



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

## EXPLANATORY NOTE

### ANNUAL AND EXTRAORDINARY GENERAL MEETINGS

to be held on Thursday 20 April 2017 at 10:30 a.m.

#### Introduction

This explanatory note has been prepared on behalf of the Board of Directors of Nyrstar NV (the "Company") in connection with the various items on the agenda of the annual and extraordinary general shareholders' meetings of the Company, to be held on Thursday 20 April 2017. 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 annual and extraordinary 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 annual and extraordinary 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 2016. 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 annual and extraordinary general shareholders' meetings.

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 2016.

##### 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 2016, 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 annual and extraordinary general shareholders' meetings.

*Proposed resolution:* The general shareholders' meeting approves the statutory financial statements for the financial year ended on 31 December 2016, 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 2016. 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 annual and extraordinary general shareholders' meetings.

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 2016.

### 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 2016. 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 annual and extraordinary general shareholders' meetings.

Submission of the consolidated financial statements for the financial year ended on 31 December 2016.

### 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 2016. 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 2016, 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 2016. 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 that is referred to in item 1 of the agenda of the annual general shareholders' meeting.

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 2016.

*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 2016.

## 8. Appointment of Mr. Hilmar Rode as new Director

*Explanation:* This agenda item relates to the proposed election of Mr. Hilmar Rode as new director of the Company.

Effective as of 13 December 2016, Mr. William A. (Bill) Scotting resigned as Director. In accordance with Article 519 of the Belgian Companies Code and the Articles of Association of the Company, and with effect as of 13 December 2016, Mr. Hilmar Rode, chief executive officer of the Company, was appointed by the Board of Directors to replace Mr. William A. (Bill) Scotting as Director of the Company for a term until the next general shareholders' meeting. In view hereof, and taking into account the advice of the Nomination and Remuneration Committee, the Board of Directors recommends that the appointment of Mr. Hilmar Rode as Director of the Company be confirmed. Furthermore, taking into account the advice of the Nomination and Remuneration Committee, the Board of Directors recommends that Mr. Rode is appointed as Director of the Company for a new term of four (4) years. For further information regarding Mr. Rode, reference is made to the corporate governance statement included in the annual report of the Board of Directors for the financial year ended on 31 December 2016.

*Proposed resolution:* The general shareholders' meeting takes note of the resignation of Mr. William A. (Bill) Scotting with effect as from 13 December 2016, confirms the appointment of Mr. Hilmar Rode as Director of the Company for a term up to and including the closing of the present general shareholders' meeting, and appoints Mr. Hilmar Rode as Director of the Company for a term up to and including the closing of the annual general shareholders' meeting to be held in 2021 which will have decided upon the financial statements for the financial year ended on 31 December 2020. While Mr. Rode's mandate as chief executive officer shall be remunerated, his mandate as Director shall not be remunerated.

## 9. Re-appointment of Ms. Carole Cable as independent Director

*Explanation:* This agenda item relates to the proposal to re-appoint Ms. Carole Cable as Director of the Company for a term of 4 years.

Taking into account the advice of the Nomination and Remuneration Committee, the Board of Directors recommends that Ms. Carole Cable be re-appointed as Director of the Company for a term of 4 years. For further information regarding Ms. Cable, reference is made to the corporate governance statement included in the annual report of the Board of Directors for the financial year ended on 31 December 2016.

*Proposed resolution:* Ms. Carole Cable is re-appointed as independent non-executive Director within the meaning of Article 526ter of the Belgian Companies Code and Provision 2.3 of the Belgian Corporate Governance Code of 12 March 2009, for a term up to and including the closing of the annual general shareholders' meeting to be held in 2021 which will have decided upon the financial statements for the financial year ended on 31 December 2020. It appears from information available to the Company and from information provided by Ms. Carole Cable that she satisfies the applicable requirements with respect to independence. Unless decided otherwise by the general shareholders' meeting, 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 2016, and pursuant to the principles as approved by the shareholders at the general shareholders' meeting held on 27 April 2011, as amended and supplemented from time to time.

#### 10. Remuneration of the Chair of the Audit Committee

*Explanation:* This agenda item relates to the proposal to increase the remuneration of the chair of the Audit Committee to EUR 30,000.

Taking into account the advice of the Nomination and Remuneration Committee, the Board of Directors recommends that Ms. Carole Cable be re-appointed as Director of the Company for a term of 4 years. For further information regarding Ms. Cable, reference is made to the corporate governance statement included in the annual report of the Board of Directors for the financial year ended on 31 December 2016.

*Proposed resolution:* Ms. Carole Cable is re-appointed as independent non-executive Director within the meaning of Article 526ter of the Belgian Companies Code and Provision 2.3 of the Belgian Corporate Governance Code of 12 March 2009, for a term up to and including the closing of the annual general shareholders' meeting to be held in 2021 which will have decided upon the financial statements for the financial year ended on 31 December 2020. It appears from information available to the Company and from information provided by Ms. Carole Cable that she satisfies the applicable requirements with respect to independence. Unless decided otherwise by the general shareholders' meeting, 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 2016, and pursuant to the principles as approved by the shareholders at the general shareholders' meeting held on 27 April 2011, as amended and supplemented from time to time.

#### 11. Share based remuneration for non-executive Directors

*Explanation:* This agenda item relates to the proposal to grant the non-executive Directors the opportunity to be remunerated in whole or in part in deferred shares of the Company rather than in cash.

The Board of Directors believes that granting the non-executive Directors the opportunity to be remunerated in whole or in part in deferred shares of the Company rather than in cash enables the non-executive Directors to link their effective remuneration to the future performance of Nyrstar and to strengthen the alignment of their interests with the interests of the Company's shareholders. In view hereof, taking into account the advice of the Nomination and Remuneration Committee, and taking into account the decision of last year's annual general shareholders' meeting, the Board of Directors submits the following resolution for approval by the general shareholders' meeting.

*Proposed resolution:* The general shareholders' meeting approves that each of the non-executive Directors referred to below (the "Eligible Directors") will be remunerated for his or her Director's mandate for the period as of this general shareholders' meeting until the annual general shareholders' meeting of 2018 in the form of "deferred shares units" of the Company, and not in cash, subject to the conditions set out below. The remuneration in shares shall for each Eligible Director be limited to the portion set out next to his or her name below (the "Eligible Share Remuneration") of the aggregate remuneration that applies to the Director's mandate of the relevant Eligible Director in accordance with the principles that have been determined by the annual general shareholders' meeting of the Company held on 27 April 2011, as amended and supplemented from time to time and that otherwise would have been payable in cash (the "Eligible Remuneration"). The shares will not vest immediately, but will effectively vest and be delivered on the earlier of (i) the end of the Director's mandate of the Eligible Director, and (ii) a change of control over the Company. The shares are granted for free (i.e. for no additional consideration). The number of shares to

be granted to an Eligible Director shall be equal to (i) the amount of the Eligible Share Remuneration that would otherwise have been paid in cash (save for this decision by the general shareholders' meeting), divided by (ii) the average closing price of the Company's shares during the ten trading days preceding the date of this general shareholders' meeting, whereby the result is rounded down to the nearest whole number. Subject to applicable legal provisions, the shares can also be issued in consideration of a contribution in kind of the relevant Eligible Remuneration. The Eligible Directors and their respective Eligible Share Remuneration that will be payable in deferred shares units are as follows: (i) Ms. Anne Fahy: EUR 10,000 of her Eligible Remuneration; (ii) Ms. Carole Cable: 50% of her Eligible Remuneration; (iii) Mr. Martyn Konig: 100% of his Eligible Remuneration; and (iv) Mr. Christopher Cox: 100% of his Eligible Remuneration. The general shareholders' meeting approves that the shares can be definitively and fully acquired by an Eligible Director prior to the end of the third year referred to in Article 520ter of the Belgian Companies Code. The general shareholders' meeting also approves, as far as needed and applicable in accordance with Article 556 of the Belgian Companies Code, that the shares can be delivered upon the occurrence of a change of control over the Company. As far as needed and applicable, the general shareholders' meeting acknowledges that the shares shall not be considered as "variable remuneration", nor as "fixed remuneration", pursuant to Articles 520ter, 524bis, 525 and 554 (as applicable) of the Belgian Companies Code (and equivalent or similar provisions of the Belgian Corporate Governance Code of 12 March 2009) and Provision 7.7 of the Belgian Corporate Governance Code of 12 March 2009. The Company's Nomination and Remuneration Committee shall be authorised to further document the grant and, subject to the aforementioned provisions, to determine the terms and conditions of the grant, which shall contain customary adjustment clauses to take into account and mitigate the effect of corporate actions, dilutive transactions and similar events, such as (but not limited to) stock splits, reverse stock splits, mergers and de-mergers, dividend payments, other distributions on shares, rights offerings, and share buy-backs. The general shareholders' meeting further grants a special power of attorney to each Director of the Company and the Company Secretary, acting singly and with the power of substitution, to perform the formalities required by Article 556 of the Belgian Companies Code with respect to this resolution.

## 12. Approval of new Long Term Incentive Plan

*Explanation:* This agenda item relates to the proposal to approve a new Executive Long Term Incentive Plan.

The current Executive Long Term Incentive Plan of the Company (the "Old LTIP") was approved by a general shareholders' meeting of the Company in 2007 for a term of 10 years, and therefore will come to an end. Taking into account the advice of the Nomination and Remuneration Committee, the Board of Directors recommends that a new Executive Long Term Incentive Plan (the "New LTIP") be approved by the general shareholders' meeting with substantially the same terms and conditions as the Old LTIP. For further information regarding the Old LTIP, reference is made to the remuneration report included in the annual report of the Board of Directors for the financial year ended on 31 December 2016.

*Proposed resolution:* The general shareholders' meeting approves the adoption of a new Executive Long Term Incentive Plan (the "New LTIP"). The New LTIP shall have a term of 10 years as of the date of the present general shareholders' meeting. The terms of the New LTIP may also apply to awards that are still outstanding under the Executive Long Term Incentive Plan that was approved in 2007 (the "Old LTIP"). The terms of the New LTIP shall have substantially the same terms as the Old LTIP, except that the Board of Directors shall have the ability to postpone the settlement, payment or delivery of awards (whether in cash or in shares), and shall have the right to determine that awards shall no longer vest and/or lapse in whole or in part upon termination of the employment or services of a beneficiary. Subject to applicable legal provisions, the Board of Directors can decide that the shares to be delivered in accordance with the foregoing rules can be existing shares and/or new shares to be issued in consideration of a contribution in kind of a receivable with respect to the relevant awards concerned. The general shareholders' meeting also approves and ratifies, as far as needed and applicable in accordance with Article 556 of the Belgian Companies Code, any clauses or features included in the New LTIP that (automatically or not) result in, or permit the Board of

Directors (or a committee or certain members of the Board of Directors) to approve or allow an accelerated or immediate vesting or acquisition of awards made under the New LTIP in the event of a public takeover bid or change of control over the Company, and any other clause or feature included in the New LTIP (if applicable) that falls or may be deemed to fall within the scope of Article 556 of the Belgian Companies Code (referring to the granting of rights to third parties that have an impact on the Company's equity, or that give rise to a liability or an obligation for the Company, when the exercise of such rights is dependent upon a public takeover bid on the Company's shares or on a change of the control over the Company). The general shareholders' meeting approves that the shares awarded under the New LTIP can be definitively and fully acquired by the beneficiaries under the New LTIP prior to the end of the third year referred to in Article 520ter of the Belgian Companies Code. As far as needed and applicable, the general shareholders' meeting acknowledges that the shares awarded under the New LTIP shall not be considered as "variable remuneration", nor as "fixed remuneration", pursuant to Articles 520ter, 524bis, 525 and 554 (as applicable) of the Belgian Companies Code (and equivalent or similar provisions of the Belgian Corporate Governance Code of 12 March 2009) and Provision 7.7 of the Belgian Corporate Governance Code of 12 March 2009. The general shareholders' meeting further grants a special power of attorney to each Director of the Company and the Company Secretary, acting singly and with the power of substitution, to perform the formalities required by Article 556 of the Belgian Companies Code with respect to this resolution.

**13. Approval of the possibility to pay out Annual Incentive Plan entitlements in deferred shares**

*Explanation:* This agenda item relates to the proposal to approve the possibility to pay out Annual Incentive Plan entitlements in deferred shares.

*Proposed resolution:* The general shareholders' meeting grants the Board of Directors the power to pay out entitlements to beneficiaries (including members of the Nyrstar Management Committee and Directors of the Company, where applicable) under the Annual Incentive Plan ("AIP") in relation to the performance by such beneficiaries during the years 2016, 2017 and 2018 in the form of shares of the Company instead of cash, subject to the following terms: (a) up to the maximum AIP entitlement in relation to a performance year can be paid in the form of shares instead of cash; (b) the shares to be delivered as payment of an AIP entitlement are granted for no additional consideration payable by the beneficiary concerned; (c) the shares to be delivered as payment of an AIP entitlement in relation to a relevant performance year will be delivered in the second year following the relevant performance year (i.e. early 2018 with respect to the AIP for performance year 2016, early 2019 with respect to the AIP for performance year 2017, and early 2020 with respect to the AIP for performance year 2018), rather than in the beginning of the first year following the respective performance year (which is the case if the entitlements are paid out in cash), and subject to the condition that the beneficiary is still employed by the Company or its subsidiaries at that time. Subject to applicable legal provisions, the Board of Directors can decide that the shares to be delivered in accordance with the foregoing rules can be existing shares and/or new shares to be issued in consideration of a contribution in kind of a receivable with respect to the relevant entitlements concerned. The general shareholders' meeting approves that the shares that are delivered as pay out of an entitlement under the AIP as aforementioned can be definitively and fully acquired by a beneficiary concerned prior to the end of the third year referred to in Article 520ter of the Belgian Companies Code. Subject to the foregoing, the Board of Directors can further document and determine the terms and conditions of the delivery of shares to the beneficiaries (including, but not limited to, the number of shares to be delivered).

**14. Approval in accordance with Article 556 of the Belgian Companies Code in connection with the working capital facility agreement entered into with Trafigura**

*Explanation:* This agenda item relates to the proposal to approve in accordance with Article 556 of the Belgian Companies Code in connection with the working capital facility agreement entered into with Trafigura

*Proposed resolution:* The general shareholders' meeting takes note of the working capital facility agreement originally dated 4 May 2016 between the Company (as guarantor), Nyrstar Sales & Marketing AG ("NSM") (as borrower), Nyrstar Belgium NV (as guarantor) and Trafigura Ventures V B.V. (as lender) as amended and restated pursuant to an amendment and restatement agreement dated 1 November 2016 between the Company (as guarantor), NSM (as borrower), Nyrstar Belgium NV (as guarantor) and Trafigura Ventures V B.V. (as lender) (the "Working Capital Facility"), and of the related documentation. Insofar as required, the general shareholders' meeting approves all clauses of the Working Capital Facility (and if applicable, of the related documentation) that fall or may fall within the scope of Article 556 of the Belgian Companies Code, including, but not limited to (i) clause 7.2 (Mandatory prepayment - change of control), (ii) clauses 18.5 (Disposals), 18.7 (Merger) and 19.10 (Ownership of the Obligors) each in combination with clauses 19.2 (Other obligations) and 19.14 (Acceleration) and (iii) all other clauses of the Working Capital Facility and related documentation (if applicable) that fall or may be deemed to fall within the scope of Article 556 of the Belgian Companies Code (referring to the granting of rights to third parties that have an impact on the Company's equity, or that give rise to a liability or an obligation for the Company, when the exercise of such rights is dependent upon a public takeover bid on the Company's shares or on a change of the control over the Company). The general shareholders' meeting further grants a special power of attorney to each Director of the Company and the Company Secretary, acting singly and with the power of substitution, to perform the formalities required by Article 556 of the Belgian Companies Code with respect to this resolution.

**15. Approval in accordance with Article 556 of the Belgian Companies Code in connection with the EUR 400 million 6.875% bonds issued by Nyrstar Netherlands (Holdings) B.V.**

*Explanation:* This agenda item relates to the proposal to approve in accordance with Article 556 of the Belgian Companies Code in connection with the EUR 400 million 6.875% bonds issued by Nyrstar Netherlands (Holdings) B.V.

*Proposed resolution:* The general shareholders' meeting takes note of, approves and ratifies, in as far as necessary in accordance with Article 556 of the Belgian Companies Code, the following provisions: (a) sections 1.01, 2.15, 4.15 and 5.01, to be read together with sections 6.01(a)(3) and 6.02 of the indenture of 10 March 2017 pursuant to which Nyrstar Netherlands (Holdings) B.V., a wholly owned subsidiary of the Company, issued unsecured notes due 2024 for an aggregate principal amount of EUR 400 million, and which has been entered into by, amongst others, the Company as the "Parent Guarantor" (the "Indenture"), and (b) each other clause of the Indenture which entail rights to third parties that have an impact on the Company's equity or that give rise to a liability or obligation of the Company, whereby the exercise of such rights is dependent upon a public takeover bid on the Company's shares or a change of the control over the Company. The general shareholders' meeting further grants a special power of attorney to each Director of the Company and the Company Secretary, acting singly and with the power of substitution, to perform the formalities required by Article 556 of the Belgian Company Code with respect to this resolution.

## EXTRAORDINARY GENERAL MEETING

**Agenda and proposed resolutions:** 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. Absorption of losses through a decrease of available reserves and issue premiums**

*Explanation:* This agenda items relates to the proposed absorption of losses through a decrease of available reserves and issue premiums.

*Proposed resolution:* The general shareholders' meeting resolves to absorb existing losses of the Company in an amount of EUR 1,242,200,667.50, and resolves, in implementation hereof, as follows:

(a) Reduction of available reserves: Existing losses incurred by the Company in an amount of EUR 1,242,200,667.50 (as appear from the statutory (non-consolidated) financial statements for the financial year ended on 31 December 2016), shall be absorbed with an amount of EUR 17,029,439.35 by reducing the available reserves of the Company (as appear from the statutory (non-consolidated) financial statements for the financial year ended on 31 December 2016), in their entirety with an amount of EUR 17,029,439.35 in total so that these reserves shall amount to zero.

(b) Reduction of issue premiums: Subsequent to the aforementioned reduction of available reserves, the remaining balance of the existing losses incurred by the Company in an amount of EUR 1,225,171,228.15 (as appear from the statutory (non-consolidated) financial statements for the financial year ended on 31 December 2016, but taking into account the aforementioned reduction of the available reserves) shall be absorbed in its entirety by reducing the issue premiums of the Company with an amount of EUR 1,225,171,228.15 in total so that the issue premiums will be reduced from EUR 2,368,924,469.53 to EUR 1,143,753,241.38. This reduction of issue premiums will be imputed in priority on any amounts included in the issue premiums accounts that do not qualify as fiscally paid-in capital (or assimilated thereto).

(c) No cancellation of existing shares: The aforementioned reduction of issue premiums shall occur without cancellation of existing shares of the Company and shall be borne by each of the existing shares in the same manner.

## 2. 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. The Board of Directors has set out in this document 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. 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 annual and extraordinary general shareholders' meetings.

Submission of the special report of the Board of Directors in accordance with Article 604 of the Belgian Company Code in relation to the proposal to grant powers to the Board of Directors under the authorised capital of the Company, as set out below in item 3 of the agenda of the extraordinary general shareholders' meeting.

## 3. 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, please see the report referred to in item 2 of the agenda of the extraordinary general shareholders' meeting.

In view of the continuing challenging environment in the commodities markets and in order to allow the Board of Directors the flexibility to raise additional equity based financing as and when the need may arise or an opportunity would present itself, the Board of Directors proposes that it be granted limited powers under the authorised capital to increase the Company's share capital by a maximum amount of 30% during a term of three (3) years, all as further set out below. For further information regarding the circumstances in which the Board of Directors could make use of the authorised capital and the objectives that the Board of Directors would pursue with the authorised capital, see also the special report referred to in item 2 of the agenda of the extraordinary general shareholders' meeting.



*Proposed resolution:* The general shareholders' meeting resolves that the Board of Directors shall be authorised to increase the share capital of the Company on one or several occasions by a maximum aggregate amount of 30% 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 three (3) years as from the date of publication in the annexes to the Belgian Official Gazette of an extract of the minutes of the extraordinary general shareholders' meeting granting the authorisation. The Board of Directors shall be able to restrict or cancel the preferential subscription rights of the shareholders, subject, however, to the limitations set out in the Belgian Companies Code. Accordingly, Article 9 of the Company's Articles of Association shall be amended and restated 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):

"The board of directors may increase the share capital of the company on one or several occasions by a maximum amount of [30% of the amount of the share capital as at the time of the approval of the proposed resolution].

Within the framework of the authorised capital, the board of directors may increase the share capital by contributions in cash or in kind, by capitalisation of reserves, whether available or unavailable for distribution, with or without the issuance of new shares. The board of directors may use this authorisation for the issuance of the securities mentioned in article 11 below.

In the event of a capital increase decided by the board of directors pursuant to the authorised capital, all issue premiums booked, if any, will be accounted for on the liabilities side of the company's balance sheet under the net equity. The account on which the issue premiums are booked shall, like the share capital, serve as the guarantee for third parties and can only be reduced on the basis of a lawful resolution of the general shareholders' meeting passed in the manner required for an amendment to the company's articles of association.

When exercising its powers under the authorised capital, the board of directors shall be authorised to effect the transaction with application of the statutory preferential subscription rights of the shareholders (within the meaning of article 592 and following of the Belgian Companies Code). Subject to applicable company, financial and securities law rules, the board of directors shall also be authorised to restrict or cancel the statutory preferential subscription rights of the company's shareholders in accordance with the provisions of article 596 of the Belgian Companies Code for the purpose of (a) a transaction with non-statutory preferential subscription rights for the existing shareholders, (b) a transaction in which the statutory preferential subscription rights are restricted or cancelled for the benefit of one or more categories or classes of investors and/or shareholders, including (but not limited to) (i) professional, institutional or qualified investors, (ii) directors, employees, personnel and/or service providers of the company and its subsidiaries, and/or (iii) shareholders and/or investors located in one or more geographical areas, and (c) (public or non-public) offerings of securities in certain selected jurisdictions only, to be determined by the board of directors. When restricting or cancelling the statutory preferential subscription right of the company's shareholders, the board of directors shall have the ability (but not the obligation) to provide for a priority allocation to the existing shareholders with respect to all or a portion of the transaction. Unless expressly permitted as aforementioned, the board of directors shall not be authorised to restrict or cancel the statutory preferential subscription right for the benefit of a specifically named investor or shareholder in accordance with the provisions of article 598 of the Belgian Companies Code.

The authorisation of the board of directors as set out in this article 9 is valid for a period of three (3) years as from the date of publication in the Annexes to the Belgian Official Gazette of an extract of the minutes of the extraordinary general shareholders' meeting of the company held on [the date of the approval of the proposed resolution]."

#### **4. Renewal of the powers of the Board of Directors to purchase own shares**

*Explanation:* This agenda item relates to the proposal to renew the powers of the Board of Directors to purchase own shares of the Company for an additional period of five years.

Proposed The powers granted to the Board of Directors to purchase own shares of the Company as set out in Article 13 of the Company's Articles of Association will expire on 22 May 2017. The Board of Directors therefore proposes that its powers to purchase own shares of the Company be renewed for an additional period of five years.

*Proposed resolution:* The general shareholders' meeting decides to amend and restate the first paragraph of Article 13 of the Company's Articles of Association as follows (whereby the date referred to in the sub-section 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-section):

"The board of directors may, without prior authorisation by the general shareholders' meeting, in accordance with Article 620 and following of the Belgian Companies Code and within the limits set out in this provision, acquire, on or outside the stock exchange, a number of the company's own shares representing a maximum of 20% of the subscribed capital, for a price not lower than 25% below the closing price of the last trading day and not higher than 10% above the average closing price during the last 20 trading days. This authorisation covers the acquisition on or outside the stock exchange by a direct subsidiary of the company within the meaning and the limits set out by Article 627 of the Belgian Companies Code. This authorisation is valid for a term of five years as of [the date of the approval of the proposed resolution]."

\* \* \*

Done on 17 March 2017

On behalf of the Board of Directors