



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

(the *Company*)

## Written questions for annual general meeting and extraordinary general meeting to be held on 30 June 2020

### Preliminary note

*Questions raised by shareholders at the occasion of a shareholders' meeting have to relate to matters on the agenda as a matter of Belgian law. Most of the questions we have received do not relate to the agenda. The Board will respond to the questions nonetheless. The Board however notes that many of the questions received are public information and have already been responded to in the numerous annual reports and prospectuses that the Company has issued during the past years or during previous Q&A at shareholders' meetings. The Board understands that there are many questions regarding the restructuring. The Board wants to emphasise at the outset that, through this restructuring, the Company managed to avoid a complex international bankruptcy, preserve value for stakeholders and save over 4,000 jobs around the world, of which over 575 in Belgium. In addition, the Board would like to clear one matter upfront on the Trafigura commercial agreements. When Nyrstar was sold in an IPO by Umicore and Zinifex in 2007, this was done when the Century Mine still provided a large part of Nyrstar's concentrate tonnage at benchmark terms. The Century Mine would come to its end of life in 2015. Nyrstar had tried to anticipate the end of the life of that mine by engaging in vertical integration of mines and other concentrate sourcing so that it could continue to operate its smelters at full capacity. (Smelters have high fixed costs, as a result of which it is optimal to operate at full capacity). The mining acquisitions proved difficult for Nyrstar as shareholders have been informed. When the Century mine reached end of life in 2015 and Nyrstar had to replace the tonnage, no significant mining contracts at benchmark terms were available to Nyrstar and Nyrstar had insufficient internal tonnage. Nyrstar, for the tonnage and quality of concentrate that it needed, had to contract with trading companies (not with mines), which typically do not contract at benchmark terms but at spot terms. These spot terms are adjusted throughout the year as a function of the supply and demand dynamics of the zinc market. The Board in 2015 (consisting of seven directors of which one (Christopher Cox) was appointed by Trafigura) decided unanimously that Trafigura was the best option for Nyrstar as it secured concentrate in the right volumes and quality to have all of its smelters operate at full capacity in the long term. The framework agreement with Trafigura, with its annual amendments, reflected market terms in that full period. Any tonnage not sold to Nyrstar by Trafigura could have been sold elsewhere by Trafigura at the same price given that demand exceeded supply. The Board will in responding to the questions detail which other support Trafigura gave to Nyrstar*

*during that period. In summary, comparing a concentrate contract with a trader in 2016 with a concentrate contract with a mine in 2011 is not correct and simplifies matters in a way that disregards the development and operation of the zinc markets since Nyrstar's IPO.*

#	Questions	Answers
A.	<b>QUESTIONS TO THE BOARD OF DIRECTORS</b>	
<b>Mr. Kris Vansanten et al. by e-mail of 26 June 2020</b>		
1.	<p>The Relationship Agreement dated 9 November 2015 between Nyrstar NV and Trafigura Group PTE Ltd. stipulated that all transactions between Trafigura Group companies on the one hand and Nyrstar Group companies on the other hand must always be at arm's length and on normal commercial terms. How did the decision-making and decision-making process of the board of directors and management of Nyrstar NV and the other companies of the Nyrstar Group take place with regard to the transactions between the Nyrstar Group and Trafigura? Has the Board of Directors of Nyrstar NV deliberated on the various transactions entered into between Nyrstar NV and Nyrstar Sales &amp; Marketing AG on the one hand and Trafigura on the other hand? Which persons were involved and for which entity did they act in what capacity? Please provide a table per meeting. Who entered into/or decided to enter into the commercial agreements and amendments thereto between the Nyrstar Group and the Trafigura Group between 2015 and 2018?</p>	<p>We will respond to this question together with the second question.</p> <p>In 2015, the Century mine closed which was the largest source of zinc concentrate supply for Nyrstar's smelting activities, representing approx. one third of Nyrstar's global smelter feed at the time. Nyrstar had aimed to mitigate this loss of supply through its expansion into mining since 2009, yet the mining segment had underperformed. In 2015, significant additional shortage arose in the market for zinc concentrate through the closure of the Lisheen mine in Ireland and Glencore's decision to temporarily close a number of its mines due to the weak price climate (see on the shortage for example also annual reports of Nyrstar in 2015 and 2016). As a result, Nyrstar had to replace a very large amount of concentrate with a new source of concentrate supply in the market.</p> <p>At that point, there were however no large contracts at benchmark rates with mines available in the market. Every Western smelter was in the same situation. One of the reasons was that mines preferred contracting with traders which also supplied Chinese demand and offered better pre-financing terms than the smelters. The only realistic alternative for the supply of zinc concentrate of the quality and quantity that Nyrstar sought, was a supply line through a commodities trader.</p> <p>At the same time, Nyrstar needed a long-term partner for the sale of refined metal that could also provide financing through prepayment. Glencore was not an option since the European Commission's decision restricted the commercial relationship with Nyrstar further to Glencore's</p>

#	Questions	Answers
		<p>merger with Xstrata in 2012. Nyrstar had subsequently engaged in a partnership with Noble, yet Noble experienced significant financial troubles relatively soon afterwards.</p> <p>Further to a market analysis, Trafigura came out as the only realistic option that could provide the security of supply and offtake Nyrstar needed in terms of quantity and quality in the longer term as well as other terms that smelters commonly seek such as prepayment. Trafigura had one of the largest concentrate books in the industry. For these reasons, Nyrstar engaged into the long-term supply and offtake agreements with Trafigura. Traders, such as Trafigura, did not price contracts at benchmark terms but nearer spot terms. Nyrstar examined alternatives and there were no agreements at benchmark terms available for Nyrstar. Bundling agreements with various smaller traders would have also resulted in the same pricing as with Trafigura as this was the market price and would have not yielded the certainty of supply in terms of quantity and quality in the longer term that Nyrstar needed to feed its smelters. (Smelters have very high fixed costs – they need to operate at maximum capacity.)</p> <p>We refer in this regard also to the answers provided to the oral questions at the shareholders’ meeting of 25 June 2019:</p> <p><i>“I hear two new specific questions. In terms of the first question, firstly, I see this in the context of the Century mine that was closing. Secondly, the European metal off-take, which was with Glencore at the time of the Glencore-Xstrata merger transaction, whereby Glencore was prohibited from buying from Nyrstar in Europe after the merger. Noble took over from Glencore, but Noble got into very severe financial trouble, which is well-known in the market. The third component is that Nyrstar had very important funding needs. The combination of supplying concentrate, providing the zinc metal offtake with prepayment terms and underwriting a rights issue of the order of 270 million euros, there were not a lot of players in the market who could do that. Maybe Glencore could, but they</i></p>

#	Questions	Answers
		<p><i>had the European Commission decision. I was not in the company at the time but in hindsight, but it seems to me the board did the best possible negotiation to achieve an arm's length result. Arm's length is however not a specific precise term. Arm's length in terms of a negotiation is something that also represents the relative strengths of the counterparties. Nyrstar was not in a strong position at the end of 2015. There are many informed people who have said to me that if Nyrstar did not get the February 2016 rights issue, it would have faced insolvency. There were very stark choices at that time."</i></p> <p>We also refer to the various annual reports and prospectuses of Nyrstar throughout the years, explaining the importance of the Century mine and the shortage that had arisen since 2015:</p> <p>E.g. IPO prospectus of 12 October 2007, under risk factors: <i>"We are dependent on a limited number of suppliers for zinc and lead concentrate and a disruption in supply could have a material adverse effect on our production levels and results of operations. Our business is dependent on our ability to source adequate supplies of zinc and lead concentrate. The availability and price of zinc and lead concentrate may be negatively affected by a number of factors largely beyond our control, including interruptions in production by suppliers, decisions by suppliers to allocate supplies of concentrate to other purchasers, price fluctuations and increasing transport costs. We have entered into life-of-mine contracts with Zinifex for zinc and lead concentrates from its Century and Rosebery mines and have other multi-year tonnage contracts with a number of other suppliers in place. These agreements provide that the key commercial terms (including TCs) are renegotiated annually. The foregoing arrangements provide a significant portion of our zinc and lead concentrate needs for the foreseeable future and the remainder of our needs are sourced from other suppliers on an annual basis. Despite our current contractual arrangements, there can be no assurance that in the future we will be able to source as much concentrate as we need. Moreover, should our contractual relationships with any of our suppliers</i></p>

#	Questions	Answers
		<p><i>change or terminate without renewal or replacement, we could be left with insufficient supplies of concentrate. To the extent we are unable to obtain adequate supplies of zinc and lead concentrate from alternative sources or if we have to pay higher than anticipated prices, our results of operations may be materially adversely affected. We are highly dependent on a limited number of suppliers of concentrate with our top five suppliers representing approximately 72% of our current zinc concentrate needs (including Zinifex, which supplies 48% of such needs) and our top three suppliers representing approximately 75% of our current lead concentrate needs. [...] Any significant disruption for a sustained period of time to the continued operations at any of the mines which our suppliers operate, to infrastructure used to transport zinc concentrates or more generally to the timely delivery of zinc concentrate to our smelters would have a material adverse effect on our financial position and results of operations. This risk is particularly relevant for Zinifex’s Century mine, which operates a single line production system and is the single largest source of concentrate to us. In addition, the efficiency of a smelter’s production over time is affected by the mix of the concentrate grades it processes. In circumstances where we cannot source adequate supplies of the concentrate grades that make up the most efficient mix for our smelters, alternative types of concentrate may be available, but the use thereof may increase our costs of production and adversely affect our results of operations.”</i></p> <p>The prospectus of 10 September 2014, under risk factors, is another example: “Nyrstar is highly dependent on a limited number of suppliers of concentrates for a significant portion of its concentrate needs, with its largest supplier, Minerals and Metals Group (the owner of the Century and Rosebery mines), having represented approximately 46% of its zinc concentrate needs in 2013. [...] The Century mine is currently expected to reach its life-of-mine and thereby cease supplying Nyrstar’s smelters by mid-2015. Management has been taking steps to secure raw materials from other sources, [...], but there can be no assurance that Nyrstar will be able to secure sufficient alternative sources of supply or that any</p>

#	Questions	Answers
		<p><i>alternative supply will be on similar terms or of similar quality or that the Transformation will achieve the expected outcome[...], and therefore that the transition away from Century concentrate will not have a material adverse effect on Nyrstar's business, results of operations and financial condition."</i></p> <p>E.g. annual report 2015 (in the management report under 'zinc concentrates'): <i>"Several miners have implemented production cuts following lower zinc prices and the prices of the main by-products of zinc mines in 2015. The squeeze on margins was more acute in the second half of 2015, as falling prices put the profitability of the zinc mining sector under pressure. According to Wood Mackenzie, the break-even percentile on the zinc mine cash operating cost curve (CI) was estimated to be 82nd percentile at the November price lows, down from the 93rd percentile in August. In response to the low zinc prices, just prior to LME week in October 2015, Glencore announced that it was cutting output from its mines by 100kt Zn in Q4 2015 and by 500kt Zn in 2016. The cuts included reduced output from Mt Isa, McArthur River and Kazzinc mines and suspension of Iscaycruz. Wood Mackenzie estimates that price-induced mine capability cuts will total around 640kt in 2016."</i></p> <p>E.g. annual report 2016 (in the management report under 'zinc concentrates'): <i>"The annual benchmark treatment charge for zinc concentrates in 2016 was settled at USD 203 per tonne of concentrate basis a zinc price of USD 2,000/t with a 9% escalator to USD 2,500/t, 8% to \$3,000/t, 5% to USD 3,750/t and zero above that, and de-escalator of 3% to USD 1,500/t and zero below that. This represented a decrease from the previous year in favour of miners on the headline treatment charge of approximately 17%. Several miners implemented production cuts in 2016 following lower zinc prices and the prices of the main by-products of zinc mines in H2 2015. Mine production decreased in 2016 as a result of these price related mine reductions and scheduled closures of large mines such</i></p>

#	Questions	Answers
		<p><i>as Century and Lisheen. This led to a tighter concentrates market in 2016 with spot treatment charges decreasing throughout the year.”</i></p> <p>In terms of governance, the Board of Directors of Nyrstar NV at the time considered all of its options very carefully and had been preparing for a long time for the best way for Nyrstar to replace the Century Mine tonnage. Note that the Board then, in 2015, consisted of seven and, after the appointment of Mr Bill Scotting to the Board in December 2015, who was already present at board meetings as CEO since September 2015, eight directors of which only Mr. Christopher Cox had been appointed by Trafigura. The decision-making in 2015 was done on the basis of all options available to Nyrstar. Where the agreements were indeed entered into at the level of Nyrstar Sales &amp; Marketing AG (NSM), Nyrstar’s Swiss subsidiary, the Nyrstar NV board was responsible for this decision in 2015 and had anticipated this for a long time. The members of the Nyrstar NV Board were Mr Julien De Wilde (Chairman), Mr Ray Stewart, Mr Oyvind Hushovd, Ms Carole Cable, Mr Martyn Konig, Mr Christopher Cox and Mr Karel Vinck, with Mr. Scotting in attendance as CEO until also formally appointed as director. While Mr Chistopher Cox considered he did not have a direct conflict of interest, he considered it appropriate to recuse himself from voting on resolutions with respect to the approval of the agreements to be entered into with Trafigura. The Board decided unanimously that Trafigura was the best option.</p> <p>The long-term contracts with Trafigura are consistent with industry norms. Long-term concentrate supply contracts of this nature constitute frame contracts whereby supply commitments are negotiated upfront, ensuring the certainty of supply that is crucial for smelters, but whereby other key terms, including price, are left to be dealt with in annual amendments. Amendments in this context are standard.</p>

#	Questions	Answers
		<p>Nyrstar already addressed this process of annual amendment in the answers to the written questions for the shareholders' meeting of 5 November 2019:</p> <p><i>“The scope of the yearly negotiations between Nyrstar and Trafigura on the zinc metal contract involves primarily negotiations of the buyer discount and prepayment terms. As per the concentrate supply agreements, the penalties and quotational periods were set in the original offtake agreement that was executed in November 2015. Penalties are typically only applicable to the purchase and sale of concentrates rather than refined metals. As concentrates contain impurities, such as iron, that cause difficulties in the refining process, in these circumstances there may be a deduction from the price of the concentrate. The Quotational Period (QP) is the contractually agreed timeframe which determines the metal price to be applied under the sale or purchase agreement. It is typically the average price of the QP. The duration of the QP can vary and is independent of physical flows. It is common for amendments to be agreed with various suppliers for long term supply or offtake agreements, this is also the case with the Trafigura Commercial Agreements. As disclosed in the notes to the consolidated accounts for 2018, in May and November 2017, Nyrstar and Trafigura amended the “Trafigura Commercial Agreements” entered into on 9 November 2015. These amendments further defined the zinc specifications and volumes by region. Specifically, the May 2017 amendments were to document that the agreed freight parities and treatment charge applicable to the volume of zinc concentrate that were contracted to be delivered during calendar year 2017. The November 2017 amendments settled the freight parity and treatment charge to be applied to 300,000 dry metric tonnes of the 500,000 dry metric tonnes that was contracted to be delivered in calendar year 2018. There was nothing extraordinary about these amendments and they did not have a financial impact.”</i></p> <p>As mentioned, the Board of Directors of Nyrstar NV extensively discussed the material frame agreements that were put into place with</p>

#	Questions	Answers
		<p>Trafigura. With regard to the subsequent amendments, these were also supervised by the Board. In addition to the review undertaken by the Nyrstar NV Board, the Trafigura commercial frame agreements were supervised by the Board of Nyrstar Sales &amp; Marketing AG as the contracting entity for these agreements.</p> <p>Operationally, the commercial agreements and amendments between the Nyrstar group and the Trafigura Group in the period 2015 to 2018 were negotiated and agreed by the Chief Commercial Officer of Nyrstar and members of his team, under supervision by the Chief Executive Officer. At all times, the parties negotiating the various amendments on behalf of Nyrstar were individuals that were very familiar and highly proficient with the relevant markets and the industry standards for the parameters that were being amended under the terms of the frame agreements.</p> <p>The pricing of a first part of the zinc concentrate tonnage to be supplied under the contract with Trafigura was based on a discount in relation to the benchmark treatment charge, and this discount increased over time. This was due to the significant shortage in the market for concentrate in 2015-2018, which caused the differential between benchmark and spot treatment charges to widen. We also refer in this regard to the answers provided by Nyrstar in relation to treatment charges and discounts to the benchmark at the shareholders' meeting of 25 June 2019:</p> <p>In the written Q&amp;A, it is clarified as follows:</p> <p><i>“There has been a dramatic decrease in treatment charges in lead and zinc since 2015 to historic lows in 2018 which has impacted Nyrstar’s gross profit significantly.”</i></p> <p>In the oral Q&amp;A, the CEO provides further:</p>

#	Questions	Answers
		<p><i>“Second, Nyrstar, regularly, together with its financial results, publishes its annual results with respect to the benchmark, with regularly a discount of 30 to 40 dollars. This is higher from 2016 onwards relative to prior years and there is a simple reason for it. Nyrstar had life-of-mine contracts for the concentrate supply from the Century zinc mine in Australia which supplied to Budel in the Netherlands and Hobart in Australia. That was put in place in the time of Pasmaico, when the Century mines and the 2 smelters were part thereof. These agreements were favorable towards the smelters and Nyrstar benefited from them after the split up of Pasmaico and eventual formation of the Nyrstar Group from Zinifex and Umicore zinc smelting assets. When the Century Mine reached the end of its life towards the end of 2015, Nyrstar had to replace a very large amount of concentrate supply in the market. Effectively, there was a big change in terms of what mine was used as well as in the commercial terms.”</i></p> <p>Hence, the evolution of the applied discount reflects the evolution of the spot treatment charges. This is consistent with how trading companies price their sales. Commodities traders are typically unable to sell at benchmark basically because they generally cannot buy substantial volumes of concentrates at benchmark terms and more importantly because they value their concentrates always related to market terms and conditions at the relevant time of negotiation.</p> <p>Similarly, the second part of the zinc concentrate tonnage under the contract with Trafigura was to be priced at the market, i.e. again meant to reflect the evolution of the spot treatment charges.</p> <p>We also refer to the answer provided to the November 2019 shareholders’ meeting regarding treatment charges, in which the relationship between the tightness of supply and the realised treatment charge is illustrated:</p>

#	Questions	Answers
		<p><i>“In 2017, the average treatment charge agreed with Trafigura for zinc concentrate was USD 74.0/DMT. The average treatment charge realised by Nyrstar with Trafigura in 2018 was lower than in 2017; however it is necessary to take into account the market dynamics. The first tranche of 300 kt was negotiated in October and November 2017. At that moment, the market for zinc concentrate was very tight and projected to remain tight into 2018 with spot China TC’s trading in the USD 15-20/t range. Under these market conditions, Nyrstar was able to lock in a TC of USD 32/t in November 2017, which compares favourably to the spot TC applicable at the time. This represents a discount of USD 115/t to the 2018 benchmark TC, which was subsequently set at USD 147/t in April 2018 and was down 15% compared to the 2017 benchmark. The second tranche of 200kt was negotiated in July and August 2018. At that moment, the market for zinc concentrate was still very tight, although the first signs were emerging that it was softening. At the time that Nyrstar achieved USD 45/t in August 2018, the last two monthly spot references available were USD 27/t for May 2018 and USD 35/t for June 2018 with a further increase expected in July 2018. Indeed Nyrstar used this argument to negotiate from Trafigura an improvement in the TC of the second 200kt tranche vs the first 300kt tranche (from USD 32/t to USD 45/t).”</i></p> <p>In sum, the increase of the negotiated prices for the supply of concentrate in the amendments was a result of the increasing shortage in the market for concentrate and the related decrease in spot treatment charges in the relevant time period.</p>
2.	<p>Why did the Nyrstar Group enter into long-term (5-year) supply and off-take agreements with Trafigura in November 2015 and then, through annual amendments, set its prices, which were increasingly disadvantageous to Nyrstar each year? After all, the purpose of a long-term contract is (among other things) to offer not only volume but also price certainty for the duration of the contract.</p>	<p>We have combined the response to this question into the first question.</p>

#	Questions	Answers
3.	<p>How did the process work of determining the need for a change in prices and therefore of concluding a derogating amendment and then approving the substance of the amendments? Who signed the first framework agreements and the various amendments on behalf of Nyrstar NV and Nyrstar Sales &amp; Marketing AG?</p>	<p>As already mentioned under question 1, in line with industry practice, the Trafigura supply contracts were frame contracts. The price terms for the two tranches of zinc concentrate to be supplied to Nyrstar were negotiated separately at different times during the year, to account for changes in the zinc concentrate market over time. As such, Nyrstar had certainty of supply (which was essential to operate its smelters at full capacity) and pricing was adjusted to that which was prevailing in the zinc markets (which was important to Trafigura which could sell to any alternative smelter worldwide). In addition to certainty of supply, Nyrstar also benefited from Incoterms changed to its advantage, from certain employees of Trafigura that were dedicated to it and prepayment (which it needed because of its historical financial situation).</p> <p>The original frame agreements dated November 2015 were signed by the SVP Metals Processing. The various amendments to the frame agreements between 2015 and 2018, primarily to settle the variable terms, were generally signed by the SVP Metals Processing and the Chief Commercial Officer. In each case, the signatory was signing as a director or secretary of Nyrstar Sales &amp; Marketing AG, which was the party. The commercial agreements with Trafigura were not signed on behalf of Nyrstar NV as it was not a party to these contracts, but Nyrstar NV supervised as set out above.</p>
4.	<p>Why were/are the discounts on the zinc treatment charges allowed to Trafigura justified by reference to Spot Rate Treatment Charges and not Benchmark Treatment Charges? After all, the Benchmark Treatment Charges were used as the basis for determining the treatment charges that Nyrstar charged to the other suppliers. Spot Rate Treatment Charges are only used in the market as a basis for short-term surpluses or deficits and therefore cannot serve as a basis for long-term contracts.</p>	<p>As already mentioned above, due to the significant shortage in the market at the time, large contracts for the supply of zinc concentrate at benchmark treatment charges with mines were not available to Nyrstar in 2015 and later years. Hence, further to the closure of the Century mine, Nyrstar needed to secure supply of additional qualitative zinc concentrate through trading companies, and among these Trafigura was the only party that could realistically provide the partnership that Nyrstar sought.</p> <p>The assumption that long-term supply contracts are always priced at benchmark rates is incorrect. This is not typical for trading companies in that period in the international zinc markets. Trading companies are</p>

#	Questions	Answers
		<p>typically unable to sell at benchmark basically because they generally cannot buy substantial volumes of concentrates at benchmark terms and more importantly because they value their concentrates always related to market terms and conditions at the relevant time of negotiation. As Trafigura would have been able to sell its concentrate on the market at spot treatment charges, the discounts on the zinc treatment charges applied reflected the evolution of the spot market.</p>
5.	<p>The discount on the Benchmark Treatment Charge granted to Trafigura in 2018 was 75%. The Benchmark Treatment Charge increased significantly from 2018 to 2019. Even the Spot Rate Treatment Charge increased in 2019: 1 February over \$200 per tonne, mid-April over \$250 per tonne, mid-June over \$275 per tonne. What was the average Treatment Charge that Trafigura paid to Nyrstar in 2019 until 31 July 2019? What was the average Treatment Charge for Nyrstar in 2019 to 31 July 2019? What was the discount to the benchmark in 2019? From what date did the increased Treatment Charges for NYRSTAR take effect? For 2020, the Benchmark Treatment Charge is \$299.75 per tonne. What is the volume of zinc metal, in ingot format and other possible formats, sold by Nyrstar to Trafigura in the year 2019? What conditions could Trafigura enjoy compared to corresponding market conditions? How much zinc concentrate (dmt) did Nyrstar process from Trafigura at its agreed treatment charges in the year 2019?</p>	<p>The zinc concentrate treatment charge agreed with Trafigura for H1 2019 was published in the H1 2019 accounts that were issued on 6 December 2019 and available on the Company's website.</p> <p>In the disclosures, Nyrstar notes that: <i>“the Group agreed the treatment charge for the deliveries of 350,000t of the agreed 2019 annual deliveries at the weighted average treatment charge of USD 202.10/DMT”</i>. This treatment charge was, as usual, applied retrospectively for all of the 350,000 tonnes which was delivered in 2019.”</p> <p>Nyrstar has not published the average realised treatment charge up to 31 July 2019. The calculation of the average zinc concentrate discount to benchmark is a difficult and time-consuming calculation for the Company to make due to the substantial volume (hundreds) of different concentrate parcels that are consumed by Nyrstar's global smelting operations on a quarterly basis which all have unique pricing variables. As such, the Company is unable to reasonably provide this calculation. We also note that this calculation was not generally used by investors as a metric in their understanding of the business. Rather the main and most important treatment charge metric published by the Company was the sensitivity of EBITDA to a 10% change in the benchmark treatment charge. This metric was consistently published on a semi-annual basis and could be compared against the benchmark terms that were annually agreed and typically published by Nyrstar and industry publications at the end of Q1 each year.</p>

#	Questions	Answers
		<p>The conditions in the Trafigura agreement conformed to the general market conditions. As noted in the draft expert report produced by Stonehouse Consulting and filed in the expert proceedings in the Antwerp Commercial Court, the terms that Trafigura sold concentrate to Nyrstar were similar to those it would have been able to negotiate with other smelters. There was a concentrate deficit in 2016, 2017, and in the first half of 2018, which meant Trafigura could have sold the tons at similar terms elsewhere, either to other Western smelters or to Chinese smelters.</p> <p>As you are aware, post the restructuring effective date on 31 July 2019, the Nyrstar operating group which includes Nyrstar Sales &amp; Marketing AG was no longer controlled and operated by Nyrstar NV. As such, the Company is unable to advise you of the discount to benchmark achieved in FY 2019, the volume of zinc metal sold to Trafigura in FY 2019 or the volume of concentrate sourced from Trafigura in FY 2019.</p>
6.	<p>Why, at the Annual General Meeting of 25 June 2019, were only the realized average zinc treatment charges disclosed on the total volume of processed zinc concentrate, and were questions about specific discounts granted to Trafigura (other than confirmation that they were at arm's length) not addressed, when this information was disclosed in the revised annual accounts for 2018, published in September, which showed that the discount granted to Trafigura in 2018 was as high as 76% of the benchmark processing charges?</p>	<p>As is recorded on the second page of the oral questions and answers published on the Company's website for the shareholders' meeting held on 25 June 2019, the CEO at the time provided a detailed response to this question. It was correctly noted by the CEO that, in terms of the discount to the benchmark, the Company for a number of periods disclosed an average discount to benchmark as it provided an additional input that could be used, typically by sophisticated institutional investors, to test their financial models for Nyrstar. In terms of confidentiality with all the individual contracts, we cannot specify how that breaks down per counterpart. For the Trafigura contracts we allowed all shareholders to inspect the Trafigura contracts that were made available at the meeting and later were made available on a secure online portal.</p> <p>Comparing the treatment charge in the Trafigura contract to the annual benchmark terms is not appropriate. By negotiating a discount to benchmark in the zinc concentrate supply agreement, Trafigura and Nyrstar expected the treatment charges would be related more to spot</p>

#	Questions	Answers
		<p>treatment charges than to benchmark terms. This is consistent with Trafigura's sales terms to other smelters and reflective of how trading companies generally price their sales. This understanding is also made clear in the draft expert report produced by Stonehouse Consulting that was submitted with Nyrstar's brief to the Commercial Court in Antwerp on Friday 26 June 2020.</p> <p>Please see response to question 1.</p>
7.	<p>How was compliance with "at arm's length" and "on normal commercial terms" in the transactions between the Nyrstar group and Trafigura group monitored within Nyrstar NV and the Nyrstar group and who was involved in this monitoring process? Please provide an answer in which these persons are mentioned by name, drawn up in a table per negotiated amendment.</p>	<p>Please see response to question 1.</p>
8.	<p>If there was internal control of compliance with the principles "at arm's length" and "on normal commercial terms", how was this control carried out? In addition to the permitted discounts on treatment charges for zinc and zinc concentrates, was compliance with the principle also checked, inter alia, in respect of the following aspects?</p> <ul style="list-style-type: none"> <li>• The processing wages on the various raw materials.</li> <li>• The price paid for the purchase of the metals and other by-products produced by Nyrstar.</li> <li>• The discounts granted to Trafigura.</li> <li>• Penalty discounts for impurities.</li> <li>• Volume tolerances.</li> <li>• The metal content and its control.</li> <li>• The logistics costs.</li> <li>• The payment terms.</li> <li>• The disposal of assets.</li> <li>• The benchmarks.</li> <li>• The escalator/escalator clauses.</li> </ul>	<p>The terms of the zinc supply contract with Trafigura are consistent with what would have been negotiated at the time between other smelters and trading companies, and therefore are at arm's length. The contract provided Trafigura with some optionality with regard to the quotational period (i.e. the month in which the average LME prices will be used for a specific invoice), but this is standard in a concentrate supply contract with a trading company. Importantly, the contract provided Nyrstar with benefits that are not standard for contracts with a trading company, such as the opportunity for freight benefit savings with regard to deliveries to European smelters as well as, further to an amendment, payment deferral until the point of unloading. Although these clauses were not standard in trade contracts with smelters, these clauses were clearly a benefit to Nyrstar.</p> <p>As for price participation in the form of escalators and de-escalators, these were reflected in the pricing for the first tranche of zinc concentrate to be supplied in 2016. As escalators and de-escalators were eliminated from the global benchmark terms in 2017 and 2018 (in other words, they were eliminated for the <u>entire</u> market), they were no longer part of the</p>

#	Questions	Answers
	<ul style="list-style-type: none"> <li>The hedging and financial contracts.</li> </ul>	<p>negotiations on pricing for the first tranche in those years. As mentioned, the second tranche of zinc concentrate to be supplied was to be priced at market, i.e. not to be determined with reference to any specific pricing basis but rather meant to reflect the evolution of the spot treatment charges. There is no price participation in case of spot treatment charges.</p> <p>As explained also in the answers provided to the November 2019 general meeting, over the years, Nyrstar has maintained commercial relationships with numerous traders in the metals and mining industry. Nyrstar's contractual and commercial relationship with those traders have all been on similar terms as those with Trafigura, reflecting spot market terms annually renewed in the relevant periods. These traders have included the likes of Glencore, Noble Group, Louis Dreyfus, Ocean Partners and Transamine.</p>
9.	<p>Were the transactions and decisions regarding the transactions between the Nyrstar Group and the Trafigura Group submitted to the Audit Committee or did the Audit Committee examine these transactions? If so, what were its findings? If not, why not?</p>	<p>The governance was as discussed above. As included in the corporate governance statement in the annual reports, the role of the audit committee is to supervise and review the financial reporting process, the internal control and risk management systems and the internal audit process of the Company. The audit committee monitors the audit of the statutory and consolidated financial statements, including the follow-up questions and recommendations by the statutory auditor. The audit committee also makes recommendations to the Board of Directors on the selection, appointment and remuneration of the external auditor and monitors the independence of the external auditor.</p>
10.	<p>What role did the internal audit department of Nyrstar Sales &amp; Marketing play in this process? Did it express any serious reservations in successive transactions, decisions and/or amendments, and if so, which ones? Has the Audit Committee always taken these concerns to heart and taken action to seriously investigate and remedy the concerns expressed?</p>	<p>The internal audit function was responsible for all entities within the Nyrstar group, including, but not limited to Nyrstar Sales &amp; Marketing AG. The internal audit function conducts an annual risk based program of internal audits which is approved by the audit committee. The internal auditor reports findings to management and the audit committee and remediation actions are tracked and monitored. At no time has an internal audit identified or reported to the audit committee any material issue with</p>

#	Questions	Answers
		<p>regards to the transactions, decisions and/or amendments of the contracts between Nyrstar and Trafigura since 2015.</p> <p>The audit committee would regularly hear the internal auditor. Any concerns have always been investigated and where necessary remedial action applied to address a potential deficiency. As was noted in the minutes of the shareholders' meeting of 5 November 2019, the statutory auditor of the Company as part of the FY 2018 audit flagged that they had reviewed and had noted within their key audit matters the "Allegations by the former Internal Audit Manager". The allegations of the internal auditor, as well as the statutory auditor's work performed and observations are summarized in the FY 2018 accounts available on the Company's website. It is further stated in the FY 2018 accounts at note 42 that the board of directors investigated these allegations of the former internal auditor, took actions where needed and confirmed that there have been no changes to the consolidated financial statements as a result of the internal auditor's allegations. Deloitte, the auditor of Nyrstar NV, reported its conclusion under key audit matters in its audit report in respect of financial year 2018.</p>
11.	<p>In monitoring compliance with the "at arm's length" and "on normal commercial terms" principles, was support sought with external advisors, apart from the advice of KPMG with regard to the transactions in 2018?</p>	<p>No support was sought with external advisors, except for KPMG in 2018 as referred to in the question. Nyrstar was historically one of the world's largest smelters and had all know how inhouse, which did not mean that Nyrstar could control the international zinc markets.</p> <p>For the purpose of the pending proceedings regarding the demand of a group of minority shareholders for the appointment of a body of experts, Nyrstar has also asked Stonehouse Consulting, headed by Mr. Jim Vice, a specialist in certain metals markets (including the zinc market), to provide an expert report on the nature of the terms of the commercial agreements entered into between Trafigura and Nyrstar and the market context at the time. Mr. Vice has worked his entire career at the Canadian company Teck Resources that owns zinc mines and a zinc smelter, and has always been a counterparty to both Nyrstar and Trafigura.</p>

#	Questions	Answers
		<p>Further to its review, Stonehouse Consulting has concluded that the zinc and lead concentrate supply contracts and the metal sales contract between Trafigura and Nyrstar were at arm's length and consistent with similar contracts between trading companies and smelters.</p> <p>In its opinion:</p> <ul style="list-style-type: none"> <li>• the terms relating to delivery, payables and penalties, quotational periods, qualities and weighing, sampling and moisture determination were fair and showed no undue optionality on the part of Trafigura;</li> <li>• the treatment charges in the concentrate contracts were low compared to the terms that Nyrstar had under the long-term Century supply contract, but consistent with the market terms for zinc concentrates in the years 2016 to 2018;</li> <li>• terms for the metal sales contract were concluded at a discount to the prevailing market premiums, which was reasonable and consistent with other trader-smelter transactions, especially since Trafigura was providing sales and logistics support services as well as prepayment terms which improved Nyrstar's cashflow position.</li> </ul>
12.	<p>What was the specific reason for mandating KPMG to monitor compliance with the 'at arm's length' and 'on normal commercial terms' principles and to give its opinion on this? Why was KPMG only mandated to investigate this with regard to the transactions in 2018 and not the previous years? Why has the board of directors of Nyrstar NV not previously had the compliance with the aforementioned principle checked and communicated transparently to the shareholders in view of the importance of safeguarding the interests of Nyrstar NV and the Nyrstar group? Please submit the aforementioned report of KPMG (including any annexes).</p>	<p>Nyrstar had called KPMG to provide the Board of Directors with an independent input to its assessment of the contracts with Trafigura.</p> <p>On the shareholders meeting of 5 November 2019, we have also responded as follows: <i>“As per the engagement letter between KPMG and Nyrstar NV, the KPMG opinion letter is a confidential document that cannot be made freely available. The opinion letter was only previously provided to shareholders in compliance with the 24 June 2019 court order, which was later annulled by a subsequent court order of 28 August 2019. Given this annulment there is no legal requirement that enables Nyrstar NV to make the KPMG opinion freely available.”</i></p>

#	Questions	Answers
		<p>Further, the KPMG opinion letter also prohibits disclosure without its consent: <i>“Our opinion is for information only of Nyrstar’s management, board of directors and statutory auditors and is not to be copied, quoted or referred to, in whole or in part, without our prior written consent. In particular, our opinion is not to be disclosed or referred to in the public domain.”</i></p> <p>We further note that, in accordance with Belgian company law, the right of shareholders to ask questions with respect to items on the agenda of the meeting, does not involve the right to receive certain documents. The Company therefore has no obligation to publish the KPMG report, and it will also not do so, given the reasons mentioned above.</p>
13.	<p>Has the board of directors of Nyrstar NV ever deliberated on the contractual liability of Trafigura for breaches of the Relationship Agreement? What decision, if any, did the board of directors take and on what grounds did it base its decision?</p>	<p>No, the Board has not had such deliberation. Trafigura has always complied with its contractual obligations towards Nyrstar. Transactions between Nyrstar and Trafigura were at arms’ length. Arms’ length may also reflect the evolution of a zinc market that is unfavourable to Nyrstar. Nyrstar has at a number of times asked the support of Trafigura in changing contractual terms to the agreements, requesting change of Incoterms, higher volumes, etc. For example, in an amendment to the zinc concentrate supply contract, the delivery terms were changed from CIF to DAP (Delivered at Place, Incoterms), meaning that Nyrstar would take delivery only after the concentrate was unloaded from the vessel. Trafigura would be responsible for unloading the vessel and delivering concentrate to the local warehouse. Nyrstar agreed to compensate Trafigura for the direct costs associated with changing the delivery point. Although this change is unusual in concentrate delivery agreed terms, it was beneficial to Nyrstar as it allowed it to delay paying for concentrate until just before it treated the concentrate.</p>

#	Questions	Answers
		<p>Trafigura has always complied with these change requests, even if at the benefit of Nyrstar and not provided in the framework agreement.</p>
14.	<p>Why did the board of directors decide to sell the mines at El Mochito, El Toqui, Coricancha, Campo Morado and Contonga instead of keeping them in portfolio? Have alternatives to the sale been examined? What was the Board of Directors' justification for the sale of the mines?</p>	<p>Nyrstar proceeded to divest these mines further to a strategic review of its assets in 2015. This followed on a first review of the mining segment in the second half of 2013, further to which Coricancha was already identified as a non-core mining asset (Nyrstar 2013 Mineral Resource and Mineral Reserve Statement of 30 April 2014, p. 2).</p> <p>In the context of the strategic review in 2015, Nyrstar considered the alternative of retaining the mines, but concluded that the mines would continue to underperform unless further significant capital expenditures were made, and that it was therefore preferable to divest the mines and allocate capital to growth projects in the metals processing segment with high projected internal rates of return, in particular given the capital constraints and the relatively small contribution of the mining segment to Nyrstar's global smelter feed until then.</p> <p>This rationale was explained in Nyrstar's press release of 9 November 2015, quoting Nyrstar's CEO:</p> <p><i>"Mining Review and Divestments</i></p> <p><i>Bill Scotting, Chief Executive Officer of Nyrstar said: "The asset-level assessment of the Mining segment that I have been conducting since commencing at Nyrstar in mid-August highlighted the potential strategic value of operating a portfolio of mining and processing assets. However, it is clear that the execution of this upstream strategy has been flawed and the currently achieved scale of the Mining segment relative to the Metal Processing segment's requirement for concentrate is not material enough to justify the current levels of capital allocated to the Mining segment.</i></p>

#	Questions	Answers
		<p><i>Whilst a number of the Nyrstar mining operations have strong potential, and operational progress has been made in the past year with the appointment of a new senior mining leadership team focused on mine development and life of mine planning, the segment as a whole will continue to underperform without an injection of significant additional capital. As Nyrstar is currently capital constrained and has a number of Metals Processing Growth Pipeline Projects with high projected internal rates of return competing for available capital, Management and the Board have concluded that there may be more suitable owners for some or all of Nyrstar's mining operations.</i></p> <p><i>Accordingly, Nyrstar has retained financial advisors to assist with a process to pursue strategic alternatives including a sale of certain or all of the Mining segment assets. This will not only eliminate the short-term cash burden of supporting the Mining assets at this time, but should allow latent potential in the assets to be realised and offer local stakeholders a more sustainable future. Where appropriate, offtake agreements will be put in place to maintain Nyrstar's access to concentrates. (...)</i></p> <p>The Company at the time of the divestments also made it clear that the mining segment was burning substantial amounts of cash in terms of negative EBITDA and capex. As was stated by the CEO at the time of the FY 2015 results presentation on 4 February 2016: <i>“in Q3 2015 the cash burn annualized, was EUR 170 million”</i>. This level of cash burn meant that the poorest performing asset could not be kept in the portfolio.</p>
15.	Under what conditions were these mines sold? Were the mines valued on the respective dates of sale? If so, please provide us with the valuation reports. Has the board of directors set a minimum sale price, if not, why not? Why did the board of directors decide to sell these mines below their net value on the date of the sale?	<p>Each of the mines were sold in a competitive process with the assistance of advisers BMO and Lazard. Over 300 potentially interested parties were approached and each mine was sold to the highest bidder with committed financing. Trafigura was not involved.</p> <p>Nyrstar publicly reported on the sale, including on the conditions of sale:</p>

#	Questions	Answers
		<ul style="list-style-type: none"> <li>- Sale of El Toqui to Laguna Gold: see the press release of 27 June 2016;</li> <li>- Sale of El Mochito to Morumbi Resources (now: Ascendant Resources): see the press release of 22 September 2016;</li> <li>- Sale of Contonga to Glencore: see the press release of 14 December 2016;</li> <li>- Sale of Coricancha to Great Panther Silver: see the press release of 20 December 2016;</li> <li>- Sale of Campo Morado to Telson Resources and Reynas Minas: see the press release of 28 April 2017.</li> </ul> <p>There was no minimum price set but in each case the Board conducted an evaluation of alternatives for the mining assets and opportunity costs should Nyrstar continue to own the assets as it considered bids throughout the divestment process. (As such the Tennessee mines, Langlois, Myra Falls and Pucarajo were not sold.)</p> <p>For further detail on the divestments, please also be referred to the annual reports, in particular the note on discontinued operations in the notes to the consolidated financial statements.</p> <p>We further note that, in accordance with Belgian company law, the right of shareholders to ask questions with respect to items on the agenda of the meeting, does not involve the right to receive certain documents.</p>
16.	Were there multiple bids on the mines? Were there higher bids than the price offered by the final buyer(s), if so why were the mines sold to the final buyer(s)?	Nyrstar sold the mines through a thorough sales process that lasted approx. 1.5 years in which it was assisted by the bank BMO and the financial adviser Lazard (as reported on in the press release of 7 January 2016). Over 300 parties were contacted to gauge interest, yet only a limited number of parties engaged in the process with most of the bids being indicative only. Most parties considered the mines to be highly complex, needing large capital injections and located in high risk jurisdictions thereby putting them in a very high risk asset category which

#	Questions	Answers
		<p>for most parties meant that the assets were uninvestable. Only few parties ultimately pursued a potential purchase of the mines. Each time the mines were sold to the highest bidder with committed financing.</p>
17.	<p>Who negotiated and decided to sell the mines? What were the steps in the process of selling the mines? Did the entire board of directors deliberate on all the bids?</p>	<p>As reported on in the press release of 27 April 2016 and the 2016 annual report (in the management report under 'Mining Divestment Process'), the mining asset sale process comprised a two-stage process. Indicative non-binding phase one bids were received in the first quarter of 2016. In the second quarter of 2016, potential buyers progressed in the second phase of the divestment process and conducted additional due diligence, including site visits. Nyrstar retained BMO Capital Markets and Lazard to assist with the sale process. Nyrstar was however already in advanced discussions for the sale of the Coricancha mine, when the advisers were retained.</p> <p>The Board conducted an assessment of alternatives for the mining assets and opportunity costs should Nyrstar continue to own the assets, and considered bids throughout the subsequent divestment process. In terms of decision-making, the Board of Directors of Nyrstar NV took the strategic decision to launch the process and to conduct a competitive process. The Board of Directors then supervised the process and voted, as the case may be, on the sale after hearing the full analysis from the management. The negotiation team consisted of the Corporate Development team, the CFO and advisers (BMO Capital Markets Limited and Lazard &amp; Co), and they reported to the Board and CEO. Trafigura was not involved in the purchase of any of the mines so there was no reason for any director not to participate.</p>
18.	<p>Was Trafigura represented or were Trafigura loyalists/employees/directors/managers involved in the negotiations to sell the mines? If so, who and what was their role?</p>	<p>Trafigura was not involved in the divestment process. Please be referred to the answer to question 15 for the purchasers of the divested mines.</p> <p>Please be referred to the answer to the previous question as to who was involved.</p>

#	Questions	Answers
	<p>19. Why did Bill Scotting, who had however been recruited for his expertise on mines, leave as CEO in December 2016 at a time when the sale of the mines was in full swing? Did he resign or was he fired? If he was dismissed, please explain in detail the reason for his dismissal? What role did Bill Scotting play in the discussions/negotiations with the potential buyers of the mines? What was Bill Scotting's opinion expressed to the Board of Directors about the mine sale, such as alternatives to a direct sale or a minimum acceptable price for one of the mines? Please provide us with the documents proving this.</p>	<p>As was announced by the Company in a press release dated 13 December 2016, Bill Scotting decided to leave Nyrstar on his own initiative to pursue other opportunities.</p> <p>Bill Scotting oversaw the strategy that was presented to the Nyrstar board of directors to sell the mines, as per the Company's press release that was issued on 9 November 2015 and that was quoted above.</p> <p>On 7 January 2016, Nyrstar provided a further update with regards to the mine divestment process where it announced the "formal launch of the sale process for all or the majority of its mining assets" and also advised that it would be assisted in the sale process by advisers BMO Capital Markets Limited and Lazard &amp; Co.</p> <p>Bill Scotting was not involved directly in the discussions with potential buyers of the mines but as CEO he oversaw the divestment process and ultimately made recommendations to the Board. The process in the field for the mine divestments was run by Nyrstar's corporate development team which reported to the Company's CFO who in turn reported to the CEO. The corporate development team was assisted by BMO and Lazard.</p> <p>The Board of Directors of Nyrstar NV were briefed on a regular basis by the CFO, CEO and representatives of the advising banks with regards to the progress on the mine divestments and price expectations for the various assets based on market feedback.</p> <p>We further note that, in accordance with Belgian company law, the right of shareholders to ask questions with respect to items on the agenda of the meeting, does not involve the right to receive certain documents.</p>

#	Questions	Answers
20.	<p>Why does Nyrstar not mention in its reporting that guarantee of the Zinc in Concentrate Purchase Agreement of Talvivaara Mining Company Plc was transferred to Winttal Oy in 2015? The buyer, Terrafame Group Ltd, states in its reports that this guarantee had a face value for them in subsequent negotiations of approximately €203 million. Why does Nyrstar not mention that they sold Winttal Oy to Terrafame Group Ltd in December 2015? Nyrstar's 2015 annual report mentions that Nyrstar received €3.8 million in November 2015 for a partial repayment in relation to Terrafame's credit facility.</p>	<p>Winttal Oy was a special purpose vehicle that was used to assign to Terrafame, the Finnish state investment company, the rights Nyrstar had under the agreements with Talvivaara. Therefore, Nyrstar reported in its annual report 2015 that the rights were assigned to Terrafame:</p> <p><i>“In August 2015 the Finnish State-owned Terrafame Mining acquired Talvivaara’s mining business and assets. In November 2015 Nyrstar assigned all its rights, title, benefits and interest under the Talvivaara Zinc Streaming Agreement to Terrafame for a partial repayment of EUR 3.8 million related to the loan facility up to a maximum amount of EUR 20.0 million that was made available to Talvivaara in 2014.”</i> (annual report 2015, note on zinc purchase interest in the notes to the consolidated financial statements)</p> <p>The assignment was also publicly reported on by Talvaara itself on 7 December 2015, in which Winttal Oy was referred to as assignee and wholly owned subsidiary of Terrafame:</p> <p><i>“Talvivaara Mining Company Plc (“Talvivaara” or “Company”) has been informed by Nyrstar Sales &amp; Marketing AG (“Nyrstar”) that Nyrstar has assigned all its rights, title, benefit and interest under the Zinc in Concentrate Purchase Agreement (“Streaming Agreement”) and the Loan and Streaming Holiday Agreement (“Streaming Holiday Agreement”) to Winttal Oy, a company fully owned by Terrafame Group Ltd (“Terrafame Group”), under an assignment deed dated 30 November 2015. Terrafame Group is a special-purpose company wholly owned by the State of Finland. It manages the state ownership and exercises the owner's power at Terrafame Ltd. Terrafame Ltd acquired the business operations and assets of Talvivaara Sotkamo Ltd (“Talvivaara Sotkamo”) from its bankruptcy estate in August 2015 and is operating the Sotkamo mine.”</i></p> <p>It is important to understand the chronology, which resulted in the impairment of the rights under the agreement with Talvivaara, including</p>

#	Questions	Answers
		<p>the guarantee which is referred to in the question, and the assignment by Nyrstar to Terrafame.</p> <p>The chronology is as follows:</p> <ul style="list-style-type: none"> <li>• As was announced by Nyrstar on 25 January 2010, Talvivaara Sotkamo Ltd. (“Talvivaara Sotkamo”) and Nyrstar entered into a long-term zinc in concentrate streaming agreement (the “Zinc Streaming Agreement”) under which Nyrstar made an advance payment of USD 335 million in exchange for the delivery of Talvivaara Sotkamo’s entire zinc production until the agreed total volume of 1,250,000 tonnes of zinc in concentrate has been reached.</li> <li>• Talvivaara Mining Company plc (“Talvivaara”) filed the application for initiating corporate reorganisation proceedings under Finnish law on 15 November 2013. A separate filing was made for its operating subsidiary, Talvivaara Sotkamo.</li> <li>• To support the reorganisation of Talvivaara, Nyrstar entered into a loan and streaming holiday agreement (the “Streaming Holiday Agreement”) with Talvivaara and Talvivaara Sotkamo on 1 April 2014. The agreement contained a holiday (i.e., a release of supply obligations) under the Zinc Streaming Agreement and the provision of an up to EUR 20 million loan facility from Nyrstar (the “Nyrstar Facility”) with drawings tied to deliveries of zinc. At the same time Talvivaara provided a guarantee for the amounts borrowed under the Zinc Streaming Agreement. Nyrstar was entitled to declare that the loan be payable on demand by Talvivaara in its capacity as guarantor.</li> <li>• During the reorganisation proceedings, Talvivaara Sotkamo drew down EUR 12.8 million in loans from Nyrstar under the Nyrstar Facility (including interest through October 2014, the “Nyrstar Facility Claim”).</li> </ul>

#	Questions	Answers
		<ul style="list-style-type: none"> <li>• Following a period of zinc deliveries the outstanding amount under the Zinc Streaming Agreement was approx. EUR 203 million guaranteed by Talvivaara (the “Zinc Stream Claim”, and together with the Nyrstar Facility Claim, the “Claims”). Note that this is not a claim for cash, but reflective of an entitlement to delivery of zinc concentrate. Talvivaara created a provision in the amount of the claim.</li>   <li>• On 6 November 2014 Talvivaara Sotkamo was forced to file for bankruptcy due to a lack of funding. In the restructuring that followed, it became clear that creditors would have to take almost a full haircut (see on the restructuring and the haircut that was proposed for example Talvivaara’s press release of 13 March 2015).</li>   <li>• Further to the announcement that the Finnish State, through the state-owned company Terrafame Mining Oy (“Terrafame”), and Audley Capital Advisors LLP on 12 March 2015 had entered into a conditional asset purchase agreement on Talvivaara Sotkamo mining operations, Nyrstar proceeded to impairment of the value of the zinc streaming agreement (press release of 13 March 2015).</li>   <li>• On 13 March 2015, the administrator filed the final draft restructuring programme for Talvivaara to the district court of Espoo. The administrator identified EUR 513 million of debt to be restructured in the reorganisation proceedings (the “Restructuring Debt”), of which EUR 508 million is considered unsecured. The programme proposed a 99% haircut on the unsecured Restructuring Debt, with 1% of the amount of such debt to be repaid. Alternatively, creditors could swap their claims into equity, diluting current shareholders by up to 70%. The administrator's draft restructuring programme was supported by 97.5% of the unsecured creditors participating in the voting. Nyrstar’s streaming agreement was not a debt but a physical delivery obligation by Talvivaara.</li> </ul>

#	Questions	Answers
		<ul style="list-style-type: none"> <li>• The annual general meeting of Talvivaara held on 25 June 2015 authorised the board of directors to issue of up to 4.5bn new shares to conduct the conversion of the unsecured Restructuring Debt into equity. The subscription price of the shares was EUR 0.1144, paid by setting off the subscriber's unsecured Restructuring Debt claim.</li> <li>• The confirmation and entry into force of the final draft restructuring programme required within two years from the date it was filed with the district court that (i) Talvivaara reaches an agreement with Terrafame under which it has the right to participate in the mining operations or that a different arrangement is found that secures the continuation of Talvivaara's operations and (ii) the debt-to-equity swap is completed and new shares have been registered in the trade register.</li> <li>• In August 2015, Terrafame acquired the assets of Talvivaara Sotkamo in August 2015 and the State of Finland reserved EUR 209 million for the re-start of the mining operations. Talvivaara provided administrative and technical services and was leasing certain critical machinery and equipment to Terrafame. In parallel, it was in negotiations with the state of Finland and potential investors with the target of securing a participation in the mining operations.</li> <li>• Houlihan Lokey was retained at this time as a financial advisor by Nyrstar Sales and Marketing AG to conduct a process for the disposal by Nyrstar of claims amounting to EUR 12.8 million (bridge financing under the Nyrstar Facility/Streaming Holiday Agreement) and EUR 203.4 million (termination sum under the Zinc Streaming Agreement, reflecting the Zinc Stream Claim referred to above and hence guaranteed by Talvivaara under the company guarantee referred to above). The intercreditor arrangements resulted in the claim for the termination sum being subordinate, and there was insufficient liquidity within Talvivaara to cover the claim under the</li> </ul>

#	Questions	Answers
		<p>Nyrstar facility. Please also be referred to the press release of Talvivaara on 7 December 2015:</p> <p><i>“The liability of the Company under the Streaming Agreement is based on the guarantee issued by the Company for the due payment by its former subsidiary Talvivaara Sotkamo of the termination sum amounting to EUR 203.4 million and payable upon premature termination of the Streaming Agreement. However, due to inter-creditor arrangements, the view of Talvivaara and the administrator of the corporate reorganisation proceedings of Talvivaara is that the Company cannot make any payments in relation to the termination sum if full payment has not been made to the Company's lenders having receivables with a higher ranked priority. Furthermore, upon the bankruptcy of Talvivaara Sotkamo, Nyrstar has been entitled to declare that all or part of the loans drawn by Talvivaara Sotkamo from Nyrstar under the Streaming Holiday Agreement (in total ca. EUR 12.8 million) shall be payable on demand by Talvivaara in its capacity as the guarantor. If the new holder of the receivable under the Streaming Holiday Agreement was to demand immediate repayment of such loans guaranteed by the Company, the Company would not currently have sufficient cash reserves or access to additional liquidity to make the required payment.”</i></p> <ul style="list-style-type: none"> <li>On 30 November 2015, Nyrstar assigned all its rights under the Zinc Streaming Agreement with Talvivaara Sotkamo to Winttal Oy, which became a subsidiary of the Terrafame Group, for a total amount of 3.8M EUR received by Nyrstar. At the same time, all the rights relating to the Loan Facility and Streaming Holiday Agreement with both Talvivaara companies, Sotkamo and Mining Company Plc, were assigned to Winttal Oy. The assignment deed was effective 30 November 2015. The rights held by the Terrafame Group subsidiary were guaranteed by Talvivaara Mining Company Plc under the terms of the Streaming Agreement and the Streaming Holiday Agreement.</li> </ul>

#	Questions	Answers
		<p>The assignment of Nyrstar's rights was intended to recover some limited value to Nyrstar and also to close out what had been a long and disappointing process for Nyrstar.</p>
21.	<p>Which entity and which persons were involved in the creation of Winttal Oy? Who were the directors and managers of Winttal Oy prior to the sale in December 2015? What was the review and approval process that enabled the transfer of Talvivaara's rights and guarantees from Nyrstar Sales &amp; Marketing AG to Winttal Oy? Who approved the transfer of these rights and warranties and represented Nyrstar in the transfer? Who approved the sale price for the transfer of Winttal Oy? Who approved the sale of these rights and guarantees to Terrafame Group Ltd. in December 2015?</p>	<p>Please see the answer to the previous question. Nyrstar received financial advice on this matter from Houlihan Lokey and legal advice from Lindfors &amp; Co Attorneys and Avance Attorneys, both based in Finland. This negotiation was conducted by the Nyrstar finance and corporate development teams with input from the Nyrstar legal department under the supervision of Mr. Heinz Eigner, Nyrstar's CFO at the time and of the Board of Directors of Nyrstar NV.</p>
22.	<p>Nyrstar amortized the Zinc in Concentrate Purchase Agreement one day after an offer for Talvivaara's assets was made in mid-March 2015 by the UK-based Audley Consortium. Was this write-down approved by Nyrstar's Board of Directors for approximately €200 million? Nyrstar submitted an amended version of the 2014 annual report to recognise the impairment in 2014 instead of 2015. Eventually, the Audley Consortium deal was terminated. Has a reversal of the impairment been considered by the Board of Directors? Subsequently, Trafigura entered into a purchase agreement with Terrafame and Galena Asset Management. Were Terrafame's raw material flows handled by Nyrstar in 2017 to 2019? If so, under what conditions? If so, who was involved in the negotiations and who signed contracts?</p>	<p>At 13 March 2015 the Company reviewed the prospects of recovering its zinc streaming agreement with Talvivaara and confirmed that it had impaired the value of the agreement. The post-tax impairment charge was estimated to be approximately EUR 210 million.</p> <p>At 26 March 2015 the Company announced that the Board of Directors had considered the guidance provided by IAS 10 "Events after the reporting period" and concluded that whilst there was no obligation to adjust the 2014 accounts due to the comprehensive disclosure already included, it was more appropriate to reflect the non-cash impairment of the Zinc Streaming Agreement in the 2014 accounts.</p> <p>The Company had amended and reissued its 31 December 2014 consolidated financial statements to reflect the non-cash impairment of the Zinc Streaming Agreement and as a consequence the 2015 accounts remained unaffected by the impairment of the Zinc Streaming Agreement.</p> <p>The impairment of EUR 210 million, as well as the reissued 31 December 2014 consolidated financial statements were approved by the Board of Directors. You can see in the actual 31 December 2014 Report of the Board of Directors ex article 119 Company Code that contains the 31</p>

#	Questions	Answers
		<p>December 2014 consolidated financial statements were signed on behalf of the Board of Directors by Julien de Wilde (Chairman) and Ray Stewart (Director).</p> <p>The Company (and the Board of Directors) did not reverse the impairment following the termination of the agreement between the Finish state and Audley Capital Advisors LLP, as it did not have any impact on the recoverability of the Company's Zinc Streaming Agreement.</p> <p>Nyrstar did not "handle" the raw material flows of Terrafame Ltd. Nyrstar was a customer of Terrafame buying from Terrafame zinc concentrates. The commercial agreements between Nyrstar and Terrafame were concluded in the normal course of business by Nyrstar's commercial team. The Talvivaara mine was acquired in 2015 by Finish government owned Terrafame Limited due to bankruptcy proceedings concerning Talvivaara Sotkamo, the wholly owned operating subsidiary of Talvivaara. Talvivaara Sotkamo ran into financial difficulties due to: (i) environmental incidents; (ii) production problems; and (iii) a fall in the price of nickel.</p> <p>Having taken ownership in August 2015, Terrafame restarted the mining and processing operations at the project. In February 2017, Terrafame announced a financing arrangement of EUR 250 million for the finalisation of the project ramp-up with the Trafigura Group and Galena Asset Management (Galena Private Equity Resources Fund), with the Terrafame Group and Sampo plc as co-investors. The transaction had no connection to Nyrstar.</p>
23.	<p>What was the content of the so-called "Short Form Lock-Up Agreement" of 18 March 2019 and who were the parties to this agreement? Was Nyrstar NV involved in the negotiation of this agreement? Please provide us with this agreement (including any annexes).</p>	<p>This agreement was dated 22 March 2019 and was between Nyrstar NV, Nyrstar Netherlands (Holdings) B.V., Nyrstar Sales &amp; Marketing AG, Trafigura Pte Ltd, and six Bondholders. The agreement documented the in-principle agreement to support a financial restructuring of the Nyrstar Group on the terms set out in the term sheet attached to the agreement. Morgan Stanley, Alvarez &amp; Marsal and Freshfields Bruckhaus Deringer</p>

#	Questions	Answers
		<p>advised Nyrstar NV in the negotiations of this agreement. Within Nyrstar, the negotiations were actively attended/monitored by the legal team and actively supervised by the Board. The bank creditors were not yet involved as parties to this document and the agreement captured the progress in the negotiations, a waiver of any events of default by the creditors involved and an agreement to work toward a long form lock-up for a restructuring based on the term sheet. It terminated 31 March, extendable to 14 April 2019.</p> <p>We further note that, in accordance with Belgian company law, the right of shareholders to ask questions with respect to items on the agenda of the meeting, does not involve the right to receive certain documents. The Company therefore has no obligation to share the Short Form Lock-up Agreement.</p>
24.	<p>Why did Nyrstar NV apparently only start using "classical cash flow metrics of funds from operations and free cash flow" in July 2018 when the new CFO, Michel Abaza, was appointed? After all, such a system is indispensable for financial monitoring and decision-making in a company like the Nyrstar group. How was the free cash flow and financial monitoring organised within NYRSTAR for the implementation of this system? Who was responsible for the financial follow-up? Why was Michel Abaza fired on 18 January 2019 only every six months after the introduction of the aforementioned system, which was, however, praised by Hilmar Rode during the investor call?</p>	<p>As disclosed in the 30 June 2018 press release, Funds From Operations (FFO) is a measure used by management to assess the performance of Nyrstar's operations and is defined as Group Underlying EBITDA less working capital movements, capital expenditure, tax and other cash flow (excluding changes in silver, copper and Zinc Metal prepays). While this cash-flow metric was specifically reported for the first time by the Company in the 30 June 2018 press release, it is nothing more than a different aggregation of the cash flow information that the Company had always had available and reported in its cash flow statements. The Company has always, and especially in 2018, monitored its cash flows very closely. This was done by Nyrstar's treasury team.</p> <p>In the written Q&amp;A for the shareholders meeting of 25 June 2019, Nyrstar already answered this question as follows: <i>"As announced on 3 May 2018, Nyrstar undertook a thorough search process and appointed Mr Michel Abaza as CFO for the group in the ordinary course of business. Following the start of the Capital Structure Review and in the context of the evolving situation the Board considered that Mr Abaza did not have the most</i></p>

#	Questions	Answers
		<i>appropriate skills. We confirm that this was a unanimous decision by the Board. Mr Abaza received no severance payment.”</i>
25.	How did the so-called liquidity run take place in the 4th quarter of 2018, which parties made what demands/actions that would have led to the so-called liquidity run?	<p>As explained in the shareholders’ meetings of 25 June, 5 November and 9 December 2019, a number of events contributed to the situation: the profit warning of 20 September 2018, the Q3 2018 results released on 30 October 2018, the ratings downgrade, the stock price and bond prices falling and, very impactful, the ABN Amro ‘Abandon Ship’ report. As a result, an increasing number of counterparties demanded immediate cancellation, immediate payment (i.e., no payment terms) or cash collateralization of their exposure to Nyrstar. In particular, the uncommitted letter of credit lines from banking counterparties decreased by almost EUR 100 million between 31 October 2018 and 30 November 2018. Additionally, several suppliers tightened credit terms with the Company including suppliers of concentrates, oxide washing, industrial cleaning services etc. who have denied extended credit terms and in some cases requested payment on delivery or prepayments</p> <p>Such demands themselves motivated even more counterparties to seek to reduce their exposure to Nyrstar, thereby causing a rapid “liquidity run”. As a result, within a short time following the results announcement, the Company was forced to address an impending cash shortfall.</p> <p>The unexpected nature of all of this is also demonstrated by the fact that Jesus Fernandez as a Trafigura appointed director bought 15,000 Nyrstar shares in June 2018 and Hilmar Rode as CEO purchased 100,000 shares during August 2018. As required, these purchases were declared as insider trades to the FSMA.</p>
26.	Please explain in detail the decision-making and underlying motivation of the board of directors when issuing the profit warning in 2018.	The profit warning that was issued by Nyrstar on 20 September 2018 was necessitated by a disconnect which became evident in the market’s consensus expectations for Nyrstar Q3 2018 and H2 2018 financial results against the preliminary and forecast figures that were becoming available to the Company and its board of directors.

#	Questions	Answers
		<p>External market conditions at the time, including the zinc price coupled with historically low zinc treatment charges, were the primary drivers. The zinc price at the time of the profit warning had come off by 25% compared to the average in H1 2018. Broadly, at the time of the profit warning, on the basis of the reduced metal prices alone compared to H1 2018, Nyrstar was generating around EUR 20 million less EBITDA every month. The impact of the lower zinc price was also magnified because of the longer dated Quotation Periods that Nyrstar currently had on a number of commercial agreements at the time. Other factors included energy prices at the time which, for example, in the Benelux region were up by more than 40% compared to their average in H1 2018.</p> <p>The Company also has to respect its obligations under the Market Abuse Regulation.</p>
27.	<p>Was the profit warning really required in 2018, and if so, was this not foreseeable at the end of August, when the board of directors was still very positive about the future of Nyrstar? In the first 15 days of September 2018, the Spot Zinc Treatment Charge started to rise and this never stopped in 2020. The spot zinc price also rose rapidly since mid-August 2018, while there was at least a prepayment of \$3000 per tonne. Did the Board of Directors take these recent positive movements in the market into account before issuing the profit warning on 20 September 2018?</p>	<p>As explained above, the impact of lower zinc prices and higher energy prices only really became apparent at around the time of the profit warning announcement on 20 September 2018. In full compliance with the Market Abuse Regulation, Nyrstar disclosed its inside information with regards to the weaker than expected financial results as soon as possible. The profit warning was based on actual preliminary results (and not forecasts as to what market conditions might have looked like later in 2018).</p> <p>It is worth noting that during August 2018, Nyrstar's management and its board members did not have any inside information to suggest that a profit warning would be required or that a liquidity run would happen. On 21 September 2018, the Company had bought back bonds on the market, benefiting from bond prices at that time, for a total amount of EUR 10,000,000.</p> <p>This is again demonstrated by the fact that Jesus Fernandez as a Trafigura appointed director bought 15,000 Nyrstar shares in June 2018 and Hilmar</p>

#	Questions	Answers
		Rode as CEO purchased 100,000 shares during August 2018. As required, these purchases were declared as trades by insiders to the FSMA.
28.	Before the publication of certain figures in 2018, did the board of directors consider whether a liquidity run could occur and analyse how this could be prevented, as well as how it could prepare Nyrstar NV to cope with such a liquidity run?	On 20 September 2018, the Company announced that it was likely to record an Underlying EBITDA result for H2 2018 materially below that achieved in H1 2018. The profit warning as such did not already have an immediate adverse impact on liquidity and cash flow forecasts and at this stage, the liquidity position of the Group was perceived to be adequate at that time as announced by the Group. Following the profit warning however, the Board in October did initiate a review of its capital structure, the purpose was to explore the various options available to address the upcoming debt maturities in mid-to-late 2019, specifically in respect of the EUR 340 million 2019 Notes in September 2019. Again, at this stage, the liquidity position of the Group was still forecast to be adequate for Nyrstar's working capital needs and short-term financing. It was only later, following the Q3 2018 results and credit ratings downgrade, and particularly following the ABN Abandon Ship report, that an increasing number of counterparties demanded immediate cancellation or cash collateralisation of their exposure to Nyrstar, as was already explained during the shareholders' meeting of 25 June 2019.
29.	Why was Morgan Stanley appointed for a Review of the Balance Sheet Structure, when the same Morgan Stanley cancelled the price target of Nyrstar NV on 24 October 2018, after which Nyrstar NV lost 25% market value in one fell swoop?	Morgan Stanley's debt restructuring team was selected on the basis of credentials and experience. There are separate divisions where passing through of information is not allowed between the equity analyst departments and the investment banking departments that are heavily regulated.

#	Questions	Answers
30.	<p>Mike Corner-Jones (Managing Director at Alvarez &amp; Marsal Europe LLP, Head of Company Side Restructuring (UK)) was appointed Chief Restructuring Officer and Chairman of Nyrstar's Capital Structure Review process in November 2018. What was the process to recruit a Chief Restructuring Officer and who approved the appointment of Mr. Corner-Jones? What was Mike Corner-Jones' official contractual relationship with Alvarez &amp; Marsal, Nyrstar and Trafigura for the period September 2018 to June 2020? Has anyone from Nyrstar been offered or offered a job at Alvarez &amp; Marsal for the period September 2018 to June 2020?</p>	<p>As was explained in the Q&amp;A session at the 5 November 2019 shareholders' meeting, Nyrstar considered it prudent and necessary to obtain additional support to assist with cash management, financial oversight and more generally in respect of the Capital Structure Review. The board of directors examined a short list of possible candidates and companies that could be suitable. This led to the appointment of Mr. Corner-Jones (a managing director at Alvarez &amp; Marsal Europe LLP (A&amp;M)) as Chief Restructuring Officer, supported by a financial advisory team from A&amp;M, to work closely with the Group and effectively work as interim employees in the Group on a full-time basis. This was fully necessary. Since then and up until the completion of the restructuring, he and various colleagues from A&amp;M worked closely with the Boards and management of Nyrstar NV and Nyrstar Sales &amp; Marketing AG (in particular) to try to stabilise the Nyrstar business and operations during the Capital Structure Review and were closely involved in Nyrstar's discussions with its financial and commercial stakeholders during the restructuring process. A&amp;M assisted in the development of more detailed weekly cash flow forecasts, reporting into the Board and a special committee thereof, such that liquidity was closely monitored.</p> <p>Mike Corner-Jones is an employee of Alvarez &amp; Marsal. At Nyrstar, Mike Corner-Jones assumed the role of Chief Restructuring Officer; however, he remained an employee of Alvarez &amp; Marsal and was at no time an employee of Nyrstar. We are not aware of any contractual relationship between Mike Corner-Jones and Trafigura.</p> <p>We are not aware of anyone that was an employee of Nyrstar at the time of the restructuring being offered a job at Alvarez &amp; Marsal in the period from September 2018 to June 2020.</p>

#	Questions	Answers
31.	<p>Why were negotiations for the upfront payment for the supply of 175,000 MT of zinc in 2019 to Trafigura only started in early September 2018 (according to the Commissioner), when it was contractually foreseen that the parties would seek an agreement by 15 August 2018 at the latest? Finally, it was only on 21 November 2018 (as part of the TFFA) that it was agreed that the prepayment would amount to USD 220 million. This liquidity would have been available as early as the end of August 2018, had the directors and managers of Nyrstar NV and Trafigura started negotiations on this matter in good time.</p>	<p>Trafigura and Nyrstar had agreed in their commercial agreements to make reasonable efforts to agree on the terms and conditions for the prepayment of lead and zinc deliveries in 2019 by 15 August 2018; there was no obligation on Trafigura to provide such prepayments. As stated previously, at the end of October 2018, the Group had extensive liquidity available prior to the unexpected liquidity crisis in November 2018. The USD 220 million agreement dated 21 November 2018 was agreed as a liquidity bridge to the USD 650 million Trade Finance Facility Agreement dated 6 December 2018. The USD 650 million TFFA replaced the USD 250 million TWCF and increased the funds available by USD 400m. The USD 650 million TFFA replaced the USD 250 million Trafigura Working Capital Facility and increased the funds available by USD 400m. This had to be agreed quickly when the unexpected liquidity crisis arose in November 2018.</p>
32.	<p>Who negotiated the prepayment for the supply of 175,000 MT of zinc to Trafigura in 2019 and who was responsible for this?</p>	<p>The negotiation was undertaken by Mr. Michel Abaza (CFO) and Mr. Hilmar Rode (CEO).</p>
33.	<p>Why did the Board decide to enter into the binding term sheet for TFFA on 21 November 2018 and TFFA on 6 December 2018 when it still had the following sources of funding at its disposal?</p> <ul style="list-style-type: none"> <li>(i) The SCTF financing with a capacity of EUR 600 million, of which only EUR 229 million had been drawn as of 30 September 2018.</li> <li>(ii) The Trafigura Working Capital Facility for an amount of EUR 216 million that could still be drawn down in full.</li> <li>(iii) Financing by KBC for an amount of EUR 50 million of which EUR 32 million was drawn as at 30 September 2018.</li> <li>(iv) In total, Nyrstar therefore had the possibility to withdraw up to €605 million of liquidity from Trafigura and the banks as of 30 September 2018.</li> </ul>	<p>The available funding you refer to in your question is a snapshot at the wrong date. It does not accurately reflect the liquidity needs that gave rise to the binding term sheet and the TFFA, as can be seen from the overview below:</p> <ul style="list-style-type: none"> <li>• The SCTF credit facility was drawn on 31 October 2018 for EUR 436 million and at 30 November 2018 for EUR 533.4 million (out of the EUR 563 million available at that time). As at 29 March 2019, as much as EUR 606 million had been drawn under this facility, resulting in Nyrstar exceeding the credit limit of EUR 600 million. Also, by its nature, drawable amounts depended on the valuation of the borrowing base, which fluctuated.</li> </ul>

#	Questions	Answers
		<ul style="list-style-type: none"> <li>• Although the USD 250 million Working Capital Facility granted by Trafigura had not yet been drawn on 30 September 2018, there was no real need for liquidity at that date. It was only thereafter that Nyrstar's liquidity position deteriorated significantly as explained before, resulting in the need for a (very) much larger credit. It was precisely for this reason that Nyrstar negotiated a renewal and expansion of the facility with Trafigura, which shortly afterwards led to the TFFA. (Actually, to add detail, Nyrstar had already requested a larger credit from Trafigura and negotiating in this respect were accelerated under extreme time pressure.) Nyrstar immediately made use of the TFFA. As of 29 March 2019, 645 million USD of the 650 million USD limit had already been drawn. This credit was later found to be insufficient, so that the company again had to enter into the bridge financing agreement with Trafigura for USD 250 million.</li> <li>• Although Nyrstar had not yet drawn the EUR 50 million credit of KBC to which you refer, it had already drawn in full several other bank credits (including other KBC credits). The KBC credit has been drawn in the week of 9 November 2018. The overall credit position was therefore unsustainable in view of the ever deteriorating cash flows.</li> </ul>
34.	Who conducted the negotiations for the conclusion of the binding term sheet and the TFFA on behalf of Nyrstar and Trafigura respectively?	For Nyrstar, the executive management and the relevant Boards of Directors who entered into the TFFA were involved and supervised, supported by employees reporting to the Board. Negotiations were also conducted with the help of Nyrstar's financial and legal advisers. For Trafigura, negotiations were mostly conducted through financial and legal advisers.
35.	On what date was the proposal for the acquisition of the Nyrstar group by Trafigura first made and by whom was it proposed?	On 16 February 2019, the Board received the first proposal from Trafigura. This was presented by Trafigura to the bondholders and the co-ordination committee on 18 February 2019. The terms of this proposal

#	Questions	Answers
		<p>were then however not accepted by the bondholders and the co-ordination committee (which wanted to take ownership) and further proposals and counterproposals were circulated thereafter that were then heavily negotiated and discussed.</p>
36.	<p>Why was the acquisition via a New-Co ultimately used and not a recovery of the Nyrstar group under Nyrstar NV as a holding company? Why were the creditors not willing/could they not have been willing to make the same concessions in a scenario in which the Nyrstar group remained under the Nyrstar holding company?</p>	<p>The valuation evidence then available showed that the Nyrstar NV equity had no value, so the financial restructuring was driven by the creditors with creditors viewing themselves as owners of the assets (the value breaking in the bonds). The Nyrstar NV Board negotiated 2% of the restructured group to be held by Nyrstar NV but that was the most that the creditors were willing to leave with Nyrstar NV given the financial situation faced by the Group and the amount of debt written off.</p>
37.	<p>What cash contribution did Trafigura make to NN2 (i) at incorporation, (ii) for subsequent financing? Through which instruments and in exchange for which guarantees?</p>	<p>Trafigura did not make a cash, or any other, contribution to NN2 at its incorporation, nor under any subsequent financings. In as far as your question relates to the period after 31 July 2019, we do not have this information.</p> <p>Nyrstar NV incorporated NN1 on 13 June 2019, and then NN1 incorporated NN2 on 14 June 2019.</p> <p>NN2 was not a borrower of any subsequent financing provided to the Operating Group prior to the restructuring completing under the Bridge Finance Facility Agreement dated 16 April 2019.</p>
38.	<p>Which persons were involved in the negotiations on the restructuring and ultimately the Lock-Up Agreement of Nyrstar NV, on behalf of Nyrstar and on behalf of Trafigura?</p>	<p>For Nyrstar, the executive management and the relevant Boards of Directors of the companies that entered into the Lock-Up Agreement were involved and supervised, supported by employees reporting to those Boards of Directors. Negotiations were also conducted with the help of Nyrstar's financial and legal advisers who would brief the Board throughout the process. For Trafigura, negotiations were mostly conducted through financial and legal advisers.</p>

#	Questions	Answers
39.	When did Jesus Fernandez decide and communicate that he would represent Trafigura in the restructuring negotiations?	<p>Nyrstar’s Board of Directors received a letter dated 24 February 2019 from Mr. Fernandez in which he tendered his resignation from the board with immediate effect as he had concluded that it was in the best interest of the Company and its stakeholders that he resigns. The resignation was then communicated by Nyrstar to the market by way of a press release that was issued before markets opened on 25 February 2019. In the press release, Nyrstar advised that it was the Company’s understanding that Mr. Fernandez would be representing Trafigura in the negotiations for the capital review process (which was not the case before where Trafigura’s CFO and legal team were in the lead) and that therefore, Mr. Jesus Fernandez had stepped down that same day as a director of the Company, with immediate effect, as a result of this decision.</p>
40.	Prior to his move to Trafigura, did Jesus Fernandez participate in the negotiations and decision making on the restructuring and Capital Structure Review?	<p>Jesus Fernandez did not participate in any decision-making in respect of transactions with Trafigura in accordance with article 523 of the Belgian Company Code and the Company’s Governance Charter, which went further than the law.</p> <p>In October 2018, following the 20 September profit warning, the full Board identified the need to examine Nyrstar’s capital structure considering, amongst other matters, the pending maturity of the bonds. There was however no preconception as to how that restructuring would take form nor any decision in this respect. Therefore, in this period, all of the Board, including Mr. Fernandez, was involved. (There was also no decision-making on this at that point.)</p> <p>Soon after the appointment of advisors in October, Nyrstar published its 3Q results and then ABN Amro issued its ‘abandon ship’ analyst report, each compounding in the liquidity run with both operational and financial counterparties. Focus then went to liquidity as a priority over the restructuring and Jesus Fernandez did not participate in the TFFA decision-making.</p>

#	Questions	Answers
		<p>Once the TFFA and security under the TFFA (there were quite a number of post-closing actions) were in place, the focus went to the restructuring and bondholders and other creditors announced to the company that they had grouped, appointed advisors and wanted to discuss. A first action of the creditors was to have their financial advisors conduct a due diligence of Nyrstar, testing Nyrstar's revised business plan (prepared with EY) and examining all key information including the agreements with Trafigura.</p> <p>Once the financial advisors validated the level of debt that was sustainable for Nyrstar going forward, negotiations started between creditors as to who would control the assets of Nyrstar going forward. Positions have ranged between bondholders only, Trafigura only or a joint venture between both. It was when Trafigura asked Jesus Fernandez to lead those negotiations that he left the Board. That was on 25 February 2019. At that date, there had not been any decision-making at Nyrstar level.</p>
41.	<p>Has Nyrstar NV taken any special measures to prevent Jesus Fernandez from abusing the knowledge of Nyrstar NV acquired as directors of Nyrstar NV, in the negotiations on behalf of Trafigura?</p>	<p>We understand your question but there was not really any meaningful information on Nyrstar that Jesus Fernandez had in these discussions that the bondholders and other creditors did not have. During the financial restructuring discussions and as is customary in such a situation, Nyrstar gave access to the Group and its financial situation to the various financial and legal advisers to the SCTF Banks, to the grouped Bondholder/Noteholders and to Trafigura at equal footing. All worked on the basis of the revised business plan (developed with EY) and the financial advisors of the bondholders and the bank creditors, FTI and Moelis, had subjected the Company to an extensive due diligence, including on its supplier and customer arrangements.</p>

#	Questions	Answers
		<p>Also, from when he resigned, Mr. Fernandez was subject to the Belgian law regime regarding former directors and their knowledge from their time as a director.</p>
42.	<p>What reservations did Grant Thornton make in its reports about the reports of the independent directors in application of Article 524 of the Belgian Companies Code with regard to the binding term sheet and the TFFA? After all, Grant Thornton's reports were not published. During its evaluation, did Grant Thornton take into account the disruption of profits and cash flow as a result of the special conditions granted to Trafigura, such as the ever-increasing discounts on zinc Treatment Charge compared to Benchmark Treatment Charge? Please provide us with this report (including any annexes).</p>	<p>The opinion of the report of the independent directors was published in accordance with Belgian law. GT opined that the transaction is on terms not less favourable than might have been obtained in a comparable transaction at such time on an arm's length basis from a person which is not an affiliate.</p> <p>In determining its opinion, GT has, among other things:</p> <ul style="list-style-type: none"> <li>• reviewed certain publicly available business and historic financial information relating to the Company;</li> <li>• reviewed certain internal financial information and other data relating to the business and finances of the Company;</li> <li>• conducted discussions with, and relied on statements made by, members of the senior management of the Company concerning the business and finances of the Company;</li> <li>• compared the financial terms of the transaction with the publicly available financial terms of certain other transactions which it believed to be generally relevant; and</li> <li>• conducted such other financial studies, analyses and investigations, and considered such other information, as it deemed necessary or appropriate.</li> </ul> <p>As such, GT's review comprised inter alia a review of the TFFA and its term sheet, the board minutes, the cash-flow forecasts, the advisers' financial proposal presentation, bridging analysis, regulated information disclosure, statement of indebtedness, the group security structure, summary of discussions with third party lenders and an expression of</p>

#	Questions	Answers
		<p>interest by GSO and a debt comparison table with a summary of key commercial terms of the group's existing funding agreements.</p> <p>In the opinion, it was stated that it was not a fairness opinion. It was after all a report in the context of article 524 BCC.</p> <p>As per article 524 BCC, the opinion also does not address the relative merits of the transaction as compared to other business strategies or transactions that might be available with respect to the Company or the underlying business decision of the Company to effect the transaction.</p> <p>The opinion also states that GT had not made any independent valuation or appraisal of the assets or liabilities of the Company. (GT did not do this at this time but did this at the time of the restructuring.)</p> <p>The shareholder question right under Belgian law does not extend to document production.</p>
43.	<p>Why did the board of directors of Nyrstar decide to propose in 2019 to set the date of the annual meeting at which the financial statements for 2018 had to be submitted for approval and in which the events after the closing of the financial year (i.e. the negotiations on the restructuring) had to be explained, by way of an amendment to the articles of association, from the third Thursday in April (in this case, 18 April 2019 - five days after the signing of the Lock-Up Agreement) to the last Tuesday in June (in this case, 25 June 2019 - six days after the agreement to transfer the Nyrstar group to Trafigura would have been entered into)?</p>	<p>It was clear to all involved that it would have been impossible to produce annual accounts, a Board report and an audit report by 19 March 2019, i.e., 30 days ahead of the annual shareholders' meeting which was set to be held on 18 April 2019 according to Nyrstar's articles of association. Indeed, at this point, the lock-up agreement and restructuring itself was still in full negotiation (there were initial press leaks around 15 March 2019 which led to the press release of that date).</p> <p>On 4 April 2019, Nyrstar had therefore obtained the approval of its general meeting (with more than 98% of the votes cast) to postpone the annual meeting from the end of April to the end of June. This postponement would give Nyrstar time to finalise its 2018 annual results, given the time that would be needed to complete the restructuring negotiations and also</p>

#	Questions	Answers
		<p>to reflect the impact of the restructuring in accordance with the accounting rules in the annual accounts.</p> <p>All this was impossible within the original timeframe. In the end even the new date of the annual meeting on 25 June 2019 turned out to be too sharp in the given circumstances.</p>
44.	<p>Why did the Board of Directors report to the Annual General Meeting of 25 June 2019 that the transfer of the Nyrstar Group to NN2 had taken place, whereas the transfer did not take place until 26 June 2019 (the so-called step 5 of the restructuring) and this transfer on 25 June 2019 was conditional, in particular, on the total completion of the restructuring, which did not take place until 31 July 2019?</p>	<p>The NNV-NN1 SPA was signed on 19 June 2019, which was conditional upon approval of the Australian Foreign Investment Review Board. The approval came through on 21 June 2019 (Australian time). Under the NNV-NN1 SPA, this meant that the condition had been satisfied and that the transfer of the shares to NN2 had been agreed. The closing was scheduled 3 Business Days after the date on which the condition was satisfied. Closing, i.e. the transfer of the shares, therefore took place on 26 June 2019. The transfer was not however conditional upon the completion of the restructuring.</p> <p>We reviewed the minutes but do not see where the Board of Directors at the shareholders meeting of 25 June 2019 created the impression that the effective closing of the transfer had already taken place at that time.</p>

#	Questions	Answers
45.	<p>In the explanation given to the annual general meeting of 25 June 2019, the board of directors indicated that immediately after the presentation of the results of the third quarter 2018 on 30 October 2018, a liquidity crisis would have occurred with a potential insolvency of Nyrstar NV as a result. Consequently, the board of directors was also aware (or should have been aware), at the latest in the course of November 2018, of the fall in shareholders' equity below the threshold for the application of the early warning procedure, since the board of directors of a listed company can be expected to check the equity position at least once a month, especially when it concerns a company in financial difficulties. In its report accompanying the annual accounts for the financial year 2018 and the draft annual accounts for the financial year 2019, the statutory auditor also noted that the alarm bell procedure was not applied in time.</p> <p>Why did the board of directors not already apply the alarm bell procedure when, in November 2018, it became aware of a liquidity crisis which, according to the board of directors, would potentially result in the insolvency of the company? Has the board of directors considered applying the alarm bell procedure? If so, why has it not done so?</p>	<p>The Board of Directors refers to its answer provided to the same question submitted for the 2 June 2020 extraordinary shareholders meeting, which was also published on the website of the Company:</p> <p><i>“Under Article 633 of the Belgian Companies Code (current Article 7:228 of the Belgian Code of Companies and Associations), if a company’s net asset value is, as a result of losses, reduced to less than half or a quarter of its share capital, a shareholders’ meeting must convene within two months from the date on which “the losses have been determined or should have been determined” to discuss the potential winding-up of the company or the continuation of the company and as the case may be, other measures. In 2018, the Company faced a liquidity crisis. A liquidity crisis, does not directly impact the net assets of a company from an accounting perspective and is therefore not sufficient to determine that the conditions of Article 633 of the Belgian Companies Code were fulfilled. It is the accounting translation of the outcome of the restructuring negotiations among creditors, that, once those were valued and determined, triggered the accounting thresholds of Article 633 of the Belgian Companies Code.”</i></p> <p>As stated in the answer to Question A.5 and A.6., as soon as the audit of the annual accounts for FY’18 was finalised on 27 September 2019, and the statutory auditor’s opinion in this respect was issued, the Board considered that the audited statutory annual accounts of the Company for the financial year that ended on 31 December 2018 informed that the Company’s net assets had fallen below one quarter of the Company’s share capital. As a result thereof, the Board immediately convened on 4 October 2018 a shareholders’ meeting in accordance with Article 633 of the Belgian Companies Code on 5 November 2019 on the basis of the final net asset value as included in the audited FY’18 statutory accounts.</p>

#	Questions	Answers
		As set out in the Board report in accordance with Article 96 of the Belgian Companies Code for the financial year ended on 31 December 2018, the decrease of net assets was due to the impairment of the Company's financial fixed assets or EUR 1,220,025,000 as the outcome of the Restructuring.
46.	Has the Board of Directors been questioned by Deloitte Bedrijfsrevisoren in connection with the non-timely application of the alarm procedure?	The application of the alarm procedure was timely. We refer to the answer provided under the previous question.
47.	Has the Board of Directors been questioned by Deloitte Bedrijfsrevisoren in application of Article 138 of the Belgian Companies Code and how has the Board of Directors reacted to this?	Deloitte indeed questioned the Board of Directors on article 138 of the Belgian Companies Code. It did so in full reference to information made public by the Company (so there were no elements in such notice that were not previously disclosed by the Company to the market). The Company reacted with a letter to Deloitte explaining all the measures that it was taking to safeguard liquidity and, more structurally, to address its balance sheet going forward. It also regularly updated Deloitte on the status of the restructuring discussions.
48.	In what manner did the firm Duff & Phelps (D&P), which at the request of the independent directors within the framework of article 524 of the Belgian Companies Code, value the Nyrstar group at zero? Did it take sufficiently into account the future revenues and expected free cash flow from operations? Was the Discounted Cash Flow method used, and if so, at what discount rate? Please provide us with this report (including any annexes).	<p>The valuation performed by Duff &amp; Phelps ("D&amp;P") was based on an adjusted balance sheet approach. Specifically, D&amp;P started with subsidiary balance sheets provided by Management. These balance sheets were adjusted to convert book values of certain assets and liabilities to Fair Values, resulting in an indicated equity value for each subsidiary.</p> <p>The balance sheets provided by Management include value associated with property, plant and equipment; intangible assets, deferred tax assets and liabilities and other operating assets and liabilities. These assets only have value to the company to the extent that they are able to help Nyrstar generate cashflow in the future. In order to estimate the Fair Value of these assets and liabilities, D&amp;P has therefore prepared valuations of the company's operations. The Fair Value of these operations has then been</p>

#	Questions	Answers
	<p>After all, at the time of the transfer, a significant increase in zinc treatment charges was expected, one of the most important parameters determining the profitability of a zinc smelter such as Nyrstar, and this increase actually occurred. At the same time, the necessary investments were expected to decrease significantly in the coming years as the conversion of Port Pirie was finalised, the Myra Falls mine had just been thoroughly serviced and major investment programmes had been carried out in the other sites of the Group. All this was expected to significantly reduce the need for CapEx. Indeed, the combination of a significant increase in zinc treatment charges and a significant reduction in capital expenditure in the coming years should have led to an increase in EBITDA and positive cash flow and a significantly higher valuation of Nyrstar, based on the most relevant valuation methods (e.g. using the Discounted Free Cash Flow method or based on EBITDA-CapEx multiples).</p>	<p>recorded as a single line item in each balance sheet. D&amp;P prepared separate cash flow estimates for all operating sites and support entities.</p> <p>In preparing the cash flow forecasts D&amp;P relied on operating forecasts provided by Management. In estimating commodity price forecasts, D&amp;P relied primarily on estimates prepared by bank analysts focused on the metals and mining industries. D&amp;P relied on inflation and exchange rate forecasts as provided by HIS Global Insight, a division of Standard &amp; Poor's. D&amp;P has also performed a detailed calculation to determine an individual discount rate for each Nyrstar entity.</p> <p>The operating forecasts provided by management to D&amp;P were based on the "Latest Thinking Forecast" ("LTF") that was prepared by the Company with the assistance of its advisors (including the detailed model prepared with the assistance of EY). and was reviewed in detail by the advisors of the bondholders and by the advisors of the banks. The LTF was a bottom up business forecast prepared based on the detailed inputs from all Nyrstar sites.</p> <p>In addition to the D&amp;P valuation, Grant Thornton ("GT") has also prepared its own independent valuation (as a part of the Art. 524 procedures). GT has applied the discounted cash flow method, together with the market approach (specifically EV/EBITDA multiples) in forming their view on the equity value of the Company. Finally we note, that a reduction in capital expenditure does not have any impact on EBITDA.</p>

#	Questions	Answers
49.	<p>How were the results prior to the transfer of the Nyrstar group to NN2 delineated? Has particular attention been paid to the correct delimitation of the results to the period after the transfer and thus to NN2? Has particular attention been paid to the valuation of inventories, and plant and buildings in this context? Have specific experts been appointed to value these items? Did Deloitte carry out specific audit work on this? If specific experts have valued these items and/or Deloitte has performed audit work, please provide us with the findings of the experts and Deloitte.</p>	<p>Nyrstar applied IFRS for the consolidated financial reporting and Belgian GAAP for its statutory reporting. Both IFRS as well as Belgian GAAP require the accruals accounting principle to be applied when preparing the relevant financial statements. As such, Nyrstar has always applied the accruals principle accounting.</p> <p>Nyrstar did not do any “delineation” of the results. Nyrstar NV did dispose the assets that, as a result of the restructuring, have been transferred to Trafigura at 31 July 2019 when the restructuring was completed. There was no specific expert report that would be required for the disposal accounting by Nyrstar NV. Nyrstar NV also did not need to value or revalue any inventories as Nyrstar NV does not own any significant inventories. Deloitte did audit the disposal of Nyrstar NV’s investments resulting from the restructuring as a part of their 31 December 2019 audit.</p> <p>We note that Nyrstar was not required to prepare the 31 December 2019 under IFRS, as confirmed by the FSMA to the Company and to Mr. Vansanten, who has raised this question, on 1 June 2020.</p> <p>We also note that the Company already disclosed in the 30 June 2019 Consolidated financial statements published at 6 December 2019 that it will not prepare the 31 December 2019 consolidated financial statement and will instead prepare only the 31 December 2019 statutory financial statements prepared under Belgium GAAP. The disclosure is copied here: <i>“Under article 110 of the Belgian Companies Code, a parent company that controls or more subsidiaries is required to prepare consolidated financial statements, unless such subsidiaries have, in view of the consolidated assets, financial position or results that are only of a negligible significance. Given as at 31 December 2019 Nyrstar NV is not expected to control any significant subsidiary, the Company currently</i></p>

#	Questions	Answers
		<p><i>expects that it will not be required to prepare the consolidated financial for the year ending 31 December 2019. In accordance with article 12, §3, final paragraph, of the Royal Decree of 14 November 2007, Nyrstar NV will prepare the standalone statutory financial statements prepared in accordance with the Belgian GAAP and will have them audited by its statutory auditors.”</i></p>
50.	<p>When the H1 results were published last year, they were mentioned in the accompanying press release:</p> <p><i>"Group underlying EBITDA1 of EUR 3 million for H1 2019, a decrease of EUR 117 million on H12018, primarily due to reduced availability of raw materials caused by liquidity constraints as the Company completed its balance sheet restructuring and consequently reduced metal and by-product production, lower commodity prices, a sustained unplanned stoppage of the blast furnace and TSL furnace at Port Pirie in Q2 2019 and the negative impact of metal at risk which was not hedged between March 2019 and June 2019.</i></p> <ul style="list-style-type: none"> <li><i>• Metals Processing underlying EBITDA of EUR 10 million, down EUR 108 million year-on-year</i></li> <li><i>• Mining underlying EBITDA of EUR 17 million, down EUR 11 million year-on-year</i></li> <li><i>• Loss for H12019 was EUR 207 million, comprising of EUR 38 million from continuing operations and EUR 169 million from discontinued operations"</i></li> </ul> <p>This is particularly noteworthy as a significant increase in EBITDA was expected due to the increase in zinc treatment costs and the reference benchmark which rose from 147 in 2018 to 245 in 2019, with spot prices rising even more. However, Nyrstar recorded a loss of 207 million, against all possible trends, forecasts and expectations.</p>	<p>In H1 2019 Nyrstar’s liquidity situation required a very tight management of its working capital. This has resulted in the deferral or even cancellation of various raw material shipments to feed the Nyrstar smelters resulting in the smelters running at lower than full capacity.</p> <p>The reference to the “lower raw material prices” refers to the raw material prices, not to treatment charges. As reported at 29 November 2019 in the H1 2019 press release, all main prices to which Nyrstar had an exposure were lower in H1 2019 vs H1 2018. Average zinc price in H1 2019 was USD 2,732/t vs USD 3,268/t in H1 2018, average lead price in H1 2019 was USD 1,962/t vs USD 2,456/t in H1 2018, average silver price in H1 2019 was USD 15.23/oz vs USD 16.65/oz in H1 2018 and average gold price in H1 2019 was USD 1,307/oz vs USD 1,319/oz in H1 2018.</p> <p>The Company is not aware of the closure of the “forward contracts” at USD 3,000/t that you are referring to: <i>“How were the zinc ‘forward contracts’ for 2019 and 2020 settled at 3,000 USD/tonne and how was the benefit reported in accounting terms?”</i></p>

#	Questions	Answers
	<p>Why was the availability of raw materials reduced?</p> <p>What is meant by "Lower raw material prices"? As we know, spot TC costs have risen to an 11-year high, which should have been to Nyrstar's advantage.</p> <p>How were the zinc 'forward contracts' for 2019 and 2020 settled at 3,000 USD/tonne and how was the benefit reported in accounting terms?</p>	
51.	<p>What is the total cost borne by the Nyrstar group within the framework of the restructuring and the Capital Structure Review, including, but not limited to, the costs of the consultants: Morgan Stanley, Mike Corner-Jones, Alvarez &amp; Marsal, Freshfields Bruckhaus Deringer, Grant Thornton, Deloitte, Quinz and Duff &amp; Phelps?</p>	<p>As explained during the shareholders meeting of 25 June 2019, the Company held a competitive tendering process for the appointment of the service providers. These fees and expenses include, among others, the professional service fees for various legal, financial and restructuring advisers in multiple jurisdictions. The total professional fees and costs paid for the restructuring of the Nyrstar group amounted to approximately EUR 78 million. This figure represents approximately 3% of the total of EUR 2.6 billion of debt that was restructured, and it allowed us to save over 4,000 Nyrstar jobs, of which over 575 were in Belgium. All of the fees and costs related to the restructuring have been paid by various companies within the Nyrstar group and these fees were economically borne by creditors for the benefit of all stakeholders.</p> <p>As was advised in response to a question at the shareholders' meeting on 5 November 2019, it is usual in the context of a restructuring event for the group of companies being restructured to pay all of the various professional costs and fees related to the restructuring activities.</p>
52.	<p>How much did the members of the Board of Directors and the managers receive in compensation (regardless of form) for their performance in the financial year 2019?</p>	<p>Please see the remuneration report for FY 2019 which was published on the Nyrstar website on 12 February 2020. Page 8 of the report shows that in FY 2019, the Chief Executive Officer received total compensation of</p>

#	Questions	Answers
		EUR 3.13 million and the other members of the management committee received a total compensation of EUR 3.91 million.
53.	<p>There are serious concerns about the large difference in consolidated equity as at 31 December 2017 and 31 December 2018. As at 31 December 2017, consolidated shareholders' equity still stood at 659.8 million euro, and by 31 December 2018 it had fallen to 182.1 million euro. The question arises whether the figures as at 31 December 2017 were too rosy, or whether the figures as at 31 December 2018 were too pessimistic. Without being exhaustive, questions are raised in particular with regard to subsequent bookings as at 31 December 2018:</p> <ul style="list-style-type: none"> <li>• First, it appears that the board of directors has recognised deferred tax assets in the consolidated financial statements for respectively 343 million euros in 2016 and 332.1 million euros in 2017. These deferred taxes could only be recorded as an asset provided there was convincing evidence that sufficient taxable profit would be available against which the unused tax losses or unused tax credits could be offset by Nyrstar nv (IAS 12.35). By recording deferred taxes as an asset, the Board of Directors indicated that, despite the high level of indebtedness, the group had the potential to return to profitability over time. At the end of 2018, these capitalised deferred taxes were suddenly written off with an impact of 250 million euros on the consolidated equity of Nyrstar nv. The entries of deferred taxes as assets had in any case a significant impact on the equity of Nyrstar nv for at least 255.2 million euros in 2016 (343 million euros deferred taxes - 87.8 million euros deferred tax liabilities) and 264.4 million euros in 2017 (332.1 million euros deferred tax liabilities - 67.7 million euros deferred tax liabilities).</li> </ul>	<p>The recognition of deferred tax assets and its recoverability assessment is performed by legal entity of the Group. As disclosed in the 31 December 2018 group financial statements, the majority of the Nyrstar Group's deferred tax assets related to the available tax losses in Nyrstar Sales &amp; Marketing AG (NSM). Swiss tax law allows for a seven year carry-forward period for tax losses. The Group's Swiss subsidiary was the principal entity for the Metals Processing segment, and as such was responsible for raw material purchases and sales of the Group's products including but not limited to inventory management and supply chain operations. Therefore, the profitability of the Swiss subsidiary was closely linked to the performance of the Group's Metals Processing segment.</p> <p>As at 31 December 2018 Nyrstar based the assessment of the recoverability of the deferred tax assets by NSM on the evaluation of updated forecasts (LTF as referred in the previous answer) of NSM. Based on the LTF (that included latest macroeconomic assumptions, the latest operating assumption including the latest estimates of the ramp up of the Port Pirie Redevelopment project to full capacity by the second half of 2019) that was reviewed in details by the advisors of the bondholders and the lenders it was determined that it is probable that a lower level of taxable profit will be generated in the future by NSM against which fewer tax losses can be utilised before they expire over the next five years. The Group has partially derecognised previously recognised losses to align with the forecast taxable profits over the five-year period.</p> <p>Additional significant deferred tax balances related to the Nyrstar's US operations. The US tax group consisted of all of the Group's US subsidiaries, including Nyrstar Holdings Inc and Nyrstar Clarksville Inc,</p>

#	Questions	Answers
	<ul style="list-style-type: none"> <li>• Secondly, in the 2015 consolidated financial statements of Nyrstar nv, the board of directors has booked perpetuals as capital for an amount of 186.3 million euros, and thus as equity instead of debt. As early as 2018, however, circumstances would have occurred that would have made the repayment of the perpetuals due, which would have required them to be recorded as debt and would have reduced equity by 186.3 million euros.</li> <li>• Thirdly, it appears that in 2015 and 2016 the directors recorded a total of 96.8 million euros in impairments on the Myra Falls mine, reversed 89.5 million euros in impairments in 2017 and then recorded a further 54.6 million euros in impairments in 2018. In view of the reversal in 2017, it is remarkable that a write-down was recorded again in 2018.</li> </ul> <p>Question to the board of directors: Please explain and justify these entries.</p>	<p>that operate and own the assets of the East and Middle Tennessee Mines and the Clarksville smelter respectively.</p> <p>Nyrstar concluded that it was probable there would be a change in control under the Restructuring and as at 31 December 2018 and that it did not have sufficient certainty to determine the tax losses available subsequent to change of control. Therefore, the Group fully derecognised the deferred tax assets in the US tax Group at 31 December 2018.</p> <p>Nyrstar has provided extensive disclosures related to the Perpetual securities in its financial statements, including the reasons why were the Perpetual securities classified as equity in the financial statements.</p> <p>In the 31 December 2018 consolidated financial statements, Nyrstar has also disclosed, why the Perpetual securities were not classified as equity as at 31 December 2018. The disclosures stated:</p> <p><i>“In December 2018 Nyrstar entered into the Trade Finance Framework Agreement (“TFFA”) with Trafigura (note 39). Under the terms of the TFFA, Nyrstar agreed to grant securities over the shares of various group entities including Nyrstar Port Pirie Pty Ltd (“NPP”).</i></p> <p><i>At 31 December 2018, Nyrstar Hobart Pty Ltd, the owner of NPP, granted securities over 19.9% shares in NPP. While at 31 December 2018 Nyrstar NV owned legally and beneficially 100% of NPP, it was not in Group’s sole control to avoid Nyrstar NV ceasing the legal and beneficial ownership (directly or indirectly) of 100% of the issued voting shares of NPP, which is one of the Early Redemption Event (“ERE”) of the Securities. As such, the Securities have been accounted for as financial liabilities at 31 December 2018.”</i></p>

#	Questions	Answers
		<p>Nyrstar performed its impairment testing based on the best available information it has at each reporting period. It includes the appropriate macroeconomic assumptions as well as the latest estimates of the future operating performance of the operations. This has resulted in the impairments on the Myra Falls in 2015 and 2016 as well as in the reversal of the impairment on Myra Falls in 2017. As at 31 December 2018 Nyrstar used the LTF (as referred to in the previous answer) that has been independently reviewed by the advisors of the bondholders as well as by the advisors of the lenders, to assess the recoverability of the Myra Falls assets. This assessment has resulted in additional impairment recognised at 31 December 2018.</p>
54.	<p>The financial statements of Nyrstar NV for 2018 show that the Deloitte Group invoiced no less than 5 million euros to Nyrstar NV, of which 'only' 0.9 million euros for audit services. This is a very noteworthy increase compared to previous financial years, more specifically in the amount of non-audit services to 4.1 million euros.</p> <p>Question to the Board of Directors (and the Statutory Auditor): Please explain in detail and clarify to which performance of the Deloitte Group these 4.1 million euros relate.</p>	<p>The 2018 audit fees have been approved by the 5 November 2019 AGM. The fees are disclosed in Note 40 of the 31 December 2018 consolidated financial statements which provides a split of the Audit fees between Deloitte Bedrijfsrevisoren and other offices in the Deloitte network by category of provided services. The note also provides the following information: "Audit related services are related to fees with respect to legal missions entrusted to the statutory auditor per the Belgian Code of Companies and additional fees for audit services as a result of the unforeseen circumstances that impacted the audit of the standalone and consolidated financial statements per 31 December 2018.</p>

#	Questions	Answers
	<p>55. The board of directors would have discovered in May 2019 that certain information had been withheld from the statutory auditor. The law firm Contrast, which was appointed to investigate this issue, would have concluded that an individual error had been at the root of the problem, without, however, clarifying who committed this error and what this error consisted of. Please explain the findings of the law firm Contrast, and in any case explain who committed the error and what this error consisted of. Please provide us with this report (including any annexes).</p>	<p>Indeed, the Board of Directors of Nyrstar found in May 2019 that a Board pack had not been sent to Deloitte, whereas the Board systematically sends all Board packs to Deloitte. This error was not committed at Board or management committee level. The Board does not wish to publicly name in such circumstances, including for reasons of personal data protection.</p> <p>Under ISA norms, auditors have to challenge such instances to confirm that information is not deliberately withheld. The Board then has to investigate the matter and report to the auditor. The Board did so with law firm Contrast which opined that there was no deliberate intention, at Board or senior level, to withhold information. (The Board had started this investigation with the investigations arm of an advisory firm but the lead examiner suffered a severe and serious illness and could no longer continue.)</p> <p>The key observations of Deloitte in respect of those matters are detailed in a full page as a key audit matter (‘Investigation in relation to potential withholding of information’) in its audit report in respect of the financial year 2018.</p> <p>We further note that, in accordance with Belgian company law, the right of shareholders to ask questions with respect to items on the agenda of the meeting, does not involve the right to receive certain documents and there is no other legal requirements that enables Nyrstar to make the Contrast report freely available. Further, it is also not allowed to do so as the Contrast report is protected by attorney professional secrecy and cannot be made available to third parties. The conclusions of the Board of Directors based on the Contrast report is set out on page 5 of Deloitte’s audit report on the consolidated financial statement of 2018.</p>

#	Questions	Answers
		<p>This was also explained in detail during the shareholders' meeting of 5 November 2019.</p>
56.	<p>Please describe precisely and in detail the services provided by the various consultants in 2019, as the report does not provide access to these services.</p>	<p>The Company has answered the question related to the restructuring costs already at the 5 November 2019 shareholders' meeting.</p> <p><i>“As is usual in the context of a restructuring event, the group of companies being restructured typically has to pay all of the various professional costs and fees related to the restructuring activities. Competitive tendering processes were used for the appointment of the service providers. These fees and expenses include, amongst others, the professional service fees for various legal, financial and restructuring advisers in multiple jurisdictions. The total professional fees and costs paid for the restructuring of the Nyrstar group amounted to approximately EUR 78 million. This figure represents approximately 3% of the total of EUR 2.6 billion of debt that was restructured. All of the fees and costs related to the restructuring have been paid by various companies within the Nyrstar group and these fees were economically borne by creditors for the benefit of all stakeholders. ...”</i></p> <p>Given the confidentiality clauses included in the engagement letters, the Company cannot provide specific fees incurred by an individual advisor.</p> <p>The restructuring expenses have been recognised in the income statement as a part of the EUR 101.7 million provision at 31 December 2018.</p>
57.	<p>The main items in the income statement, i.e. non-recurring financial income and expenses (109 million euro and 99 million euro respectively), are not explained or only very briefly. Please explain. The expense of 99 million euro would relate to the "amortisation of the net intra-group positions", but should it then be deduced that there were differences of approximately 100 million Euro on intercompany positions?</p>	<p>The Art 96 report for the year ended 31 December 2019 already provides the following explanation of the financial result:</p>

#	Questions	Answers
		<p><i>“As an outcome of the Restructuring, in 2019 the Company has recognised non-recurring financial charges of EUR 98,628k representing the write off of the net intercompany positions with the former subsidiaries of the Company. This impairment is offset by the non-recurring financial income of EUR 109,941k representing the gain from the release from the convertible bonds issued by the Company.”</i></p> <p>It does not mean that there was a “difference” of approximately EUR 100 million on intercompany positions. It means that as a part of the restructuring, the intercompany positions of the Company were written off while at the same time the Company benefitted from the release from the convertible bonds issued by the Company (EUR 109.9 million) or from being released from the guarantees issued by the Company (EUR 2,768 million at 31 December 2018).</p>
58.	<p>In the annual accounts 2018, a provision for the completion of the Restructuring was recorded for 101,695,382 euros. The annual report accompanying the draft annual accounts 2019 does not show what has happened to this provision. Please explain whether this provision has been reversed or which costs occurred in 2019 that led to a decrease of this provision by 31 December 2019.</p>	<p>The detail is provided in Nyrstar NV 31 December 2019 financial statements - “Other information to disclose”, point “1.2. Impact of the Restructuring on the 31 December 2019 financial statements”</p> <p><i>“As the prior year financial statements as at 31 December 2018 were prepared on other than going concern basis, certain adjustments were</i></p>

#	Questions	Answers
		<p><i>reflected in line with the Belgian accounting provisions (Article 3:6 of the Royal Decree dd. 29 April 2019 to the execution of the Code of Companies and Associations). As such, the estimated impact of the Restructuring on the Company's Income Statement was recognised in the 31 December 2018 Income Statement when the Company recognised a provision of EUR 101.7 million representing the expected crystallization of the contingent liabilities that were expected to be off-set in 2019 against the remaining net financial receivable at the time when the restructuring would be completed. The amount also took into consideration the expected costs of disposal of the Company until the completion of the Restructuring of EUR 41.9 million that would increase the Company's net financial receivable position at that time. At the completion of the Restructuring at 31 July 2019, the Company settled and offset various positions between it and its former subsidiaries and derecognised the liability related to its outstanding convertible bonds. The loss arising from the settlement and the offset of these receivables and liabilities has been reflected against the provision of EUR 101.7 million recognised at 31 December 2018 by the Company. As the operating losses of the Company incurred in 2019 before the completion of the Restructuring were funded by its former subsidiaries, the final net receivable position of the Company at the completion of the Restructuring was lower than estimated at 31 December 2018 resulting in the release of the unutilised portion of the provision of EUR 11.4 million through the Income Statement in the year ended 31 December 2019, following the completion of the Restructuring."</i></p>

#	Questions	Answers
59.	<p>Which D&amp;O insurance has Nyrstar NV taken out for its directors and with which insurer and at what time? What are the special conditions and what is the coverage of the insurance? Has the insurer confirmed that it will cover the costs of the pending proceedings? Does this include coverage of the costs of the expert opinion?</p>	<p>This question does not relate to the agenda of the shareholders meeting at all.</p> <p>For the sake of transparency, the board can confirm that the Company maintains a standard Directors &amp; Officers (“D&amp;O”) insurance programme which is brokered by Aon. The currently active policies consist of a D&amp;O insurance run-off programme which provides coverage for a period of 6 years post the completion of the restructuring on 31 July 2019 and a go-forward D&amp;O insurance programme which now runs for a twelve-month period from 31 July each year.</p> <p>The Company’s D&amp;O insurance consists of a base layer and five excess layers.</p> <p>The (primary) insurer has confirmed to indemnify the Company for its reasonable fees, costs and expenses incurred by:</p> <ul style="list-style-type: none"> <li>(i) its counsel for assisting with the response to the notice of default dated 17 March 2020, and representing the Company in the proceedings issued on 29 May 2020;</li> <li>(ii) its counsel for representing the Company in the interlocutory (expert) proceedings issued on 27 April 2020; and</li> <li>(iii) the party-appointed experts the Company has retained in other to research the claims made in the proceedings mentioned above.</li> </ul> <p>A statement of assets and liabilities of the Company as at 31 March 2020 is attached to the special report of the board of directors of Nyrstar NV in accordance with article 2:71 of the BCCA issued on 29 April 2020, and is as such available on the Company’s website. This statement provides information as regards the Company’s D&amp;O insurance.</p>

#	Questions	Answers
60.	In addition to the D&O insurance taken out by Nyrstar NV, do the directors have individual insurances that cover their liability as directors of Nyrstar? Do (some of) the directors enjoy indemnity commitments or similar commitments granted by one or more of the Nyrstar shareholders or persons associated with them?	<p>This question does not relate to the agenda of the shareholders meeting at all.</p> <p>The directors do not enjoy indemnity commitments or similar commitments granted by one or more of the Nyrstar shareholders or persons associated with them.</p> <p>There are no indemnity commitments in place that are not permitted by the Belgian Code of Companies and Associations.</p>
61.	Does Nyrstar NV have other insurances at its disposal that could cover the costs of legal proceedings and expert opinion?	<p>This question does not relate to the agenda of the shareholders meeting at all.</p> <p>To the best of our knowledge, there are no other relevant insurance policies other than those already mentioned in answering question 59 that could cover the costs of legal proceedings and expert opinions.</p>
<b>Mr. Bert Stillaert et al. by e-mail of 26 June 2020</b>		
62.	My question concerns the ongoing tax disputes of the operational group mentioned in the annual report 2019 for which no provision has been made for the appeal. On 19 March 2020, Nyrstar Belgium NV's appeal in cassation was dismissed by the Brussels Court of Cassation with the judgment F.19.0025.N. Does this judgment also have possible consequences for Nyrstar SA or only consequences for Nyrstar Belgium and Trafigura as a consolidating company? For this loss of Nyrstar Belgium, is an adjustment foreseen in the restructuring agreements relating to the restructuring completed on 31 July 2019 by, for example, a penalty clause whereby Nyrstar NV reimburses the tax increase to Nyrstar Belgium NV? Can Trafigura or any of its group members in any way recover the amounts payable from Nyrstar NV?	This question relates to Nyrstar Belgium, which is now part of Trafigura. The tax dispute relates to the deductibility of interest paid on loans granted by Nyrstar NV to Nyrstar Belgium. Nyrstar Belgium (nor Trafigura) does not have a legal or contractual claim against Nyrstar NV in this respect.

<b>QUESTIONS TO THE STATUTORY AUDITOR</b>	
<b>Mr. Kris Vansanten et al. by e-mail of 26 June 2020</b>	
<p>B.</p> <p>1.</p> <p>There are serious misgivings about the large difference in consolidated equity as at 31 December 2017 and 31 December 2018. As at 31 December 2017, consolidated shareholders' equity still stood at 659.8 million euro, and by 31 December 2018 it had fallen to 182.1 million euro. The question arises whether the figures as at 31 December 2017 were too rosy, or whether the figures as at 31 December 2018 were too pessimistic. Without being exhaustive, questions are raised in particular with regard to subsequent bookings as at 31 December 2018:</p> <ul style="list-style-type: none"> <li>• First, it appears that the board of directors has recognised deferred tax assets in the consolidated financial statements for respectively 343 million euros in 2016 and 332.1 million euros in 2017. These deferred taxes could only be recorded as an asset provided there was convincing evidence that sufficient taxable profit would be available against which the unused tax losses or unused tax credits could be offset by Nyrstar nv (IAS 12.35). By recording deferred taxes as an asset, the Board of Directors indicated that, despite the high level of indebtedness, the group had the potential to return to profitability over time. At the end of 2018, these capitalised deferred taxes were suddenly written off with an impact of 250 million euros on the consolidated equity of Nyrstar nv. The entries of deferred taxes as assets had in any case a significant impact on the equity of Nyrstar nv for at least 255.2 million euros in 2016 (343 million euros deferred taxes - 87.8 million euros deferred tax liabilities) and 264.4 million euros in 2017 (332.1 million euros deferred tax liabilities - 67.7 million euros deferred tax liabilities).</li> </ul>	<p>This question relates to the financial statements of the years 31 December 2017 and 31 December 2018. In accordance with article 7:139 of the Code of Companies and Associations, as statutory auditor, we are required to respond to questions, oral or written, raised before or during the shareholder's meeting "and which are in relation to those points on the agenda for which an auditor's report has been issued." The approval of the statutory financial statements for the accounting year closed on 31 December 2019 is on the agenda of today's shareholders meeting today, not the financial statements for the year 2018 or before. Therefore, we cannot respond to this question at today's annual shareholders meeting.</p>

	<ul style="list-style-type: none"> <li>• (ii) Secondly, in the 2015 consolidated financial statements of Nyrstar nv, the board of directors has booked perpetuals as capital for an amount of 186.3 million euros, and thus as equity instead of debt. As early as 2018, however, circumstances would have occurred that would have made the repayment of the perpetuals due, which would have required them to be recorded as debt and would have reduced equity by 186.3 million euros.</li> <li>• Thirdly, it appears that in 2015 and 2016 the directors recorded a total of 96.8 million euros in impairments on the Myra Falls mine, reversed 89.5 million euros in impairments in 2017 and then recorded a further 54.6 million euros in impairments in 2018. In view of the reversal in 2017, it is remarkable that a write-down was recorded again in 2018.</li> </ul> <p>Question to the statutory auditor: Please explain if and how you have audited these entries and which was the responsibility of the board of directors.</p>	
2.	<p>The financial statements of Nyrstar nv for 2018 show that the Deloitte Group invoiced no less than 5 million euros to Nyrstar nv, of which 'only' 0.9 million euros for audit services. This is a very noteworthy increase compared to previous financial years, more specifically in the amount of non-audit services to 4.1 million euros.</p> <p>Question to (the Board of Directors and) the Statutory Auditor: Please explain in detail and clarify to which performance of the Deloitte Group these 4.1 million euros relate.</p>	<p>This question relates to the financial statements of the year ending on 31 December 2018. In accordance with article 7:139 of the Code of Companies and Associations, as statutory auditor, we are required to respond to questions, oral or written, raised before or during the shareholder's meeting "and which are in relation to those points on the agenda for which an auditor's report has been issued". The approval of the statutory financial statements for the accounting year closed on 31 December 2019 is on the agenda of today's shareholders meeting today, not the financial statements for the year 2018 or before. Therefore, we cannot respond to this question at today's annual shareholders meeting. Furthermore, we already addressed this question on the general shareholder's meeting of 5 November 2019.</p>

