



Limited Liability Company (*Naamloze Vennootschap*)
Zinkstraat 1, 2490 Balen (Belgium)
Company number VAT BE 0888.728.945 RPR/RPM Turnhout

Report of the board of directors ex article 96 Company Code

Pursuant to articles 95 and 96 of the Belgian Company Code, we are pleased to report to you on the operations of Nyrstar NV (the "Company") with respect to the financial year as from 1 January 2017 until 31 December 2017. This report comprises also the corporate governance statement and remuneration report in accordance with article 96 par. 2 and par. 3 Company Code as attached to this report in annex B and C respectively.

1. Company facts and activities

The Company has its registered office at Zinkstraat 1, Balen, Belgium. The Company has been listed on NYSE Euronext Brussels since 29 October 2007.

The Company is the holding company of the Nyrstar Group and in addition delivers a number of support services to the Nyrstar Group, such as, but not limited to, regional purchasing, IT, environment, innovation and development, continuous improvement and legal support services. The Company Secretary is also based at the registered office in Balen.

2. Comments on the statutory financial statements

These comments are based on the balance sheet and the proposed allocation of results and are therefore subject to the approval of the proposed allocation of results by the shareholders of the Company. The statutory financial statements were prepared in accordance with Belgian accounting laws.

During the last financial year the Company generated a net loss of EUR 15,650k and has a balance sheet total as at 31 December 2017 of EUR 1,659,361k.

Operational result

The operational result shows a loss of EUR 8,226k. This result derives from an operating income amounting to EUR 9,022k offset by an operating cost of EUR 17,248k.

The operating income is related to the consultancy services performed by Nyrstar NV for the other Nyrstar group entities and the recharges of the costs (e.g. long term incentive plans).

The operating costs mainly relate to:

- services and other goods for EUR 9,343k, mainly related to recharged personnel costs from other Nyrstar group entities and to external consultancy services;
- payroll charges for EUR 7,680k;
- depreciation charges on the capitalised establishment costs and tangible fixed assets for in total EUR 6,424k; and
- decrease of provisions for liabilities and charges for EUR 6,199k.

Financial result

The financial result mainly relates to:

- interest income received on intercompany loans equal to a total of EUR 11,927k.
- foreign exchange gains for EUR 21k;
- interest charges for EUR 19,363k, mainly related to (i) the convertible bond issued in September 2013 amounting to EUR 120 million and (ii) the convertible bond issued in July 2016 amounting to EUR 115 million;
- foreign exchange losses for EUR 5k.

For accounting year 2017 no impairment charge on financial fixed assets has been recognized.

Income taxes

The income tax expense amounting to EUR 4k relates to the taxes due in relation to financial years 2015 and 2016.

Balance sheet

The capitalised establishment assets with a net book value of EUR 9,762k, consisting of (i) the transaction costs related to the issuing of the convertible bond for EUR 120 million dated 25 September 2013 amounting to EUR 331k, (ii) the transaction costs related to the capital increase dated 29 February 2016 amounting to EUR 4,562k, (iii) the transaction costs related to the issuing of the convertible bond for EUR 115 million dated 11 July 2016 amounting to EUR 2,516k and (iv) the transaction costs related to the capital increase dated 17 November 2017 amounting to EUR 2,353k.

The fixed assets as per 31 December 2017 consist of:

- participations in group entities with a carrying value (after impairment) for EUR 1,235,420k.
- cash guarantees for EUR 1,800k.

The current assets per year-end 2017 consist of:

- long-term receivables from group entities amounting to EUR 400,000k.
- trade receivables for EUR 6,500k, relating to the recharged consultancy services by Nyrstar NV and the recharges of the expenses in relation to the share based option plans towards the concerned group entities;
- other receivables for EUR 67k, mainly related to VAT for EUR 66k;
- cash at bank for EUR 644k and
- accrued intercompany interests for EUR 5,167k.

The equity per 31 December 2017 amounts to EUR 1,341,994k.

The changes in equity for the financial year 2017 relate to (i) the absorption of losses carried forward amounting to EUR 1,242,200k by decreasing the distributable reserves with EUR 17,029k and the share premium with EUR 1,225,171k, (ii) the capital increases dd. 29/06/2017 amounting to EUR 88k and dd. 17/11/2017 amounting to EUR 15,982k and (iii) the increase of the loss carried forward with current year result amounting to EUR 15,650k.

The provisions for liabilities and charges amount to EUR 3,657k. This relates to the liability for share-based option plans for Nyrstar employees.

The long-term financial liabilities amounting to EUR 103,079k relate to the debt component of the convertible bond issued in July 2016, amounting to EUR 115,000k.

The current liabilities per year end 2017 mainly relate to:

- the debt component of the convertible bond issued in 2013, falling due in September 2018 for EUR 117,263k;
- trade payables for EUR 1,751k;
- tax and payroll liabilities for EUR 358k; and
- other payables for EUR 87,200k related mainly to cash pooling payables to intercompany entities

The accrued charges and deferred income as of 31 December 2017 show an amount of EUR 4,059k, solely related to accrued interest charges on the financial liabilities.

3. Result allocation (in EUR)

Taking into account the absorption of the loss carried forward from prior accounting year amounting to EUR 1,242,200,668 and the loss for the financial year ended 31 December 2017 of EUR 15,649,821 the Board of Directors proposes to allocate the net result as follows:

- loss to be carried forward: EUR 15,649,821

4. Risk management and management of uncertainties and information regarding the use by the Company of financial instruments

The Company's objectives and the management of risks and uncertainties and the use of financial instruments are discussed in detail in the board report on the consolidated financial statements in accordance with article 119 of the Company Code which is included in the 2017 annual report. The 2017 annual report can be downloaded from the Company's website: www.nyrstar.com.

The Company is a holding company that derives the substantial majority of its operating income and cash flows from its subsidiaries. Nyrstar's business, results of operations and financial condition are therefore dependent on the trading performance of members of the Group. Nyrstar's ability to service its debt and to pay dividends will depend upon the level of distributions, if any, received from Nyrstar's operating subsidiaries and interests, any amounts received on capital raisings and asset disposals and the level of cash balances. These subsidiaries are not required and may not be able to pay dividends to Nyrstar, and a number of Nyrstar's subsidiaries are located in countries that may impose regulations restricting the payment of dividends outside of the country through exchange control regulations. Certain of Nyrstar's operating subsidiaries and associated companies may, from time to time, be subject to restrictions on their ability to make distributions to Nyrstar, including as a result of restrictive covenants contained in loan agreements, foreign exchange limitations, tax and company law constraints and other regulatory restrictions.

5. Justification of the application of the valuation rules under the assumption of continuity

As the Company's balance sheet at year end 2017 shows accumulated losses, the application of valuation rules based on the going concern assumption must be justified. In accordance with Article 96.6° of the Belgian Company Code, the Board of Directors consider the application of the going concern assumption to be appropriate.

At the date of authorisation of the 31 December 2017 financial statements, the Company has assessed that, taking into account its available cash, cash equivalents and undrawn committed facilities available at the date of the financial statements), its cash flow projections for 2018 based on the approved budgets, it has sufficient liquidity to meet its present

obligations and cover working capital needs for 2018 and will remain in compliance with its financial covenants throughout this period.

The cash flow projections for 2018 incorporate the following key assumptions:

Commodity prices and foreign exchange rates

Commodity prices and foreign exchange rates were developed from externally available sources from a number of different market commentators

Production output and capital and operating costs

Based on historical results unless definitive plans are in place which are expected to have a significant effect on operations

Treatment charges

Treatment charges were developed from externally available forecasts and recent historical rates

Port Pirie Redevelopment Project

The cash flow projections for 2018 include management's best estimate of the revenue from the project

The Company has undertaken a sensitivity analysis of its going concern assessment through independently adjusting the cash flow projections for 2018 for zinc prices, treatment charges, smelter production output and unfavourable movements in the USD. Each of the scenarios below were modelled independent of each other.

- Forecast zinc prices for the second half of 2018 were adjusted to USD 2,600/t which was the lowest zinc price provided by Nyrstar's panel of market commentators. No change was made to the assumed treatment charge of USD 118/t on the basis the majority of the Group's treatment charges are referenced to the benchmark price set in the first half of 2018.
- Forecast zinc prices were adjusted to USD 3,854/t which was the highest zinc price provided by Nyrstar's panel of market commentators. In addition, treatment charge rates were adjusted down to USD 108/MT. This downward adjustment reflects the historic correlation of treatment charges to the zinc price over the last 7 years.
- Forecast smelter production output was adjusted down by 13%, a smelter production level which the Group has exceeded in each of the last 7 years. In addition, the full contribution from the Port Pirie Redevelopment Project has been removed from the forecasts.
- Assumed the USD would weaken by 5% and the AUD would weaken by 2% against the EUR. This was to reflect the most unfavourable exchange rates provided by consensus brokers. A weakening USD and AUD negatively impacted the Group's equity.

In all cases the sensitivity analysis indicated that the Company would have sufficient liquidity to meet its present obligations and cover working capital needs for 2018 and remain in compliance with its financial covenants throughout 2018.

Adverse movements in currency rates, commodity prices and/or operational results will affect the Company's liquidity or lower the Company's equity, and if these adverse movements persist for an extended period of time, the Company may have to take mitigating actions to maintain liquidity or equity headroom. A sustained and material impact on the Company's liquidity or equity will also impact the Company's ability to comply with financial covenants under its credit facilities.

The Company has assessed that the liquidity analysis performed at the level of the Group is - without material adjustment or limitation - also applicable on the going concern assessment for the purpose of drafting the standalone financial statements of its parent entity Nyrstar NV.

6. Important events which occurred after the end of the financial year

There have been no material reportable events subsequent to 31 December 2017.

7. Information regarding the circumstances that could materially affect the development of the Company

No information regarding the circumstances that could materially affect the development of the Company are to be mentioned.

8. Branches

The Company has no branches.

9. Research and development

The Company continues to undertake research and development through a number of activities at various production sites of the Group.

10. Non-financial Information provided in accordance with Article 96 § 4 of the Belgian Company Code

Non-financial information, including descriptions of policies, risks and performance related to environmental, social and governance ("ESG") significant matters for Nyrstar Group, will be disclosed in the annual Sustainability Report. The Sustainability Report will be made available on Nyrstar's website in Q2 2018.

11. Information provided in accordance with article 624 of the Belgian Company Code

The treasury shares reserve comprises the par value of the Company's share held by the Group. The Group held no Company's shares as at 31 December 2017 and 2016.

The extraordinary general shareholders' meeting held on 18 January 2016 approved the cancellation of all 12,571,225 treasury shares held by the Company.

Issued shares	2017	2016
Shares outstanding	109,033,545	93,563,960
Treasury shares	-	-
As at 31 Dec	109,033,545	93,563,960
Movement in shares outstanding	2017	2016
As at 1 Jan	93,563,960	327,473,863
Capital increase	15,469,585	608,165,740
Reverse stock split	-	(842,075,643)
Employee shared based payment plan	-	-
As at 31 Dec	109,033,545	93,563,960

Movement in treasury shares	2017	2016
As at 1 Jan	-	12,571,225
Cancellation of treasury shares	-	(12,571,225)
Employee shared based payment plan	-	-
As at 31 Dec	-	-

12. Information provided in accordance with Articles 523 and 524 of the Belgian Company Code

Directors are expected to arrange their personal and business affairs so as to avoid conflicts of interest with the Company. Any director with a conflicting financial interest (as contemplated by article 523 of the Belgian Company Code) on any matter before the Board of Directors must bring it to the attention of both the statutory auditor and fellow directors, and take no part in any deliberations or voting related thereto. Section 1.4 of the Corporate Governance Charter sets out the procedure for transactions between Nyrstar and the directors which are not covered by the legal provisions on conflicts of interest. Section 3.2.4 of the Corporate Governance Charter contains a similar procedure for transactions between Nyrstar and members of the management committee (other than the Chief Executive Officer).

To the knowledge of the Board of Directors, there are, on the date of this report, no potential conflicts of interests between any duties to the Company of the directors and members of the management committee and their private interests and/or other duties. While this does not entail a direct personal conflict of interest, Mr. Cox is a member of the supervisory committee of Trafigura and Mr. Fernandez is the head of M&A at Trafigura Group Pte. Ltd. and owns a non-voting profit sharing participation in Trafigura Beheer B.V., a parent of Trafigura Group Pte Ltd. As Trafigura is a related party of Mr. Cox and Mr. Fernandez for purposes of Section 1.4 of the Corporate Governance Charter of the Company, this Section is also applicable to transactions with Trafigura. Specifically we confirm that Mr. Fernandez has represented to management that he owns non-voting profit participating shares in Trafigura Beheer BV. We also confirm that the Board assessed this ownership of non-voting profit participating shares in Trafigura Beheer BV and has concluded that nevertheless no financial conflict of interest exists and hence the procedure of article 523 of the Belgian Companies Code does not need to be followed. There has therefore not been any non compliance with article 523 of the Belgian Companies Code.

The provisions of the Belgian Companies Code have been complied with in relation to the Indemnification Agreements for Directors to the extent applicable to Mr Fernandez and Ms Fahy at the Board meeting on 24 January 2017. Mr Fernandez and Ms Fahy explained that pursuant to the Indemnification Agreements, in the event they were to incur a liability in the performance of each mandate as a director of the Company, they would benefit from an indemnification by the Company against the financial damages and other costs in connection with such liability. As a result, under Article 523 of the Belgian Company Code, they both have an interest of a financial nature that could be in conflict with the proposed approval by the Board of the Indemnification Agreements. Mr Fernandez and Ms Fahy further stated that they believed that the terms of the proposed Indemnification Agreements are not unusual or uncustomary, especially within the context of listed companies, and that the Company's Statutory Auditors would be advised of the potential conflict of interest. Mr. Fernandez and Ms Fahy did not take part in the deliberation and decision taking relating to the Indemnification Agreements to be entered into with them. The Board noted that the purpose of the Indemnification Agreements is to indemnify the directors against financial damages and other costs in connection with a liability that each would incur in the exercise of their mandate as a director of the Company. In order to attract and retain qualified individuals as director, the Board believed it is reasonable, prudent and necessary for the Company to contractually obligate itself to provide such indemnification. In addition, the Board noted the existence of indemnification agreements between publicly listed companies and their directors is consistent with market practice.

There is no information regarding a conflict of interest in accordance with article 524 of the Belgian Company Code.

13. Information provided in accordance with article 34 of the Royal Decree dated 14 November 2007

The elements that need to be provided in accordance with article 34 of the Royal Decree dated 14 November 2007 to the extent that these elements could have consequences in the event of a public takeover bid are discussed in detail in the corporate governance statement as attached to this report as annex B.

14. Audit committee

The Audit Committee consists of at least three directors. All members of the Audit Committee are non-executive directors. According to the Belgian Companies Code, all members of the Audit Committee must be non-executive directors, and at least one member must be independent within the meaning of article 526ter of the Belgian Companies Code. The current members of the Audit Committee are Anne Fahy (Chairman), Martyn Konig and Jesús Fernandez. The current composition of the Audit Committee complies with the Belgian Code on Corporate Governance which requires that a majority of the members of the Audit Committee are independent.

The members of the Audit Committee must have a collective competence in the business activities of the Company as well as accounting, auditing and finance. The current Chairman of the Audit Committee is competent in accounting and auditing as evidenced by her previous role as Chief Financial Officer of BP's Aviation Fuels business. According to the Board of Directors, the other members of the Audit Committee also satisfy this requirement, as evidenced by the different senior management and director mandates that they have held in the past and currently hold (see also "*—Other mandates*").

The role of the Audit Committee is to:

- inform the Board of Directors of the result of the audit of the financial statements and the manner in which the audit has contributed to the integrity of the financial reporting and the role that the Audit Committee has played in that process;
- monitor the financial reporting process, and to make recommendations or proposals to ensure the integrity of the process;
- monitor the efficiency of the Company's internal control and risk management systems, and the Company's internal audit process and its effectiveness;
- monitor the audit of the financial statements, including the follow-up questions and recommendations made by the statutory auditor;
- assess and monitor the independence of the statutory auditor, in particular with respect to the appropriateness of the provision of additional services to the Company; and
- make recommendations to the Board of Directors on the selection, appointment and remuneration of the statutory auditor.

The Audit Committee regularly reports to the Board of Directors on the exercise of its missions, including when preparing the financial statements.

In principle, the Audit Committee meets as frequently as necessary for the efficiency of the operation of the Audit Committee, but at least four times a year. The members of the Audit Committee must have full access to the Chief Financial Officer and to any other employee to whom they may require access in order to carry out their responsibilities.

15. Discharge

The board of directors requests the shareholders of the Company to approve the statutory financial statements attached hereto and to grant discharge to the board of directors of the Company and to the statutory auditor for the exercise of their mandate during this financial year of the Company.

* * *

Done at Brussels on 21 February 2018.

On behalf of the board of directors,



Martyn Konig
Director



Hilmar Rode
Director

Annex A: Statutory accounts per 31 December 2017

Annex B: Corporate governance statement in accordance with article 96 par. 2 of Belgian Company Code

Annex C: Remuneration Report in accordance with article 96 par. 3 of Belgian Company Code

Annex A

Statutory accounts per 31 December 2017

[Separate document]

Annex B

Corporate governance statement in accordance with article 96 par. 2 of Belgian Company Code

Corporate Governance Statement

Nyrstar NV (the 'Company') has prepared this Corporate Governance Statement in accordance with the Belgian Code on Corporate Governance of 12 March 2009. This Corporate Governance Statement is included in the Company's report of Board of Directors on the statutory accounts for the financial year ended on 31 December 2017 dated 21 February 2018 in accordance with article 96 of the Belgian Companies Code.

Corporate Governance Charter

The Company adopted a Corporate Governance Charter in line with the Belgian Code on Corporate Governance of 12 March 2009. The Company applies the nine corporate governance principles contained in the Belgian Code on Corporate Governance. The Company also complies with the corporate governance provisions set forth in the Belgian Code on Corporate Governance.

As an exception to the foregoing, the general shareholders' meeting held on 20 April 2017 approved that certain non-executive directors would be remunerated fully or partly in deferred Shares units, and not in cash (see further in the Remuneration Report). This is a deviation from the provisions of section 7.7 of the Belgian Code on Corporate Governance, which provides that non-executive directors should not be entitled to performance-related remuneration such as bonuses, stock related long-term incentive schemes, fringe benefits or pension benefits. The Board of Directors sought the approval from the general shareholders' meeting for such remuneration in deferred shares, as it believes that granting 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 interest with the interest of the Company's shareholders. The board of directors seeks a similar resolution by the general shareholders' meeting to be held on 19 April 2018.

The Corporate Governance Charter describes the main aspects of the corporate governance of the Company including its governance structure, the terms of reference of the Board of Directors and its Committees and other important topics.

What constitutes good corporate governance will evolve with the changing circumstances of a company and with the standards of corporate governance globally and must be tailored to meet those changing circumstances. The Board of Directors intends to update the Corporate Governance Charter as often as required to reflect changes to the Company's corporate governance.

The Corporate Governance Charter is available, together with the articles of association, on the Company's website, within the section About us (<http://www.nyrstar.com/en/about-us/corporategovernance.aspx>). The Board of Directors approved the initial charter on 5 October 2007. There were updated versions approved on several occasions. The current version was approved by the Board of Directors on 13 December 2016. A copy of the Belgian Code on Corporate Governance can be found on www.corporategovernancecommittee.be.

Code of Business Conduct

Nyrstar has adopted a code of business conduct for all of Nyrstar's personnel and sites. The code of business conduct is based on the Nyrstar Way. The code also provides a frame of reference for Nyrstar sites to establish more specific guidelines to address local and territorial issues. Nyrstar also introduced a code of business conduct development program which supports the code of business conduct and aims to increase awareness in relation to some key risks to Nyrstar's business. The development program includes specially designed training modules for Nyrstar employees. The training modules are conducted by Nyrstar's Compliance Officer with the assistance of local expertise (where required). If employees have issues or concerns (for example, they are concerned that others are not complying with the letter and the spirit of the code of business conduct), they may raise the issue or concern with their supervisor or manager or Nyrstar's Compliance Officer. The code of business conduct is available on Nyrstar's website (www.nyrstar.com).

Board of Directors and Management Committee

Board of Directors

The table below gives an overview of the current members of the Company's Board of Directors and their terms of office:

Name	Principal Function within the Company	Nature of Directorship	Start of Term	End of Term
Martyn Konig	Chairman	Non-Executive, Independent	2015	2019
Hilmar Rode	Chief Executive Officer, Director	Executive	2017	2021
Carole Cable	Director	Non-Executive, Independent	2017	2021
Christopher Cox	Director	Non-Executive	2015	2019
Anne Fahy	Director	Non-Executive, Independent	2016	2020
Jesús Fernandez	Director	Non-Executive	2016	2020

Martyn Konig, Non-Executive Chairman, was appointed chairman in April 2016. He is also non-executive chairman of Euromax Resources (since 2013) and an independent director of TSX-listed New Gold (since 2009), sitting on both the Audit and Corporate Governance Committees. He is a consultant chief investment officer for T Wealth Management, a private multi-family office for partners and senior management of the Trafigura group based in Geneva. Previously, from 2008, he was Executive Chairman and President of European Goldfields until its friendly takeover by Eldorado Gold Corp for US\$ 2.5 billion in 2012. He has also been a main board director of NM Rothschild and Sons Ltd. for 15 years and held senior positions at Goldman Sachs and UBS. Mr. Konig is a barrister and also a Fellow of the Chartered Institute of Bankers.

Hilmar Rode, Chief Executive Officer, was appointed chief executive officer and executive director in December 2016. Prior to Nyrstar, he has worked at BHP Billiton, Glencore, Mondi, Anglo American and Praxair in senior management roles spanning operations, strategy, business development and R&D. At Glencore and Anglo American he accumulated extensive experience in zinc and lead mining and smelting. Most recently, he led the successful transformation of Minera Escondida, the largest copper mining and processing project in Chile operated by BHP Billiton. Prior to BHP Billiton, Hilmar led a restructuring and business optimization project at Glencore's Kazzinc operation in Kazakhstan for two years. While at Anglo American, Hilmar worked on the Skorpion zinc project in Namibia for four years from pre-feasibility through to commissioning. He holds a PhD in Chemical Engineering and a Masters in Environmental Engineering from the State University of New York at Buffalo, United States, and a first-class degree in Chemical Engineering from the University of Stellenbosch, South Africa. He also completed the Advanced Management Programme at Harvard Business School.

Carole Cable, Non-Executive Director, is currently a Partner of the Brunswick Group, an international communications firm, where she is the Joint Head of the energy and resources practice specialising in the metals and mining sector. Prior to her current position, she worked at Credit Suisse and JPMorgan where she was a Mining Analyst and then moved into institutional equity sales covering the global mining sector as well as Asia ex Japan. Before that, she worked for an Australian listed mining company. She is a Member of the Nomination and Remuneration Committee and the Health, Safety, Environment and Community Committee. Ms. Cable holds a Bachelor of Science degree from the University of New South Wales, Australia and is currently on the Board of Women in Mining UK.

Christopher Cox, Non-Executive Director, currently serves on the Trafigura Supervisory Committee. He was also formerly the Head of the non-ferrous and bulk trading division at Trafigura and a member of the Trafigura Management Board between March 2004 and December 2011 as well as a member of the Trafigura Board of Directors from October 2013 until early September 2014. Prior to working for Trafigura, he was employed by Gold Fields of South Africa holding positions in mine and project evaluations and marketing of base metal concentrates and refined metals. He is a Member of the Nomination and Remuneration Committee and the Health, Safety, Environment and Community Committee. Mr. Cox was educated in South Africa and holds a Bachelor of Science degree (Hons) in Geology and an MBA from University of Cape Town Graduate School of Business, South Africa.

Anne Fahy, Non-Executive Director, currently sits on the boards of Interserve Plc and STThree Plc, and chairs the Audit Committees of both companies. Furthermore she sits on the Board, the Audit and Risk Committee, and the Nomination Committee of Coats Group Plc (effective 1 March 2018). She is also a Trustee of Save the Children. Previously, she was chief financial officer of BP's Aviation Fuels business, having worked in a variety of finance and finance-related roles in her 27 years at BP. She is a Fellow of the Institute of Chartered Accountants in Ireland and worked at KPMG in Ireland and Australia prior to joining BP in 1988. She holds a Bachelor of Commerce from the University College Galway, Ireland.

Jesús Fernandez, Non-Executive Director, is currently head of M&A at Trafigura Group Pte. Ltd. and sits on the board of their mining division. He is a board member of a number of companies including Bowie, Atalaya Mining, Terrafame Group Ltd and TM Ventures and is a principal of the Galena Private Equity Resources Fund. He has more than 15 years of experience in corporate finance, having previously worked for International Power PLC in its project finance division. He holds a Masters in Finance and Investment from Exeter University, and an Honours Degree in Economics from the University of Cantabria, Spain.

Virginie Lietaer was appointed Company Secretary to the Company effective 10 March 2008.

The business address of each of the Directors is for the purpose of their directors' mandate, Zinkstraat 1, 2490 Balen, Belgium.

Management Committee

The Company's Management Committee consists of five members (including the Chief Executive Officer), as further set forth hereinafter:

Name	Title
Hilmar Rode	Chief Executive Officer
Christopher Eger	Chief Financial Officer
Frank Rittner	Chief Operating Officer
Sebastião Balbino	Chief Commercial Officer
Willie Smit	Chief HR Officer, HR& SHE

Hilmar Rode is the Chief Executive Officer of the Company. See his biography above under "—Board of Directors".

Christopher Eger, Chief Financial Officer was appointed in November 2015. Prior to Nyrstar he was at Trafigura where he was a senior member of the mergers and acquisitions team. Prior to that he was a member of the investment banking group of Bank of America Merrill Lynch, where he worked with metals and mining companies on debt and equity financing and M&A. He also worked as a director in the global metals and mining group at BMO Capital Markets. He holds an MBA from Kellogg School of Management at Northwestern University, United States.

Frank Rittner, Chief Operating Officer, was appointed in January 2017. In his role as Chief Operating Officer, Frank is responsible for Nyrstar's Metals Processing and Mining operations and production value chains. Frank has almost two decades of experience in the metals and mining sector, holding senior positions in the industry as well as international consulting companies, such as PwC and McKinsey & Co. Prior to joining Nyrstar, he was Chief Operating Officer at Glencore's Kazzinc operations in Kazakhstan. Before this, he was a partner at PwC, leading Advisory Services for Metals and Mining clients in Middle and Eastern Europe.

He was also a Management Board Member at Interpipe Group, a vertically integrated producer of steel and steel pipes, responsible for strategic development and the implementation of continuous improvement in production. At McKinsey & Co, he was part of the global mining leadership team, specializing in profitability improvement and operations. Frank received a PhD in Physical Chemistry from the Technical University of Dortmund, Germany and was a Feodor-Lynen research fellow at Columbia University, New York, United States.

Sebastião Balbino, Chief Commercial Officer, was appointed in January 2017. In his role as Chief Commercial Officer, Sebastião focuses on Nyrstar's concentrate procurement strategy and oversees the commercial sales and marketing teams. He has 35 years of experience in the metals and mining sector, holding senior commercial and management positions in the industry. Sebastião joined Nyrstar in May 2016 as Vice President Commercial. Before this, he was the country manager for Angola for DT Group, a joint venture between Trafigura and Cochan Ltd. Sebastião spent over two decades in senior commercial roles, including General Manager Commercial at Votorantim Metais Zinco, a global metals and mining company and one of the largest conglomerates in Latin America. He was also the Production Manager for Companhia Paraibuna de Metais. Sebastião started his career as a petroleum drilling engineer for Petrobras. Sebastião holds a degree in Metallurgical Engineering from the UFF, Brazil as well as an MBA from the FDC, Brazil.

Willie Smit, Chief HR Officer, HR and SHE was appointed in January 2016. Prior to joining Nyrstar, he was a Senior Vice-President and Global Head of HR at Swiss-based cement producer Holcim Ltd. Before that, he held a number of increasingly senior positions with ArcelorMittal, including Executive Vice President and Head of HR, where he was in charge of the global HR function for the Group. Before joining Mittal Steel in 2005, he worked for the Siberian-Urals Aluminium Company (SUAL) as Vice President HR Europe and Africa. He started his career in South Africa where he first worked as an HR graduate trainee at East Rand Proprietary Mines (ERPM Ltd.) and then joined the construction and infrastructure company Group Five. He holds a Bachelor of Educational Science Degree in Clinical Psychology from the University of Johannesburg, South Africa (formerly Rand Afrikaans University).

The business address of the Management Committee is Tessinerplatz 7, 8002 Zurich, Switzerland.

General Information on Directors and Management Committee

No Director or member of the Management Committee has:

- (a) any convictions in relation to fraudulent offences or any offences involving dishonesty;
- (b) except in the case of compulsory liquidations, at any time in the previous five years, been associated with any bankruptcy, receivership or liquidation of any entity in which such person acted in the capacity of a member of an administrative, management or supervisory body or senior manager;
- (c) been declared bankrupt or has entered into an individual voluntary arrangement to surrender his or her estate;
- (d) been a director with an executive function of any company at the time of, or within twelve months preceding, any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
- (e) been a partner in a partnership at a time of, or within twelve months preceding, any compulsory liquidation, administration or voluntary arrangement of such partnership;
- (f) been a partner in a partnership at the time of, or within twelve months preceding, a receivership of any assets of such partnership; or
- (g) had any of his or her assets subject to receivership; or
- (h) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Other Mandates

Other than set out in the table below, no Director or member of the Management Committee has, at any time in the previous five years, been a member of the administrative, management or supervisory body or partner of any companies or partnerships. Over the five years preceding the date of this report, the Directors and members of the Management Committee hold or have held in addition to their function within Nyrstar, the following main directorships or memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current	Past
Martyn Konig	Euromax Resources Newgold	European Goldfields
Carole Cable	Brunswick Group Women in Mining UK City Natural Resources High Yield Trust	N/A
Christopher Cox	Trafigura Beheer B.V.	N/A
Anne Fahy	Interserve Plc SThree Plc Save The Children Coats Group Plc (effective 1 March 2018)	Air BP Ltd.
Jesús Fernandez	Atalaya Mining PLC Bowie Resource Partners TM Ventures TerraFame Ltd Various subsidiaries of Trafigura	Anvil Mining Limited Tiger Resources Limited Various subsidiaries of Trafigura Cadillac Ventures Co Mawson West Ltd.
Hilmar Rode	N/A	Consejo Minero de Chile AG Minera Escondida Ltda. Fundación Minera Escondida Centro de Entrenamiento Industrial y Minero – CEIM
Sebastião Balbino	N/A	AEMR S.A. Angobetume, Lda Angofret, Lda Angorecycling, Lda DT Agro, Lda DT Fundação DTS Imobiliária, Lda DTS Serviços, Lda Errangol, Lda Freemine, Lda Pumangol Bunkering Pumangol Industrial Pumangol Lda Transfuel, Lda Transpuma, Lda DT Ferrovias, Lda
Christopher Eger	N/A	Mawson West
Frank Rittner	N/A	N/A
Willie Smit	Tenon Engineering	Subsidiaries of ArcelorMittal

Board of Directors

The Company has opted for a “one-tier” governance structure whereby the Board of Directors is the ultimate decision-making body, with the overall responsibility for the management and control of the Company, and is authorised to carry out all actions that are considered necessary or useful to achieve the Company’s purpose. The Board of Directors has all powers except for those reserved to the shareholders’ meeting by law or the Company’s articles of association.

Pursuant to Section 1.1 of the Company’s Corporate Governance Charter, the role of the Board of Directors is to pursue the long-term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The Board of Directors decides on the Company’s values and strategy, its risk appetite and key policies.

The Board of Directors is assisted by a number of committees to analyse specific issues. The committees advise the Board of Directors on these issues, but the decision-making remains with the Board of Directors as a whole (see also “—Committees of the Board of Directors” below).

The Board of Directors appoints and removes the Chief Executive Officer. The role of the Chief Executive Officer is to implement the mission, strategy and targets set by the Board of Directors and to assume responsibility for the day-to-day management of the Company. The Chief Executive Officer reports directly to the Board of Directors.

In order to provide a group-wide support structure, the Company has corporate offices in Balen, Belgium and Zurich, Switzerland. These offices provide a number of corporate and support functions including finance, treasury, human resources, safety and environment, legal, tax, information technology, corporate development, investor relations and communications.

Pursuant to the Company’s articles of association, the Board of Directors must consist of at least three directors. The Company’s Corporate Governance Charter provides that the composition of the Board of Directors should ensure that decisions are made in the corporate interest. It should be determined on the basis of diversity, as well as complementary skills, experience and knowledge. Pursuant to the Belgian Code on Corporate Governance, at least half of the directors must be non-executive and at least three directors must be independent in accordance with the criteria set out in the Belgian Companies Code and in the Belgian Code on Corporate Governance. At least one third of the members of the Board of Directors is of the opposite gender.

The directors are appointed for a term of no more than four years by the general shareholders’ meeting. They may be re-elected for a new term. Proposals by the Board of Directors for the appointment or re-election of any director must be based on a recommendation by the Nomination and Remuneration Committee. In the event the office of a director becomes vacant, the remaining directors can appoint a successor temporarily filling the vacancy until the next general shareholders’ meeting. The shareholders’ meeting can dismiss the directors at any time.

On 9 November 2015, the Company entered into a Relationship Agreement with Trafigura Group Pte. Ltd., Urion’s 100% parent company, to govern Nyrstar’s relationship with Trafigura. The Relationship Agreement provides amongst other things that Trafigura will be able to nominate or propose the nomination of such number of directors to the Company’s board of directors as it determines, but limited to a number that does not constitute a majority of the Company’s board of directors (such directors being “Trafigura Directors”). The director appointed upon proposal of Trafigura, who is Mr. Martyn Konig, prior to the date of the Relationship Agreement who is an “independent director” shall not for these purposes be considered as a Trafigura Director. No independent director will be nominated or proposed for nomination unless with the approval of a majority of the directors other than the Trafigura Directors. On the date of this report, only Christopher Cox and Jesús Fernandez are Trafigura Directors. Furthermore, the Relationship Agreement provides that the attendance quorum for a board meeting includes at least one independent director and one Trafigura Director, but if this attendance quorum is not met, a subsequent meeting can be held with the same agenda if at least any two directors are present. The Relationship Agreement will have effect for as long as Trafigura holds at least 20% or more but less than 50% of the shares in the Company. Trafigura may decide to terminate the Relationship Agreement if the Trafigura Commercial Agreements that it entered into with the Company are terminated by the Company other than due to material breach by Trafigura or the expiry or non-renewal of the agreed upon term.

The Board of Directors elects a chairman from among its non-executive members on the basis of his knowledge, skills, experience and mediation strength. If the Board of Directors envisages appointing a former Chief Executive Officer as chairman, it should carefully consider the positive and negative aspects in favour of such a decision and disclose why such appointment is in the best interest of the Company. The chairman is responsible for the leadership and the proper and efficient functioning of the Board of Directors.

The Board of Directors meets whenever the interests of the Company so require or at the request of one or more directors. In principle, the Board of Directors will meet sufficiently regularly and at least six times per year. The decisions of the Board of Directors are made by a simple majority of the votes cast. The chairman of the Board of Directors has a casting vote. The Relationship Agreement provides that in case a Trafigura Director is chairman of the Board of Directors or chairs a meeting of the Board of Directors, he or she shall not have a casting vote.

During 2017, 16 meetings of the Board of Directors were held.

Committees of the Board of Directors

The Board of Directors has set up an Audit Committee, a Nomination and Remuneration Committee and a Health, Safety, Environment and Community Committee.

Audit Committee

The Audit Committee consists of at least three directors. All members of the Audit Committee are non-executive directors. According to the Belgian Companies Code, all members of the Audit Committee must be non-executive directors, and at least one member must be independent within the meaning of article 526ter of the Belgian Companies Code. The current members of the Audit Committee are Anne Fahy (Chairman), Martyn Konig and Jesús Fernandez. The current composition of the Audit Committee complies with the Belgian Code on Corporate Governance which requires that a majority of the members of the Audit Committee are independent.

The members of the Audit Committee must have a collective competence in the business activities of the Company as well as accounting, auditing and finance. The current Chairman of the Audit Committee is competent in accounting and auditing as evidenced by her previous role as Chief Financial Officer of BP's Aviation Fuels business. According to the Board of Directors, the other members of the Audit Committee also satisfy this requirement, as evidenced by the different senior management and director mandates that they have held in the past and currently hold (see also "*—Other mandates*").

The role of the Audit Committee is to:

- inform the Board of Directors of the result of the audit of the financial statements and the manner in which the audit has contributed to the integrity of the financial reporting and the role that the Audit Committee has played in that process;
- monitor the financial reporting process, and to make recommendations or proposals to ensure the integrity of the process;
- monitor the efficiency of the Company's internal control and risk management systems, and the Company's internal audit process and its effectiveness;
- monitor the audit of the financial statements, including the follow-up questions and recommendations made by the statutory auditor;
- assess and monitor the independence of the statutory auditor, in particular with respect to the appropriateness of the provision of additional services to the Company; and
- make recommendations to the Board of Directors on the selection, appointment and remuneration of the statutory auditor.

The Audit Committee regularly reports to the Board of Directors on the exercise of its missions, including when preparing the financial statements.

In principle, the Audit Committee meets as frequently as necessary for the efficiency of the operation of the Audit Committee, but at least four times a year. The members of the Audit Committee must have full access to the Chief Financial Officer and to any other employee to whom they may require access in order to carry out their responsibilities.

During 2017, four Audit Committee meetings were held.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of at least three directors. All members of the Nomination and Remuneration Committee are non-executive directors. In line with the Belgian Companies Code, the Nomination and Remuneration Committee consists of a majority of independent directors. The Nomination and Remuneration Committee is chaired by the Chairman of the Board of Directors or another non-executive director appointed by the committee. The following directors are currently members of the Nomination and Remuneration Committee: Martyn Konig (Chairman), Carole Cable, Anne Fahy and Jesús Fernandez. Pursuant to the Belgian Companies Code, the Nomination and Remuneration Committee must have the necessary expertise on remuneration policy, which is evidenced by the experience and previous roles of its current members. The Chief Executive Officer participates to the meetings of the Nomination and Remuneration Committee in an advisory capacity each time the remuneration of another member of the Management Committee is being discussed.

The role of the Nomination and Remuneration Committee is to make recommendations to the Board of Directors with regard to the appointment of directors, make proposals to the Board of Directors on the remuneration policy and individual remuneration for directors and members of the management committee and to submit a remuneration report to the Board of Directors. In addition, the Nomination and Remuneration Committee each year submits the remuneration report to the annual general shareholders' meeting.

In principle, the Nomination and Remuneration Committee meets as frequently as necessary for the efficiency of the operation of the committee, but at least twice a year.

During 2017, four Nomination and Remuneration Committee meetings were held.

Health, Safety, Environment and Community Committee

The Health, Safety, Environment and Community Committee consists of at least three directors. All members of the Health, Safety, Environment and Community Committee are non-executive directors, with at least one independent director. The Health, Safety, Environment and Community Committee is chaired by the Chairman of the Board of Directors or another non-executive director appointed by the committee. The current members of the Health, Safety, Environment and Community Committee are Christopher Cox (Chairman), Carole Cable and Jesús Fernandez.

The role of the Health, Safety, Environment and Community Committee is to assist the Board of Directors in respect of health, safety, environment and community matters. In particular, its role is to ensure that the Company adopts and maintains appropriate health, safety, environment and community policies and procedures, as well as effective health, safety, environment and community internal control and risk management systems, and to make appropriate recommendations to the Board of Directors.

In principle, the Health, Safety, Environment and Community Committee meets as frequently as necessary for the efficiency of the operation of the committee, but at least twice a year.

During 2017, three Health, Safety, Environment and Community Committee meetings were held.

Activity Report and Attendance at Board and Committee Meetings during 2017

The table summarises the attendance of meetings of the Board of Directors and the respective committees of the Board of Directors by their members in person or by conference call. It does not take into account attendance via representation by proxy.

Name	Board Meeting Attended	Audit	Nomination and remuneration	Health, Safety, Environment and Community
Carole Cable	14 of 16	N/A	4 of 4	3 of 3
Christopher Cox	14 of 16	N/A	N/A	3 of 3
Martyn Konig	14 of 16	4 of 4	4 of 4	N/A
Anne Fahy	16 of 16	4 of 4	of 4N/A	N/A
Jesús Fernandez	11 of 16	4 of 4	4 of 4	3 of 3
Hilmar Rode	16 of 16	4 of 4	4 of 4	3 of 3

The topics discussed at the Board and Committee Meetings are in line with the role and responsibilities of the Board and its Committees as set out in the Corporate Governance Charter, such as for example, the determination of the Company's principal objectives and strategy and the approval of all major investments, divestments, business plans and annual budgets.

Independent Directors

A director will only qualify as an independent director if he or she meets at least the criteria set out in Article 526~~ter~~ of the Belgian Companies Code, which can be summarised as follows:

- Not being an executive member of the Board of Directors, exercising a function as a member of the executive committee or as a person entrusted with daily management of the Company or a company or person affiliated with the Company, and not having been in such a position during the previous five years before his nomination.
- Not having served for more than three terms as a non-executive director of the Board of Directors, without exceeding a total term of more than twelve years.
- Not being an employee of the senior management (as defined in Article 19, 2° of the Belgian Act of 20 September 1948 regarding the organisation of the business industry) of the Company or a company or person affiliated with the Company and not having been in such a position for the previous three years before his nomination.
- Not receiving, or having received, any significant remuneration or other significant advantage of a financial nature from the Company or a company or person affiliated with the Company, other than any bonus or fee (*tantièmes*) he or she receives or has received as a non-executive member of the Board of Directors.
- Not holding (directly or via one or more companies under his control) any shareholder rights representing 10% or more of the Company's shares or of a class of the Company's shares (as the case may be), and not representing a shareholder meeting this condition.
- If the shareholder rights held by the director (directly or via one or more companies under his control) represent less than 10%, the disposal of such shares or the exercise of the rights attached thereto may not be subject to contracts or unilateral undertakings entered into by the director. The director may also not represent a shareholder meeting this condition.

- Not having, or having had within the previous financial year, a significant business relationship with the Company or a company or person affiliated with the Company, either directly or as partner, shareholder, member of the Board of Directors, member of the senior management (as defined in Article 19, 2° of the aforementioned Belgian Act of 20 September 1948) of a company or person who maintains such a relationship.
- Not being or having been within the last three years, a partner or employee of the current or former statutory auditor of the Company or a company or person affiliated with the current or former statutory auditor of the Company.
- Not being an executive director of another company in which an executive director of the Company is a non-executive member of the board, and not having other significant links with executive directors of the Company through involvement in other companies or bodies.
- Not being a spouse, legal partner or close family member (by marriage or birth) to the second degree of a member of the Board of Directors, a member of the executive committee, a person charged with the daily management, or a member of the senior management (as defined in Article 19, 2° of the aforementioned Belgian Act of 20 September 1948) of the Company or a company or person affiliated with the Company, or of a person who finds him or herself in one or more of the circumstances described in the previous bullets.

The resolution appointing the director must mention the reasons on the basis of which the capacity of independent director is granted.

In the absence of guidance in the law or case law, the Board of Directors has not further quantified or specified the aforementioned criteria set out in Article 526ter of the Belgian Companies Code. The Company discloses in its annual report which directors are independent directors. An independent director who ceases to satisfy the requirements of independence must immediately inform the Board of Directors.

The shareholders meeting of the Company has appointed Martyn Konig, Carole Cable and Anne Fahy as independent directors.

The Relationship Agreement between the Company and Trafigura provides that the proposal for appointment of any new independent director requires the approval of a majority of the directors other than the Trafigura Directors, it being understood however, that the Relationship Agreement in no way restricts the Trafigura group as shareholder to vote in favour of or against any proposed independent directors. See also “—Board of Directors”.

Performance Review of the Board, its Committees and its Members

The Board of Directors evaluates its own size, composition, performance and interaction with executive management and that of its committees on a continuous basis.

The evaluation assesses how the board and its committees operate, checks that important issues are effectively prepared and discussed, evaluate each director's contribution and constructive involvement, and assesses the present composition of the board and its committees against the desired composition. This evaluation takes into account the members' general role as director, and specific roles as chairman, chairman or member of a board committee, as well as their relevant responsibilities and time commitment.

Non-executive directors assess their interaction with the executive management on a continuous basis.

Executive Management

The Company's executive management is composed of the Chief Executive Officer and the other members of the Management Committee, as detailed above in “—Management Committee”.

Chief Executive Officer

The Chief Executive Officer is a member of the Board. He leads and chairs the Management Committee and is accountable to the Board of Directors for the Management Committee's performance.

The role of the Chief Executive Officer is to implement the mission, strategy and targets set by the Board of Directors and to assume responsibility for the day-to-day management of the Company. The Chief Executive Officer reports directly to the Board of Directors.

Management Committee

The Board of Directors has delegated the day-to-day management of the Company as well as certain management and operational powers to the Chief Executive Officer. The Chief Executive Officer is assisted by the Management Committee.

The Management Committee is composed of at least four members and includes the Chief Executive Officer. Its members are appointed by the Board of Directors on the basis of a recommendation by the Nomination and Remuneration Committee. The Company's Management Committee does not qualify as a "*directiecomité*" / "*comité de direction*" within the meaning of Article 524bis of the Belgian Companies Code. The Management Committee is responsible and accountable to the Board of Directors for the discharge of its responsibilities.

The Management Committee is responsible for assisting the Chief Executive Officer in relation to:

- operating the Company;
- implementing the decisions taken by the Board of Directors;
- putting in place internal controls and risk management systems (without prejudice to the Board of Directors', the Audit Committee's and the Health, Safety, Environment and Community Committee's monitoring roles) based on the framework approved by the Board of Directors;
- presenting the Board of Directors the complete, timely, reliable and accurate preparation of the Company's financial statements, in accordance with applicable accounting standards and policies;
- preparing the Company's required disclosure of the financial statements and other material, financial and non-financial information;
- presenting the Board of Directors with a balanced and understandable assessment of the Company's financial situation; and
- providing the Board of Directors in due time with all information necessary for the Board of Directors to carry out its duties.

Conflicts of Interest

Directors are expected to arrange their personal and business affairs so as to avoid conflicts of interest with the Company. Any director with a conflicting financial interest (as contemplated by Article 523 of the Belgian Companies Code) on any matter before the Board of Directors must bring it to the attention of both the statutory auditor and fellow directors, and take no part in any deliberations or voting related thereto.

Section 1.4 of the Corporate Governance Charter sets out the procedure for transactions and other contractual relationships between Nyrstar, on the one hand, and the directors or related parties of directors, on the other hand, irrespective of whether or not falling within the scope of the legal provisions on conflicts of interest with directors or related parties of Nyrstar. Notably, such transactions or contractual relationships can only be entered into at market conditions, and the director concerned may only participate in the deliberation and decision-making process with regard to such transactions or contractual relationships if the Board of Directors votes to request or permit such participation and if permitted by law. Furthermore, if a director believes that such a conflict arises in respect of any material decision, operation or transaction, he or she must see to it that the Board of Directors is fully informed at the start of the meeting of the potential or perceived conflict of interest. Where applicable, the rules and procedures of articles 523 or 524 of the Belgian Companies Code need to be complied with. For the purpose of the aforementioned rules, the following entities will qualify as a "related party" of a director: (a) a legal entity in which the director acts as a director, as a senior executive or in a similar capacity, and (b) a legal entity that is directly or indirectly under the control of the director concerned.

Section 3.2.4 of the Corporate Governance Charter contains a separate procedure for transactions between Nyrstar and members of the management committee (other than the chief executive officer). Notably, any transaction or other contractual relationship between Nyrstar, on the one hand, and any member of the Management Committee or a related party of such Management Committee member, on the other hand, requires the prior approval of the CEO, which needs to be fully informed by the Management Committee member concerned of the terms and conditions of the transaction or contractual relationship, as well as of the corresponding interest of Nyrstar. Such transaction or contractual relationship can only be entered into at market conditions. For the purpose of the aforementioned rules, the following entities will qualify as a "related party" of a Management Committee member: (a) a legal entity in which the Management Committee member acts as a director, as a senior executive or in a similar capacity, and (b) a legal entity that is directly or indirectly under the control of the Management Committee member.

There are no outstanding loans granted by the Company to any of the persons mentioned in "*—Board of Directors*" and in "*—Management Committee*", nor are there any guarantees provided by the Company for the benefit of any of the persons mentioned in "*—Board of Directors*" and in "*—Management Committee*".

None of the persons mentioned in "*—Board of Directors*" and in "*—Management Committee*" has a family relationship with any other of the persons mentioned in "*—Board of Directors*" and in "*—Management Committee*".

Dealing Code

With a view to preventing market abuse (insider dealing and market manipulation), the Board of Directors has established a dealing code. The dealing code describes the declaration and conduct obligations of directors, members of the management committee, certain other employees and certain other persons with respect to transactions in shares or other financial instruments of the Company. The dealing code sets limits on carrying out transactions in shares of the Company and allows dealing by the above-mentioned persons only during certain windows. A copy of the dealing code is available on the Company's website.

Disclosure Policy

As a Belgian listed company and with a view to ensuring investors in shares of the Company have available all information necessary to ensure the transparency, integrity and good functioning of the market, the Board of Directors has established an information disclosure policy. The information disclosure policy is aimed at ensuring that inside information of which the Company is aware is immediately disclosed to the public. In addition, the information disclosure policy is aimed at ensuring information that is disclosed is fair, precise and sincere, and will enable the holders of shares in the Company and the public to assess the influence of the information on the Company's position, business and results.

Internal Control and Risk Management

General

The Nyrstar Board of Directors is responsible for the assessment of the effectiveness of Nyrstar's Risk Management Framework and internal controls. The Company takes a proactive approach to risk management. The Board of Directors is responsible for ensuring that nature and extent of risks are identified on a timely basis with alignment to the Group's strategic objectives and activities.

The Audit Committee plays a key role in monitoring the effectiveness of the Risk Management Framework and is an important medium for bringing risks to the attention of the Board of Directors. If a critical risk or issue is identified by the board or management, it may be appropriate for all directors to be a part of the relevant risk management process, and as such the Board of Directors will convene a sub-committee comprised of a mix of members Board of Directors and senior management. Each respective sub-committee further examines issues identified and reports back to the Board of Directors.

The Company's Risk Management Framework requires regular evaluation of the effectiveness of internal controls to ensure the Group's risks are being adequately managed. The Risk Management Framework is designed to achieving the Company's objectives. The Company acknowledges that risk is not just about losses and harm. Risk can have positive consequences too.

Effective risk management enables the Company to achieve an appropriate balance between realising opportunities while minimising adverse impacts.

This section gives an overview of the main features of the Company's internal control and risk management systems, in accordance with the Belgian Corporate Governance Code and the Belgian Companies Code.

Components of the Risk Management Framework

The Risk Management Framework is integrated in the management process and focuses on the following key principles.

The key elements of Risk Management Framework are:

1 Understanding the External and Internal Environment

Understanding the internal and external business environment and the effect this has on Nyrstar's business strategy and plans. This informs the Company's overall tolerance to risk.

2 Consistent Methods for Risk Identification and Analysis of Risks, Existing Controls and Control Effectiveness

Implementing systems and processes for the consistent identification and analysis of risks, existing controls and control effectiveness. Evaluating whether the level of risk being accepted is consistent with levels of risk acceptable to the Audit Committee.

3 Risk management and mitigation

Using innovative and creative thinking in responding to risks and taking action where it is determined that the Group is being exposed to unacceptable levels of risk.

4 Stakeholder Engagement and Communication

Involving all Nyrstar employees and relevant stakeholders in managing risks and communicating identified key risks and controls.

5 Monitoring and Review

Regularly monitoring and reviewing our risk management framework, our risks and control effectiveness.

The guideline for the Risk Management Framework has been written to comply with ISO 31000; 2009. Compliance with the guideline is mandatory within Nyrstar.

Critical Internal Controls

The following is a summary of Nyrstar's critical internal controls:

Organisational Design

There is a sound organizational structure with clear procedures, delegation and accountabilities for both the business side and the support and control functions, such as human resources, legal, finance, internal audit, etc.

The organizational structure is monitored on an ongoing basis, e.g. through benchmarking the organizational structure with industry standards and competitors. Responsibilities are delegated to business units, by business plans and accompanying budgets approved by management and the Board of Directors within set authorization levels.

Policies and Procedures

The Company has established internal policies and procedures to manage various risks across the Group. These policies and procedures are available on the Company's intranet-site, and distributed for application across the whole Group. Every policy has an owner, who periodically reviews and updates if necessary.

Ethics

The Board of Directors has approved a Corporate Governance Charter and a Code of Business Conduct, including a framework for ethical decision making. All employees must perform their daily activities and their business objectives according to the strictest ethical standards and principles. The Code of Business Conduct is available on Nyrstar's website (www.nyrstar.com) and sets out principles how to conduct business and behave in respect of:

- Our People
- Our Communities and Environment
- Our Customers and Suppliers
- Our Competitors
- Our Shareholders
- Our Assets

The Board of Directors regularly monitors compliance with applicable policies and procedures of the Group.

Whistleblowing

Nyrstar also has a whistleblower procedure in place, allowing staff to confidentially raise concerns about any irregularities in financial reporting, possible fraudulent actions, bribery and other areas.

Quality Control

Nyrstar is ISO 9001 certified for the smelting and refining of zinc and zinc alloys, lead and lead alloys, silver, gold and other by-products. All of its major processes and the controls that they encompass are formalized and published on the Company's intranet.

Financial Reporting and Budget Control

Nyrstar applies a comprehensive Group standard for financial reporting. The standard is in accordance with applicable International Accounting Standards. These include International Financial Reporting Standards (IFRS) and the related interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) as adopted by the European Union. The effectiveness and compliance with the Group standard for financial reporting is consistently reviewed and monitored by the Audit Committee.

In order to ensure adequate financial planning and follow up, a financial budgeting procedure describing the planning, quantification, the implementation and the review of the budget in alignment with forecasts, is closely followed. Nyrstar conducts Group wide budgeting process, which is centrally coordinated and consists of the following steps:

- 1) The Group business strategy is updated and communicated within Nyrstar, which amongst other things outlines the strategic guidelines and objectives for the upcoming financial year.
- 2) Key inputs and assumptions for the budgeting process for the upcoming financial year are provided by relevant internal stakeholders (including expected production, capital expenditure, metal prices, foreign exchange and commercial terms) and uploaded into the centralised budgeting, planning and consolidation system.

- 3) The key inputs and assumptions for the budget then go through a rigorous process of validation by relevant internal stakeholders and senior management. The management committee and the board sign off on the final agreed budget.
- 4) The final budget is communicated to the different Nyrstar business units and departments.
- 5) Nyrstar will then bi-annually communicate to shareholders the Group's full actual financial results, supplemented by quarterly interim management statements, which will include selected key financial results.

Management Committees

Various management committees are established as a control to manage various risks Nyrstar is exposed to:

TREASURY COMMITTEE

The treasury committee comprises the Chief Financial Officer, the Group Treasurer and the Group Controller. The role of the treasury committee is to recommend to the Chief Executive Officer and to the Board of Directors amendments to the treasury policy. This considers all treasury transactions being reviewed before they are recommended to the Chief Executive Officer for review and approval by the Board of Directors.

The treasury committee meets at least quarterly.

METAL PRICE RISK COMMITTEE

The metal price risk committee comprises the Chief Financial Officer, the Group Treasurer, the Group Controller and the Group Manager Financial Planning & Analysis. Nyrstar's metal price risk committee establishes policies and procedures how Nyrstar manages its exposure to the commodity prices and foreign exchange rates.

Information, Communication and Financial Reporting Systems

The Group's performance against plan is monitored internally and relevant action is taken throughout the year. This includes, weekly and monthly reporting of key performance indicators for the current period together with information on critical risk areas.

Comprehensive monthly board reports that include detailed consolidated management accounts for the period together with an executive summary from the Chief Financial Officer are prepared and circulated to the Board of Directors by the Company Secretary on a monthly basis.

Monitoring and Review

Management is responsible for evaluating existing controls and the control effectiveness and determines whether the level of risk being accepted is consistent with the level of risk approved by the Board of Directors. Management takes action where it is determined that the Company is being exposed to unacceptable levels of risk and actively encourages all Nyrstar employees to communicate freely risks and opportunities identified.

Internal audit is an important element in the overall process of evaluating the effectiveness of the Risk Management Framework and internal controls. The internal audits are based on risk based plans, approved by the Audit Committee. The internal audit findings are presented to the Audit Committee and management, identifying areas of improvement. Progress of implementation of the actions is monitored by the Audit Committee on a regular basis. The Group internal audit function is managed internally. The Audit Committee supervises the internal audit function.

The Board of Directors pays specific attention to the oversight of risk and internal controls. On a yearly basis, the Board of Directors reviews the effectiveness of the Group's risk management and internal controls. The Audit Committee assists the Board of Directors in this assessment. The Audit Committee also reviews the declarations relating to internal supervision and risk management included in the annual report of the Company. The Audit Committee reviews the specific arrangements to enable staff to express concerns in confidence about any irregularities in financial reporting and other areas e.g., whistleblower arrangements.

To support the protocols described above, both internal resources and external contractors are engaged to perform compliance checks, and reports are provided to the Audit Committee.

Other

The Company is committed to the ongoing review and improvement of its policies, systems and processes.

Principal Shareholders

The Company has a wide shareholder base, mainly composed of institutional investors in the United Kingdom, the United States, Belgium and other European countries, but also comprising Belgian retail investors. The free float of the Company as at 31 December 2017 was 72.71%.

The table below provides an overview of the shareholders that notified the Company pursuant to applicable transparency disclosure rules, up to the date of this report. Although the applicable transparency disclosure rules require that a disclosure be made by each person passing or falling under one of the relevant thresholds, it is possible that the information below in relation to a shareholder is no longer up-to-date.

	Date of Notification	% of the voting rights attached to shares before dilution⁽¹⁾	% of the voting rights attached to shares on a fully diluted basis⁽²⁾
Urion Holdings (Malta) Ltd ⁽³⁾	—	24.61%	21.92%

Notes:

- (1) The percentage of voting rights is calculated on the basis of the 109,033,545 outstanding shares, taking into account the share subscription by Urion Holdings (Malta) Ltd in the accelerated book build that was completed in November 2017 whereby Nyrstar issued 15,384,616 new shares. The calculation does not take into account the number of shares issuable upon conversion of the 2018 Convertible Bonds and the 2022 Convertible Bonds. For further information on the number of shares issuable upon conversion of the 2018 Convertible Bonds and 2022 Convertible Bonds, see "—Share Capital and Shares" below.
- (2) The percentage of voting rights is calculated on the basis of 122,578,530 outstanding shares, assuming that all 2018 Convertible Bonds have been converted into 1,362,782 new shares at a conversion price of € 21.28 per share, and all 2022 Convertible Bonds have been converted into 12,182,203 new shares at a conversion price of € 9.44 per share. For further information on the number of shares issuable upon conversion of the 2018 Convertible Bonds and 2022 Convertible Bonds, see "—Share Capital and Shares" below.
- (3) Urion Holdings (Malta) Ltd is an indirect subsidiary of Trafigura Group Pte. Ltd. and is ultimately controlled by Farringford N.V. According to the latest available information received by the Company, at 31 December 2017 Urion held 26,830,622 shares representing 24.61% of the voting rights..

No other shareholders, alone or in concert with other shareholders, notified the Company of a participation or an agreement to act in concert in relation to 3% or more of the current total existing voting rights attached to the voting securities of the Company.

Share Capital and Shares

On the date of this report, the share capital of the Company amounts to EUR 113,262,734.08 and is fully paid-up. It is represented by 109,033,545 ordinary shares, each representing a fractional value of (rounded) EUR 1.04 and representing one 109,033,545th of the share capital. The Company's shares do not have a nominal value.

On 25 September 2013, the Company issued 4.25% senior unsecured convertible bonds due 2018 (the "2018 Convertible Bonds") for an aggregate principal amount of € 120,000,000. The possibility to convert the 2018 Convertible Bonds into new shares of the Company was approved by the extraordinary general shareholders' meeting of the Company held on 23 December 2013. The 2018 Convertible Bonds can be converted into new or existing shares of the Company at any time. During the course of 2017 Nyrstar conducted two buybacks of the 2018 Convertible Bonds.

To date, EUR 29 million of the 2018 Convertible Bonds remain outstanding with third parties. The conversion price of the 2018 Convertible Bonds can be adjusted downwards in a number of circumstances, including in the event of an issue of new shares, whereby the new shares are issued at a price that is lower than the applicable market price of the Company's shares at the time of the issue. The current conversion price of the 2018 Convertible Bonds (which is subject to adjustment under clause 5(b) of the terms and conditions of the 2018 Convertible Bonds) is €21.63 per share. Based on a conversion price of € 21.63 per share, if all 2018 Convertible Bonds were converted into new shares in their entirety, 5,547,850 new shares would be issued. If the conversion price is adjusted downwards, this would lead to the issuance of more than 5,547,850 new shares if all of the 2018 Convertible Bonds were to be converted in their entirety.

On 11 July 2016, Nyrstar issued 5% senior guaranteed unsecured convertible bonds due 2022 (the "2022 Convertible Bonds") for an aggregate principal amount of € 115,000,000. The possibility to convert the 2022 Convertible Bonds into new shares of the Company was approved by the extraordinary general shareholders' meeting of the Company held on 17 November 2016. The 2022 Convertible Bonds can be converted into new or existing shares of the Company at any time. To date, none of the 2022 Convertible Bonds have been converted, and all remain outstanding. The conversion price of the 2022 Convertible Bonds can be adjusted downwards in a number of circumstances, including in the event of an issue of new shares, whereby the new shares are issued at a price that is lower than the applicable market price of the Company's shares at the time of the issue. The current conversion price of the 2022 Convertible Bonds (which is subject to adjustment under clause 5(b) of the terms and conditions of the 2022 Convertible Bonds) is €9.60 per share. Based on a conversion price of €9.60 per share, if all 2022 Convertible Bonds were converted into new shares in their entirety, 11,979,166 new shares would be issued. If the conversion price is adjusted downwards, this would lead to the issuance of more than 11,979,166 new shares if all of the 2022 Convertible Bonds were to be converted in their entirety.

On 14 November 2017, Nyrstar raised EUR 100 million through the issuance of 15,384,616 new shares with institutional investors and such other investors as permitted under applicable private placement exemptions at a price of € 6.50 per share.

Form and Transferability of the Shares

The shares of the Company can take the form of registered shares and dematerialized shares. All the Company's shares are fully paid-up and are freely transferable.

Currency

The Company's shares do not have a nominal value, but reflect the same fraction of the Company's share capital, which is denominated in euro.

Voting Rights attached to the Shares

Each shareholder of the Company is entitled to one vote per share. Shareholders may vote by proxy, subject to the rules described in the Company's articles of association.

Voting rights can be mainly suspended in relation to shares:

- which are not fully paid up, notwithstanding the request thereto of the Board of Directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 5%, 7.5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant shareholders' meeting, in the event that the relevant shareholder has not notified the Company and the FSMA at least 20 days prior to the date of the shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- of which the voting right was suspended by a competent court or the FSMA.

Pursuant to the Belgian Companies Code, the voting rights attached to shares owned by the Company are suspended.

Dividends and Dividend Policy

All shares are entitled to an equal right to participate in the Company's profits (if any). Pursuant to the Belgian Companies Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual shareholders' meeting, based on the most recent statutory audited financial statements, prepared in accordance with the generally accepted accounting principles in Belgium and based on a (non-binding) proposal of the Company's Board of Directors. The Company's articles of association also authorise the Board of Directors to declare interim dividends subject to the terms and conditions of the Belgian Companies Code.

The Company's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law on the basis of the Company's statutory unconsolidated financial statements rather than its consolidated financial statements. In particular dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory (non-consolidated) financial statements (i.e., summarized, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as summarized in accordance with Belgian accounting rules), decreased with the non-amortized costs of incorporation and extension and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the Company's share capital. The Company's legal reserve currently meets this requirement.

The Board of Directors have taken the decision not to propose to shareholders a distribution for the financial year 2017. This reflects the Board's commitment to maintain a sustainable capital structure.

Diversity policy

The diversity in our Board is in line with the provisions of law and the Company is currently working on a diversity policy for NMC and senior management.

Information that have an Impact in case of Public Takeover Bids

The Company provides the following information in accordance with Article 34 of the Royal Decree dated 14 November 2007:

- (i) The share capital of the Company amounts to EUR 113,262,734.08 and is fully paid-up. It is represented by 109,033,545 shares, each representing a fractional value of (rounded) EUR 1.04 or one 109,033,545th of the share capital. The Company's shares do not have a nominal value.
- (ii) Other than the applicable Belgian legislation on the disclosure of significant shareholdings and the Company's articles of association, there are no restrictions on the transfer of shares.
- (iii) There are no holders of any shares with special control rights.
- (iv) The awards granted to employees under the Nyrstar Long Term Incentive Plan will vest upon determination by the Nomination and Remuneration Committee.
- (v) Each shareholder of Nyrstar is entitled to one vote per share. Voting rights may be suspended as provided in the Company's articles of association and the applicable laws and articles.
- (vi) There are no agreements between shareholders which are known by the Company and may result in restrictions on the transfer of securities and/or the exercise of voting rights.
- (vii) The rules governing appointment and replacement of board members and amendment to articles of association are set out in the Company's articles of association and the Company's Corporate Governance Charter.

(viii) The powers of the Board of Directors, more specifically with regard to the power to issue or redeem shares are set out in the Company's articles of association. The Board of Directors was not granted the authorization to purchase its own shares "to avoid imminent and serious danger to the Company" (i.e., to defend against public takeover bids). The Company's articles of association of association do not provide for any other specific protective mechanisms against public takeover bids.

(ix) At the date of the report, the Company is a party to the following significant agreements which, upon a change of control of the Company or following a takeover bid can enter into force or, subject to certain conditions, as the case may be, can be amended, be terminated by the other parties thereto or give the other parties thereto (or beneficial holders with respect to bonds) a right to an accelerated repayment of outstanding debt obligations of the Company under such agreements:

- 5.00% senior unsecured convertible bonds due 2022;
- 6.875% High Yield Bond due 2024;
- The USD 150 million uncommitted Trafigura Working Capital Facility (which has been changed to committed and increased to USD 250m as of the 1st of Jan 2017) due 2019;
- Nyrstar's Revolving Structured Commodity Trade Finance Credit Facility;
- 2019 High Yield Bond (Indenture);
- 4.25% senior unsecured convertible bonds due 2018;
- The zinc prepayment arranged by Deutsche Bank AG dated 30 December 2015;
- Nyrstar's committed EUR 130 million bilateral credit facility with KBC Bank;
- The USD 30 million uncommitted credit facility between Nyrstar Sales & Marketing AG and HSBC Trinkaus & Burkhardt AG;
- The USD 30 million uncommitted credit facility between Nyrstar Finance International AG and Credit Suisse AG;
- The USD 10 million uncommitted credit facility between Nyrstar Sales & Marketing AG and ING;
- The USD 30 million uncommitted credit facility between Nyrstar Sales & Marketing AG and Erste Bank;
- Nyrstar's silver prepays with JPMorgan Chase Bank, National Association;
- Nyrstar's silver prepays with Goldman Sachs;
- Silver forward purchase agreement (Hydra);
- Common terms deed with the Treasurer of South Australia;
- Nyrstar's USD 100 million uncommitted credit facility with the Royal Bank of Scotland;
- Nyrstar's EUR 28 million guarantee facilities with BNP Paribas Fortis;
- various ISDA Master Agreements and related confirmations;
- Nyrstar's committed EUR 16 million bilateral credit facility with KBC Bank; and
- Nyrstar's off-take agreement with the Glencore Group.

(x) The Chief Executive Officer is currently entitled to a 12-month salary payment in case his employment is terminated upon a change of control of the Company. In addition, the Company's share based plans also contain take-over protection provisions.

No takeover bid has been instigated by third parties in respect of the Company's equity during the previous financial year and the current financial year.

Annual and Extraordinary General Meeting – 19 April 2018

The Annual General Meeting of Shareholders will take place in Brussels (Bluepoint, A. Reyerslaan 80, 1030 Brussels) on the third Thursday of April, i.e. 19 April 2018 at 10.30 am. At this meeting shareholders will be asked to consider and, where applicable, approve amongst others the following matters:

- Reports on the statutory financial statements
- Approval of the statutory financial statements
- Reports on the consolidated financial statements
- Consolidated financial statements
- Discharge from liability of the Directors
- Discharge from liability of the Statutory Auditor
- Remuneration report
- Re-election of the Statutory Auditor for a new statutory term of 3 years
- Share based remuneration for non-executive Directors
- Possibility to pay out Annual Incentive Plan entitlements in deferred shares
- Approvals in accordance with Article 556 of the Belgian Companies Code

Other proposed resolutions may be added to the agenda.

On 19 April 2018, the Annual General Meeting shall be shortly suspended in order to be continued as an Extraordinary General Meeting before a Notary Public. At this meeting the shareholders will be asked to consider and, where applicable, approve amongst others the following matters:

- Absorption of losses through a decrease of available reserves, and issue premiums
- Special report
- Grant of powers to the Board of Directors under the authorised capital
- Technical amendments to the articles of association

Annex C

Remuneration Report in accordance with article 96 par. 3 of Belgian Company Code

Remuneration Report

Introduction

The Company prepares a remuneration report relating to the remuneration of directors and the members of the Management Committee. This remuneration report is part of the Corporate Governance Statement, which is a part of the annual report. The remuneration report will be submitted to the annual general shareholders' meeting on 19 April 2018 for approval.

Remuneration policy

Nyrstar's remuneration policy is designed to:

- enable Nyrstar to attract and retain talented employees;
- promote sustainable business performance; and
- reward performance to motivate employees to deliver increased shareholder value through superior business results.

Nyrstar obtains independent advice from external professionals to ensure the remuneration structure represents industry best practice, and achieves the twin goals of retaining talented employees and meeting shareholder expectations.

The remuneration policy that has been determined in relation to the directors and members of the Management Committee is further described below.

While there are no plans to amend the remuneration policy and remuneration over the next two years, the remuneration policy and remuneration is reviewed from time to time and monitored to be in line with market practice. In addition, the Board of Directors will submit proposals to the general shareholders' meeting to be held on 19 April 2018 to (i) remunerate certain non-executive directors in whole or partly in deferred share units instead of cash and (ii) renew the powers of the board of directors to pay out entitlements to beneficiaries (including members of the management committee and directors, where applicable) under the AIP in the form of shares instead of cash.

Directors

General

Upon recommendation and proposal of the nomination and remuneration committee, the Board of Directors determines the remuneration of the directors to be proposed to the general shareholders' meeting.

The proposed remuneration that the Board of Directors submits to the general shareholders' meeting is in principle benchmarked against the remuneration of similar positions in companies included in the Bel20® Index. The Bel20® Index is an index composed of the 20 companies with the highest free float market capitalization having shares trading on the continuous trading segment of the regulated market of Euronext Brussels. The remuneration is set to attract, retain and motivate directors who have the profile determined by the nomination and remuneration committee.

Pursuant to Belgian law, the general shareholders' meeting approves the remuneration of the directors, including inter alia, each time as relevant, (i) in relation to the remuneration of executive and non-executive directors, the exemption from the rule that Share based awards can only vest after a period of at least three years as of the grant of the awards; (ii) in relation to the remuneration of executive directors, the exemption

from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years; (iii) in relation to the remuneration of non-executive directors, any variable part of the remuneration; and (iv) any provision of service agreements to be entered into with executive directors providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the nomination and remuneration committee, eighteen months' remuneration). The general shareholders' meeting of the Company has not approved any of the matters referred to in paragraphs (i) to (iv) with respect to the remuneration of the directors of the Company, except that the annual general shareholders' meeting held on 20 April 2017 approved a deviation from the principles referred to in paragraphs (i) and (iii) with respect to the remuneration of certain non-executive directors in deferred Shares units instead of cash (see also below). The board of directors is seeking a similar approval by the general shareholders' meeting to be held on 19 April 2018.

The directors of the Company (excluding the Chief Executive Officer) receive a fixed remuneration in consideration for their membership of the Board of Directors. In addition, the directors (excluding the Chief Executive Officer) receive fixed fees for their membership and/or chairmanship of any board committees. No attendance fees are paid. The Chief Executive Officer is also a member of the board but he does not receive any additional remuneration in his capacity of board member.

Non-executive directors do not receive any performance related remuneration. The remuneration of Non-Executive Directors takes into account their general role as director, and specific roles as chairman, chairman or member of a board committee, as well as their relevant responsibilities and time commitment and is set as follows:

CHAIRMAN:

- Annual fixed remuneration of EUR 200,000 per year
- No additional attendance fees

OTHER DIRECTORS (EXCLUDING THE CEO):

- Annual fixed remuneration of EUR 50,000 per year for membership of the Board of Directors
- Fixed fee of EUR 10,000 per year per board committee of which they are a member
- Fixed fee of EUR 20,000 per year for the chairman of the NomRem Committee and HSEC Committee
- Fixed fee of EUR 30,000 per year for the chairman of the Audit Committee
- No additional attendance fees

The board 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 interest with the interest of the Company's shareholders. In view hereof, the board received on 20 April 2017 the approval of the general shareholders' meeting to have the option to remunerate certain directors fully or partly in deferred shares units, and not in cash.

On 20 April 2017 the general shareholders' meeting approved 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 is 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 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, or (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. The Eligible Directors and their respective Eligible Share Remuneration that will be payable in deferred shares 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 approved 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 approved, 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 acknowledged that the shares shall not be considered as "variable remuneration" pursuant to Article 554, seventh paragraph, of the Belgian Companies Code and Provision 7.7 of the Belgian Corporate Governance Code of 12 March 2009. The Company's Nomination and Remuneration Committee was authorised to further document the grant and to determine the terms and conditions of the grant, which 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 Board of Directors intends to submit a similar resolution for approval by the general shareholders' meeting on 19 April 2018.

Remuneration and compensation in 2017

The annual shareholders' meeting dated 20 April 2017 approved to remunerate the mandate of certain non-executive directors for the period as of the 2017 annual meeting until the 2018 annual meeting in whole or in part in deferred share units.

During 2017 the following gross remuneration was paid to the directors (excluding the CEO):

	Remuneration cost	Paid in cash	Paid in deferred shares
Martyn Konig	200,000	-	37,282
Carole Cable	70,000	34,993	6,524
Christopher Cox	70,000	-	13,049
Jesús Fernandez	80,000	80,000	-
Anne Fahy	90,000	90,000	1,864

Executive Management

General

The remuneration of the Chief Executive Officer and the other members of the Management Committee is based on recommendations made by the nomination and remuneration committee. The chief executive officer participates to the meetings of the nomination and remuneration committee in an advisory capacity each time the remuneration of another member of the Management Committee is being discussed.

The remuneration is determined by the Board of Directors. As an exception to the foregoing rule, pursuant to Belgian law the general shareholders' meeting must approve, as relevant: (i) in relation to the remuneration of members of the Management Committee and other executives, an exemption from the rule that share based awards can only vest after a period of at least three years as of the grant of the awards; (ii) in relation to the remuneration of members of the Management Committee and other executives, an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years; and (iii) any provisions of service agreements to be entered into with members of the Management Committee and other executives providing (as the case may be) for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the nomination and remuneration committee, eighteen months' remuneration). The general shareholders' meeting of the Company has not approved any of the matters referred to in paragraphs (i) to (iii) with respect to the outstanding remuneration of the members of the management committee of the Company, except that in previous years, the approval by the general shareholders' meeting was obtained with respect to:

- clauses or features included in the 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 LTIP in the event of a public takeover bid or change of control over the Company, which is a deviation from the principle referred to in paragraph (i) above;
- the power of the Board of Directors to pay out entitlements under the Annual Incentive Plan (AIP) in the form of deferred shares of the Company which are acquired by the beneficiary concerned at the

moment of delivery (and not at the expiry of a three year period following the grant), which is a deviation from the principle referred to in paragraph (i) above.

An appropriate portion of the remuneration is linked to corporate and individual performance. The remuneration is set to attract, retain and motivate executive management who have the profile determined by the nomination and remuneration committee.

The remuneration of the Executive Management consists of the following main remuneration components:

- Annual Base Salary (fixed);
- Participation in the Annual Incentive Plan (AIP) (bonus) (variable);
- Participation in the Executive Long Term Incentive Plan (LTIP) (variable); and
- Pension benefits.

The Board of Directors intends to submit a proposal to the general shareholders' meeting to be held on 19 April 2018 to renew the powers of the board of directors to pay out entitlements to beneficiaries (including members of the management committee and directors, where applicable) under the AIP in the form of Shares of the Company instead of cash.

In 2017 two new members were appointed to the management committee and two members left.

The respective elements of the remuneration package are further described below. There is no provision for claw back of variable remuneration due to incorrect financial information.

Annual Base Salary

The Annual Base Salary constitutes a fixed remuneration. The reference base salary structures are determined with the support of external market data and analysis of economic trends for the different countries. Included in this analysis are the base salaries for various job descriptions paid by a group of peer companies of Nyrstar in several countries. On the basis of this survey, a number of grades are determined. The midpoint for each grade is the 50% percentile to reflect an optimal alignment with the market.

Nyrstar's policy is to pay senior staff members at 100% of the midpoint for their grade, subject to continued above average performance. However, there is discretion to set the fixed remuneration between 80% and 120% of the midpoint, based on experience, job, location, industry demand, unique technical skills, performance, etc.

Annual Incentive Plan

The annual incentive is a variable part of the remuneration in function of individual performance below, at or above average standard during a given year. The terms and conditions are reflected in the Annual Incentive Plan (AIP), which is subject to revision on an annual basis.

The AIP aims to attract and retain talented employees, to make a connection between performance and reward, to reward achievement in line with Nyrstar's financial success, to reward employees for adhering to the Nyrstar Way, and to reward employees in a similar manner to the Company's shareholders.

The AIP is designed around delivering and exceeding the Nyrstar annual plan and budget. The relevant performance year for eligibility under the AIP is 1 January to 31 December, and payments, if any, are usually made in March of the following year.

In order to be eligible under the AIP, the beneficiary must be employed on 31 December of the relevant performance year. The respective criteria and their relative weight to determine eligibility under the AIP are:

- a. the achievement by Nyrstar of annual financial targets, which are determined and approved by the Board of Directors, in order to guarantee the self-funding nature of the plan; and
- b. the achievement by the beneficiary of personal “stretch targets”, which aim at achieving an individual performance over and above the normal requirement of his or her function

Every year the Board of Directors revises and approves the performance criteria both for Nyrstar on a group level and the members of the Management Committee.

The AIP performance criteria for the members of the Management Committee includes:

- Group financial performance;
- The operational ramp up of the Port Pirie redevelopment;
- Health & Safety; Environment; and
- Individual goals.

The incentive under the AIP only becomes available if Nyrstar meets the performance threshold as approved by the Board in the beginning of the performance year.

The eligibility under the AIP is assessed and determined by the nomination and remuneration committee, and any payment of the annual incentive is subject to final board approval.

For further information on the AIP and other share plans, please see “Description of Share Plans”.

Pensions

The members of the Management Committee participate in a pension scheme. The contributions by Nyrstar to the pension scheme amount to 20% of the Annual Base Salary (capped at a maximum annual base salary of CHF 846'000).

Other

The management committee members participate in a medical benefit plan that includes amongst other things private hospital and dental medical care. They also receive a representation allowance, a car allowance and benefit from statutory accident and health insurance. In addition, some management committee members receive housing assistance and dependent schooling support.

Remuneration and Compensation in 2017

The following remuneration and compensation other than share based awards that are mentioned further was paid to the Chief Executive Officer and other members of the Management Committee in 2017:

	Chief Executive Officer(6) (€)	Members of the Management Committee other than the Chief Executive Officer (on an aggregate basis) (€)
Annual Base Salary	899,361	2,052,669
Incentives(1)	—	358,629
Pension Benefits(2)	162,317	438,016
LTIP (Cash Payment) (3)	—	182,956
Other Components of the Remuneration(4)	62,174	611,087
Severance Payments(5)	—	1,593,312
Total	1,123,852	5,236,668

Notes:

- (1) The members of the Management Committee did not receive an Annual Incentive Payment pertaining to the previous year's performance, with the exception of Sebastião Balbino and Chris Eger.
- (2) Includes a contribution of up to 20% of reported annual base salary (capped at a maximum salary of CHF 846'000) as savings contributions as well as risks contributions.
- (3) The settlement of the three year long term incentive plan vesting in December 2016 was settled in cash during 2017.
- (4) Includes representation allowance, car allowance (also where exists car benefit), housing (net), health insurance (net), and schooling support.
- (5) During 2017 severance payments were made to Bill Scotting (€ 1'349'042), calculated in line with the 12 months annual base salary and to John Galassini (€ 244'269) as negotiated.
- (6) This refers to Hilmar Rode only.

Payments upon termination

Each member of the Management Committee is entitled to a severance payment equivalent to twelve months of Annual Base Salary (inclusive of any contractual notice period) in case of termination of his agreement by Nyrstar. In addition, the agreement with the chief executive officer provides that upon a change of control, his agreement with Nyrstar will be terminated. In that event, the chief executive officer is entitled to a severance payment equivalent to twelve months of Annual Base Salary (inclusive of any contractual notice period). The above applies to all current and former members of the management committee and current and former chief executive officers.

Indemnification and Insurance of Directors and Executive Management

As permitted by the Company's articles of association, the Company has entered into a customary liability indemnification arrangements with the directors and relevant members of the Management Committee and has implemented directors' and officers' insurance coverage.

Description of share plans

In 2017 the Company had a Long Term Incentive Plan (LTIP) with a view to align shareholder and senior management objectives as well as attracting, retaining and motivating the employees and Executive Management of the Company and its wholly owned subsidiaries.

The key terms of the LTIP are described below. For further information on the manner in which awards under the LTIP are treated in Nyrstar's consolidated financial statements, refer to note 33 to the audited consolidated financial statements for the financial year ended on 31 December 2017.

LTIP

General

Under the LTIP, the Executives selected by the Board of Directors may be granted conditional awards to receive ordinary shares in the Company at a future date ("Executive Share Awards") or their equivalent in cash ("Executive Phantom Awards") (Executive Share Awards and Executive Phantom Awards together referred to as "Executive Awards").

The terms of the LTIP may vary from country to country to take into account local tax and other regulations and requirements in the jurisdictions where eligible Executives are employed or resident.

The nomination and remuneration committee makes recommendations to the Board of Directors in relation to the operation and administration of the LTIP.

The current LTIP rules were approved by a general shareholders' meeting of the Company held on 20 April 2017.

Eligibility

The Board of Directors determines which Executives are eligible to participate in the LTIP (the "Participating Executives").

The value of the conditional Executive Awards under the LTIP varies, depending on the role, responsibility and seniority of the relevant Participating Executive. The maximum value of the conditional Executive Awards granted to any Participating Executive in any financial year of the Company will not exceed 150% of his or her base salary at the time of the grant.

Vesting

Executive Awards will cliff vest after a three-year rolling performance period.

In the event of cessation of employment before the normal vesting due to retirement or death, the Board of Directors may determine that a number of Executive Awards will vest, taking into account such factors as the Board of Directors determines, including the proportion of the performance period which has elapsed and the extent that performance conditions have been satisfied up to the date of leaving.

The Board of Directors determines the LTIP performance conditions and whether they have been met. Executive Awards are made to the extent that predetermined scaling thresholds for each of the performance conditions are met.

For the Executive Awards to vest under the grants made in 2015 (Grant 8), the Nyrstar average share price for the 3 year performance period must outperform:

- The zinc price by 5% based on a volume weighted average over the 3 year period; and
- The MSCI world mining and metals index by 2% based on a volume weighted average over the 3 year period.

For the Executive Awards to vest under the grants made in 2016 (Grant 9) and 2017 (Grant 10), the two following performance measurements must be achieved:

- Nyrstar EBITDA target set by the Remuneration Committee;
- The Nyrstar average share price for the 3 year performance period must outperform the MSCI world mining and metals index by 2% based on the volume weighted average annual performance

A volume weighted average out-performance is calculated for each year. These are averaged over the performance period and compared to the vesting schedule.

Awards

Since April 2008, grants have been made annually in accordance with the rules and conditions of the LTIP. Grants in place during 2017 are shown below:

	Grant 8	Grant 9	Grant 10
Effective grant date	30 June 2015	2 November 2016	30 April 2017
Performance period	1 January 2015 to 31 December 2017	1 January 2016 to 31 December 2018	1 January 2017 to 31 December 2019
Performance criteria	—zinc price 50% —MSCI 50% —Executive remains in service to 31 December 2017	—Nyrstar EBITDA 70% —MSCI 30% —Executive remains in service to 31 December 2018	— Nyrstar EBITDA 70% —MSCI 30% —Executive remains in service to 31 December 2019
Vesting date	31 December 2017	31 December 2018	31 December 2019

During the period between the satisfaction of the performance conditions and when the participating employee receives the relevant payment, the employee will be entitled to a payment equal to the cash equivalent of any dividends paid.

Movement of LTIP shares awarded

The following table sets out the movement in the number of equity instruments granted during the specified periods in relation to the LTIP (including all participants):

	Grant 7	Grant 8	Grant 9	Grant 10	Total
As at 1 Jan 2017	717,174	475,223	871,000	-	2,063,397
Initial allocation 2 Nov 2017	-	-	-	1,155,536	1,155,536
Dilutive impact / adjustment	-	42,754	127,135	194,166	364,055
Forfeitures	-	(231,807)	(415,703)	(89,545)	(737,055)
Additions	-	16,848	318,562	115,934	451,344
Expired	-	-	-	-	-
Settlements	(717,174)	-	-	-	(717,174)
As at 31 Dec 2017	-	303,018	900,994	1,376,091	2,580,103

Deferred Share payments under the Annual Incentive Plan (AIP)

The Company's general shareholders' meeting held on 20 April 2017 granted the Board of Directors the power to pay out entitlements to beneficiaries (including members of the Management Committee and directors, where applicable) under the 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 calendar 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 Nyrstar 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 also approved that the shares that are delivered as pay out of an entitlement under the AIP as aforementioned can be definitively and fully acquired by the 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 (included, but not limited to, the number of shares to be delivered).

Directors' and other interests

Shares and share awards under the LTIP

The table below reflects the Share awards that during 2017 have been granted or delivered under the LTIP to the members of the Management Committee, and those that have expired:

Name	Title	LTIP (as of 31 December 2017)		
		Share Awards delivered in 2017 under the LTIP of which the performance conditions have been met ⁽¹⁾	Share Awards granted, but lapsed in 2017 ⁽²⁾	Share Awards granted in 2017 or in prior years under LTIP of which the performance conditions have not been met ⁽³⁾
Hilmar Rode ⁽⁴⁾	Chief Executive Officer	—	—	—
Christopher Eger	Chief Financial Officer	14'252	—	—
Willie Smit	SVP Corporate Services	14'252	—	—
Frank Rittner	Chief Operating Officer	—	—	—
Sebastião Balbino	Chief Commercial Officer	9'713	—	—
Bill Scotting ⁽⁵⁾	Chief Executive Officer	—	273'661	—
John Galassini ⁽⁶⁾	SVP Mining	—	—	—
Michael Morley ⁽⁷⁾	SVP Metals Processing	—	107'893	—

Notes:

- (1) These share awards refer to the cash payment of Grant 7 (LTIP 2014).
- (2) Share awards include adjusted forfeitures under other grants related to end of employment. Awards have been adjusted for the Accelerated Book Build conducted in November 2017.
- (3) Vesting is subject to performance conditions.
- (4) Hilmar Rode was appointed as CEO in December 2016.
- (5) Bill Scotting left the Nyrstar Management Committee in December 2016.
- (6) John Galassini was serving notice of termination effective October 2016 and left Nyrstar in March 2017.
- (7) Michael Morley left the Nyrstar Management Committee in January 2017.

Deferred Shares

During 2016 and 2017 the following was granted to the directors in deferred shares (excluding the CEO):

	AGM 2016	AGM 2017	Total
Martyn Konig	27,285	37,282	64,567
Carole Cable	4,774	6,524	11,298
Christopher Cox	9,549	13,049	22,598
Jesús Fernandez	-	-	-
Anne Fahy	1,364	1,864	3,228

Shares and share awards under the AIP

During 2017, no share awards were delivered nor granted under the AIP to the members of the Management Committee at that time.

Total Shareholding

The following number of shares are held by members of Nyrstar's Management Committee as of 31 December 2017:

Name	Title	Shares
Hilmar Rode	Chief Executive Officer	526,923
Christopher Eger	Chief Financial Officer	18,142
Willie Smit	Chief HR Officer, HR & SHE	13,044
Frank Rittner	Chief Operating Officer	500,000
Sebastiao Balbino	Chief Commercial Officer	24,421

With the exception of the Chief Executive Officer (as listed in the table above), none of the directors of the Company hold Shares. However, certain non-executive directors will receive their remuneration fully or partly in deferred Shares of the Company.