



LIMITED LIABILITY COMPANY ("NAAMLLOZE VENNOOTSCHAP")  
Registered office: Zinkstraat 1, 2490 Balen, Belgium  
Company number VAT BE 0888.728.945 RPR/RPM Turnhout

## EXPLANATORY NOTE

**EXTRAORDINARY GENERAL MEETING**  
to be held on Thursday 23 May 2013 at 10:30 a.m.

### Introduction

This explanatory note has been prepared on behalf of the board of directors of Nyrstar NV in connection with the various items on the agenda of the extraordinary general shareholders' meeting of the company, to be held on 23 May 2013. Pursuant to article 533bis, §2, d) of the Belgian Companies Code, this note contains for each of the items on the agenda of the aforementioned general shareholders' meeting a proposed resolution or, if the item does not require a resolution, a commentary on behalf of the board of directors.

For further information on date, hour and venue of the general shareholders' meeting, the manner in which the holders of securities issued by the company can participate to the meeting, and background documentation regarding the meeting, reference can be made to the notice convening the general shareholders' meeting.

### Extraordinary General Meeting

The agenda and proposed resolutions of the extraordinary general shareholders' meeting of the company, which, as the case may be, can be amended at the meeting on behalf of the board of directors, are as follows:

#### 1. Submission of special report

*Explanation:* This agenda item relates to the submission of the special report of the board of directors in accordance with article 604 of the Belgian Companies Code in relation to the proposal to renew the powers of the board of directors under the authorised capital of the company. A copy of this document is available on the company's website and at the company's registered office, as indicated in the notice convening the general shareholders' meeting.

The current powers of the board of directors to increase the company's share capital under the authorised capital have been granted to it by the extraordinary general shareholders' meeting held on 22 May 2012 for a period of one year, and will expire in 2013. In view hereof the board of directors proposes that its powers under the authorised capital be renewed. The proposed renewal of the powers of the board of directors under the authorised capital is set out in item 3 of the agenda. In the aforementioned report, the board of directors has set out the circumstances in which the board of directors will be able to use its powers under the authorised capital, and the purposes that it shall pursue.

Submission of the special report of the board of directors in accordance with article 604 of the Belgian Companies Code in relation to the proposal to renew the powers of the board of directors under the authorised capital of the company.

## 2. Distribution through reduction of the share capital

*Explanation:* This agenda item relates to the proposal to distribute a gross amount of EUR 0.16 per share to the outstanding shares, and to structure the distribution as a reduction of the share capital of the company with reimbursement of paid-up capital. Such distribution via a capital reduction can take place without triggering Belgian withholding tax.

*Proposed resolution:* The general shareholders' meeting decides to reduce the share capital of the company through the distribution of an amount of EUR 0.16 per share to each of the outstanding shares (including the shares that prior to the Record Date for this distribution (as defined below) will be issued upon the conversion of outstanding convertible bonds of the company), and to resolve, in implementation hereof, as follows (whereby the amounts or numbers referred to in the sub-sections between square brackets shall be determined at the time of the approval of the proposed resolution in accordance with the proposal set out in such sub-sections):

- (a) Subject to the application of the provisions of article 612 and 613 of the Belgian Companies Code, and subject to the terms set out below, the share capital of the company shall be reduced with an amount equal to EUR 0.16 (the "Capital Reduction Amount"), multiplied by the sum of (i) all of the issued and outstanding shares of the company at the time of the approval of the present resolution, and (ii) all of the shares that as of the time of the approval of the present resolution until (and including) the Record Date can be issued upon conversion of the outstanding convertible bonds of the company that have been issued in 2009 (the "Convertible Bonds"). In implementation of the capital reduction, subject to the provisions set out below, an amount equal to the Capital Reduction Amount shall be distributed to each of the shares of the company that at the time of the approval of the present resolution is issued and outstanding, as well as to each share that as of the time of the approval of the present resolution until (and including) the Record Date shall be issued upon conversion of the outstanding Convertible Bonds.
- (b) The capital reduction shall occur without cancellation of shares of the company, is to be borne by each of the existing shares (including the shares that as of the time of the approval of the present resolution until (and including) the Record Date shall be issued upon the conversion of outstanding Convertible Bonds) in the same manner, and shall be fully imputed on the fiscal paid-up share capital. Following the capital reduction, each share (including the shares that as of the time of the approval of the present resolution until (and including) the Record Date shall be issued upon the conversion of outstanding Convertible Bonds) will represent the same fraction of the company's share capital.
- (c) In accordance with article 613 of the Belgian Companies Code, no distribution to the shareholders in implementation of the capital reduction shall be permitted as long as the demands for additional collateral, as the case may be, by creditors who within a term of two months following the publication of the present resolution in the annexes to the Belgian Official Gazette have made a demand for additional collateral for receivables that came into existence prior to, and that have not yet matured at, the date of such publication, have not been satisfied, unless such demands for additional collateral have been rejected by an enforceable ruling by a competent court of law.
- (d) In view of the provisions of paragraphs (a) to (c), the maximum amount of the capital reduction shall be equal to EUR [amount], being the sum of (i) the Capital Reduction Amount multiplied by all of the issued and outstanding shares of the company at the time of the approval of the present resolution (i.e. [amount]), and (ii) the Capital Reduction Amount multiplied by the maximum number of shares issuable at the time of the approval of the present resolution upon conversion of the Convertible Bonds at the conversion price applicable as at that time (i.e. [amount]). To the extent no new additional shares are issued upon conversion of Convertible Bonds prior to the end of the Record Date, the reduction of the share capital for an amount equal to the Capital Reduction Amount multiplied by the number shares issuable upon conversion of Convertible Bonds as

reflected in point (ii) shall subsequently not be deemed made with respect to the number of new shares that are not so issued due to the fact that no such conversion of Convertible Bonds took place. The actual amount of the capital reduction shall become final on the Record Date, taking into account the shares that since the date of the present resolution until (and including) the Record Date shall have been actually issued upon conversion of the aforementioned outstanding Convertible Bonds, and taking into account that the amount to be distributed to each share outstanding on the Record Date shall be equal to the Capital Reduction Amount.

- (e) In view of the provisions of paragraphs (a) to (d), article 5 of the company's articles of association shall be amended at the time of the approval of the present resolution by reflecting a capital reduction equal to [the Capital Reduction Amount multiplied by all of the issued and outstanding shares of the company at the time of the approval of the present resolution], and by adding a separate paragraph with the sub-heading "Temporary provision" to article 5 that makes a reference to the provisions of paragraphs (a) to (e). Furthermore, until and including the Record Date, each time new shares are issued upon conversion of the Convertible Bonds, the amount of the share capital in article 5 shall be amended to take into account the amount of the share capital increase resulting from the conversion and the amount of the aforementioned capital reduction. The separate paragraph with the sub-heading "Temporary provision" to article 5 shall automatically expire and be deleted on the Record Date.
- (f) The general shareholders' meeting decides to authorise the board of directors (with power of substitution) to implement and execute the aforementioned capital reduction, including the power to determine the Record Date and the payment date of the distribution of the capital reduction in accordance with applicable legislation and regulations, as well as the formalities for the distribution of the capital reduction. The "Record Date" for the capital reduction shall be the last trading day (prior to the payment date of the Capital Reduction Amount) on which the company's shares shall still trade "cum right" in relation to the right to receive the payment of the Capital Reduction Amount. The board of directors shall have the right to sub-delegate the exercise of the powers referred to in this paragraph (f) (in whole or in part) to one or two directors. Furthermore, the general shareholders' meeting decides to authorise one or two members of the board of directors in order to, as soon as reasonably and practicably possible after the Record Date, take all steps and carry out all formalities that shall be required to amend the articles of association in order to reflect the new share capital pursuant to paragraphs (d) and (e).

### 3. **Renewal of the powers of the board of directors under the authorised capital**

*Explanation:* This agenda item relates to the proposal to renew the powers of the board of directors under the authorised capital of the company. For further information on the proposal, see the report referred to in item 1 of the agenda.

The board of directors proposes to renew the powers under the authorised capital. See also the report referred to in point 1 of the agenda of the extraordinary general shareholders' meeting.

*Proposed resolution:* The general shareholders' meeting resolves to renew the powers of the board of directors within the framework of the authorised capital as follows (whereby the amount and date referred to in the sub-sections between square brackets shall be determined at the time of the approval of the proposed resolution in accordance with the proposal set out in such sub-sections):

- (a) The board of directors shall be authorised to increase the capital of the company on one or several occasions by a maximum amount of 40% of the amount of the share capital as at the time of the approval of the resolution. This authorisation shall be valid for a period of one year as from the date of publication in the annexes to the Belgian State Gazette of an extract of the minutes of the extraordinary shareholders' meeting granting the

authorisation, and shall otherwise have the terms and conditions as currently set out in article 9 of the company's articles of association.

- (b) In view of the provisions of paragraph (a), the first paragraph of article 9 of the articles of association shall be amended and restated as follows:

“The board of directors may increase the capital of the company on one or several occasions by a maximum amount of [40% of the amount of the share capital as at the time of the approval of the resolution, taking into account the approval of the capital reduction referred to in item 2 of the agenda].”

- (c) In view of the provisions of paragraph (a), the third paragraph of article 9 of the articles of association shall be amended and restated as follows:

“This authorisation is valid for a period of one year as from the date of publication in the annexes to the Belgian State Gazette of an extract of the minutes of the extraordinary shareholders' meeting of the company held on [the date of the approval of the proposed resolution].”

\* \* \*

Done on 3 May 2013,

On behalf of the Board of Directors