



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

## EXPLANATORY NOTE

**EXTRAORDINARY GENERAL MEETING**  
to be held on Friday 18 May 2018 at 11:00 a.m.

### Introduction

This explanatory note has been prepared on behalf of the Board of Directors of Nyrstar NV (the "Company") in connection with the various items on the agenda of the extraordinary general shareholders' meeting of the Company, to be held on Friday 18 May 2018. Pursuant to Article 533bis, §2, d) of the Belgian Companies Code, this note contains for each of the items on the agenda of the aforementioned extraordinary general shareholders' meeting a proposed resolution or, if the item does not require a resolution, a commentary on behalf of the Board of Directors.

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

### AGENDA

**Agenda and proposed resolutions:** The agenda and proposed resolutions of the extraordinary general shareholders' meeting of the Company, which, as the case may be, can be amended at the meeting on behalf of the Board of Directors, are as follows:

#### 1. Absorption of losses through a decrease of issue premiums

*Explanation:* This agenda item relates to the proposed absorption of losses through a decrease of issue premiums.

*Proposed resolution:* The general shareholders' meeting resolves to absorb existing losses of the Company in an amount of EUR 15,649,821.00, and resolves, in implementation hereof, as follows:

- (a) Reduction of issue premiums: Existing losses incurred by the Company in an amount of EUR 15,649,821.00 (as appear from the statutory (non-consolidated) financial statements for the financial year ended on 31 December 2017) shall be absorbed in their entirety by reducing the issue premiums of the Company with an amount of EUR 15,649,821.00 in total so that the issue premiums will be reduced from EUR 1,228,124,430.00 to EUR 1,212,474,609.00. This reduction of issue premiums will be imputed in priority on any amounts included in the issue premiums accounts that do not qualify as fiscally paid-in capital (or assimilated thereto).
- (b) No cancellation of existing shares: The aforementioned reduction of issue premiums shall occur without cancellation of existing shares of the Company and shall be borne by each of the existing shares in the same manner.

## 2. Special report

*Explanation:* This agenda item relates to the submission of the special report of the Board of Directors in accordance with Article 604 of the Belgian Companies Code in relation to the proposal to grant renewed powers to the Board of Directors under the authorised capital of the Company, as set out in item 3 of the agenda of the extraordinary general shareholders' meeting. In its special report, the Board of Directors has set out the circumstances in which the Board of Directors will be able to use its powers under the authorised capital, and the purposes that it shall pursue. A copy of the special report is available on the Company's website and at the Company's registered office, as indicated in the notice convening the extraordinary general shareholders' meeting.

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

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

*Explanation:* This agenda item relates to the proposal to grant renewed powers to the Board of Directors under the authorised capital of the Company. For further information on the proposal, please see the report referred to in item 2 of the agenda of the extraordinary general shareholders' meeting.

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

*Proposed resolution:* The general shareholders' meeting resolves that the Board of Directors shall be authorised to increase the share capital of the Company on one or several occasions by a maximum aggregate amount of 30% of the amount of the share capital as at the time of the approval of the resolution. This authorisation shall be valid for a period of three (3) years as from the date of publication in the annexes to the Belgian Official Gazette of an extract of the minutes of the extraordinary general shareholders' meeting granting the authorisation. The Board of Directors shall be able to restrict or cancel the preferential subscription rights of the shareholders, subject, however, to the limitations set out in the Belgian Companies Code. Accordingly, Article 9 of the Company's Articles of Association shall be amended and restated as follows (whereby the amount and date referred to in the sub-sections between square brackets shall be determined at the time of the approval of the proposed resolution in accordance with the proposal set out in such sub-sections):

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

Within the framework of the authorised capital, the board of directors may increase the share capital by contributions in cash or in kind, and/or by capitalisation of reserves, whether available or unavailable for distribution, with or without the issuance of new shares (including issuance of new shares reserved to employees of the company and its subsidiaries only). The board of directors may use this authorisation for the issuance of the securities mentioned in article 11 below.

In the event of a capital increase decided by the board of directors pursuant to the authorised capital, all issue premiums booked, if any, will be accounted for on the liabilities side of the

company's balance sheet under the net equity. The account on which the issue premiums are booked shall, like the share capital, serve as the guarantee for third parties and can only be reduced on the basis of a lawful resolution of the general shareholders' meeting passed in the manner required for an amendment to the company's articles of association.

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

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

#### 4. Technical amendment to the articles of association

*Explanation:* This agenda item relates to the proposed technical amendment to the articles of association of the Company with respect to the representation of Directors at meetings of the Board of Directors of the Company via a proxy holder, and more specifically the possibility for a director to represent more than one of his or her colleagues.

*Proposed resolution:* The general shareholders' meeting decides to restate the last sentence of the penultimate paragraph of article 19 of the Company's articles of association as follows: "A director can represent more than one of his or her colleagues."

\* \* \*

Done on 27 April 2018

On behalf of the Board of Directors