



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

EXPLANATORY NOTE

ANNUAL AND EXTRAORDINARY GENERAL MEETINGS to be held on 5 November 2019 at 10.00 a.m. CEST

Introduction

This explanatory note has been prepared on behalf of the Board of Directors of Nyrstar NV (the "Company") in connection with the various items on the agenda of the annual and extraordinary general shareholders' meetings of the Company, to be held on 5 November 2019. Pursuant to Article 533bis, §2, d) of the Belgian Companies Code, this note contains for each of the items on the agenda of the aforementioned annual and extraordinary general shareholders' meetings a proposed resolution or, if the item does not require a resolution, a commentary on behalf of the Board of Directors.

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

ANNUAL GENERAL MEETING

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

1. Reports on the statutory financial statements

Explanation: This agenda item relates to the submission of, and discussion on, the annual report of the Board of Directors and the report of the Statutory Auditor on the statutory financial statements for the financial year ended on 31 December 2018. Copies of these documents are available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary general shareholders' meetings.

Submission of, and discussion on, the annual report of the Board of Directors and the report of the Statutory Auditor on the statutory financial statements for the financial year ended on 31 December 2018.

2. Approval of the statutory financial statements

Explanation: This agenda item relates to the approval of the statutory financial statements for the financial year ended on 31 December 2018, and of the proposed allocation of the result. Pursuant to the Belgian Companies Code, the annual general shareholders' meeting must decide on the approval of the statutory financial statements and the proposed allocation of the Company's profit or loss. A copy of this document is available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary general shareholders' meetings.

Approval of the statutory financial statements for the financial year ended on 31 December 2018, and of the proposed allocation of the result.

Proposed resolution: The general shareholders' meeting approves the statutory financial statements for the financial year ended on 31 December 2018, as well as the allocation of the result as proposed by the Board of Directors.

3. Reports on the consolidated financial statements

Explanation: This agenda item relates to the submission of, and discussion on, the annual report of the Board of Directors and the report of the Statutory Auditor on the consolidated financial statements for the financial year ended on 31 December 2018. Copies of these documents are available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary general shareholders' meetings.

Submission of, and discussion on, the annual report of the Board of Directors and the report of the Statutory Auditor on the consolidated financial statements for the financial year ended on 31 December 2018.

4. Consolidated financial statements

Explanation: This agenda item relates to the submission of the consolidated financial statements for the financial year ended on 31 December 2018. A copy of this document is available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary general shareholders' meetings.

Submission of the consolidated financial statements for the financial year ended on 31 December 2018.

5. Acknowledgement of resignation of Mr. Jesús Fernandez Lopez

Explanation: This agenda item relates to the resignation of Mr. Jesús Fernandez Lopez as director of the Company, with effect as of 25 February 2019.

Proposed resolution: The general shareholders' meeting acknowledges the voluntary resignation of Mr. Jesús Fernandez Lopez as director of the Company, with effect as of 25 February 2019.

6. Acknowledgement of resignation of Mr. Hilmar Rode

Explanation: This agenda item relates to the resignation of Mr. Hilmar Rode as director of the Company, with effect as of 30 September 2019.

Proposed resolution: The general shareholders' meeting acknowledges the voluntary resignation of Mr. Hilmar Rode as director of the Company, with effect as of 30 September 2019.

7. Discharge and interim discharge from liability of the Directors

Explanation: This agenda item relates to the release from liability for the Directors for the performance of their mandate during 2018 as well as the interim discharge from liability to Mr. Jesús Fernandez Lopez who was in office since the end of the previous financial year until his voluntary resignation on 25 February 2019 with immediate effect, for the performance of his mandate during said period, the interim discharge from liability to Mr. Hilmar Rode who was in office since the end of the previous financial year until his voluntary resignation with effect on 30 September 2019, for the performance of his mandate during said period and the interim discharge from liability to Mr. Christopher Cox who was in office since the end of the previous

financial year up to and including the ordinary general shareholders' meeting of 5 November 2019, for the performance of his mandate during said period. Pursuant to the Belgian Companies Code, the annual general shareholders' meeting must each year, after the approval of the statutory financial statements, decide separately on the release from liability of the Directors. In the event a Director resigns, the general shareholders' meeting can decide separately on the interim release from the liability of the director for the period until his or her resignation. For an overview of the Directors who were in office in 2018, reference can be made to the Corporate Governance Statement included in the annual report of the Board of Directors that is referred to in item 1 of the agenda of the annual general shareholders' meeting.

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

7.2 Proposed resolution: The general shareholders' meeting grants interim discharge from liability to Mr. Jesús Fernandez Lopez who was in office since the end of the previous financial year until his voluntary resignation on 25 February 2019 with immediate effect, for the performance of his mandate during said period.

7.3 Proposed resolution: The general shareholders' meeting grants interim discharge from liability to Mr. Hilmar Rode who was in office since the end of the previous financial year until his voluntary resignation with effect on 30 September 2019, for the performance of his mandate during said period.

7.4 Proposed resolution: The general shareholders' meeting grants interim discharge from liability to Mr. Christopher Cox who was in office since the end of the previous financial year up to and including the ordinary general shareholders' meeting of 5 November 2019, for the performance of his mandate during said period.

8. Discharge from liability of the Statutory Auditor

Explanation: This agenda item relates to the release from liability for the Statutory Auditor for the performance of its mandate during 2018. Pursuant to the Belgian Companies Code, the annual general shareholders' meeting must each year, after the approval of the statutory financial statements, decide on the release from liability of the Statutory Auditor.

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

9. Approval of the remuneration report

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

Submission of, discussion on and approval of the remuneration report prepared by the Nomination and Remuneration Committee, and included in the annual report of the Board of Directors for the financial year ended on 31 December 2018.

Proposed resolution: The general shareholders' meeting approves the remuneration report included in the annual report of the Board of Directors for the financial year ended on 31 December 2018

10. Re-appointment of Mr. Martyn Konig

Explanation: This agenda item relates to the proposed re-appointment of Mr. Martyn Konig as Director of the Company for a term of 4 years in view of the expiry of his previous mandate.

Taking into account the advice of the Nomination and Remuneration Committee, the Board of Directors recommends that Mr. Martyn Konig be re-appointed as Director of the Company for a term of 4 years. For further information regarding Mr. Martyn Konig and his resume, reference is made to the corporate governance statement included in the annual report of the Board of Directors for the financial year ended on 31 December 2018.

Proposed resolution: Mr. Martyn Konig is re-appointed as Director for a term up to and including the closing of the annual general shareholders' meeting to be held in 2023 which will have decided upon the financial statements for the financial year ended on 31 December 2022. Unless decided otherwise by the general shareholders' meeting, the mandate shall be remunerated as set out in relation to the Chairman in the remuneration report included in the annual report of the Board of Directors for the financial year ended on 31 December 2018, and pursuant to the principles as approved by the shareholders at the general shareholders' meeting held on 27 April 2011, as amended and supplemented from time to time.

11. Additional remuneration of Ms. Jane Moriarty and Mr. Martyn Konig

Explanation: This agenda item relates to the proposed additional remuneration to be paid to Ms. Jane Moriarty and Mr. Martyn Konig as respectively Independent Director and Chairman, given the substantial time and effort Ms. Moriarty and Mr. Martyn Konig specifically are and are expected to continue to be dedicating to the implementation of the Restructuring (as defined below).

Taking into account the advice of the Nomination and Remuneration Committee, the Board of Directors recommends that Ms. Jane Moriarty as independent Director and Mr. Martyn Konig as Chairman are paid additional remuneration, given the substantial time and effort Ms. Moriarty and Mr. Martyn Konig specifically have dedicated to the implementation of the restructuring that was completed on 31 July 2019 (the "**Restructuring**"), including as director of a wholly owned English direct subsidiary of the Company, NN1 NewCo Limited ("**NN1**") and of a (at that time) wholly owned English direct subsidiary of NN1 (and thus indirect subsidiary of the Company) NN2 **NewCo Limited**. For further information regarding the remuneration of the Directors, reference is made to the remuneration report included in the annual report of the Board of Directors for the financial year ended on 31 December 2018.

11.1 Proposed resolution: The general shareholders' meeting approves the additional remuneration to be paid to Ms. Jane Moriarty as independent Director in the amount of £130,000, immediately payable following approval of the annual general shareholders' meeting.

11.2 Proposed resolution: The general shareholders' meeting approves the additional remuneration to be paid to Mr. Martyn Konig as Chairman in the amount of £130,000, immediately payable following approval of the annual general shareholders' meeting.

12. Approval of additional audit fees for the Statutory Auditor for the financial year ended on 31 December 2018

Explanation: In the framework of the restructuring of the Nyrstar Group, the Company's Statutory Auditor has performed an extra amount of work and performed other assignments compatible with its role as Statutory Auditor. Due to such extra work, it is requested to agree to increase the annual compensation approved by the general shareholders' meeting for the financial year ended on 31 December 2018. Taking into account the advice, proposal and recommendation of the Audit Committee, which is followed by the Board of Directors, the

Board of Directors recommends that the general shareholders' meeting approves, in accordance with article 134 of the Belgian Companies Code, that the compensation of the Statutory Auditor for the financial year ended on 31 December 2018 of EUR 878,500 (excluding VAT and expenses, as applicable) for the audit of the consolidated financial statements of the group, including EUR 44,000 (excluding VAT and expenses, as applicable) for the audit of the statutory financial statements of the Company, is increased as set out in Note 40 of the consolidated annual accounts.

Taking into account the advice, proposal and recommendation of the Audit Committee, which is followed by the Board of Directors, the Board of Directors recommends that the general shareholders' meeting approves, in accordance with article 134 of the Belgian Companies Code, that the compensation of the Statutory Auditor for the financial year ended on 31 December 2018 of EUR 878,500 (excluding VAT and expenses, as applicable) for the audit of the consolidated financial statements of the group, including EUR 44,000 (excluding VAT and expenses, as applicable) for the audit of the statutory financial statements of the Company, is increased as set out in Note 40 of the consolidated annual accounts.

Proposed resolution: The general shareholders' meeting approves, in accordance with article 134 of the Belgian Companies Code, that the compensation of the Statutory Auditor for the financial year ended on 31 December 2018 of EUR 878,500 (excluding VAT and expenses, as applicable) for the audit of the consolidated financial statements of the group, including EUR 44,000 (excluding VAT and expenses, as applicable) for the audit of the statutory financial statements of the Company, is increased as set out in Note 40 of the consolidated annual accounts.

EXTRAORDINARY GENERAL MEETING

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

1. Special report

Explanation: This agenda item relates to the submission of the special report of the Board of Directors in accordance with Article 633 of the Belgian Companies Code in relation to the proposal to continue the operations of the Company, as set out in item 2 of the agenda of the extraordinary general shareholders' meeting. 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 annual and extraordinary general shareholders' meetings.

Submission of the special report of the Board of Directors in accordance with Article 633 of the Belgian Companies Code in relation to the proposal to continue the operations of the Company, as set out below in item 2 of the agenda of the extraordinary general shareholders' meeting.

2. Deliberation on proposal of the Board of Directors to continue the operations of the Company

Explanation: This agenda item relates to the proposal to continue the operations of the Company. For more information on the proposal, reference is made to the special report referred to in item 1 of the agenda of the extraordinary general shareholders' meeting.

In accordance with Article 633 of the Belgian Companies Code the general meeting is to deliberate and resolve, as the case may be, on the dissolution of the Company and possibly on other measures announced in the agenda. In view of the extensive steps taken by the Company and its subsidiaries (together, the "Group") to review the capital structure and the

restructuring of the Group to redress the Company's financial situation, the Board of Directors proposes to continue the Company's operations. For more information on the measures the Board of Directors has taken and proposes to take to redress the financial situation of the Company, and its proposal to continue the operations of the Company, reference is also made to the special report of the Board of Directors referred to in item 1 of the agenda of the extraordinary general shareholders' meeting.

Proposed resolution: The general shareholders' meeting resolves to approve the proposal set out in the special report of the Board of Directors, prepared in accordance with Article 633 of the Belgian Companies Code, to continue the operations of the Company.

3. **Absorption of losses through a decrease of legal reserve, issue premiums and share capital**

Explanation: This agenda item relates to the proposed absorption of losses through a decrease of legal reserve, issue premiums and share capital.

Proposed resolution: The general shareholders' meeting resolves to absorb existing losses of the Company in an amount of EUR 1,334,363,197.73, and resolves, in implementation hereof, as follows:

- (a) Reduction of legal reserve: Existing losses incurred by the Company in an amount of EUR 1,334,363,197.73 (as appear from the statutory (non-consolidated) financial statements for the financial year ended on 31 December 2018), shall be absorbed with an amount of EUR 15,127,531.08 by reducing the legal reserve of the Company (as appears from the statutory (non-consolidated) financial statements for the financial year ended on 31 December 2018), with an amount of EUR 15,127,531.08 in total so that the legal reserve will be reduced from EUR 16,257,028.06 to EUR 1,129,496.98.
- (b) Reduction of issue premiums: Subsequent to the aforementioned reduction of the legal reserve, existing losses incurred by the Company in an amount of EUR 1,319,235,666.65 (as appear from the statutory (non-consolidated) financial statements for the financial year ended on 31 December 2018, but taking into account the aforementioned reduction of the legal reserve) shall be absorbed with an amount of EUR 1,216,395,875.47 by reducing the issue premiums of the Company (as appear from the statutory (non-consolidated) financial statements for the financial year ended on 31 December 2018) with an amount of EUR 1,216,395,875.47 in total so that the issue premiums will be reduced to nil.
- (c) Reduction of share capital: Subsequent to the aforementioned reductions of the legal reserve and the issue premiums, the remaining balance of the existing losses incurred by the Company in an amount of EUR 102,839,791.18 (as appear from the statutory (non-consolidated) financial statements for the financial year ended on 31 December 2018, but taking into account the aforementioned reductions of the legal reserve and issue premiums) shall be absorbed with an amount of EUR 102,839,791.18 by reducing the share capital of the Company (as appears from the statutory (non-consolidated) financial statements for the financial year ended on 31 December 2018), with an amount of EUR 102,839,791.18 in total so that the share capital will be reduced from EUR 114,134,760.97 to EUR 11,294,969.79.
- (d) No cancellation of existing shares: The aforementioned reduction of share capital shall occur without cancellation of existing shares of the Company and shall be borne by each of the existing shares in the same manner. The fractional value of each share shall be adjusted to (rounded) EUR 0.10 per share as a consequence of the aforementioned share capital reduction.

- (e) Amendment of articles of association: Article 5 of the Company's articles of association will be amended to align it to the aforementioned reduction of share capital.

* * *

Done on 5 November 2019

On behalf of the Board of Directors