

## Nystar NV

**Statutory auditor's report  
to the shareholders' meeting  
on the annual accounts  
for the year ended 31 December 2013**

The original text of this report is in Dutch

## Nyrstar NV

### **Statutory auditor's report to the shareholders' meeting on the annual accounts for the year ended 31 December 2013**

To the shareholders

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the annual accounts together with our report on other legal and regulatory requirements. These annual accounts comprise the balance sheet as at 31 December 2013 and the income statement for the year then ended, as well as the summary of accounting policies and other disclosures.

#### **Report on the annual accounts – Unqualified opinion**

We have audited the annual accounts of Nyrstar NV (“the company”), prepared in accordance with the financial reporting framework applicable in Belgium, which show total assets of 3.270.803 (000) EUR and a profit for the year of 41.675 (000) EUR.

#### *Board of directors' responsibility for the preparation of the annual accounts*

The board of directors is responsible for the preparation and fair presentation of annual accounts in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

#### *Statutory auditor's responsibility*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *Unqualified opinion*

In our opinion, the annual accounts of Nyrstar NV give a true and fair view of the company's net equity and financial position as of 31 December 2013 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

## **Report on other legal and regulatory requirements**

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts, as well as for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium and for the company's compliance with the Companies Code and the company's articles of association.

As part of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements, which do not modify the scope of our opinion on the annual accounts:

- The directors' report includes the information required by law, is consistent with the annual accounts and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant requirements of the law and the company's articles of association.
- There are no transactions undertaken or decisions taken in violation of the company's articles of association or the Companies Code that we have to report to you.
- According to article 523 of the Companies Code we are obliged to report the following transaction to you which has taken place during the financial year 2013, as described in the annual report, and of which the financial consequences for the company have been fairly represented hereunder:

*"The provisions of Article 523 of the Belgian Companies Code have been complied with in relation to the changes made to the performance conditions under the LTIP applicable to Mr. Junck, CEO and director, effective 6 February 2013 at the board meeting dated 5 February 2014 as set out below:*

*Prior to the deliberation and approval of the changes to LTIP performance conditions, i.e. for LTIP Grant 3, the exclusion of the 2012 performance year from the regression when determining the average LTIP achievement due the significant disconnect between the correlation of the zinc price and the share price in 2012 and, for the current and future grants, the change to the hurdle rates from 1 January 2013 from 5% to 2% with regard to the MSCI Metals & Mining Index (together the "LTIP Performance Condition Changes"), Mr. Junck explained that pursuant to the LTIP Performance Condition Changes effective 6 February 2013 he has an interest of a financial nature that could be in conflict with the proposed approval by the board of directors of the LTIP Performance Condition Changes under Article 523 of the Belgian Companies Code. Mr. Junck explained that following the changes to the performance conditions for LTIP Grant 3 he was awarded 36,107 shares instead of zero shares and such shares were delivered in March 2013. Mr. Junck further stated that the impact to successive grants is not known.*

*Mr. Junck further stated that he believed that the proposed LTIP Performance Condition Changes are not unusual or uncustomary, especially within the context of listed companies in the global resource market. Subsequently, Mr Junck left the meeting of the Board so as not to take part in the further deliberation and decision relating to the LTIP Performance Condition Changes to be entered into with him.*

*The remaining directors of the Board noted Mr. Junck's declaration and subsequently, in accordance with Article 523 of the Belgian Companies Code, proceeded with the deliberations on this declaration. The board of directors noted that the purpose of the LTIP Performance Condition Changes is to ensure the LTIP remains attractive to executives with an aim to ensure continued competitiveness within the global resources market. In order to attract and retain qualified individuals, the board of directors believed it is reasonable and necessary for the company to reward and retain executive talent and therefore approve the LTIP Performance Condition Changes to avoid negative impact on the average LTIP achievement for LTIP Grant 3 following a significant disconnect between the correlation of the zinc price and the share price in 2012 and to align the hurdle rates as of 1 January 2013 for current and future grants from 5% to 2% with regard to the MSCI Metals & Mining Index. In addition, the board of directors noted the LTIP Performance Condition Changes are consistent with market practice as evidenced by the objective data. Accordingly the board of directors deemed the LTIP Performance Condition Changes to be therefore in the interest of the company."*

Diegem, 5 February 2014

**The statutory auditor**



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**DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises**

BV o. v.v.e. CVBA / SC s.f.d. SCRL

Represented by Gert Vanhees