive the Bond Timely Consent Fee by acceding to the Lock-Up Agreement before the deadline of 7 May 2019 (11.59 pm) (extended from 25 April 2019) and, in any event, the size of the Bond Timely Consent Fee is too small to have materially influenced those entitled to it to support the Scheme.

86. The Company notes that the fact that some of the Scheme Claims in respect of the Existing Notes arise under the 2019 Indenture, and some arise under the 2024 Indenture is not considered to give rise to any sufficiently material difference in rights (whether existing or following implementation of the Restructuring) such as to require separate Scheme Meetings of the 2019 Noteholders and the 2024 Noteholders. All such claims would rank pari passu in any enforcement or insolvency process and the differences in maturity dates and interest would be immaterial.

87. For these reasons, the Company considers that the rights of the Existing Notes Scheme Creditors (both on an individual and cumulative basis) are the same, or alternatively are not so dissimilar as to make it impossible for them to consult together with a view to their common interest.

The Existing Convertible Bonds Class

88. The Company considers that the existing rights of the Existing Convertible Bonds Scheme Creditors against the Company are the same, in that they each hold the same Existing Convertible Bonds and rank *pari passu* as between themselves. The Existing Convertible Bondholders will all be in the same position in circumstances where the Scheme does not become effective and the Company and other Group companies enter an insolvency process.

89. With respect to the Scheme Creditor Entitlements available to Existing Convertible Bonds Scheme Creditors:

(a) each of the Existing Convertible Bonds Scheme Creditors is being offered the New Instruments in proportion to their holdings of the Existing Convertible Bonds on the same terms; and

(b) each of the Convertible Scheme Creditors was offered the ability to receive the Bond Timely Consent Fee by acceding to the Lock-Up Agreement before the deadline of 7 May 2019 (11.59 pm) (extended from 25 April 2019) and, in any event, the size of the Bond Timely Consent Fee is too small to have materially influenced those entitled to it to support the Scheme.

The Minimum Denomination Trusts

90. As described above, in paragraph 52(e), where Scheme Creditor Entitlements would result in New Instruments being issued to a Scheme Creditor in an amount below the minimum denomination of such New Instrument, provided it can make the necessary

representations and warranties, the Scheme Creditor will receive its Scheme Creditor Entitlement with respect to such New Instrument as a Beneficial Interest held through a Minimum Denomination Trust.

91. The Company is of the view that the Minimum Denomination Trust structure could be perceived to give rise to some differences in rights, as between those holders who receive New Instruments and those who receive beneficial interests in the fractional amounts of the New Instruments through a Minimum Denomination Trust. However, the Company believes that the differences in rights would not be such as to prevent the Scheme Creditors who receive any part of their Scheme Entitlements through a Minimum Denomination Trust from consulting together with the Scheme Creditors who receive New Instruments directly with a view to their common interest.

92. In particular, the following provisions of the Minimum Denomination Trusts ensure that the rights of Scheme Creditors receiving their Scheme Creditor Entitlements through the Minimum Denomination Trusts replicate as closely as possible those of the Scheme Creditors who receiving their Scheme Creditor Entitlements directly. As described in paragraph 53 above, the Minimum Denomination Trusts provide for:

(a) holders of Beneficial Interests to:

(i) receive all payments of interest and principal;

(ii) be able to transfer their Beneficial Interests freely;

(iii) direct sales of such Beneficial Interests in certain circumstance;

(b) the Trustee to distribute to the holders of Beneficial Interests the legal title to an amount of New Instruments corresponding to its or their Beneficial Interests (as soon as any holder or holders hold Beneficial Interests corresponding to at least the minimum denomination of the relevant New Instrument); and

(c) a sale of the New Instruments held in the Minimum Denomination Trusts to be an arms' length sale effected by a nominated broker at the best price available at the latest at a date falling three years after constitution of the Minimum Denomination Trusts with the net proceeds being distributed to the holders of Beneficial Interests pro rata to their holdings of the New Instruments being sold.

The Work Fee and the Bond Timely Consent Fee

93. As further described in paragraphs 35 to 37, a Work Fee is to be paid by Trafigura to the Original Ad-hoc Group Holders by reference to the work and risk undertaken and to be undertaken by those Scheme Creditors in respect of the Restructuring. The Company considers that this fee is de minimis and not material (looked at in isolation or together with the Bond Timely Consent Fee) and would therefore not render it impossible for Scheme Creditors who are not entitled to receive this fee to consult together with the Original Ad-hoc Group Holders. Further, it is payable by Trafigura and not by the Company or any other member of the Group.

94. As further described in paragraph 38 to 39, a Bond Timely Consent Fee is to be paid to Existing Noteholders and Existing Convertible Bondholders providing certain

conditions are satisfied. The Company does not consider that the Bond Timely Consent Fee renders it impossible for Scheme Creditors who are entitled to receive the Bond Timely Consent Fee to consult with Scheme Creditors who are not entitled to receive the Bond Timely Consent Fee, particularly as:

(a) all Scheme Creditors were given equal opportunity to accede to the Lock-Up Agreement and therefore to become entitled to receive the Bond Timely Consent Fee; and

(b) the Company considers that the quantum of the Bond Timely Consent Fee is de minimis and would not influence voting and does therefore not require Scheme Creditors who are entitled to receive this fee to be placed into a separate class from those who do not receive such a fee.

95. As set out in paragraph 82, the Company has adopted a cautious approach and proposes the Scheme Creditors fall into two classes, the Existing Convertible Bonds Class and the Existing Notes Class. Accordingly, it is proposed that two separate meetings be convened for the purposes of considering and, if the Scheme Creditors think fit, approving the Scheme.

96. **Important: if any Scheme Creditor has comments as to the constitution of the Scheme Meetings which are proposed, or any other issues which they consider should be raised with the Court, they should in the first instance contact the Information Agent as further explained in paragraph 108 below.**

SCHEME CREDITOR ISSUES

97. This letter is intended to provide Scheme Creditors with sufficient information regarding the Scheme and the Restructuring so that, should they wish to raise issues that relate to the jurisdiction of the Court to sanction the Scheme or to raise any other issue in relation to the constitution of the Scheme Meetings or which might otherwise affect the conduct of such Scheme Meetings, they may attend and be represented before the Court at the Convening Hearing (as defined below). Scheme Creditors are also able to raise other issues at the Convening Hearing. Details relating to the court hearings are explained in paragraphs 100 to 103 below.

98. Scheme Creditors should consider taking advice from their professional advisers if they have any concerns in relation to the matters set out in this letter. Any Scheme Creditor with questions or concerns may also contact Freshfields Bruckhaus Deringer LLP, legal advisers to the Company (see contact details in paragraph 111 below).

99. Scheme Creditors should be aware that under the terms of the Practice Statement, the High Court has indicated that issues which arise as to the constitution of the Scheme Meetings (***Class Issues***) or which otherwise affect the conduct of those meetings or which affect the jurisdiction of the High Court to sanction a scheme of arrangement (***Jurisdiction Issues***) should be raised at the Convening Hearing. If Scheme Creditors do not raise these issues at the Convening Hearing, whilst they will still be able to appear and raise objections at the later court hearing to sanction the Scheme (the ***Sanction Hearing***), the High Court at the Sanction Hearing would expect those Scheme Creditors to provide good reasons to explain why they did not previously raise any Class Issues or Jurisdiction Issues. Scheme Creditors should therefore raise any Class Issues or Jurisdiction Issues at the Convening Hearing.

COURT HEARINGS

100. The Company intends to apply to the High Court at a court hearing in the Companies Court, Royal Courts of Justice, 7 Rolls Building, Fetter Lane, London EC4A 1NL (the ***Convening Hearing***) to be held on 4 July 2019, for an order granting the Company certain directions in relation to the Scheme, including permission to convene the Scheme Meetings for the purpose of considering and, if thought fit, approving the Scheme. The precise time of the Convening Hearing will be published on the Scheme Website as soon as it has been finally fixed by the High Court. Any change to the date of the Convening Hearing (or any other change to the Scheme timetable as envisaged in this letter) will also be published on the Scheme Website as soon as possible.

101. Scheme Creditors have the right to attend in person or through counsel and make representations at the Convening Hearing, although they are not obliged to do so. At the Convening Hearing, the Company will also draw to the Court's attention any issues raised by Scheme Creditors in response to this letter.

102. Following the Convening Hearing, provided the High Court has given its permission for the Company to convene the Scheme Meetings, the Company will notify Scheme Creditors in accordance with the directions of the High Court of the time, date and venue of the Scheme Meetings, set out how Scheme Creditors may vote at the Scheme Meetings and provide further details of the terms of the Scheme. The Scheme Meetings are anticipated to be held on or around 19 July 2019.

103. Scheme Creditors will also have the opportunity to raise objections at the Sanction Hearing at which the High Court will decide whether to exercise its discretion to sanction the Scheme (if the Scheme is approved at the Scheme Meetings by the requisite majorities). The Sanction Hearing is anticipated to be held on or around 23 July 2019.

SCHEME WEBSITE

104. The Information Agent has set up the Scheme Website to disseminate information about the Scheme and to facilitate the implementation of the Scheme. Scheme Creditors may download the Scheme Documentation via the Scheme Website once they have registered.

105. If a Scheme Creditor encounters any technical difficulties in accessing any Scheme Documentation (as defined below) via the Scheme Website, please contact the Information Agent using the details set out at paragraph 111 below. Physical copies of the Scheme Documentation will be available from Freshfields Bruckhaus Deringer LLP and the Information Agent at the addresses listed at paragraph 111 below.

NEXT STEPS

106. As noted above, we anticipate that the Convening Hearing will take place on 4 July 2019. Scheme Creditors will be notified in advance if there is a change to the proposed date. Shortly following the Convening Hearing, copies of the following documents in connection with the Scheme will be made available in electronic format to all Scheme Creditors by the Information Agent on the Scheme Website:

    (a) a copy of the Scheme Document;

(b) the Explanatory Statement required to be provided pursuant to section 897 of the Companies Act 2006 (which will include a notice setting out the relevant details for the Scheme Meetings); and

(c) the voting and proxy forms for voting at the Scheme Meetings,

(together, the ***Scheme Documentation***).

107. A notice regarding the availability of the Scheme Documentation on the Scheme Website will be circulated to Scheme Creditors via the Clearing Systems and the Luxembourg Stock Exchange.

108. If any Scheme Creditor has comments regarding the convening of the meetings of Scheme Creditors as outlined above, to the extent that such disagreement relates to the constitution of the Scheme Meetings or any other matters that otherwise affect the conduct of the Scheme Meetings or which they consider should be raised with the High Court, they should in the first instance as soon as possible contact the Information Agent using the contact details set out in paragraph 111 below.

109. If you have assigned, sold or otherwise transferred your interests in the Existing Notes or the Existing Convertible Bonds, or intend to do so before the "Voting Record Time" for the purpose of the Scheme Meetings, which will be confirmed in the Explanatory Statement, you should forward a copy of this letter to the person or persons to whom you have assigned, sold or otherwise transferred such interests or the person or persons to whom you intend to assign, sell or otherwise transfer such interests.

110. As explained above, the Company is of the view that the Scheme is necessary in order to implement the Restructuring and to avoid the need to place some or all of the companies in the Group into some form of insolvency proceedings in the near future.

CONTACT DETAILS AND FURTHER INFORMATION

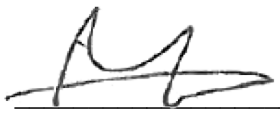
111. If you have any questions in relation to this letter or the Scheme, please contact the Information Agent or the Company's legal or financial advisers using the contact details below:

Information Agent
Lucid Issuer Services Limited
Tankerton Works
12 Argyle Walk
London
WC1H 8HA
Attention: Oliver Slyfield / Thomas Choquet
Email: nyrstar@lucid-is.com
Scheme Website: www.lucid-is.com/nyrstar

Legal advisers to the Company
Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London
EC4Y 1HS
Attention: Richard Tett and Catherine Balmond
Email: Richard.Tett@freshfields.com and Catherine.Balmond@freshfields.com

Financial Advisers to the Company
Morgan Stanley & Co. International Plc
Morgan Stanley | Investment Banking Division
20 Bank Street
London, E14 4AD
Attention: Kai Hoffman
Email: Kai.Hoffman@morganstanley.com

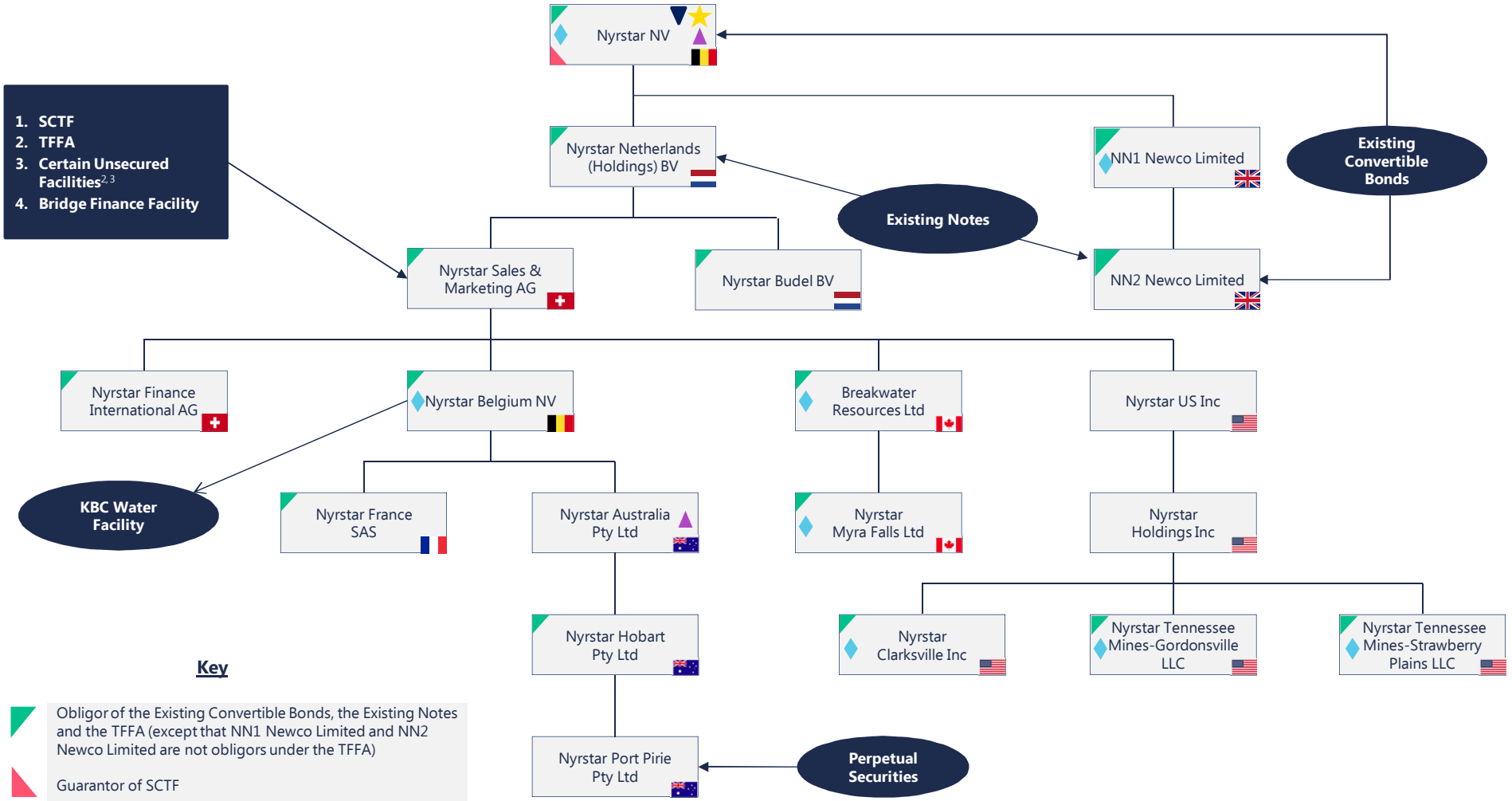
Yours faithfully



For and on behalf of
NN2 Newco Limited
Name: Martyn Konig
Title: Director

Schedule 1
Simplified Group Structure Chart as at 19 June 2019

Schedule 1
Simplified Group structure and key financial creditors as at the date of the Practice Statement Letter[1]



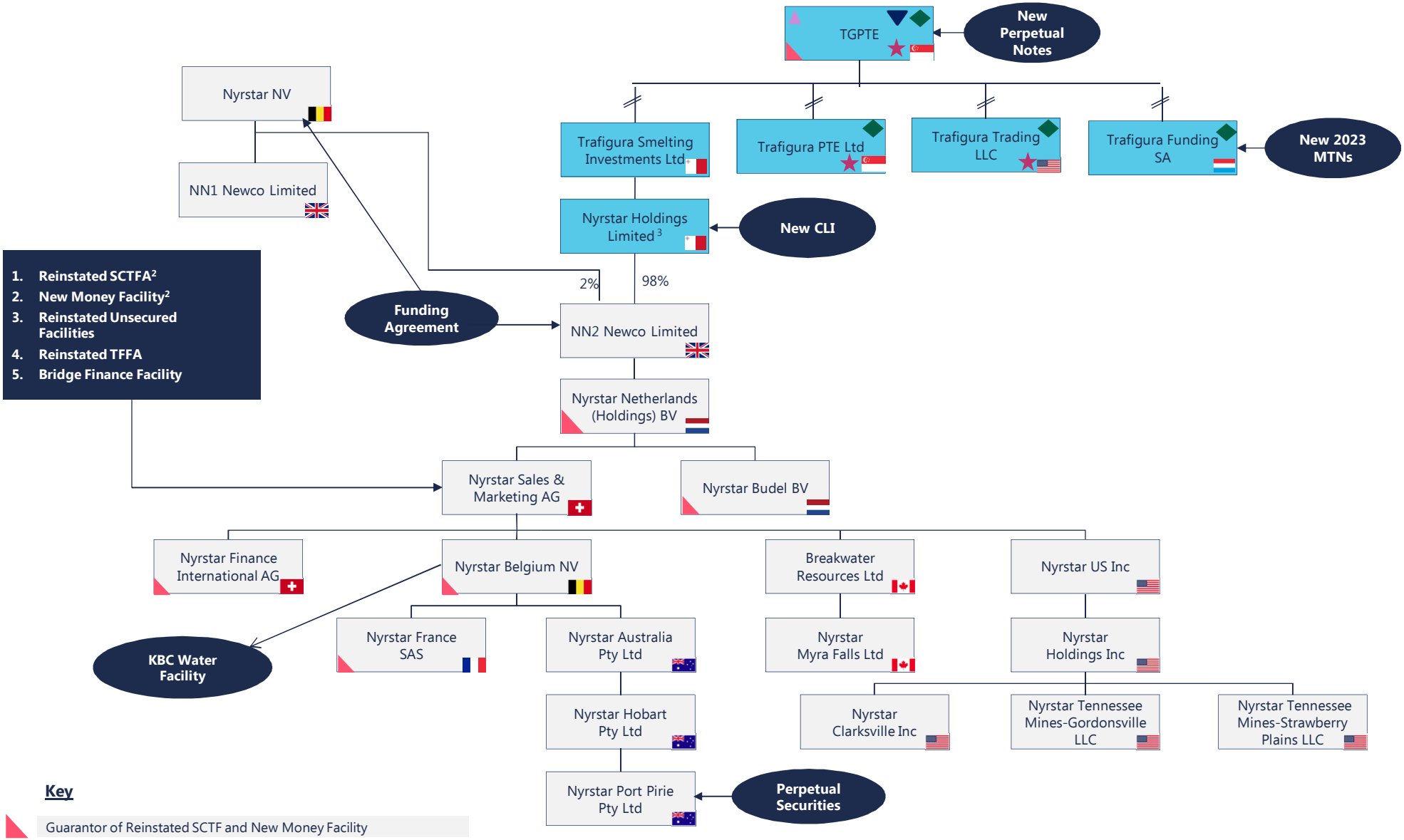
[1] This is a simplified structure chart and does not include every entity in the group.

[2] The KBC Working Capital Facility is also borrowed by Nyrstar Finance International AG and Nyrstar NV

[3] We have only shown the NNV guarantee in respect of the Unsecured Facilities. The Unsecured Facilities all have slightly different guarantors and the other guarantors are not shown on this structure chart.

Schedule 2
Simplified Restructured Group Structure Chart post Restructuring Effective Date

Schedule 2
Simplified Group structure following Restructuring Effective Date[1]



Key

- Guarantor of Reinstated SCTF and New Money Facility
- Guarantor of Reinstated Unsecured Facilities
- Issuer/guarantor of New 2023 MTNs
- Issuer/guarantor of New CLI
- Indirect shareholding (intermediate companies not shown)
- Guarantor of the KBC Water Facility

[1] This is a simplified structure chart and does not include every entity in the group.

[2] Also guaranteed by the following entities (not shown): Nyrstar Høyanger AS, Nyrstar International BV, Budelco BV, Buzifac BV and Buzipon BV.

[3] To become Nyrstar Holdings PLC prior to the Restructuring Effective Date