



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

## EXPLANATORY NOTE

**Annual and Extraordinary General Meetings**  
to be held on Wednesday 30 April 2014 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 annual and extraordinary general shareholders' meetings of the Company, to be held on 30 April 2014. Pursuant to Article 533bis, §2, d) of the Belgian Company Code, this note contains for each of the items on the agenda of the aforementioned general shareholders' meetings 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' meetings, the manner in which the holders of securities issued by the Company can participate to the meetings and background documentation regarding the meetings, reference can be made to the notice convening the annual and extraordinary general shareholders' meetings.

## ANNUAL GENERAL MEETING

**Agenda and proposed resolutions:** The agenda and proposed resolutions of the annual 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. Reports on the statutory financial statements

*Explanation:* This agenda item relates to the submission of, and discussion on, the annual report of the Board of Directors and the report of the Statutory Auditor on the statutory financial statements for the financial year ended on 31 December 2013. Copies of these documents are available on the Company's website and at the Company's Registered Office, as indicated in the notice convening the general shareholders' meeting.

Submission of, and discussion on, the annual report of the Board of Directors and the report of the Statutory Auditor on the statutory financial statements for the financial year ended on 31 December 2013.

## 2. Approval of the statutory financial statements

*Explanation:* This agenda item relates to the approval of the statutory financial statements for the financial year ended on 31 December 2013, and of the proposed allocation of the result. Pursuant to the Belgian Companies Code, the annual general shareholders' meeting must decide on the approval of the statutory annual financial statements and the proposed allocation of the Company's profit or loss. 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.

Approval of the statutory financial statements for the financial year ended on 31 December 2013, and of the proposed allocation of the result.

*Proposed resolution:* The general shareholders' meeting approves the statutory financial statements for the financial year ended on 31 December 2013, as well as the allocation of the result as proposed by the Board of Directors.

## 3. Reports on the consolidated financial statements

*Explanation:* This agenda item relates to the submission of, and discussion on, the annual report of the Board of Directors and the report of the Statutory Auditor on the consolidated financial statements for the financial year ended on 31 December 2013. Copies of these documents are available on the Company's website and at the Company's Registered Office, as indicated in the notice convening the general shareholders' meeting.

Submission of, and discussion on, the annual report of the Board of Directors and the report of the Statutory Auditor on the consolidated financial statements for the financial year ended on 31 December 2013.

## 4. Consolidated financial statements

*Explanation:* This agenda item relates to the submission of the consolidated financial statements for the financial year ended on 31 December 2013. 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.

Submission of the consolidated financial statements for the financial year ended on 31 December 2013.

## 5. Discharge from liability of the Directors

*Explanation:* This agenda item relates to the release from liability for the Directors for the performance of their mandate during 2013. Pursuant to the Belgian Companies Code, the annual general shareholders' meeting must each year, after the approval of the statutory financial statements, decide separately on the release from liability of the Directors. For an overview of the Directors who were in office in 2013, reference can be made to the Corporate Governance Statement included in the report of the Board of Directors that is referred to in item 1 of the agenda.

*Proposed resolution:* The general shareholders' meeting grants discharge from liability to each of the directors who was in office during the previous financial year, for the performance of his or her mandate during that financial year.

## 6. Discharge from liability of the Statutory Auditor

*Explanation:* This agenda item relates to the release from liability for the Statutory Auditor for the performance of its mandate during 2013. Pursuant to the Belgian Companies Code, the annual general shareholders' meeting must each year, after the approval of the statutory financial statements, decide on the release from liability of the Statutory Auditor.

*Proposed resolution:* The general shareholders' meeting grants discharge from liability to the Statutory Auditor which was in office during the previous financial year, for the performance of its mandate during that financial year.

## 7. Remuneration report

*Explanation:* This agenda item relates to the submission of, discussion on and approval of the remuneration report prepared by the Nomination and Remuneration Committee. Pursuant to the Belgian Companies Code, the annual general shareholders' meeting must decide separately on the approval of the remuneration report. The remuneration report is included in the annual report of the Board of Directors, referred to in item 1 of the agenda.

Submission of, discussion on and approval of the remuneration report prepared by the Nomination and Remuneration Committee, and included in the annual report of the Board of Directors for the financial year ended on 31 December 2013.

*Proposed resolution:* The general shareholders' meeting approves the remuneration report included in the annual report of the Board of Directors for the financial year ended on 31 December 2013.

## 8. Re-appointment of Directors

*Explanation:* This agenda item relates to the proposed re-appointment of two Directors.

Taking into account the advice of the Nomination and Remuneration Committee, the Board of Directors recommends that the following Directors be re-appointed. For further information as to the proposed Directors and their résumé, reference is made to the Corporate Governance Statement included in the annual report of the Board of Directors.

*Proposed resolutions:*

- a) De Wilde J Management BVBA, represented by Mr. Julien De Wilde as permanent representative, is re-appointed as independent director within the meaning of Article 526ter of the Belgian Company Code and provision 2.3 of the Belgian Code on Corporate Governance, for a term of 4 years, up to and including the annual general meeting to be held in 2018 which will decide upon the financial statements for the financial year to end on 31 December 2017. As from 1 July 2014, the aforementioned mandate of independent director shall be exercised by Mr. Julien De Wilde in person, instead of as permanent representative of De Wilde J Management BVBA, for the remainder of the aforementioned term of 4 years, and De Wilde J Management shall automatically cease to be director. It appears from information available to the Company and from information provided by Mr. Julien De Wilde that each of De Wilde J Management BVBA and Mr. Julien De Wilde satisfies the applicable requirements with respect to independence. The mandate shall be remunerated as set out in relation to non-executive directors in the remuneration report included in the annual report of the Board of Directors for the financial year ended on 31 December 2013, and pursuant to the principle as approved by the shareholders at the general shareholders' meeting held on 27 April 2011.

- b) Mr. Ray Stewart is re-appointed as independent director within the meaning of Article 526ter of the Belgian Company Code and provision 2.3 of the Belgian Code on Corporate Governance, for a term of 4 years, up to and including the annual general meeting to be held in 2018 which will decide upon the financial statements for the financial year to end on 31 December 2017. It appears from information available to the Company and from information provided by Mr. Ray Stewart that he satisfies the applicable requirements with respect to independence. His mandate shall be remunerated as set out in relation to non-executive directors in the remuneration report included in the annual report of the Board of Directors for the financial year ended on 31 December 2013, and pursuant to the principle as approved by the shareholders at the general shareholders' meeting held on 27 April 2011.

## 9. Approval of a Leveraged Employee Stock Ownership Plan (LESOP)

*Explanation:* This agenda item relates to providing a remuneration component to certain senior managers. It enables certain senior managers to participate annually in a leveraged employee stock ownership plan for the years 2014, 2015 and 2016 (respectively the "2014 LESOP", the "2015 LESOP" and the "2016 LESOP", and each a "LESOP"). The LESOP would enable participants to purchase shares of the company at a discount of 20%, whereby the shares would be subject to a holding period of three years. For further information on the company's remuneration policy for directors and managers, see also the remuneration report referred to in item 7 of the agenda.

*Proposed resolution:* The general shareholders' meeting approves and grants the Board of Directors the powers to establish an annual leveraged employee stock ownership plan for the years 2014, 2015 and 2016 (respectively the "2014 LESOP", the "2015 LESOP" and the "2016 LESOP", and each a "LESOP"), whereby a LESOP (if established) must have the following features: (i) eligible participants can purchase shares of the Company at a discount of 20%, whereby the shares are subject to a holding period of three years, (ii) eligible participants can purchase such shares with their own personal contributions, or alternatively, with a combination of personal contributions and an additional financing provided to them by a financial institution, whereby such leverage will however not exceed a one to nine ratio, (iii) the eligible participants include the members of the Nyrstar Management Committee, as well as other participants determined by the Board of Directors, and (iv) the number of shares that an eligible participant can purchase with his or her personal contribution is capped, whereby such number is determined by the Board of Directors (however not exceeding 50,000, as the case may be, adjusted in case of a (reverse) stock split). The total number of shares that can be purchased under each LESOP amounts to 6,000,000. The general shareholders' meeting furthermore approves (i) to the extent required in the context of Article 520ter of the Belgian Company Code, that the shares that would be acquired under a LESOP are immediately acquired by the participants (without prejudice to the aforementioned holding period) and (ii) that the possibility to participate in a LESOP (if and when a LESOP is established) and the actual participation in a LESOP is not to be considered as "fixed remuneration" nor as "variable remuneration" for purposes of Article 520ter, Article 524bis and Article 525 of the Belgian Company Code.

## EXTRAORDINARY GENERAL MEETING

**Agenda and proposed resolutions:** The agenda and proposed resolution 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 grant powers to the Board of Directors to increase the Company's share capital within the framework of the authorised capital, subject to the statutory preferential subscription rights or subject to the strict conditions for restricting or cancelling the statutory preferential subscription rights set out in the proposed amended and restated last paragraph of Article 9 of the Articles of Association 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.

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 grant powers to the Board of Directors under the authorised capital of the Company.

### 2. Grant of powers to the Board of Directors under the authorised capital

*Explanation:* This agenda item relates to the proposal to grant powers to 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 grant 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 grant powers to 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 100% 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, subject to what is stated below.

(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 [100% of the amount of the share capital as at the time of the approval of the resolution]."

(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 Annex 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]."

- (d) The last paragraph of Article 9 of the Articles of Association shall be amended and restated as follows:

"When exercising its powers under the authorised capital, the board of directors shall not be authorised to restrict or cancel the statutory preferential subscription rights of the shareholders (within the meaning of article 592 and following of the Belgian Company Code) unless (i) a non-statutory preferential subscription right is made available to the existing shareholders subject to applicable company, financial and securities law rules, or (ii) in relation to (public or non-public) offerings of securities outside of the European Economic Area, the offering or availability of a statutory preferential subscription right (within the meaning of article 592 and following of the Belgian Company Code) or a non-statutory preferential subscription right would subject the company to registration and/or prospectus requirements in jurisdictions outside of the European Economic Area."

### 3. Amendment of Articles of Association

*Explanation:* This agenda item relates to the proposed amendment of the Articles of Association.

*Proposed resolution:* The general shareholders' meeting decides to delete the separate chapter IX ("Temporary Provisions") of the Articles of Association.

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Done on 28 March 2014

On behalf of the Board of Directors