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1. OBJECTIVE

This dividend policy (the "Policy") is aimed at defining principles for the definition of distributions to the shareholders of Nexa Resources SA ("Nexa") (i) to be proposed by the Board of Directors to the general meeting of shareholders in the context of the distribution of annual dividends (ii) as well as in the context of any distributions of interim dividends by the Board of Directors to the shareholders.

2. SCOPE

This Policy applies to Nexa and forms part of its internal controls and corporate governance controls.

3. REFERENCES

Not applicable.

4. DEFINITIONS

Not applicable.

5. PROCEDURES AND RESPONSIBILITIES / AUTHORITIES

5.1. Annual Dividends

Provided that there are distributable sums available based on statutory accounts under Luxembourg law, Nexa has as dividend policy the distribution of dividends once a year, at the time of approval of its annual accounts by the annual general shareholders meetings. The appropriate dividend is determined each year based on Nexa's cash balance, the level of free cash flow and earnings generated during the year, taking into consideration its leverage, capital investment program, expected future cash flow generated from operations, future looking market volatility and strategic planning.

Subject to the principles aforementioned and the conditions described in section 5.3., Nexa will pursue a minimum target of 2% of Market Capitalization as a metric for the dividend paid annually.


The Nexa Board of Directors shall propose on the general meeting of shareholders the distribution of annual dividends in line with the Policy.

5.2. Interim Dividends

The Board of Directors may, at any time, proceed with the distribution of interim dividends in accordance with the provisions of the Articles and statutory accounts under Luxembourg law.

Thus, the Board of Directors may propose to distribute an additional dividend as a result of an unexpected profit or a non-recurring increase in revenue. Dividend distributions shall at all times be in line with the company's strategic plans.

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5.3. Share Premium

The Board of Directors is also authorized to approve, by means of a simple resolution, the distribution of any share premium to the shareholders pursuant to Luxembourg law and by virtue of the articles of associations of Nexa (the "**Articles**").

5.4. Distribution rules under Luxembourg law

5.4.1. Annual Dividends

No distributions to shareholders may be made when on the closing date of the last financial year the net assets as set out in the annual accounts are, or following such a distribution would become

- (a) lower than the amount of the subscribed capital;
- (b) plus the reserves which may not be distributed under Luxembourg law or by virtue of the Articles.

The amount of a distribution to shareholders may not exceed the amount of the profits realized at the end of the last financial year

- (a) plus any profits carried forward and any amounts drawn from reserves which are available for that purpose,
- (b) less any losses carried forward and sums to be placed to reserve in accordance with Luxembourg law or the Articles.

5.4.2. Interim Dividends and Share Premium Reimbursement


To the extent authorized by the Articles, the Board of Directors may proceed with the distribution of interim dividends or to the reimbursement of share premium in accordance with the following rules:

- (a) interim accounts have to be drawn up by the Board of Directors showing that the funds available for distribution are sufficient;
- (b) the amount to be distributed may not exceed total profits made since the end of the last financial year for which the annual accounts have been approved, plus any profits carried forward and sums drawn from reserves available for this purpose, less losses carried forward and any sums to be placed in reserve pursuant to the requirements of Luxembourg law or of the Articles;
- (c) the decision of the Board of Directors to distribute an interim dividend or to reimburse share premium may not be taken more than two months after the date at which the interim accounts referred to under (a) above have been made up to; and
- (d) the auditor of the company shall verify whether the above conditions have been met and draw up a report to the Board of Directors.

6. RESPONSABILITIES

6.1. Board of directors

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This Policy was approved at the Board of Directors' Meeting held on June 22, 2017. The Board of Directors shall approve any amendments, exceptions, or reviews herein described.

6.2. Governance and Risk Department

It is responsibility of the Governance, Risk and Compliance area to review this policy periodically and propose changes when necessary.

7. ATTACHMENTS

Not applicable.

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