Chairman’s introduction, Directors and Officers

Dear Shareholders,

2015 was a challenging year for companies operating in the resources sector, during which commodity prices fell sharply as macro-economic uncertainties emerged and amplified.

The second half of the year was particularly tough. As the scale of these challenges became clear, your Board acted decisively, announcing a range of measures in September to reduce the Group’s debt significantly by the end of 2016. The sustained price reductions that we have seen for many of our commodities have been the key drivers for the measures taken by Glencore’s management team to strengthen the Group’s balance sheet through the preservation of capital the reduction of debt and disposal of assets.

Glencore takes a disciplined approach towards market fundamentals. Where there is reduced or lower than expected demand for our commodities, we consider the curtailment or cessation of our supply of volumes to the market. We are committed to seeking to operate as profitably as possible, even during periods of demand weakness.

This year your Board has been involved in the making of a number of difficult decisions. These decisions have not been made lightly, especially as some have resulted in negative impacts on our employees, host communities and governments through the loss of jobs and revenues as production volumes have been reduced and unprofitable operations closed. Our local teams have been instrumental in limiting the impact of these decisions, through regular engagement with impacted stakeholders and ensuring those employees leaving the Group were properly compensated.

Glencore’s unique business model, as both a producer and marketer of commodities, enables it to extract value at every stage of the commodity chain. As a result, your Company is better positioned than many to withstand the current commodity downturn.

Tragically, ten people lost their lives at our operations during 2015. Although this is a significant reduction on prior years, the Board and I recognise that this is an unacceptable outcome; we are continuing our efforts to strengthen our safety culture at all our operations regardless of their location or previous safety performance. The number of people losing their lives while working at Glencore sites continues to reduce year-on-year and I am confident that our ambition of zero fatalities is realistic and achievable.

I am very pleased to report that SafeWork has now been implemented at all of our assets and is delivering significant safety improvements. Both our total recordable and lost time injury frequency rates have exceeded our collective target of a 15% reduction and the number of new occupational disease cases has reduced by 41% year-on-year.

As a business committed to delivering shareholder value, we recognise that we will only be able to successfully deliver this commitment through creating sustainable, long-term benefits for all of our stakeholders.

To this end, pilot studies were carried out at several locations against a set of performance metrics which we have developed to better understand our socio-economic contribution. These indicators allow us to monitor our contribution to communities and governments through the wages, taxes and royalties we pay, as well as the contributions we make to health, education and infrastructure. We will be rolling out these metrics across all operations in 2016.

During the year, Glencore became a member of the Plenary of the Voluntary Principles on Security and Human Rights (Voluntary Principles). The Voluntary Principles bring together governments, companies in the extractive sector and non-government organisations to engage in dialogue on how best to achieve the safety and security of operations through encouraging respect for human rights. We have been implementing the Voluntary Principles at our operations located in regions with a high risk of human rights abuse since 2013 and reporting on our progress in our annual sustainability report. Our membership will support our efforts to further progress our approach towards human rights and to share knowledge and best practice.

We have set out on pages 78 and 80 to 89 the main activities of the Board and its Committees during the year. I would highlight in particular:

- the considerable work with executive management undertaken during the last four months of the year concerning the Group’s balance sheet and ongoing strategy;
- the operation of the HSEC Committee which as well as continuing its primary objectives of better management of catastrophic risks and of safety practices and procedures, has undertaken considerable work in a range of other areas including the oversight of a major new assurance process for sustainability risks and the launch of a social value creation score card; and
- the work of the Audit Committee, particularly on impairment analysis and consideration of the new longer-term viability statement we are providing.

Our response to the considerable challenges which the Group has faced over the last year reflects the strong leadership of the Group’s management team and the continuous efforts of all of those at Glencore, who are working together to ensure the ongoing success of your Company. We remain focused on operating efficient, low cost and safe operations which in combination with our excellent marketing businesses give us confidence that the medium- and long-term fundamentals of our business continue to be strong.

I and my fellow Directors thank you for your continued support of Glencore.

Tony Hayward
Chairman
Governance

Directors

Anthony Hayward
Chairman (Age 58)

Appointed: Anthony Hayward has been Independent Non-Executive Chairman from May 2013. Prior to being appointed Chairman he was the Senior Independent Non-Executive Director.

Committees: Member of the Health, Safety, Environment and Communities Committee.

Experience: Dr Hayward is non-executive chairman of Genel Energy plc (LON:GENL), a partner and member of the European advisory Board of AEA Capital and chairman of Compact GTL Limited.

Dr Hayward was group chief executive of BP plc from 2007 to 2010, having joined BP in 1982 as a rig geologist in the North Sea.

Ivan Glasenberg
Chief Executive Officer (Age 59)

Appointed: Ivan Glasenberg joined Glencore in April 1984 and has been Chief Executive Officer since January 2002.

Committees: Member of the Health, Safety, Environment and Communities Committee.

Experience: Mr Glasenberg initially spent three years working in the coal commodity department in South Africa as a marketer, before spending two years in Australia as head of the Asian coal commodity division. Between 1988 and 1989, he was based in Hong Kong as head of Glencore’s Hong Kong and Beijing offices, as well as head of coal marketing in Asia, where his responsibilities included overseeing the Asian coal marketing business of Glencore and managing the administrative functions of the Hong Kong and Beijing offices.

Peter Coates AO
Non-Executive Director (Age 70)

Appointed: Peter Coates has been a Non-Executive Director since January 2014. Prior to this he served as an Executive Director from June to December 2013 and a Non-Executive Director from April 2011 to May 2013.

Committees: Chairman of the Health, Safety, Environment and Communities Committee.

Experience: Prior to joining Glencore in 1994 as a senior executive in the coal department, Mr Coates had occupied many senior positions in a diverse range of resource companies, including those mining silver, lead, nickel, iron ore, bauxite and coal.

When Glencore sold its Australian and South African coal assets to Xstrata in 2002, he joined Xstrata as chief executive of its coal business, stepping down in December 2007.

Following a series of technical and commercial roles in Europe, Asia and South America, he returned to London in 1997 as a member of the upstream executive committee. He became group treasurer in 2000, chief executive for BP upstream activities and member of the main Board of BP in 2003.

Dr Hayward studied geology at Aston University in Birmingham and completed a Ph.D. at Edinburgh University. He is also a fellow of the Royal Society of Edinburgh and holds honorary doctorates from the University of Edinburgh, Aston University and the University of Birmingham.

In January 1990, he was made responsible for the worldwide coal business of Glencore for both marketing and industrial assets, and remained in this role until he became Chief Executive Officer in January 2002.

Mr Glasenberg is a Chartered Accountant of South Africa and holds a Bachelor of Accountancy from the University of Witwatersrand. Mr Glasenberg also holds an MBA from the University of Southern California. He is currently a non-executive director of UC Rusal plc (HKG:0486). Before joining Glencore, Mr Glasenberg worked for five years at Levitt Kinson Chartered Accountants in South Africa.

He was non-executive director and chairman of Xstrata Australia from January 2008 until August 2009. From April 2008 until April 2011, he was non-executive chairman of Minara Resources Ltd. Mr Coates is non-executive chairman of Santos Limited (ASX:STO) and Sphere Minerals Limited (ASX:SPH) and a non-executive director of Event Hospitality and Entertainment Limited (ASX:EVET), and a past chairman of the Minerals Council of Australia, the NSW Minerals Council and the Australian Coal Association.

Mr Coates holds a Bachelor of Science degree in Mining Engineering from the University of New South Wales. He was appointed to the Office of the Order of Australia in June 2009 and awarded the Australasian Institute of Mining and Metallurgy Medal for 2010.
Leonhard Fischer  
Independent Non-Executive Director  
(Age 53)  

Appointed: Leonhard Fischer was appointed an Independent Non-Executive Director in April 2011.  
Committees: Chairman of the Audit Committee; member of the Nomination and Remuneration Committees.  
Experience: Mr Fischer was appointed chief executive officer of BHF Kleinwort Benson Group S.A. (formerly RHJ International S.A.) (EBR:BHKFB) in January 2009, having been co-chief executive officer from May 2007. He is a director of Kleinwort Benson Bank Ltd and chairman of the supervisory board of BHF-Bank AG.  

Mr Fischer was chief executive officer of Winterthur Group from 2003 to 2006 and a member of the executive board of Credit Suisse Group from 2003 to March 2007. He joined Credit Suisse Group from Allianz AG, where he had been a member of the management board and head of the Corporates and Markets Division. Prior to this, he had been a member of the executive board of Dresdner Bank AG in Frankfurt.  
Mr Fischer holds an M.A. in Finance from the University of Georgia.

William Macaulay  
Independent Non-Executive Director  
(Age 70)  

Appointed: William Macaulay was appointed as an Independent Non-Executive Director in April 2011.  
Committees: Member of the Audit and Remuneration Committees.  
Experience: Mr Macaulay is the chairman and chief executive officer of First Reserve Corporation, a private equity investment firm focused on the energy industry, and has been with the company since its founding in 1983.  
Prior to joining First Reserve, Mr Macaulay was a co-founder of Meriden Capital Company, a private equity buyout firm. From 1972 to 1982, he served as director of corporate finance at Oppenheimer & Co. with direct responsibility for the firm’s buyout business. He also served as president of Oppenheimer Energy Corporation.  

Mr Macaulay is a director of Weatherford International (NYSE:WFT). He also serves on numerous private energy company boards.  
Mr Macaulay holds a B.B.A. degree (with honours) in Economics from City College of New York, and an MBA from the Wharton School of the University of Pennsylvania. He has also received an Honorary Doctor of Humane Letters degree from Baruch College.

Peter Grauer  
Senior Independent Non-Executive Director  
(Age 70)  

Appointed: Peter Grauer was appointed as an Independent Non-Executive Director in June 2013 and became the Senior Independent Non-Executive Director in May 2014.  
Committees: Chairman of the Nomination Committee; member of the Audit Committee.  
Experience: Mr Grauer is chairman of Bloomberg Inc., the global financial media company that was founded in 1981. Mr Grauer was chairman and chief executive officer from 2002 to 2011 and has been a member of Bloomberg’s board of directors since 1996.  

Prior to this, Mr Grauer was managing director of Donaldson, Lufkin & Jenrette from 1992 to 2000 when DLJ was acquired by Credit Suisse First Boston and founder of DLJ Merchant Banking. He served as managing director and senior partner of CSFB Private Equity until 2002. Mr Grauer is a director of Blackstone (NYSE:BX) and Davita Healthcare Partners (NYSE:DVA). Mr Grauer is also a member of the International Business Council of the World Economic Forum, and a trustee of Rockefeller University.  
Mr Grauer graduated from the University of North Carolina and the Harvard University Graduate School of Business Program for Management Development in 1975.
Directors and Officers

**Patrice Merrin**
Independent Non-Executive Director (Age 67)

**Appointed**: Patrice Merrin was appointed as an Independent Non-Executive Director in June 2014.

**Committees**: Member of the Health, Safety, Environment and Communities Committee.

**Experience**: Following initial roles with Molson and Canadian Pacific, Ms Merrin worked at Sherritt, the Canadian diversified miner, for ten years until 2004, latterly as COO. She then became CEO of Luscar, Canada’s largest thermal coal producer. She is currently a non-executive director of Stillwater Mining (NYSE:SWC) and Novadaq Technologies Inc. (Nasdaq:NVDQ). She has been a director and then chairman of CMI Healthcare (then TSX) from 2008 to 2013, of Enssolutions, a mine tailing solutions company, and of NB Power.

Ms Merrin was a director of the Alberta Climate Change and Emissions Management Corporation from 2009 to 2014. She was also a member of the Canadian Advisory Panel on Sustainable Energy Science and Technology from 2005 to 2006 and from 2003 to 2006 was a member of Canada’s Round Table on the Environment and the Economy.

Ms Merrin is a graduate of Queen’s University, Ontario and completed the Advanced Management Programme at INSEAD.

**John Mack**
Independent Non-Executive Director (Age 71)

**Appointed**: John Mack was appointed as an Independent Non-Executive Director in June 2013.

**Committees**: Chairman of the Remuneration Committee and member of the Nomination Committee.

**Experience**: Mr Mack previously served as chief executive officer of Morgan Stanley from June 2005 until December 2009. He retired as chairman in 2011. Mr Mack first joined Morgan Stanley in May 1972, becoming a board director in 1987 and was named President in 1993. Before rejoining Morgan Stanley as chairman and chief executive officer in June 2005, Mr Mack served as co-chief executive officer of Credit Suisse Group and chief executive officer of Credit Suisse First Boston.

Mr Mack is a non-executive director of Enduring Hydro and Corinthian Ophthalmic. He is also non-executive chairman of Tri-Alpha Energy Inc. Mr Mack also serves on the Advisory Board of China Investment Corporation, is a member of the International Business Council of the World Economic Forum, the NYC Financial Services Advisory Committee and the Shanghai International Financial Advisory Council.

Mr Mack is a graduate of Duke University.

**Officers**

**Steven Kalmin**
Chief Financial Officer (Age 45)

**Appointed**: Steven Kalmin has been Chief Financial Officer since June 2005.

**Experience**: Mr Kalmin holds a Bachelor of Business (with distinction) from the University of Technology, Sydney and is a member of Chartered Accountants Australia and New Zealand and the Financial Services Institute of Australasia.

Before joining Glencore, Mr Kalmin worked for nine years at Horwath Chartered Accountants in Sydney, leaving the firm as a director.

**John Burton**
Company Secretary (Age 51)

**Appointed**: John Burton was appointed Company Secretary in September 2011.

**Experience**: He was formerly company secretary and general counsel of Informa plc and before that a partner of CMS Cameron McKenna in London specialising in corporate law. Mr Burton holds a B.A. degree in Law from Durham University. He was admitted as a Solicitor in England and Wales in 1990.