

BASE PROSPECTUS

GLENCORE FINANCE (EUROPE) S.A.

(incorporated in Luxembourg)

guaranteed by



GLENCORE INTERNATIONAL PLC

(incorporated in Jersey)

and

GLENCORE INTERNATIONAL AG

(incorporated in Switzerland)

US\$ 12,000,000,000

Euro Medium Term Note Program

Arranger

Barclays Capital

Dealers

Barclays Capital
Citigroup
Deutsche Bank
J.P. Morgan

BNP PARIBAS
Credit Suisse
HSBC
The Royal Bank of Scotland

November 8, 2011

Under this US\$ 12,000,000,000 Euro Medium Term Note Program (the "**Program**"), Glencore Finance (Europe) S.A. (the "**Issuer**") may from time to time issue notes (the "**Notes**") unconditionally and irrevocably guaranteed by Glencore International plc and Glencore International AG (each a "**Guarantor**" and together, the "**Guarantors**") and denominated in any currency agreed between the Issuer, the Guarantors and the relevant Dealer (as defined below).

The maximum aggregate principal amount of Notes outstanding at any one time under the Program will not exceed US\$ 12,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealership Agreement (as defined under "*Subscription and Sale*")). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Program may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under "*Subscription and Sale*".

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Program*" and any additional Dealer appointed under the Program from time to time by the Issuer and each Guarantor (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "relevant Dealer" shall, in relation to an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to the lead manager of such issue and, in relation to an issue of Notes subscribed by one Dealer, be to such Dealer.

Application has been made for Notes issued under the Program for the period of 12 months after the publication of this Base Prospectus to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "**Luxembourg Stock Exchange's Regulated Market**"). References in the Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been listed on the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Regulated Market. The Luxembourg Stock Exchange's Regulated Market is a regulated market for the purposes of the Directive 2004/39/EC on Markets in Financial Instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC. The Program also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities as may be agreed with the Issuer. Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in the applicable final terms (the "**Final Terms**") which, with respect to the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Regulated Market of the Luxembourg Stock Exchange, will be filed with the Luxembourg Stock Exchange.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (as defined herein), the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

This document comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and each Guarantor, which, according to the particular nature of the Issuer and each Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the liabilities, financial position, profit and losses and prospects of the Issuer. References in this Base Prospectus to "**Glencore**" or the "**Group**" are to references to Glencore International plc and its consolidated subsidiaries, through which Glencore International plc may own its assets and conduct operations indirectly. This document comprises the base prospectus in respect of Glencore Finance (Europe) S.A. and for that purpose, this whole document would be referred to as the "**Base Prospectus**". This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**") which is the Luxembourg competent authority for the purpose of the Prospectus Directive and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue of Notes issued under the Program described in this Base Prospectus during the period of twelve months after the date hereof. The CSSF, however, assumes no responsibility as to the economic and financial soundness of the transactions

contemplated under this Base Prospectus or the quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*).

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Base Prospectus.

The Program is, as of the date of this Base Prospectus, rated Baa2 in respect of the Notes by Moody's Investors Service Ltd. ("**Moody's**") and BBB in respect of the Notes by Standard & Poor's Credit Market Services France SAS ("**S&P**"). Moody's and S&P are established in the European Union and are registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**").

Tranches of Notes issued under the Program may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s), which will not necessarily be the same as the rating applicable to the Program, will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before June 7, 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

This document should be read and construed together with any supplements hereto and with any other documents incorporated by reference herein and, in relation to any Tranche of Notes, should be read and construed together with the relevant Final Terms.

The Issuer and each Guarantor has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus (including for this purpose, each relevant Final Terms) contains all information which is (in the context of the Program, the issue and offering of the Notes and the guarantees of the Notes) material; that such information is true, accurate and complete in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made, are based on reasonable assumptions and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Program, the issue and offering of the Notes and the guarantees of the Notes) not misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

Market, economic and industry data used throughout this document is derived from various industry, corporate and other independent sources (these include the publicly available annual reports of key industry participants such as Alcoa Inc., BHP Billiton Plc, Xstrata Plc, Anglo American Plc, Rio Tinto Plc, Korea Zinc Co., Ltd., Teck Resources Limited, as well as reports from independent entities such as CRU, Brook Hunt, the International Energy Agency, and the American Petroleum Institute).

No person has been authorized to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Program or any information supplied by the Issuer or either Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by any of the Issuer, the Trustee, the Guarantors or the Dealers.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or either Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been

most recently amended or supplemented or that any other information supplied in connection with the Program is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, each Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for any Notes and should not be considered as a recommendation by the Issuer, the Guarantors, the Trustee, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantors.

The Issuer and the Guarantors may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Regulated Market) a supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**Relevant Member State**" means a Member State of the European Economic Area which has implemented the Prospectus Directive, references to "**Prospectus Directive**" mean Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, references to "**2010 PD Amending Directive**" mean Directive 2010/73/EU, references to "**US**", "**U.S.**" and "**United States**" are to the United States of America, references to "**US\$**" and "**U.S. dollars**" are to United States dollars, references to "**EUR**", "**€**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of May 3, 1998 on the introduction of the euro, as amended, references to "**sterling**", "**Pound Sterling**" and "**£**" are to the lawful currency of the United Kingdom, references to "**ZAR**" are to South African Rand and references to "**Swiss Francs**" are to the lawful currency of Switzerland.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer, the Guarantors or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuer, the Guarantors nor any Dealer has authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer, the Guarantors or any Dealer to publish or supplement a prospectus for such offer and the relevant Issuer has consented in writing to its use for the purpose of such offer.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there

is no assurance that the Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

RESPONSIBILITY STATEMENT

The Issuer and each Guarantor (together, the "**Responsible Persons**") accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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GENERAL DESCRIPTION OF THE PROGRAM

The following general description of the Program does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in "*Forms of the Notes*" or "*Terms and Conditions of the Notes*" below shall have the same meanings in this general description of the Program.

Issuer:	Glencore Finance (Europe) S.A.
Guarantors:	Glencore International plc, pursuant to a deed of guarantee dated November 8, 2011 (the " Deed of Guarantee "), and Glencore International AG, pursuant to a guarantee agreement dated November 8, 2011 (the " Guarantee Agreement ").
Risk Factors:	Investing in Notes issued under the Program involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantors to fulfill their respective obligations under the Notes are discussed under " <i>Risk Factors</i> " below.
Arranger:	Barclays Bank PLC.
Dealers:	Barclays Bank PLC, BNP PARIBAS, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd., HSBC Bank plc, The Royal Bank of Scotland plc and any other Dealer appointed from time to time by the Issuer and the Guarantors generally in respect of the Program or by the Issuer and the Guarantors in relation to a particular Tranche of Notes.
Principal Paying Agent:	Deutsche Bank AG, London Branch.
Luxembourg Listing Agent:	Deutsche Bank Luxembourg S.A.
Trustee:	Deutsche Trustee Company Limited, pursuant to an amended and restated trust deed dated November 8, 2011 (the " Trust Deed ") copies of which will be available for inspection (during normal office hours) at the specified office of the Principal Paying Agent.
Admission to Listing and Trading:	Each Series may be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Regulated Market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Final Terms or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.
Clearing Systems:	Euroclear Bank SA/NV (" Euroclear ") and/or Clearstream Banking, société anonyme (" Clearstream, Luxembourg ") and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Program Amount:	Up to US\$ 12,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may

comprise Notes of different denominations.

Final Terms:	Each Tranche will be the subject of a Final Terms which, for the purposes of that Tranche only, supplements the Terms and Conditions of the Notes and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes described herein as supplemented, amended and/or replaced by the relevant Final Terms.
Forms of Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a " Classic Global Note " or " CGN "), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a " New Global Note " or " NGN "), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.
Currencies:	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Status of the Notes:	Notes will be issued on an unsubordinated basis.
Status of the Guarantees:	Notes to be issued will be unconditionally and irrevocably guaranteed by each of the Guarantors on an unsubordinated basis. Each guarantee shall be in addition to and not in substitution for or joint (or joint and several) with any other guarantee or security which the Trustee may at any time hold for or in relation to the guaranteed obligations. (See also " <i>Description of Glencore International plc</i> " and " <i>Description of Glencore International AG</i> " below).
Issue Price:	Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Program will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.
Maturities:	Subject to such minimum or maximum maturities as may be required for compliance with all applicable legal and/or regulatory and/or central bank requirements, the Notes must have a scheduled

maturity of more than one year.

Redemption:	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more installments on such dates and in such manner as may be specified in the relevant Final Terms.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	Except as described in " <i>Optional Redemption</i> " above, early redemption will only be permitted for tax reasons as described in Condition 10(b) (<i>Redemption and Purchase – Redemption for tax reasons</i>).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Specified Denominations:	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, save that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 5 (<i>Negative Pledge</i>).
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 13 (<i>Events of Default</i>), which will extend to Financial Indebtedness of the Issuer, each of the Guarantors and any Material Subsidiary (other than Excluded Financial Indebtedness and Limited Recourse Indebtedness) and subject to a threshold of US\$ 50,000,000 as further described in Condition 13 (<i>Events of Default</i>).
Taxation:	All payments in respect of the Notes to be issued and under the Deed of Guarantee and the Guarantee Agreement will be made free and clear of withholding taxes imposed by Luxembourg, unless such withholding is required by law. In that event, the Issuer and each of the Guarantors will (subject as provided in Condition 12 (<i>Taxation</i>)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Governing Law:	English law, except that the Guarantee Agreement will be governed by, and construed in accordance with, the laws of Switzerland. The provisions of Articles 86 to 94-8 of the Luxembourg law on commercial companies of August 10, 1915, as amended, are excluded.
Ratings:	The Program is, as of the date of this Base Prospectus, rated Baa2 in respect of the Notes by Moody's and BBB in respect of the Notes by S&P. Moody's and S&P are established in the European Union and are registered under the CRA Regulation.

Tranches of Notes issued under the Program may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s), which will not necessarily be the same as the rating applicable to the Program, will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before June 7, 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area (in respect of Notes having a specified denomination of less than €100,000 or its equivalent in any other currency as at the date of issue of the Notes), the United Kingdom, Jersey, Switzerland, France and Japan see "*Subscription and Sale*" below.

RISK FACTORS

Prospective investors should read and carefully consider the following risk factors and other information in this Base Prospectus before deciding to invest in the Notes. Additional risks not currently known to the Issuer or the Guarantors or that they now deem immaterial may also adversely affect the Issuer or the Guarantors or affect an investment in the Notes.

Risks relating to Glencore Finance (Europe) S.A.

Glencore Finance (Europe) S.A. is a finance vehicle.

Glencore Finance (Europe) S.A.'s primary business is the raising of money for the purpose of on-lending to other members of Glencore. Accordingly, substantially all Glencore Finance (Europe) S.A.'s assets are loans and advances made to other members of Glencore and the ability of Glencore Finance (Europe) S.A. to satisfy its obligations in respect of the Notes will depend upon payments made to it by other members of Glencore in respect of loans and advances made by Glencore Finance (Europe) S.A.

Risks relating to Glencore

Glencore is exposed to declines in the current and expected volumes of supply or demand for commodities, to commodity prices and to deterioration in economic and financial conditions.

The current and expected volumes of supply and demand for the commodities in which Glencore is active vary over time based on changes in resource availability, government policies and regulation, costs of production, global and regional economic conditions, demand in end markets for products in which the commodities are used, technological developments, including commodity substitutions, fluctuations in global production capacity, global and regional weather conditions and natural disasters including, for example, the earthquake and tsunami in Japan in March 2011, all of which impact global markets and demand for commodities. Furthermore, changes in current and expected supply and demand conditions impact the current and expected future prices (and thus the price curve) of each commodity.

Declines in the volume of each commodity produced or marketed by Glencore, as well as declines in the price of commodities, could materially adversely impact Glencore's business, results of operations and earnings. These declines could result in a reduction in the average marketing unit margin achieved in respect of the volumes handled by Glencore's marketing activities, or a reduction in the volume and/or margin in respect of commodities produced by Glencore's industrial assets.

In addition, a decline in economic and financial conditions globally or in a specific country, region or sector may have a material adverse effect on Glencore's business, results of operations or earnings. For example, although most commodities' fixed pricing periods are relatively short, a significant reduction or increase in commodity prices could result in customers or suppliers, as the case may be, being unwilling or unable to honour their contractual commitments to purchase or sell commodities on pre-agreed pricing terms. In addition, a tightening of available credit may make it more difficult for Glencore to obtain, or may increase the cost of obtaining, financing for its marketing activities and capital expenditures at its industrial assets.

Glencore is exposed to significant geopolitical risk.

Glencore operates and owns assets in a large number of geographic regions and countries and, as a result, is exposed to a wide range of political, regulatory and tax environments. These environments are subject to change in a manner that may be materially adverse for Glencore, including changes to government policies and regulations governing industrial production, foreign investors, price controls, export controls, tariffs, income and other forms of taxation (including policies relating to the granting of advance rulings on taxation matters), nationalisation or expropriation of property, repatriation of income, royalties, the environment and health and safety.

Relatively high commodity prices and other factors in recent years have resulted in increased resource nationalism in some countries, with governments repudiating or renegotiating contracts with, and expropriating assets from, companies that are producing in such countries. Many of the commodities that Glencore produces and markets are considered strategic resources for particular countries. Governments in these countries may decide not to recognise previous arrangements if they regard them as no longer being in the national interest. Governments may also implement export controls on commodities regarded

by them as strategic (such as oil or wheat) or place restrictions on foreign ownership of industrial assets. Renegotiation or nullification of existing agreements, leases, permits or tax rulings, changes in fiscal policies (including new or increased taxes or royalty rates or the implementation of a windfall tax) and currency restrictions imposed by the governments of countries in which Glencore operates could all have a material adverse effect on Glencore.

Glencore transacts business in locations where it is exposed to a greater-than-average risk of overt or effective expropriation or nationalisation, including in countries where the government has previously (and in some cases, recently) expropriated assets held within the jurisdiction of other companies or where members of the government have publicly proposed that such action be taken.

Glencore's operations may also be affected by political and economic instability in the countries in which it operates. Such instability could be caused by, among other things, terrorism, civil war, guerrilla activities, military repression, civil disorder, crime, workforce instability, change in government policy or the ruling party, economic or other sanctions imposed by other countries, extreme fluctuations in currency exchange rates or high inflation.

The geopolitical risks associated with operating in a large number of regions and countries, if realised, could affect Glencore's ability to manage or retain interests in its industrial activities and could have a material adverse effect on the profitability, ability to finance or, in extreme cases, viability of one or more of its industrial assets. Although Glencore's industrial assets are geographically diversified across various countries, disruptions in certain of its industrial operations at any given time could have a material adverse effect on Glencore's marketing business.

Liquidity risk and a failure to obtain funds could limit Glencore's ability to engage in desired activities and grow its business.

Liquidity, or ready access to funds, is essential to Glencore's business. Liquidity risk is the risk that Glencore is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments. A lack of liquidity may mean that Glencore will not have funds available to maintain or increase its marketing activities, grow its industrial activities production output as planned or take advantage of other opportunities that may arise in its marketing or industrial activities.

Glencore's marketing activities employ significant amounts of working capital to fund purchases of commodities for future delivery to Glencore's end customers, to meet margin requirements under derivative contracts and to fund the acquisition and maintenance of certain transport and storage assets which complement its marketing activities. Continued funding of and access to working capital is critical for Glencore to maintain its historic levels of marketing activity and increase such levels in the future. Glencore's industrial activities are also capital intensive and the continued funding of such activities is critical for Glencore to maintain its ownership interests in its industrial assets, to maintain production levels in periods when net operating cash flow is negative or insufficient to cover capital expenditures, to increase production levels in the future in accordance with its business plan and to grow its industrial activities through the acquisition of new assets. Prudent liquidity risk management requires Glencore to maintain sufficient cash and cash equivalents through the accumulation of retained earnings and to have ready sources of committed funding available to meet anticipated and unanticipated funding needs. While Glencore adjusts its minimum internal liquidity targets in response to changes in market conditions, its liquidity may be impaired due to circumstances it is unable to control, such as general market disruptions, increases in the prices of commodities or an operational problem that affects its suppliers or customers or Glencore itself.

In addition to maintaining a cash position, Glencore relies on two other principal sources of liquidity: borrowings under various short-term and long-term bank and asset-backed facilities and issuance of notes in the debt capital markets. An inability to raise money in the long-term and short-term debt markets could have a material adverse effect on Glencore's liquidity. Glencore's access to debt in amounts adequate to finance its activities could be impaired by factors that affect Glencore in particular or the industries or geographies in which it operates. For example, lenders could develop a negative perception of Glencore's short-term or long-term financial prospects if Glencore incurred large losses, if the level of its marketing activities were to materially decrease due to a market downturn in the demand for commodities, or if its business was otherwise materially adversely affected. Although Glencore expects

the continued support of financial institutions, there can be no assurance that additional credit or funding will be made available in the future.

Future debt financing, if accessible, may result in increased borrowing costs, increased financial leverage, decreased income available to fund further acquisitions and expansions and the imposition of restrictive covenants on Glencore's businesses and operations. In addition, future debt financing may limit Glencore's ability to withstand competitive pressures and render its businesses more vulnerable to economic downturns by exposing it to volatile interest rates, tighter credit markets and potentially reduced access to funding that may be needed to take advantage of future business opportunities.

A reduction in Glencore's credit rating could adversely affect Glencore.

Glencore's borrowing costs and access to the debt capital markets, and thus its liquidity, depend significantly on its public credit ratings. These ratings are assigned by rating agencies, which may reduce or withdraw their ratings or place Glencore on "credit watch", which would have negative implications. A deterioration of Glencore's credit ratings could increase its borrowing costs and limit Glencore's access to the capital markets, which, in turn, could reduce Glencore's earnings and adversely affect Glencore's liquidity.

Glencore's counterparties, including its customers, suppliers and financial institutions, are also sensitive to the risk of a ratings downgrade and may be less likely to engage in transactions with Glencore, or may only engage with Glencore at a substantially higher cost or on increased credit enhancement terms (for example, letters of credit, additional guarantees or other credit support) which carry increased costs, if Glencore's ratings were downgraded to below investment grade. While Glencore does not anticipate its ratings to be downgraded below investment grade, if such an event were to occur, it could have a material adverse effect on Glencore's business, results of operations, financial condition or prospects.

Glencore's ability to attract, retain and compensate key employees may be impacted by its recent transition to a public company.

Glencore has operated within a private company structure and as an employee-owned company. Following its initial public offering, Glencore, as a listed entity, now operates as a public company with the added administration this entails. This cultural change could result in certain key employees, whether skilled marketers, or otherwise, leaving. There are a number of other reasons why such personnel may leave. An employee may leave Glencore to go to a competitor, to start their own business, to retire or for other reasons.

Glencore seeks to provide competitive compensation arrangements to retain and attract highly skilled personnel that are important to its business, including salaries, bonus arrangements and share incentive arrangements. The Directors believe that Glencore's current compensation arrangements are competitive and adequate to allow Glencore to retain and attract the necessary calibre of employees. However, these compensation payments may not be as effective as the opportunity to receive ownership interests in Glencore that existed prior to the initial public offering and, as a result, Glencore may need to change its compensation arrangements to make them more attractive to such employees which could be at an increased cost to Glencore. The loss of any senior marketer, senior manager or other key personnel, as well as the inability to retain and/or attract new highly skilled personnel, could have a material adverse effect on Glencore's business.

Glencore is exposed to fluctuations in currency exchange and interest rates.

The significant majority of transactions undertaken by both Glencore's marketing and industrial activities are denominated in U.S. dollars. However, Glencore is exposed to fluctuations in currency exchange rates:

- through its industrial activities, because a large proportion of the operating costs of these assets are denominated in the currency of the country in which each asset is located, the largest of such currency exposures being to the Australian dollar, the Kazakhstan tenge and the Canadian dollar via Glencore's stake in Xstrata;
- through the costs of Glencore's global office network, which are denominated largely in the currency of the country in which each office is located, the largest of such currency exposures being to the Swiss Franc, the Pound Sterling and the Euro; and

- through its marketing activities, although only a small minority of purchase or sale transactions are denominated in currencies other than U.S. dollars.

In respect of commodity purchase and sale transactions denominated in currencies other than U.S. dollars, Glencore generally hedges the specific future commitment through a forward exchange contract. Foreign exchange rates have seen significant fluctuation in recent years and a depreciation in the value of the U.S. dollar against one or more of the currencies in which Glencore incurs significant costs will therefore result in an increase in the cost of these operations in U.S. dollar terms and could adversely affect Glencore's financial results.

As discussed above, the reporting currency and the functional currency of the majority of Glencore's operations is the U.S. dollar, as this is assessed to be the principal currency of the economic environment in which Glencore operates. For financial reporting purposes, transactions in foreign currencies are converted into the functional currency of each entity using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at year end are converted at year-end rates. The resulting exchange differences are recorded in the consolidated statement of income. The exchange rates between relevant local currencies and the U.S. dollar have historically fluctuated, and the translation effect of such fluctuations may have a material adverse effect on both Glencore Group members' individual and Glencore's consolidated results of operations or financial condition.

Glencore's exposure to changes in interest rates results from investing and borrowing activities undertaken to manage its liquidity and capital requirements. Substantially all of Glencore's borrowings, other than its long-term, fixed-rate public bonds, bear interest at floating rates. An increase in interest rates would therefore result in a relatively immediate increase in the cost of servicing Glencore's indebtedness and could adversely affect Glencore's financial results. Although borrowing costs are taken into account when setting transaction terms, there is no assurance that increased financing costs can be passed on to customers and/or suppliers. Glencore may elect in the future to enter into interest rate swaps to convert some or all of its floating-rate debt to fixed-rate debt or enter into fixed-rate to floating-rate swaps. There can be no assurance that Glencore will not be materially adversely affected by interest rate changes in the future.

The commodities industry is very competitive and Glencore may have difficulty effectively competing with other commodity marketing and industrial companies.

The commodities industry is characterised by strong competition. Glencore believes that the majority of its competitors tend to focus on a narrower commodity group or geographic area, or concentrate more heavily on industrial activities such as mining, smelting, processing, refining and food processing. Although Glencore faces intense competition in each of its business segments, in view of Glencore's diversification across different commodity groups and its global geographical presence and scale, Glencore does not believe that there is a precisely comparable company or peer group that can be defined as competing directly with Glencore across all of its business segments. However, some of these competitors or existing producers may, in the future, use their resources to broaden into all of the markets in which Glencore operates and therefore compete further against Glencore. These competitors may also expand and diversify their commodity sourcing, processing or marketing operations, or engage in pricing or other financial or operational practices that could increase competitive pressure on Glencore across each of its business segments. Increased competition may result in losses of market share for Glencore and could materially adversely affect Glencore's business, results of operations and financial condition.

Risks relating to Glencore's marketing activities

The success of Glencore's marketing activities depends in part on its ability to identify and take advantage of arbitrage opportunities.

Many of the commodity markets in which Glencore operates are fragmented and periodically volatile. As a result, discrepancies generally arise in respect of the prices at which the commodities can be bought or sold in different forms, geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present Glencore with arbitrage opportunities whereby Glencore is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities.

Glencore's profitability is, in large part, dependent on its ability to identify and exploit such arbitrage opportunities. A lack of such opportunities, for example due to a prolonged period of pricing stability in a particular market, or an inability to take advantage of such opportunities when they present themselves, because of, for example, a shortage of liquidity or an inability to access required logistics assets or other operational constraints, could adversely impact Glencore's business, results of operations and financial condition.

Glencore's hedging strategy may not always be effective and does not require all risks to be hedged.

Glencore's marketing activities involve a significant number of purchase and sale transactions across multiple commodities. To the extent Glencore purchases a commodity from a supplier and does not immediately have a matching contract to sell the commodity to a customer, a downturn in the price of the commodity could result in losses to Glencore. Conversely, to the extent Glencore agrees to sell a commodity to a customer and does not immediately have a matching contract to acquire the commodity from a supplier, an increase in the price of the commodity could result in losses to Glencore, as it then seeks to acquire the underlying commodity in a rising market. In order for Glencore to mitigate the risks in its marketing activities related to commodity price fluctuations and potential losses, Glencore has a policy, at any given time, of hedging substantially all of its marketing inventory not already contracted for sale at pre-determined prices through futures and swap commodity derivative contracts, either on commodities' exchanges or in the over the counter ("OTC") market. In the event of disruptions in the commodity exchanges or markets on which Glencore engages in these hedging transactions, Glencore's ability to manage commodity price risk may be adversely affected and this could in turn materially adversely affect its business, financial condition and results of operations. In addition, there are no traded or bilateral derivative markets for certain commodities that Glencore purchases and sells, which limits Glencore's ability to fully hedge its exposure to price fluctuations for these commodities. In these instances, Glencore's ability to hedge its commodity exposure is limited to forward contracts for the physical delivery of a commodity or futures and swap contracts for a different, but seemingly related, commodity. Finally, subject to internal risk management, limits and policies, in some cases, Glencore takes deliberate directional positions without a corresponding opposite directional position in place as part of its marketing strategies which has, at certain points in the past resulted, and may in the future, result in losses.

Glencore is subject to counterparty risk in its marketing activities.

Glencore's marketing activities are subject to non-performance risk by its suppliers, customers and hedging counterparties. For example:

- a significant increase in commodity prices could result in suppliers being unwilling to honour their contractual commitments to sell commodities to Glencore at pre-agreed prices;
- a significant reduction in commodity prices could result in customers being unwilling or unable to honour their contractual commitments to purchase commodities from Glencore at pre-agreed prices, as occurred in 2008 and 2009 during the global economic crisis;
- customers may take delivery of commodities from Glencore and then find themselves unable to honour their payment obligations due to financial distress or any other reasons; and
- hedging counterparties may find themselves unable to honour their contractual commitment due to financial distress or other reason.

Glencore seeks to reduce the risk of customer non-performance by requiring credit support from creditworthy financial institutions, where appropriate, and by imposing limits on open accounts extended. In addition, mark-to-market exposures in relation to hedging contracts are regularly and substantially collateralised (primarily with cash) pursuant to margining arrangements in place with such hedge counterparties. However, no assurance can be given that Glencore's attempts to reduce the risk of customer non-performance will be successful in every instance or that its financial results will not be adversely affected by the failure of a counterparty or counterparties to fulfil their contractual obligations in the future. Such failure would have an adverse impact on Glencore's business, results of operations and financial condition, including by creating an unintended, unmatched commodity price exposure.

Glencore's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks.

Glencore's marketing activities are exposed to commodity price, foreign exchange, interest rate, counterparty (including credit), operational, regulatory and other risks. Glencore has devoted significant resources to developing and implementing policies and procedures to manage these risks and expects to continue to do so in the future. Nonetheless, Glencore's policies and procedures to identify, monitor and manage risks have not been fully effective in the past and may not be fully effective in the future.

Some of Glencore's methods of monitoring and managing risk are based on historical market behaviour that may not be an accurate predictor of future market behaviour. Other risk management methods depend on evaluation of information relating to markets, suppliers, customers and other matters that are publicly available or otherwise accessible by Glencore. This information may not in all cases be accurate, complete, up to date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective in doing so. Glencore uses, among other techniques, Value-at-Risk, or VaR, as a key risk measurement technique for its marketing activities. VaR does not purport to represent actual gains or losses in fair value on earnings to be incurred by Glencore, nor does Glencore expect that VaR results are indicative of future market movements or representative of any actual impact on its future results. Failure to mitigate all risks associated with Glencore's business could have a material adverse effect on Glencore's business, results of operations and financial condition.

Glencore is reliant on third parties to source the majority of the commodities purchased by its marketing operations.

Glencore purchases a minority portion of the physical commodities sold by its marketing activities from its controlled industrial operations and associates, including Xstrata. The remainder of the commodities sourced by its marketing operations are purchased from third party suppliers and entities in which Glencore has a minority stake (excluding associates). Glencore is exposed to both price and supply risks with respect to commodities sourced from third parties and entities in which it holds a minority stake. Any increases in Glencore's purchase price relative to the price at which Glencore markets a commodity could adversely affect Glencore's margins. Glencore's business, results of operations, financial condition and prospects could be materially adversely impacted if it is unable to continue to source required volumes of commodities from its suppliers on reasonable terms or at all.

Glencore relies on certain agreements for the sourcing of commodities and these agreements may be terminated or fail to be renewed.

Glencore is a party to various agreements with certain of its non-controlled industrial assets for the supply of commodities to its marketing business. These agreements are an important source of commodities for Glencore's marketing activities and provide certainty of regular supply for Glencore. These supply agreements range from short-term spot contracts to multiple years in duration and have historically been renewed by Glencore and the supplier on commercially acceptable terms. However, in general, these companies have no obligation to renew their supply agreements. Glencore may not be able to compel the relevant company to enter into or renew a supply agreement with Glencore in cases where Glencore does not own 100 per cent. of the company or where related party transaction minority shareholder approval requirements apply. Glencore relies on these agreements to source many of its key commodities and any termination or failure to renew such agreements at the end of their terms could have an adverse effect on Glencore's business, results of operations and financial condition.

Glencore's marketing activities require access to significant amounts of freight, storage, infrastructure and logistics support and Glencore is exposed to increases in the costs thereof.

Glencore's marketing activities entail shipments of commodities in large quantities, often by ocean-going transport. Glencore often competes with other producers, purchasers or marketers of commodities or other products for limited storage and berthing facilities at ports and freight terminals, which can result in delays in loading or unloading Glencore's products and expose Glencore to significant delivery interruptions. Limitations or interruptions in rail, shipping or port capacity could impede Glencore's ability to deliver its products on time. In addition, increases in the costs of freight could adversely affect Glencore's business, results of operations or financial condition.

Glencore also requires significant storage capacity for its commodities, which it sources both through facilities in which Glencore holds equity stakes and pursuant to rental agreements with, among others, oil terminals and tank farms, metal and other warehouses and silos. Any decrease in Glencore's ability to access its customary levels of capacity from these storage facilities or an increase in the price at which Glencore can acquire storage capacity could have an adverse effect on Glencore's business by forcing Glencore to use storage facilities in less advantageous locations or at prices that make it less profitable for Glencore to supply its customers.

Glencore's oil freight operations are affected by fluctuations in freight rates.

Glencore's oil freight desk has a large and diversified fleet of vessels. The majority of these vessels service Glencore's Energy Products business segment.

The recent economic downturn led to a significant reduction in freight rates and had an adverse effect on the performance of the freight desk, which experienced significant losses in 2009 and 2010. While freight spot rates have recovered to some extent in the current year, there has yet to be a sustained improvement. There can be no assurance that freight losses will not be experienced in the future, which could have a material adverse effect on Glencore's business, results of operations and financial condition.

Risks relating to Glencore's industrial activities

Glencore holds some of its industrial assets through non-controlling stakes or joint ventures and strategic partnership arrangements.

Glencore does not control a number of its most significant industrial investments (including its stakes in Xstrata, Century Aluminum, Mutanda and UC Rusal). Although Glencore has sought to take steps to protect its industrial activities where it does not exercise control (including entering into a relationship agreement with respect to Xstrata and a shareholders agreement with respect to UC Rusal), the boards of these companies may:

- have economic or business interests or goals that are inconsistent with or are opposed to those of Glencore;
- exercise veto rights or take shareholders' decisions so as to block actions that Glencore believes to be in its best interests and/or in the best interests of all shareholders;
- take action contrary to Glencore's policies or objectives with respect to its investments or commercial arrangements; or
- as a result of financial or other difficulties, be unable or unwilling to fulfil their obligations under any joint venture or other agreement, such as contributing capital to expansion or maintenance projects.

Where projects and operations are controlled and managed by Glencore's co-investors or where control is shared on an equal basis, Glencore may provide expertise and advice, but it has limited or restricted ability to mandate compliance with Glencore's policies and/or objectives. Improper management or ineffective policies, procedures or controls of a non-controlled entity could adversely affect the business, results of operations and financial condition of the relevant investment and, therefore, of Glencore.

Glencore is exposed to the risk of delays in or failure to develop planned expansions or new projects.

Glencore has a number of significant expansions planned for its existing operations and plans for certain new greenfield projects.

Any future upward revisions in estimated project costs, delays in completing planned expansions, cost overruns, suspension of current projects or other operational difficulties after commissioning may have a material adverse effect on Glencore's business, results of operations and financial condition, in turn requiring Glencore to consider delaying discretionary expenditures, including capital expenditures, or suspending or altering the scope of one or more of its development projects.

Exploration and development of oil producing assets is highly uncertain. If Glencore is unsuccessful in developing its oil producing assets, its results of operations and growth prospects may be adversely affected.

In addition, there can be no assurance that Glencore will be able to effectively manage the risks arising from expansion of its operations. Glencore's current systems, procedures and controls may need to be expanded and strengthened to support Glencore's future operations. Any failure of Glencore to effectively manage its expansion plans or expanded operations could have a material adverse effect on Glencore's business and results of operations.

Once complete, the results of these projects could differ materially from those anticipated by Glencore and Glencore's significant capital expenditures related to these projects may not be offset by cashflows or other benefits from these projects in the timeframe anticipated by Glencore or at all.

Glencore's industrial activities involve a number of operating risks and hazards, many of which are outside Glencore's control.

Glencore's business is subject to numerous operating risks and hazards normally associated with the development and operation of natural resource projects, many of which are beyond Glencore's control. These operating risks and hazards include unanticipated variations in grade and other geological problems, seismic activity, climatic conditions such as flooding or drought, metallurgical and other processing problems, technical failures, unavailability of materials and equipment, industrial actions or disputes, industrial accidents, labour force disruptions, unanticipated transportation constraints, tribal action or political protests, force majeure factors, environmental hazards, fire, explosions, vandalism and crime. These risks and hazards could result in damage to, or destruction of, properties or production facilities, may cause production to be reduced or to cease at those properties or production facilities, may result in personal injury or death, environmental damage, business interruption and legal liability and may result in actual production differing from estimates of production.

The realisation of such operating risks and hazards and the costs associated with them could materially adversely affect Glencore's business, results of operations and financial condition, including by requiring significant capital and operating expenditures to abate the risk or hazard, restore Glencore or third party property, compensate third parties for any loss and/or pay fines or damages.

The production, processing and product delivery capabilities of Glencore's industrial assets rely on their infrastructure being adequate and remaining available.

The mining, drilling, processing, development and exploration activities of the industrial assets in which Glencore holds an interest depend on adequate infrastructure. Certain of these assets are located in areas that are sparsely populated and difficult to access. Reliable roads, power sources, transport infrastructure and water supplies are essential for the conduct of these operations and the availability and cost of these utilities and infrastructure affect capital and operating costs and therefore Glencore's ability to maintain expected levels of production and results of operations. Unusual weather or other natural phenomena, sabotage or other interference in the maintenance or provision of such infrastructure could impact the development of a project, reduce production volumes, increase extraction or exploration costs or delay the transportation of raw materials to the mines and projects and commodities to end customers. Any such issues arising in respect of the infrastructure supporting or on Glencore's sites could have a material adverse effect on Glencore's business, results of operations, financial condition and prospects.

Industrial activities are exposed to an increase in production costs, including as a result of increased energy costs or shortages of equipment, spare parts and labour.

In relation to Glencore's industrial activities, Glencore's main production expenses include personnel expenses, maintenance and repairs, raw materials, energy and contractors. Increased costs could result from a number of factors beyond Glencore's control, including increased charges for fuel, other consumables, electricity, transport or site contractors or increased processing or storage costs for such commodities.

Furthermore, the resources industry is currently experiencing worldwide tightness in certain equipment, spare parts and specialised labour. Such shortages may increase the costs of Glencore's operations as a result of equipment, spare parts or labour becoming more expensive due to increased demand and tight

supply. Such shortages may also cause delays to, and quality issues in respect of, Glencore's operations either as a result of equipment used in Glencore's operations being temporarily unavailable or not being available at all or there being insufficient resources to operate equipment or maintain production at the optimum capacity. Any resulting increase in costs or production delays could have a material adverse effect on Glencore's business, results of operations and financial condition.

The processes and chemicals used in Glencore's extraction and production methods, as well as its shipping and storage activities, are subject to environmental hazards.

Where Glencore holds or has interests in industrial activities, these assets are generally subject to environmental hazards as a result of the processes and chemicals used in traditional extraction, production, storage, disposal and transportation methods. Environmental hazards may exist on Glencore's owned or leased properties or at those of the industrial activities in which it holds an interest, or may be encountered while its products are in transit. In addition, the storage of tailings at Glencore's industrial assets may present a risk to the environment, property and persons. There remains a risk of leakage from or failure of Glencore's tailings dams, as well as theft and vandalism during the operating life of the assets or after closure.

Additionally, Glencore conducts oil exploration and drilling activities and also stores and transports crude oil and oil products around the world. Damage to exploration or drilling equipment, a vessel carrying oil or to a facility where it is stored could lead to a spill, causing environmental damage with significant clean-up or remediation costs.

Glencore may be liable for losses associated with environmental hazards, have its licences and permits withdrawn or suspended or may be forced to undertake extensive remedial clean-up action or to pay for government-ordered remedial clean-up actions, even in cases where such hazards have been caused by any previous or subsequent owners or operators of the property, by any past or present owners of adjacent properties, by independent third party contractors providing services to Glencore or by acts of vandalism by trespassers. Any such losses, withdrawals, suspensions, actions or payments may have a material adverse effect on Glencore's business, results of operations and financial condition.

Other risks relating to Glencore

Due to the nature of its business and operations, Glencore is exposed to the risks of fraud and corruption.

As a diversified sourcing, marketing and distribution company conducting complex transactions globally, Glencore is exposed to the risks of fraud and corruption both internally and externally.

Glencore's marketing operations are large in scale, which may make fraudulent or accidental transactions difficult to detect. In addition, some of Glencore's industrial activities are located in countries where corruption is generally understood to exist.

Glencore seeks to comply fully with legislation such as the Foreign Corrupt Practices Act and the Bribery Act and has put in place internal control policies and external diligence and compliance policies. However, there can be no assurance that such procedures and established internal controls will adequately protect it against fraudulent and/or corrupt activity and such activity could have an adverse effect on Glencore's business, reputation, results of operations, financial condition and/or prospects.

Accidents at Glencore's industrial activities, logistics and storage facilities could result in injuries and fatalities.

Any accidents or hazardous incidents causing personal injury or death or property or environmental damage at or to Glencore's mines, smelters, refineries, concentrators, drill rigs or related facilities (such as logistics and storage facilities) or surrounding areas may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. Risks associated with Glencore's open pit mining operations include flooding of the open pits, collapses of the open pit walls and accidents or failures in operation of large equipment for open pit mining and material transportation. Risks associated with Glencore's underground mining operations include flooding, underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharges of gases or toxic chemicals, sinkhole formation and ground subsidence. Risks associated with Glencore's oil exploration and deepwater drilling activities include

explosions, spills and potential large-scale environmental pollution. Risks associated with the group logistics and storage operations may include the risk of ruptures and spills from crude oil and other product carriers; spillage, leakage or seepage of tailings or other hazardous substances found in storage or disposal facilities; and failure of tailings dams during the operating life of the mines or after closure. Injuries to and deaths of workers and contractors at mines and facilities controlled by Glencore have occurred in the past and may occur in the future. If accidents occur in the future, Glencore's business and results of operations may be adversely impacted.

Glencore is subject to risks relating to the processing, storage and transportation of its commodities.

Glencore relies on a network of processing, transportation and storage facilities that are subject to numerous risks and hazards. If any of these risks materialise Glencore's business, results of operations and financial condition could be materially adversely affected.

Glencore's processing and storage facilities, which include ore processing plants, smelters, refineries, grain silos, tank farms and oil terminals, are subject to risks and hazards, including accidental environmental damage, technical failure, vandalism and terrorism. In addition, Glencore also depends upon seaborne freight, rail, trucking, pipeline, overland conveyor and other systems to deliver its commodities to market. Disruption of these transport services due to weather-related problems, key equipment or infrastructure failures, strikes, maritime disaster or other events could temporarily impair Glencore's ability to supply its commodities to its customers and thus could adversely affect Glencore's operations.

Metal processing plants (ore processing plants, smelters and refineries) are especially vulnerable to interruptions, particularly where events cause a stoppage that necessitates a shutdown in operations. Stoppages in smelting, even if lasting only a few hours, can cause the contents of furnaces to solidify, resulting in a plant closure for a significant period and necessitating expensive repairs, any of which could adversely affect Glencore's smelting operations.

Transportation and storage of crude oil and oil products involves significant hazards that could result in fires, explosions, spills, maritime disaster and other unexpected or dangerous conditions. The occurrence of any of these events could result in a material adverse effect, either directly or indirectly, through resulting damages, claims and awards, remediation costs or negative publicity on Glencore's business.

Crop storage entails significant risks associated with the storage environment, including temperature, humidity levels, pests, parasites and/or diseases. Excessively high or low levels of moisture, temperature or humidity may result in damage to stored crops and seeds. An event that destroys or takes all or part of a silo complex or terminal out of service could result in the loss of stored crops and require Glencore to find alternative storage arrangements. Glencore may also be subject to the loss of stored crops as a result of catastrophic events, such as fires, explosions or natural disasters.

In addition, the vessels Glencore uses to transport its products may be exposed to a variety of natural calamities during operations, including violent storms, tidal waves, rogue waves and tsunamis. Any of these natural calamities could result in Glencore's vessels grounding, sinking, colliding with other vessels or property, or the loss of life. If one of the vessels suffers damage, in addition to the potential loss of its cargo, it would need to be repaired, and the costs relating to such losses or repairs may not be covered (either in part or in full) by the insurance policies that are in place. The costs of such repairs are unpredictable and could be substantial. In addition, vessels will require general repair and maintenance from time to time. The loss of earnings while the vessels are being repaired and repositioned, the cost of arranging for alternative transport, as well as the actual cost of such repairs, could adversely affect Glencore's business and results of operations. Furthermore, the vessels Glencore uses to transport its products may be exposed to piracy, terrorist attacks and other events beyond its control. These events could result in adverse effects to Glencore's business as a result of seizure of its cargoes and disruption to its customers' or suppliers' business. While Glencore has procured insurance for its operations against these types of risks, no insurance can compensate for all potential losses and there can be no assurance that the insurance coverage Glencore has will be adequate or that its insurers will pay a particular claim. As is the standard for policies of this type, Glencore's insurance policies do not cover risks arising from damage caused by wear and tear to the vessels that it owns directly or through joint ventures. In the event of damage to, or the loss of, a vessel or vessels and/or their cargoes, lack of adequate insurance coverage may have a material adverse effect on Glencore's business and results of operations.

Glencore is subject to risks relating to product safety and dangerous goods regulations.

Products sold by Glencore are in many cases covered by national and international product safety and dangerous goods regulations. In some instances, product safety regulations (for example, the EU's Chemical Control Act, REACH) oblige manufacturers and importers to register their products and to regularly monitor and evaluate the risks and hazards of substances (chemicals, metals, etc.) to protect humans and the environment from harm during handling, storage and use. Any failure in complying with these obligations could result in a delay of Glencore's product delivery, a loss of insurance coverage, business interruption on the customer side, administrative or criminal sanctions and, in the extreme, banning (temporarily) from a marketplace. Such events could have a material impact on the local or global demand, reducing Glencore's marketing opportunities for such a product, or at least increase the handling costs while shipping and placing the product in the market, all of which could have a material adverse effect on Glencore's business, results of operations and financial condition.

Glencore is dependent on its financial, accounting, marketing and other data processing information systems to conduct its business.

Glencore's software applications for areas such as traffic, accounting and finance are primarily based on integrated standard components. Glencore's key business processes rely on in-house developed modules and are regularly adapted to suit its business needs. All of these applications are primarily managed from Glencore's headquarters in Baar and are available to all the major business locations. If any of these systems does not operate properly or is disabled, Glencore could suffer, among other things, financial loss, a disruption of its business, liability to its counterparties, regulatory intervention or reputational damage.

Glencore is subject to a significant number of laws and regulations.

Glencore's activities are subject to extensive laws and regulations governing various matters. These include laws and regulations relating to taxation, anti-trust, environmental protection, management and use of hazardous substances and explosives, management of natural resources, licences over resources owned by various governments, exploration, development of projects, production and post-closure reclamation, the employment of expatriates, labour and occupational health and safety standards, and historic and cultural preservation. Additionally, in many of the developing countries where Glencore operates, the legal systems may not be mature and legal practice may not be developed, such that, in certain cases, there may be significant uncertainty as to the correct legal position as well as the possibility of laws changing or new laws and regulations being enacted, which has the potential to increase risk and compliance costs.

These laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety and other impacts of Glencore's past and current operations, and could lead to the imposition of substantial fines, penalties, other civil or criminal sanctions, the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and/or orders to take preventative steps against possible future violations. Moreover, the costs associated with compliance with these laws and regulations are substantial. More stringent enforcement or restrictive interpretation of current laws and regulations by governmental authorities or rulings or clearances obtained from such governmental authorities could cause additional expenditure (including capital expenditure) to be incurred or impose restrictions on or suspensions of Glencore's operations and delays in the development of its properties.

Glencore's subsidiaries and the companies in which Glencore holds investments are generally required, under applicable laws and regulations, to seek governmental licences, permits, authorisations, concessions and other approvals in connection with their activities. Obtaining the necessary governmental permits can be a particularly complex and time-consuming process and may involve costly undertakings. The duration and success of permit applications are contingent on many factors, including those outside Glencore's control. Failure to obtain or renew a necessary permit could mean that such companies would be unable to proceed with the development or continued operation of a mine or project, which, in turn, may have a material adverse effect on Glencore's business, results of operations, financial condition and prospects.

In addition, the enactment of new laws and regulations and changes to existing laws and regulations (including, but not restricted to, environmental laws, the imposition of higher licence fees, mining and hydrocarbon royalties or taxes), compliance with which could be expensive or onerous, could also have a

material adverse impact on Glencore's ability to operate its business and/or the profitability of its industrial investments.

Glencore's smelting and mineral processing operations are generally energy intensive and depend heavily on fossil fuels. In addition, the methods of transportation used by Glencore's marketing operations in order to deliver commodities to customers around the world depend heavily on fossil fuels. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets in numerous jurisdictions in which Glencore operates is likely to raise energy costs and costs of production in the future. Regulation of greenhouse gas emissions in the jurisdictions of Glencore's major customers and in relation to international shipping could also have a material adverse effect on the demand for Glencore's products.

Social, economic and other risks in the markets where Glencore operates may cause serious disruptions to its business.

Through the geographic diversity of its operations, Glencore is exposed to risks of political unrest, strikes, war and economic and other forms of instability, such as natural disasters, epidemics, widespread transmission or communicable or infectious diseases, acts of God, terrorist attacks and other events beyond its control that may adversely affect local economies, infrastructure and livelihoods.

These events could result in disruption to Glencore's, its customers' or suppliers' businesses and seizure of, or damage to, any of their cargoes or assets. Such events could also cause the destruction of key equipment and infrastructure (including infrastructure located at or serving Glencore's industrial activities as well as the infrastructure that supports the freight and logistics required by Glencore's marketing operations). These events could also result in the partial or complete closure of particular ports or significant sea passages, such as the Suez or Panama canals or the Straits of Hormuz, potentially resulting in higher costs, congestions of ports or sea passages, vessel delays or cancellations on some trade routes. Any of these events could adversely impact Glencore's business and results of operations.

Glencore's reputation in the communities in which it operates could deteriorate.

If it is perceived that Glencore is not respecting or advancing the economic and social progress and safety of the communities in which it operates, Glencore's reputation and shareholder value could be damaged, which could have a negative impact on its "licences to operate", its ability to secure new resources and its financial performance.

Some of Glencore's current and potential industrial activities are located in or near communities that may regard such operations as having a detrimental effect on their safety or environmental, economic or social circumstances. The consequences of negative community reaction could also have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation. Such events could lead to disputes with national or local governments or with local communities or any other stakeholders and give rise to material reputational damage. If Glencore's operations are delayed or shut down as a result of political and community instability, its earnings may be constrained and the long-term value of its business could be adversely impacted. Even in cases where no action adverse to Glencore is actually taken, the uncertainty associated with such political or community instability could negatively impact the perceived value of Glencore's assets and industrial investments and, consequently, have a material adverse effect on Glencore's financial condition.

Glencore may fail to make successful acquisitions or fail to integrate acquisitions effectively.

From time to time, Glencore considers the acquisition of complementary businesses or assets where the opportunity is presented to do so at attractive prices. Business combinations entail a number of risks, including the ability of Glencore to integrate effectively the businesses acquired with their existing operations (including the realisation of synergies, significant one-time write-offs or restructuring charges, difficulties in achieving optimal tax structures and unanticipated costs). All of these may be exacerbated by the diversion of the Directors' attention away from other ongoing business concerns. In addition, although Glencore does not currently have significant shares of the total market for commodities which it markets, further acquisitions to be made by Glencore may be subject to certain approvals (for example, anti-trust approvals) which may or may not be obtained. Glencore may also be liable for the past acts, omissions or liabilities of companies or businesses it has acquired, which may be unforeseen or greater than anticipated at the time of the relevant acquisition. In addition, various factors could impact

Glencore's estimated synergies for potential acquisitions and have a material adverse impact on Glencore's business, results of operations and financial condition.

The industries in which Glencore operates are subject to a wide range of risks as described elsewhere in this section, not all of which can be covered, adequately or at all, by Glencore's insurance programme.

Glencore has a broad insurance programme in place which provides coverage for operations at a level believed by the Directors to be appropriate for the risks associated therewith. Such insurance protection is maintained with leading international insurance providers and includes coverage for physical loss and damage to owned vessels and kidnap and ransom, as well as third party liability, including for pollution. However, although Glencore's insurance is intended to cover the majority of the risks to which Glencore is exposed, it cannot account for every potential risk associated with its operations. Adequate coverage at reasonable rates is not always commercially available to cover all potential risks and no assurance can be given that, where available, such coverage would be sufficient to cover all loss and liability to which Glencore may be exposed. The occurrence of a significant adverse event not fully or partially covered by insurance could have a material adverse effect on Glencore's business, results of operations and financial condition.

The maintenance of positive employee relations and the ability to attract and retain skilled workers is key to the successful operation of Glencore's industrial activities.

Some of Glencore's employees, as well as employees in non-controlled industrial investments, are represented by labour unions under various collective labour agreements. Glencore, its subsidiaries or the industrial investments in which it holds an interest may not be able to satisfactorily renegotiate its collective labour agreements when they expire and may face tougher negotiations or higher wage demands than would be the case for non-unionised labour. In addition, existing labour agreements may not prevent a strike or work stoppage at its facilities in the future, and any strike or other work stoppage could have a material adverse effect on Glencore's business, results of operations and financial condition. Glencore's industrial activities have experienced strikes and other labour disputes in the past and the Directors believe that strikes and other industrial actions will remain a risk to the business for the foreseeable future.

The success of Glencore's business is also dependent on its ability to attract and retain highly qualified and skilled engineers and other industrial, technical and project experts to operate its industrial activities in locations experiencing political or civil unrest, or in which they may be exposed to other hazardous conditions. Glencore may not be able to attract and retain such qualified personnel and this could have a material adverse effect on Glencore's business, results of operations and financial condition.

Risks relating to the Notes and the Guarantees

No active trading market for the Notes

Each Series of Notes will be a new issue of securities for which there will be no established trading market. The liquidity of any market for the Notes will depend upon the number of holders of the Notes, the interests of the Dealers in making a market for the Notes and other factors. In addition, the liquidity of the trading market in the Notes, and the market price quoted for the Notes, may be adversely affected by changes in the overall financial market and by changes in Glencore's financial performance or in the prospects for companies in its industry generally. There can be no assurance that an active trading market will develop for the Notes.

Ranking of obligations under the Notes and the Guarantees

The obligations of the Issuer under the Notes will be unsecured and rank equally in right of payment with all unsecured unsubordinated obligations of the Issuer. The obligations of the Guarantors under each of the Guarantees will be unsecured and rank equally with all unsecured unsubordinated obligations of the respective Guarantor. These obligations will also be structurally subordinated to the holders of secured and unsecured debt and other creditors of subsidiaries of the Guarantors (other than the Issuer). The Terms and Conditions of the Notes do not place any limitation on the amount of unsecured debt that may be incurred by the Guarantors or any of their respective Subsidiaries (including the Issuer and Glencore International AG).

At June 30, 2011, the unsecured, unsubordinated obligations of the Issuer and the Guarantors, including bonds issued by Glencore International plc's subsidiaries which are fully guaranteed by the Guarantors, aggregated US\$ 15,318 million. The Issuer and the Guarantors had secured obligations of US\$ 1,616 million at June 30, 2011. The obligations of the subsidiaries of Glencore International plc (other than the Issuer and Glencore International AG) aggregated US\$ 7,053 million as at June 30, 2011 (such figures include secured obligations amounting to US\$ 2,684 million at June 30, 2011 relating to Glencore's bank loans secured with Xstrata shares).

The Notes will be structurally subordinated to subsidiary debt

Glencore International plc's operations are principally conducted through its subsidiaries. Accordingly, Glencore International plc is and will be dependent on its subsidiaries' operations to service its indebtedness, including interest and principal due under the Deed of Guarantee on the Notes. The Notes and the Guarantees will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of Glencore International plc's subsidiaries, and to all secured creditors of Glencore International plc and its subsidiaries. In the event of an insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of the business of any subsidiary of the Issuer, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to Glencore International plc.

Notes may not be a suitable investment for all investors

Each of the risks highlighted below could adversely affect the trading price of any Notes or the rights of investors under any Notes and, as a result, investors could lose some or all of their investment. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this document or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. In addition, an investment in dual currency Notes, partly-paid Notes, Index-linked Notes or perpetual Notes may entail significant risks not associated with investments in a conventional debt security, including but not limited to, the risks set out in "*Risks related to the structure of a particular issue of Notes*" below.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Program. A number of these Notes may have features which contain particular risks for potential investors including the risk that they may lose some or all of their investment. Set out below is a description of certain such features:

Dual currency Notes

An Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (c) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Partly-paid Notes

An Issuer may issue Notes where the issue price is payable in more than one installment. Failure to pay any subsequent installment could result in an investor losing all of its investment.

Index-linked Notes

If, in the case of a particular Tranche of Notes, the relevant Final Terms specify that the Notes are Index-linked Interest Notes and/or that the Final Redemption Amount of the Notes is calculated by reference to an index, there is a risk that the investor may lose some, or all, of the interest payable on such Notes.

Perpetual Notes

The Issuer may issue Notes with no fixed maturity date. The Issuer is under no obligation to redeem such perpetual Notes at any time and the holders of perpetual Notes have no right to call for their redemption.

INFORMATION INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Base Prospectus and which have been filed with the CSSF. Such documents shall be deemed to be incorporated in, and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus:

- (a) the audited non-consolidated annual accounts and financial statements (including the auditors' report thereon and notes thereto) of the Issuer for the years ended December 31, 2010 and December 31, 2009;
- (b) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of Glencore International AG in respect of the years ended December 31, 2010 and December 31, 2009;
- (c) the audited non-consolidated financial statements (including the auditors' report thereon and notes thereto) of Glencore International AG in respect of the year ended December 31, 2010; and
- (d) the unaudited consolidated interim financial statements of Glencore International plc in respect of the six month period ended June 30, 2011.

The Base Prospectus and any document incorporated by reference will be available on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>). The Issuer will, at the specified offices of the Paying Agents, provide, free of charge, upon oral or written request, a copy of this Base Prospectus (and any document incorporated by reference in this Base Prospectus).

Annual accounts for Glencore Finance (Europe) S.A.

The table below sets out the relevant page references for the annual accounts for and the notes to the annual accounts of Glencore Finance (Europe) S.A. for the fiscal years ended December 31, 2010 and December 31, 2009, as set out in the respective annual reports.

Annual accounts for the financial year ended December 31, 2010:	Page reference
Report of the Réviseur d'Entreprises	7
Balance Sheet	10
Profit and Loss Account	12
Notes to the Annual Accounts	13
 Annual accounts for the financial year ended December 31, 2009:	
Report of the Réviseur d'Entreprises	5
Balance Sheet	7
Profit and Loss Account	9
Notes to the Annual Accounts	10

Consolidated financial statements for Glencore International AG

The table below sets out the relevant page references for the financial statements for and the notes to the financial statements of Glencore International AG for the fiscal years ended December 31, 2010 and December 31, 2009, as set out in the respective annual reports.

Consolidated financial statements for the financial year ended December 31, 2010:	Page reference
Independent Auditors' Report	29
Consolidated Financial Statements:	
Consolidated Statements of Income	30
Consolidated Statements of Comprehensive Income	31

Consolidated Statements of Financial Position	32
Consolidated Statements of Cash Flows	33
Consolidated Statements of Changes in Equity.....	34
Notes to the Consolidated Financial Statements.....	35

Consolidated financial statements for the financial year ended December 31, 2009:

	Page reference
Independent Auditors' Report.....	66
Consolidated Financial Statements:	
Consolidated Statements of Income	24
Consolidated Statements of Comprehensive Income	25
Consolidated Statements of Financial Position	26
Consolidated Statements of Cash Flows	28
Consolidated Statements of Changes in Equity.....	30
Notes to the Consolidated Financial Statements.....	31

Non-consolidated financial statements for Glencore International AG

The table below sets out the relevant page references for the financial statements for and the notes to the financial statements of Glencore International AG for the fiscal year ended December 31, 2010.

Non-consolidated financial statements for the financial year ended December 31, 2010:

	Page reference
Statutory Auditors' Report.....	6
Financial Statements:	
Statements of Financial Position	8
Statements of Income	9
Notes to the Financial Statements	10

Consolidated financial statements for Glencore International plc

The table below sets out the relevant page references for the financial statements for and the notes to the interim financial statements of Glencore International plc for the half-year ended June 30, 2011, as set out in the semi-annual report.

Consolidated financial statements for the half-year ended June 30, 2011:

	Page reference
Statutory Auditors' Report.....	39
Financial Statements:	
Statements of Financial Position	42
Statements of Income	40
Notes to the Financial Statements	45

Information contained in the documents incorporated by reference other than information listed in the tables above is for information purposes only.

SUPPLEMENT TO THE BASE PROSPECTUS

The Issuer and each Guarantor has undertaken, in connection with the listing of the Notes on the Luxembourg Stock Exchange, that if at any time during the duration of the Program there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Base Prospectus for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and each Guarantor or any change in the information set out under "*Terms and Conditions of the Notes*", the Issuer and each Guarantor will prepare or procure the preparation of a supplement to this Base Prospectus or, as the case may be, publish a new Base Prospectus, for use in connection with any subsequent issue by the Issuer of Notes to be listed on the Luxembourg Stock Exchange.

FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On June 13, 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of June 30, 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after December 31, 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used and certain other criteria are fulfilled.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non- U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; **provided, however, that** in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to or to the order of the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to or to the order of the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to or to the order of the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Notes, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realized on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterized as capital gain) recognized on such sale, exchange or redemption will be treated as ordinary income.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions, save for this paragraph in italics, which, as supplemented, amended and/or replaced by Part A of the relevant Final Terms, will apply to each Tranche of Notes and which will be endorsed on each Note in definitive form issued under the Program. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

- (a) **Program:** Glencore Finance (Europe) S.A. (the "**Issuer**") and Glencore International plc and Glencore International AG (each a "**Guarantor**" and together, the "**Guarantors**") have established a Euro Medium Term Note Program (the "**Program**") for the issuance of up to US\$ 12,000,000,000 in aggregate principal amount of notes (the "**Notes**") unconditionally and irrevocably guaranteed by the Guarantors.
- (b) **Final Terms:** Notes issued under the Program are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of the applicable final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) **Trust Deed:** The Notes are subject to and have the benefit of an amended and restated trust deed dated November 8, 2011 (as amended and/or further supplemented and/or restated from time to time, the "**Trust Deed**") made between the Issuer, each Guarantor and Deutsche Trustee Company Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees appointed under the Trust Deed).
- (d) **Paying Agency Agreement:** The Notes are the subject of an amended and restated paying agency agreement dated November 8, 2011 (as amended and/or supplemented and/or restated from time to time, the "**Paying Agency Agreement**") between the Issuer, each Guarantor, the Trustee, Deutsche Bank AG, London Branch (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in accordance with the Paying Agency Agreement in connection with the Notes) and the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in accordance with the Paying Agency Agreement in connection with the Notes).
- (e) **Deed of Guarantee and Guarantee Agreement:** The Notes are the subject of a deed of guarantee dated November 8, 2011 (as amended or supplemented from time to time, the "**Deed of Guarantee**") entered into by Glencore International plc and the Trustee and a guarantee agreement dated November 8, 2011 (as amended or supplemented from time to time, the "**Guarantee Agreement**") entered into by Glencore International AG and the Trustee. The Guarantees of the Notes shall each be in addition to and not in substitution for or joint (or joint and several) with any other guarantee or security which the Trustee may at any time hold for or in relation to the guaranteed obligations.
- (f) **The Notes:** All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available free of charge during normal business hours at the Specified Office of the Trustee, the Principal Paying Agent and the Paying Agent in Luxembourg, the initial Specified Offices of which are set out below.
- (g) **Summaries:** Certain provisions of these Conditions are summaries of the Trust Deed, the Paying Agency Agreement, the Deed of Guarantee and the Guarantee Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency

Agreement, the Deed of Guarantee and the Guarantee Agreement applicable to them. Copies of the Trust Deed, the Paying Agency Agreement, the Deed of Guarantee and the Guarantee Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. Interpretation

(a) **Definitions:** In these Conditions the following expressions have the following meanings:

"Accounts Date" means the date as at which the first annual audited consolidated accounts prepared by Glencore International plc are prepared, expected to be December 31, 2011;

"Accrual Yield" has the meaning given in the relevant Final Terms;

"Additional Business Center(s)" means the city or cities specified as such in the relevant Final Terms;

"Additional Financial Center(s)" means the city or cities specified as such in the relevant Final Terms;

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Center; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Center of the relevant currency and in each (if any) Additional Business Center;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred;

- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning giving in the relevant Final Terms;

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme;

"Consolidated Assets" means all of the assets of the Group as reported in the latest audited consolidated financial statements of the Group;

"Consolidated Borrowing Costs" of the Group means all continuing, regular or periodic costs, charges and expenses (including, but not limited to, interest, whether capitalized or not and the interest element of Finance Leases) incurred by the Group in effecting, servicing or maintaining Financial Indebtedness, plus rent payments under operating leases, less interest received by the Group, all as reported in the latest audited consolidated financial statements of the Group;

"Consolidated Income" means income for the year before attribution less attribution to minorities, each as reported (or as comprised by those items having a substantially similar description) in the latest audited annual consolidated financial statements of the Group;

"Consolidated Income (or Loss) before Borrowing Costs and Tax" means Consolidated Income adjusted by adding back minority interests, taxes, extraordinary items and Consolidated Borrowing Costs for the period, all by reference to the latest audited annual consolidated financial statements of the Group;

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) when the 2000 ISDA Definitions are specified in the relevant Final Terms as being applicable:

- (A) if **"Actual/Actual (ICMA)"** is so specified, means:

- (1) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
- (2) where the Calculation Period is longer than one Regular Period, the sum of:
 - (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual

number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- (vii) when the 2006 ISDA Definitions are specified in the relevant Final Terms as being applicable:
 - (A) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (1) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (2) where the Calculation Period is longer than one Regular Period, the sum of:
 - (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
 - (B) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (C) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (D) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (E) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- "Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- "D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (F) if "**30E/360**" or "**Eurobond Basis**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- "Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- "D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (G) if **"30E/360 (ISDA)"** is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- "Y₁"** is the year, expressed as a number, in which the first day of the Calculation Period falls;
- "Y₂"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "M₁"** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- "M₂"** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- "D₁"** is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and
- "D₂"** is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

"Early Redemption Amount (Tax)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"Euroclear" means Euroclear Bank SA/NV;

"Excluded Financial Indebtedness" means Financial Indebtedness of any Subsidiary of Glencore International plc (other than the Issuer or any Material Subsidiary) to the extent that none of the Issuer, the Guarantors or any Material Subsidiary is or continues to be liable (whether actually or contingently, but excluding any pledge of the equity of such Subsidiary) to repay such Financial Indebtedness;

"Extraordinary Resolution" has the meaning given in the Trust Deed;

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Financial Indebtedness" of any Person, means (without duplication and excluding trade credit in the ordinary course of the Group's business on the Group's normal commercial terms):

- (i) all obligations of such Person for monies borrowed and its redemption obligations in respect of mandatorily redeemable preferred stock (being any class of capital stock of a corporation that is preferred over any other class of capital stock of such corporation as to the payment of dividends or the payment for any amounts upon liquidation or dissolution of such corporation);
- (ii) all obligations of such Person evidenced by any debenture, bond, note, loan, stock, commercial paper or other similar security;

- (iii) all actual (as opposed to contingent) reimbursement and other payment obligations of such Person (other than accounts payable) in respect of any acceptance of financial letters of credit or instruments serving similar functions;
- (iv) all obligations of such Person in respect of capitalized rentals or Finance Leases;
- (v) all guarantees by such Person of financial indebtedness of third parties; and
- (vi) the remaining recourse element of receivables sold by such Person or any of its Subsidiaries in a jurisdiction where such receivables financing is not a usual and customary financing transaction,

but with respect to the Group shall exclude monies borrowed or raised by any entity within the Group from any other entity within the Group;

"Finance Lease" as applied to any Person, means any lease of any property (whether real, personal or mixed) by such Person as lessee which would, in accordance with IFRS, be required to be classified and accounted for as a finance lease in the financial accounts or statements of such Person;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Group" means, at any time, prior to the Accounts Date, Glencore International AG and its Subsidiaries (including the Issuer), through which Glencore International AG may own its assets and conduct operations indirectly and following the Accounts Date, Glencore International plc and its Subsidiaries (including the Issuer), through which Glencore International plc may own its assets and conduct operations indirectly;

"Guarantee" means, in relation to any Financial Indebtedness of any Person, any obligation of another Person to pay such Financial Indebtedness;

"Guarantees of the Notes" means (i) the guarantee of the Notes given by Glencore International plc in the Deed of Guarantee and (ii) the guarantee of the Notes given by Glencore International AG in the Guarantee Agreement;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"International Financial Reporting Standards" or **"IFRS"** means, at any time, the current version of accounting standards set out by the International Accounting Standards Board in London, England (previously the International Accounting Standards or IAS);

"ISDA Definitions" means the 2006 ISDA Definitions as further amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc. or if so specified in the relevant Final Terms, the 2000 ISDA Definitions as further amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.;

"Issue Date" has the meaning given in the relevant Final Terms;

"Limited Recourse Indebtedness" means any indebtedness to finance the ownership, acquisition, development, redevelopment and/or operation of an asset or to finance or facilitate the receipt of any specified revenues or receivables in respect of which the person or persons to whom any such indebtedness is or may be owed (in this definition, the **"Lender"**) by the relevant borrower being the Issuer, each of the Guarantors or any Material Subsidiary (in this definition, the **"Borrower"**) has or have no recourse whatsoever to the Borrower for the repayment thereof other than:

- (i) recourse to such Borrower for amounts limited to the cash flow or net cash flow from such asset or receivable; and/or
- (ii) recourse to the proceeds of enforcement of any Security Interest given by such Borrower over such asset or receivable or the income, cash flow or other proceeds deriving therefrom (**"Relevant Property"**) (or given by any shareholder or the like in the Borrower over its shares or the like in the capital of the Borrower (**"Related Property"**)) to secure such indebtedness, **provided that** (A) the extent of such recourse to such Borrower is limited solely to the amount of any recoveries made on any such enforcement, and (B) such Lender is not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding-up or dissolution of the Borrower or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of the Borrower or any of its assets (save for the assets the subject of such encumbrance); and/or
- (iii) recourse to the Borrower generally, or directly or indirectly to a member of the Group, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specific way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another person or an indemnity in respect thereof or an obligation to comply or to procure compliance by another person with any financial ratios or other tests of financial Condition) by the person in favor of whom such recourse is available;

"Margin" has the meaning given in the relevant Final Terms;

"Material Subsidiary" means:

- (i) prior to the Accounts Date any Subsidiary of Glencore International AG and following the Accounts Date, any Subsidiary of Glencore International plc where (i) the Subsidiary Income or (Loss) before Borrowing Costs and Tax in respect of such a Subsidiary during the immediately preceding complete financial year of such Subsidiary exceeded 10% of the Consolidated Income (or Loss) before Borrowing Costs and Tax of the Group during the immediately preceding complete financial year of Glencore International AG or Glencore International plc, as the case may be, or (ii) the Subsidiary Assets in respect of such Subsidiary during the immediately preceding complete financial year of such Subsidiary exceeded 10% of the Consolidated Assets of the Group as at the end of the immediately preceding complete financial year of Glencore International AG or Glencore International plc, as the case may be; or

- (ii) prior to the Accounts Date any other Subsidiary of Glencore International AG and following the Accounts Date, any other Subsidiary of Glencore International plc which has been designated by Glencore International AG or, Glencore International plc, as the case may be, to the Dealers and the Trustee in writing to constitute a "Material Subsidiary" provided that, subject to paragraph (a) above, Glencore International AG may, by notice in writing to the Dealers and the Trustee specify that a Subsidiary previously designated to be a "Material Subsidiary" pursuant to this provision shall no longer be treated as a "Material Subsidiary"; or
- (iii) prior to the Accounts Date any Subsidiary of Glencore International AG and following the Accounts Date, any other Subsidiary of Glencore International plc held directly or indirectly which owns, directly or indirectly, a Subsidiary which is a Material Subsidiary in accordance with paragraph (a) or (b) above,

provided that neither Xstrata plc, a United Kingdom public company ("**Xstrata**"), nor Century Aluminum Company, a Delaware corporation ("**Century Aluminum**"), nor Minara Resources Limited, an Australian corporation ("**Minara Resources**"), nor Katanga Mining Limited, a Bermuda corporation ("**Katanga Mining**") and their respective Subsidiaries shall be, nor be deemed to be, a Material Subsidiary, and Glencore International plc and Glencore International AG have in the Trust Deed entered into certain covenants to deliver to the Trustee a certificate signed by a director of Glencore International AG or Glencore International plc, as the case may be, confirming which Subsidiaries of Glencore International AG or Glencore International plc, as the case may be, are Material Subsidiaries;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Participating Member State" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Center; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

- (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Center of the currency of payment and in each (if any) Additional Financial Center;

"Permitted Securitization Transaction" shall mean a sale of receivables, inventories or other assets by a member of the Group to a special purpose entity, whereby either (i) the sale does not meet the derecognition requirements of, or (ii) the special purpose entity is required to be consolidated under, IFRS such that the assets and related liabilities appear on Glencore International AG's consolidated financial statements;

"Permitted Security Interest" means:

- (i) any Security Interest over property or assets of a company which becomes a Subsidiary after the Issue Date (and at the same time or subsequently becomes a Material Subsidiary), but only if:
 - (A) the Security Interest (1) was in existence prior to the date the company concerned becoming a Subsidiary and (2) was not created in contemplation of such company becoming a Subsidiary; and
 - (B) the principal or nominal amount secured by the Security Interest as at the date the company became a Subsidiary is not subsequently increased; and
- (ii) any Security Interest on accounts receivable, inventory or other assets in connection with Permitted Securitization Transactions;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Center" means, in relation to any currency, the principal financial center for that currency **provided, however, that:**

- (i) in relation to euro, it means the principal financial center of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means Sydney and, in relation to New Zealand dollars, it means either Wellington or Auckland, as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four (or if the Principal Financial Center is Helsinki, five) major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first interest period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Center of the currency of payment by the Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Financial Center" has the meaning given in the relevant Final Terms;

"Relevant Indebtedness" means (i) any present or future indebtedness (whether being principal, premium, interest or other amount) in the form of, or represented or evidenced by, notes, bonds, debentures, debenture stock, loan stock or other securities which are, or are intended to be, with the consent of the person issuing the same, quoted, listed or ordinarily traded on any stock exchange or recognized over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Reserved Matter" has the meaning given in the Trust Deed;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" has the meaning given in the Paying Agency Agreement or, in relation to the Trustee, has the meaning given to it in the Trust Deed;

"Specified Period" has the meaning given in the relevant Final Terms;

"Subsidiary" means, in relation to any person, any corporation, association or other business entity more than 50% of the Voting Shares of which is at the time owned directly or indirectly by such person. Unless otherwise specified, any reference to a Subsidiary is intended as a reference to a direct or indirect Subsidiary of, prior to the Accounts Date, Glencore International AG and, following the Accounts Date, Glencore International plc;

"Subsidiary Assets" means the total assets of a Subsidiary of Glencore International AG (prior to the Accounts Date) or of Glencore International plc (following the Accounts Date) excluding all intercompany assets and liabilities, all as reported in the latest audited consolidated financial statements of that Subsidiary (or, in relation to a Subsidiary of Glencore International AG or Glencore International plc, as the case may be, which does not have any Subsidiaries, the latest audited non consolidated financial statements of such Subsidiary);

"Subsidiary Borrowing Costs" of any Subsidiary of Glencore International AG prior to the Accounts Date) or of Glencore International plc (following the Accounts Date) means all continuing, regular or periodic costs, charges and expenses (including, but not limited to interest, whether capitalized or not and the interest element of Finance Leases) incurred by such Subsidiary in effecting, servicing or maintaining Financial Indebtedness plus rent payments under operating leases, less interest received by such Subsidiary, all as reported in the latest audited consolidated financial statements of such Subsidiary (or, in relation to a Subsidiary of Glencore International AG or Glencore International plc, as the case may be, which does not have any Subsidiaries, the latest audited non consolidated financial statements of such Subsidiary);

"Subsidiary Income (or Loss) before Borrowing Costs and Tax" means the Consolidated Income of any Subsidiary of Glencore International AG, prior to the Accounts Date) or of Glencore International plc (following the Accounts Date) (or, in relation to such a Subsidiary which does not have any Subsidiaries, the non consolidated income), adjusted by adding back any cumulative effect of changes in accounting policy, minority interests, income taxes, extraordinary items and Subsidiary Borrowing Costs for the year, but excluding all inter Subsidiary transactions such as, but not limited to, dividends, commissions and management fees all as reported in the latest audited consolidated financial statements of such Subsidiary (or, in relation to a Subsidiary of Glencore International AG or Glencore International plc, as the case may be, which does not have any Subsidiaries, the latest audited non consolidated financial statements of such Subsidiary);

"Talon" means a talon for further Coupons;

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer system which utilizes a single shared platform and which was launched on November 19, 2007;

"TARGET Settlement Day" means any day on which the TARGET2 System is open for settlement of payments in euro;

"Treaty" means the Treaty establishing the European Communities, as subsequently amended;

"Voting Shares" means with respect to any person, the securities of any class or classes of such person, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or persons performing similar functions) of such person; and

"Zero Coupon Note" means a Note specified as such in the relevant Final Terms.

(b) **Interpretation:** In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "**outstanding**" shall be construed in accordance with the Trust Deed; and
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "**not applicable**" then such expression is not applicable to the Notes.

3. **Form, Denomination and Title**

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue, **provided that** in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder.

4. **Status and Guarantees**

- (a) **Status of the Notes:** The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) **Guarantees of the Notes:** Glencore International plc has in the Deed of Guarantee and Glencore International AG has in the Guarantee Agreement unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. The Guarantees of the Notes each constitute direct, general and unconditional obligations of the relevant Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of such Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Guarantees of the Notes shall each be in addition to and not in substitution for or joint (or joint and several) with any other guarantee or security which the Trustee may at any time hold for or in relation to the guaranteed obligations.

5. **Negative Pledge**

None of the Issuer and the Guarantors will, and the Guarantors will not permit any Material Subsidiary to, directly or indirectly, create, incur, assume or permit to exist any Security Interest, except for Permitted Security Interests, on or with respect to any property or assets of the Issuer, either Guarantor or any Material Subsidiary (whether held on the date hereof or hereafter acquired) or any interest therein or any income or profits therefrom to secure any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes, Glencore International plc's obligations under the Deed of Guarantee or, as the case may be, Glencore International AG's obligations under the Guarantee Agreement are secured equally and ratably therewith or benefit from another arrangement (whether or not comprising a Security Interest) as the Trustee deems is not materially less beneficial to the interests of the Noteholders.

6. **Fixed Rate Note Provisions**

- (a) **Application:** This Condition 6 (Fixed Rate Note Provisions) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

- (b) **Accrual of interest:** The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) **Calculation of Interest Amount:** The amount of interest payable per Calculation Amount in respect of each Note for any period for which a Fixed Coupon Amount (or formula for its calculation) is not specified shall be equal to the product of the Rate of Interest, the Calculation Amount and the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (e) **Net Interest Amount:** If any withholding or deduction is imposed under Condition 12, the Issuer shall increase the payment of principal or interest to such amount as will result in receipt by the Noteholders and Couponholders of such amount as would have been received by them if no such withholding or deduction had been required (except as provided in Condition 12).

7. Floating Rate Note and Index-Linked Interest Note Provisions

- (a) **Application:** This Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Screen Rate Determination:**
 - (i) If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be:
 - (A) the offered quotation; or
 - (B) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest

Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

- (ii) if the Relevant Screen Page is not available or if, sub-paragraph (i)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (i)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (iii) if paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period).
- (d) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an

interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) **Index-Linked Interest:** If the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.
- (f) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be equal to the product of the Rate of Interest for such Interest Period, the Calculation Amount and the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (h) **Calculation of other amounts:** If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (i) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, Interest Period and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, each Guarantor, the Trustee and the Paying Agents, the Luxembourg Stock Exchange and each stock exchange (if any) on which the Notes are then listed as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (j) **Notifications etc:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Trustee, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

- (k) **Determination or Calculation by Trustee:** If the Calculation Agent fails at any time to determine a Rate of Interest or to calculate an Interest Amount, the Trustee will determine such Rate of Interest and make such determination or calculation which shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply all of the provisions of these Conditions with any necessary consequential amendments to the extent that, in its sole opinion and with absolute discretion, it can do so and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof. Any such determination or calculation made by the Trustee shall be binding on the Issuer, each Guarantor, Noteholders, Couponholders, the Calculation Agent and the Paying Agents.

- (l) **Net Interest Amount:** If any withholding or deduction is imposed under Condition 12 (*Taxation*), the Issuer shall increase the payment of principal or interest to such amount as will result in receipt by the Noteholders and Couponholders of such amount as would have been received by them if no such withholding or deduction had been required (except as provided in Condition 12).

8. **Zero Coupon Note Provisions**

- (a) **Application:** This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

- (b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or as the case may be the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Dual Currency Note Provisions**

- (a) **Application:** This Condition 9 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable.

- (b) **Rate of Interest:** If the rate or amount of interest fails to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

10. **Redemption and Purchase**

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments*).

- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part:

- (i) at any time (if neither the Floating Rate Note Provisions nor the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (in accordance with Condition 20 (*Notices*)) (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (i) (1) the Issuer satisfies the Trustee immediately prior to the giving of the notice by the Issuer referred to above that the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Luxembourg or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (ii) (1) the Issuer satisfies the Trustee immediately prior to the giving of the notice by the Issuer referred to above that either of the Guarantors has or (if a demand were made under the Guarantees of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of (in the case of Glencore International AG) Switzerland or (in the case of Glencore International plc) Jersey or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, and (2) such obligation cannot be avoided by such Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (i) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or either Guarantor would be obliged to pay such additional amounts or either Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantees of the Notes were then made; or
- (ii) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or either Guarantor would be obliged to pay such additional amounts or either Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantees of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (A) a certificate signed by two directors of the Issuer stating that the circumstances referred to in A(1) and A(2) prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by two directors of the relevant Guarantor stating that the circumstances referred to in B(1) and B(2) prevail and setting out the details of such circumstances and (B) an opinion satisfactory to the Trustee of independent legal advisers of recognized standing to the effect that the Issuer or (as the case may be) the relevant Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the circumstances set out in A(1) and A(2) above or (as the case may be) B(1) and B(2) above, in which event they shall be conclusive and binding on the Noteholders. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

- (c) **Redemption at the option of the Issuer:** If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (in accordance with Condition 20 (*Notices*)) and having

notified the Trustee prior to the provision of such notice (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

- (d) **Partial redemption:** If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject in each case to compliance with applicable law and the rules of each stock exchange on which the Notes are then listed, and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
 - (e) **Redemption at the option of Noteholders:** If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
 - (f) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
 - (g) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.
- Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.
- (h) **Purchase:** The Issuer, each of the Guarantors or any Subsidiary of each of the Guarantors may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.

- (i) **Cancellation:** All Notes so redeemed or purchased by the Issuer, either Guarantor or any Subsidiary of either Guarantor and any unmatured Coupons attached to or surrendered with them may be held by the Issuer, either Guarantor or any Subsidiary of either Guarantor or resold.

11. **Payments**

- (a) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by check drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with a bank in the Principal Financial Center of that currency.
- (b) **Interest:** Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (Taxation). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Deductions for unmatured Coupons:** If the relevant Final Terms specify that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) **Unmatured Coupons void:** If the relevant Final Terms specify that this Condition 11(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) **Payments on business days:** If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) **Payments other than in respect of matured Coupons:** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) **Exchange of Talons:** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent and the Paying Agent in Luxembourg for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12. **Taxation**

- (a) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons (including payments by each Guarantor under the Guarantees of the Notes) by or on behalf of the Issuer or each Guarantor shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by Luxembourg, Switzerland or Jersey or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) the relevant Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
 - (i) by a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with Switzerland or Jersey other than the mere holding of such Note or Coupon; or
 - (ii) more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Note or Coupon on the last day of such period of 30 days; or
 - (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other law, agreement or directive implementing the conclusions of the ECOFIN (European

Union Economic and Finance Ministers) Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (iv) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.
- (b) **Taxing jurisdiction:** If the Issuer or any of the Guarantors becomes subject at any time to any taxing jurisdiction other than, as the case may be, Luxembourg, Switzerland or Jersey, references in these Conditions to Luxembourg, Switzerland or Jersey shall be construed as references to, as the case may be, Luxembourg, Switzerland, Jersey and/or such other jurisdiction.

13. Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing, the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to, in the case of the happening of any of the events mentioned in paragraphs (b), (d) or (i) below and, in relation to a Material Subsidiary only, paragraphs (c), (e), (f) or (g) the Trustee having certified in writing that the happening of such events is in its opinion materially prejudicial to the interests of the Noteholders and, in all cases to the Trustee having been indemnified or provided with security to its satisfaction) give written notice to the Issuer (with a copy to each of the Guarantors) declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal or interest in respect of the Notes on the due date for payment thereof and such default continues for a period of 14 days from the due date for payment thereof; or
- (b) **Breach of other obligations:** the Issuer or either Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Trust Deed, the Deed of Guarantee or the Guarantee Agreement, as the case may be, and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy remains unremedied for 60 days or such longer period as the Trustee may in its absolute discretion agree after the Trustee has given written notice thereof to the Issuer and each Guarantor; or
- (c) **Cross-default of Issuer, Guarantors or Material Subsidiary:**
 - (i) any Financial Indebtedness (other than Limited Recourse Indebtedness and Excluded Financial Indebtedness) of the Issuer, either Guarantor or any other Material Subsidiary is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Financial Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer, either Guarantor or (as the case may be) the relevant Material Subsidiary or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Financial Indebtedness; or
 - (iii) the Issuer, either Guarantor or any Material Subsidiary fails to pay when due within any applicable grace periods any amount payable by it under any Guarantee of any such Financial Indebtedness;

provided that the amount of Financial Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds US\$ 50,000,000 (or its equivalent in any other currency or currencies); or

- (d) **Unsatisfied judgment:** one or more judgment(s) or order(s) for the payment of an aggregate amount in excess of US\$ 50,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer, either Guarantor or any Material Subsidiary and continue(s)

unsatisfied and unstayed for a period of 90 days after the date(s) thereof or, if later, the date therein specified for payment; or

- (e) **Security enforced:** (other than in respect of Limited Recourse Indebtedness) a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer, either Guarantor or any Material Subsidiary; or
- (f) **Insolvency etc:** (i) the Issuer, either Guarantor or any Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due and/or, if the issuer is Glencore Finance (Europe) S.A. proceedings are initiated against the Issuer, either Guarantor or any Material Subsidiary under any applicable liquidation, insolvency, bankruptcy, composition, reorganization, moratorium, controlled management (*gestion contrôlée*), suspension of payment (*sursis de paiement*) or other similar laws, (ii) a receiver, trustee, administrator, custodian, conservator, liquidator or other similar official is appointed in relation to the Issuer or in relation to the whole, the substantial whole, or any part of the undertaking or assets of the Issuer, either Guarantor or any Material Subsidiary, (iii) the Issuer, either Guarantor or any Material Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Financial Indebtedness or any Guarantee of any Financial Indebtedness given by it or (iv) the Issuer, either Guarantor or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business (otherwise than, in the case of the Issuer or the Guarantors, for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent and, in the case of any other member of the Group, for the purpose of or pursuant to any amalgamation, reorganization or restructuring); or
- (g) **Winding up etc:** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, either Guarantor or any Material Subsidiary (otherwise than, in the case of a Material Subsidiary, for the purposes of or pursuant to an amalgamation, reorganization or restructuring whilst solvent); or
- (h) **Analogous event:** any event occurs which under the laws of Luxembourg, Switzerland or Jersey has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or
- (i) **Unlawfulness:** it is or will become unlawful for the Issuer or either Guarantor to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed, or the Guarantees of the Notes; or
- (j) **Guarantees not in force:** the Deed of Guarantee or the Guarantee Agreement is not (or is claimed by either Guarantor not to be) in full force and effect.

14. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent (and, if the Notes are then listed on any stock exchange which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such stock exchange), subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and/or the Guarantors may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

16. **Trustee and Agents**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce payment unless

indemnified to its satisfaction, and to be paid its costs and expenses in priority to the claims of Noteholders. The Trustee is entitled to enter into business transactions with the Issuer and/or the Guarantors and any entity related to the Issuer and/or the Guarantors without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual holders of Notes, Coupons or Talons as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Paying Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer, each Guarantor or, following the occurrence of an event of default, the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and each Guarantor reserve the right (with the prior written approval of the Trustee) at any time to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint a successor principal paying agent or calculation agent and additional paying agents; **provided, however, that:**

- (a) the Issuer and the Guarantors shall at all times maintain a Principal Paying Agent; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantors shall at all times, whilst any such Note remains outstanding, maintain a Calculation Agent; and
- (c) if and for so long as the Notes are listed on any stock exchange which requires the appointment of a Paying Agent in any particular place, the Issuer and the Guarantors shall maintain a Paying Agent having its Specified Office in the place required by the rules of such stock exchange; and
- (d) if European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN (European Union Economic and Finance Ministers) Council meeting of November 26-27, 2000 is brought into force, the Issuer will ensure that it maintains a Paying Agent with a specified office in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to such Directive.

Notice of any changes in any of the Paying Agents and Calculation Agents or in their Specified Offices shall promptly be given by the Issuer to the Noteholders in accordance with Condition 20 (*Notices*).

17. **Meetings of Noteholders; Modification and Waiver**

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or the provisions of the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantors (acting together) or the Trustee and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification and Waiver:** The Trustee may agree, without the consent of the Noteholders or the Couponholders, to (i) any modification of any provision of these Conditions or the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law and (ii) any other modification (except as mentioned in the Trust Deed) and any waiver or authorization of any breach or proposed breach of any provision of these Conditions or the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. In addition, the parties to the Paying Agency Agreement may agree to modify any provision thereof, save the Trustee shall only agree without the consent of the Noteholders to such modification if, in the opinion of the Trustee, such modification is not materially prejudicial to the interests of the Noteholders. Any such modification, authorization or waiver shall be binding on the Noteholders, Receiptholders and Couponholders.

18. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do unless:

- (a) it has been so requested in writing by the holders of at least one quarter in principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified or provided with security to its satisfaction.

No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

19. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single Series with the Notes.

20. **Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times) and, if the Notes which are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>). If such publication is not practicable, publication will be made in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

21. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001 %), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Substitution**

The Trustee may, without the consent of the Noteholders, agree with the Issuer and each Guarantor to the substitution in place of the Issuer or any of the Guarantors (or, in each case, of any previous substitute under this Condition) as the principal debtor under or, as the case may be, guarantor in respect of the Notes and the Trust Deed of any other Subsidiary of Glencore International plc, subject to (a) in the case of a substitution of the Issuer (or any previous substitute Issuer under this Condition), the Notes being guaranteed by each of the remaining Guarantors or, as the case may be, Guarantor (or where such substitute issuer is itself a Guarantor, the Notes being guaranteed by each of the other Guarantors or, as the case may be, Guarantor (or, in the case of the substitution of any of the Guarantors, the Notes being guaranteed by the new guarantor and the remaining Guarantor(s)), (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution, and (c) certain other Conditions set out in the Trust Deed being complied with.

24. **Governing Law and Jurisdiction**

- (a) **Governing law:** The Notes, the Trust Deed, the Deed of Guarantee and any non-contractual obligations arising out of, or in connection with them, are governed by, and shall be construed in accordance with, English law. The Guarantee Agreement is governed by, and shall be construed in accordance with, the laws of Switzerland. The provisions of Articles 86 to 94-8 of the Luxembourg law on commercial companies of August 10, 1915, as amended, are excluded.
- (b) **Jurisdiction:** Each of the Issuer and the Guarantors have agreed in the Trust Deed for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any dispute, which may arise out of, or in connection with the Notes (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- (c) **Appropriate forum:** Each of the Issuer and the Guarantors has in the Trust Deed waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agreed not to claim that any such court is not a convenient or appropriate forum.
- (d) **Process agent:** The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to Glencore UK Ltd. at 50 Berkeley Street, London W1J 8HD or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of any Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent and Trustee, appoint a further Person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a Person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent and Trustee. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.

- (e) **Non-exclusivity:** The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law. Any legal action or proceeding in respect of the Guarantee Agreement may also be brought before the courts of the city of Zug, Switzerland.
- (f) **Third Parties:** No person shall have any right to enforce any term or Condition of this Note or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated [•]

GLENCORE FINANCE (EUROPE) S.A.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by

GLENCORE INTERNATIONAL PLC

and

GLENCORE INTERNATIONAL AG

under the US\$ 12,000,000,000

Euro Medium Term Note Program

PART A

Contractual Terms

Glencore Finance (Europe) SA was incorporated as a Société Anonyme on April 17, 2003 for an unlimited duration under the laws of the Grand Duchy of Luxembourg. The Articles of Incorporation were published on May 12, 2003 in the Mémorial, Journal Officiel du Grand-Duché de Luxembourg, Recueil des Sociétés et Associations. The corporate capital is €31,000 represented by 31 ordinary shares with a par value of €1,000 each fully paid up. Its registered office is at 1 Allée Scheffer, L-2520 Luxembourg, P.O. Box 8, L-2010, Luxembourg and it is registered with the Register of Commerce and Companies, Luxembourg under number B-92,830.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated November 8, 2011 [and the supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement to Base Prospectus] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from [address].

The directors of Glencore Finance (Europe) S.A. have taken all reasonable care to ensure that the facts stated herein in relation to that company are true and accurate in all material respects and that there are no other material facts, the omission of which would make misleading any statement herein in relation to Glencore Finance (Europe) S.A. whether a fact or opinion. All directors accept responsibility accordingly.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [•]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC, as amended) (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base

Prospectus dated [original date] [and the supplement to the Base Prospectus dated [•]] and are attached hereto. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date] [and the supplement[s] to the Base Prospectuses dated [•] and [•]]. The Base Prospectuses [and the supplement to the Base Prospectuses] are available for viewing at [address] [and] [website] and copies may be obtained from [address].

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1. (i) Issuer: Glencore Finance (Europe) S.A.
- (ii) Guarantors: Glencore International plc and Glencore International AG
2. [(i)] Series Number: [•]
- [(ii)] Tranche Number: [•]
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount of Notes admitted to trading: [•]
- [(i)] Series: [•]
- [(ii)] Tranche: [•]
5. Issue Price: [•]% of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (i) Specified Denominations: [•]
(N.B. Where multiple denominations above €100,000 (or equivalent) are being used, the following sample wording should be followed:

"€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")
- (ii) Calculation Amount: [•]
(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations)
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
8. Maturity Date: [Specify date or (for Floating Rate Notes) Interest

- Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis: [[•]% Fixed Rate]
[[specify reference rate] [•]% Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (specify)]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index-Linked Redemption]
[Dual Currency]
[Partly Paid]
[Installment]
11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. (i) Status of the Notes: Senior
(ii) Status of the Guarantees: Senior
[(iii)] Date Board approval for issuance of Notes and Guarantees obtained: [•] and [•] respectively
(N.B. Only relevant where Board authorization is required for the particular tranche of Notes or related Guarantees)
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable](If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [•]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Center(s) for the definition of "Business Day"/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA /ISDA) / other]
- (vi) Determination Dates: [•] in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA]))
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

16.	Floating Rate Note Provisions	[Applicable/Not Applicable](If not applicable, delete the remaining sub-paragraphs of this paragraph)[Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate.]
(i)	Interest Period(s)	[•]
(ii)	Specified Interest Payment Dates:	[•]
(iii)	First Interest Payment Date:	[•]
(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(v)	Additional Business Center(s):	[•]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (give details)]
(vii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	[[Name] shall be the Calculation Agent <i>(no need to specify if the Principal Paying Agent is to perform this function)</i>]
(viii)	Screen Rate Determination:	
	• Reference Rate:	[•]
	• Interest Determination Date(s):	[•]
	• Relevant Screen Page:	[•]
	• Relevant Time:	[•]
	• Relevant Financial Center:	[•]
(ix)	ISDA Determination:	
	• Floating Rate Option:	[•]
	• Designated Maturity:	[•]
	• Reset Date:	[•]
(x)	Margin(s):	[+/-][•]% per annum
(xi)	Minimum Rate of Interest:	[•]% per annum
(xii)	Maximum Rate of Interest:	[•]% per annum
(xiii)	Day Count Fraction:	[•] as per the [2000/2006] ISDA Definitions (Note that this item relates to the definition of "Day Count Fraction")

		in the Conditions and that a distinction is made therein between the 2000 and 2006 ISDA Definitions)
	(xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]
17.	Zero Coupon Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) [Amortization/Accrual] Yield:	[•]% per annum
	(ii) Reference Price:	[•]
	(iii) Any other formula/basis of determining amount payable:	[•]
18.	Index-Linked Interest Note/other variable-linked interest Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Index/Formula/other variable:	[give or annex details]
	(ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount (s) (if not the Principal Paying Agent):	[[Name] shall be the Calculation Agent <i>(no need to specify if the Principal Paying Agent is to perform this function)</i>]
	(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[•]
	(iv) Interest Determination Date(s):	[•]
	(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[•]
	(vi) Interest or calculation period(s):	[•]
	(vii) Specified Interest Payment Dates:	[•]
	(viii) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other

		(give details)]
(ix)	Additional Business Center(s):	[•]
(x)	Minimum Rate/Amount of Interest:	[•]% per annum
(xi)	Maximum Rate/Amount of Interest:	[•]% per annum
(xii)	Day Count Fraction:	[•]
19.	Dual Currency Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i)	Rate of Exchange/method of calculating Rate of Exchange:	[give details]
(ii)	Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent):	[[Name] shall be the Calculation Agent <i>(no need to specify if the Principal Paying Agent is to perform this function)</i>]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[•]
(iv)	Person at whose option Specified Currency(ies) is/are payable:	[•]

PROVISIONS RELATING TO REDEMPTION

20.	Call Option	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i)	Optional Redemption Date(s):	[•]
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[•] per Calculation Amount
	(b) Maximum Redemption Amount:	[•] per Calculation Amount
(iv)	Notice period:	[•]
21.	Put Option	[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): [•]

22. **Final Redemption Amount of each Note** [•] per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

- (i) Index/Formula/variable: [give or annex details]
- (ii) Party responsible for calculating the Final Redemption Amount (if not the Principal Paying Agent): [[Name] shall be the Calculation Agent *(no need to specify if the Principal Paying Agent is to perform this function)*]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]
- (iv) Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable: [•]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (vi) [Payment Date]: [•]
- (vii) Minimum Final Redemption Amount: [•] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [•] per Calculation Amount

23. **Early Redemption Amount**

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early [•]

redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	Bearer Notes:
		[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
		[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice] ¹
		[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
25.	New Global Note Form:	[Applicable/Not Applicable]
26.	Financial Center(s) or other special provisions relating to Payment Dates:	[Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15 (ii), 16(v) and 18(ix) relate]
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. If yes, give details]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/give details]
29.	Details relating to Installment Notes: amount of each installment, date on which each payment is to be made:	[Not Applicable/give details]
30.	Redenomination, renominialization and reconventioning provisions:	[Not Applicable/The provisions [in Condition [•]] apply]
31.	Consolidation provisions:	[Not Applicable/The provisions [in Condition 19 (<i>Further Issues</i>)] apply]
32.	Other final terms:	[Not Applicable/give details] (When adding any other final terms consideration should be given as to whether such terms constitute a "significant new factor" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

¹ In relation to any issue of Notes which are expressed to be Temporary Global Notes exchangeable for Definitive Notes in accordance with this option, such Notes may only be issued in denominations equal to, or greater than, EUR100,000 (or equivalent) and integral multiples thereof.

DISTRIBUTION

33. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilizing Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name of Dealer: [Not Applicable/give name]
35. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA C/TEFRA D/TEFRA not applicable]
36. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required to list and have admitted to trading on the regulated market of the Luxembourg Stock Exchange the issue of Notes described herein pursuant to the US\$ 12,000,000,000 Euro Medium Term Note Program of Glencore Finance (Europe) S.A. guaranteed by Glencore International plc and Glencore International AG.

RESPONSIBILITY

The Issuer and each of the Guarantors accept responsibility for the information contained in these Final Terms. [[•] has been extracted from [•]. The Issuer and each of the Guarantors confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: By:

Duly authorized

Duly authorized

Signed on behalf of Glencore International plc:

By:

Duly authorized

Signed on behalf of Glencore International AG:

By:

Duly authorized

PART B
Other Information

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Official List of the Luxembourg Stock Exchange/other (specify)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from [•].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

- Ratings: [The Notes to be issued will not be rated.]
- [[The Program has been/The Notes to be issued [have been]/[are expected to be]] rated:]
[S&P: [•]]
[Moody's: [•]]
[Fitch: [•]]
[[Other]: [•]]
- [[Insert credit rating agency legal name] is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**").]
- [[Insert credit rating agency legal name] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**"), although as at the date of these Final Terms notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]
- [[Insert credit rating agency legal name] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**").]
- [[Insert credit rating agency legal name] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**") but is endorsed by [insert credit rating agency legal name] which is established in the European Union [and registered under the CRA Regulation/and has applied for registration under the CRA Regulation, although as at the date of these Final Terms notification of the corresponding registration decision has not yet been

provided by the relevant competent authority.]

[[Insert credit rating agency legal name] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**"), but it is certified in accordance with the CRA Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before June 7, 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3. **[NOTIFICATION]**

The *Commission de Surveillance du Secteur Financier* [has been requested to provide/has provided — include first alternative for an issue which is contemporaneous with the establishment or update of the Program and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

5. **[REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES]**

[(i)] Reasons for the offer: [•]
(See "*Use of Proceeds*" wording in Base Prospectus — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii)] Estimated net proceeds: [•]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses: [•]. [Include breakdown of expenses.]
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)]

6. **[Fixed Rate Notes only – YIELD]**

Indication of yield: [•]. Calculated as [include details of method of calculation in summary form] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. **[Index-Linked Notes only – PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING]**

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

8. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE]**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive).

9. **OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Include this text if "Yes" selected in which case the Notes must be issued in NGN form.]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking Societe Anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s) [•]

Names and addresses of additional Paying Agent(s)(if any): [•]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of a NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantors to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer or the Guarantors in respect of payments due under the Notes and such obligations of the Issuer and the Guarantors will be discharged by payment to the bearer of the Global Note.

So long as the Notes are represented by a temporary Global Note or permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and integral multiples in excess thereof specified in the relevant Final Terms.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to order of the Principal Paying Agent, following the expiry of a period of 40 days after the issue date of the relevant Tranche of the Notes and upon certification as to non-US beneficial ownership.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form at the request of the bearer of such Permanent Global Note against presentation and surrender of the Permanent Global Note to the Principal Paying Agent if either of the following events occurs: (a) Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant Exchange Date, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of a NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "Payment Business Day" set out in Condition 2 (*Interpretation*).

Exercise of put option: In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg or any other clearing system (as the case may be) as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>).

DESCRIPTION OF GLENCORE FINANCE (EUROPE) S.A.

General

On April 17, 2003, Glencore Finance (Europe) S.A. was incorporated for an unlimited duration in Luxembourg as a limited liability company (société anonyme) under Luxembourg law under the name Glencore Finance (Europe) S.A. Glencore Finance (Europe) S.A. is wholly owned by Glencore Finance (Bermuda) Ltd. (96.77%) and Glencore Capital Ltd. (3.22%), both of which are ultimately controlled by Glencore International plc.

Its Articles of Incorporation were published in the Mémorial C, Journal Officiel du Grand Duché de Luxembourg, Recueil des Sociétés et Associations on May 12, 2003 on pages 24453 to 24461 and amendments to these were published on November 21, 2007 on pages 128038 to 128040 and on December 20, 2008 on pages 143933 to 143935. The authorized and issued share capital of Glencore Finance (Europe) S.A. is €31,000 divided into 31 ordinary shares with a par value of €1,000 each. The authorized and issued shares are fully paid up. Thirty shares are owned by Glencore Finance (Bermuda) Ltd. and one share is owned by Glencore Capital Ltd, each being a company existing under the laws of Bermuda, with registered offices at Argyle House, 41A Cedar Avenue, Hamilton HM12, Bermuda. Glencore Finance (Europe) S.A.'s registered office is situated at Allée Scheffer 1, L-2520 Luxembourg, P.O. Box 8 L-2010 Luxembourg and its telephone number is: +352 241 4331. Its correspondence address is at its registered office. Glencore Finance (Europe) S.A. is registered with the Register of Commerce and Companies of Luxembourg under number B 92830.

Business

Glencore Finance (Europe) S.A. has entered into a domiciliation agreement dated April 17, 2003 (the "**Domiciliation Agreement**") pursuant to which TMF Management Luxembourg S.A. acts as Domiciliation Agent of Glencore Finance (Europe) S.A. and provides domiciliation and other corporate and administrative services to Glencore Finance (Europe) S.A. The corporate objects of Glencore Finance (Europe) S.A. as set out in Clause 3 in the Articles of Incorporation include the acquisition, holding and disposal of participations directly or indirectly, in any form whatsoever, in Luxembourg companies and/or foreign companies or other entities; the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes or other securities of any kind of instrument and contracts thereon or relative thereto; and the ownership, administration, development and management of its portfolio holdings.

Glencore Finance (Europe) S.A. may in particular:

- acquire by way of subscription, purchase, exchange or in any other manner any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally any securities and financial instruments representing ownership rights, claims or transferable securities issued by any public or private issuer whatsoever;
- exercise all rights whatsoever attached to these securities and financial instruments;
- grant security interests over its assets;
- finance entities which belong to the same group as Glencore Finance (Europe) S.A., or finance entities in which entities of such group hold participations or an economic interest, in the form of loans, credits, warranties or any other financial assistance;
- borrow or raise money in any currency in order to secure or discharge any debt or obligation in any manner and in particular (without prejudice to the generality of the foregoing) by mortgages of or charges upon all or any part of its undertaking, property, assets (present and future) and uncalled capital of Glencore Finance (Europe) S.A. or by the creation and issue of securities;
- make deposits at banks or with other depositaries; and
- raise funds, issue bonds and notes, in order to carry out its activity within the framework of its corporate object.

Glencore Finance (Europe) S.A. may carry out any transactions, whether commercial or financial, which are directly or indirectly connected with its objects at the exclusion of any banking activity.

In general, Glencore Finance (Europe) S.A. may carry out any operation which it may deem useful or necessary in the accomplishment and the development of its corporate purpose.

Directors

The following table sets out the Directors of Glencore Finance (Europe) S.A. as at November 7, 2011 and their principal activities outside Glencore:

Name	Position	Other Principal Activities
Steven Kalmin	Director	Director of Century Aluminum Company
Andreas Hubmann	Director	None
Robert-Jan Schol	Director	Managing Director of TMF
Polyxeni Kotoula	Director	Managing Director of TMF
Jorge Perez Lozano	Director	Director of TMF

The business address of each of the Directors is Allée Scheffer 1, L-2520 Luxembourg, P.O. Box 8 L-2010 Luxembourg, Luxembourg.

As at the date of this Base Prospectus, none of the Directors of Glencore Finance (Europe) S.A. has any conflict of interest between their duties to Glencore Finance (Europe) S.A. and their other principal activities listed above.

Authorized Auditors

Deloitte S.A. of 560, rue de Neudorf, L-2220 Luxembourg, Grand-Duchy of Luxembourg, has been appointed as authorized auditor to Glencore Finance (Europe) S.A.

Annual Accounts

Since the date of its incorporation, Glencore Finance (Europe) S.A. has prepared and published annual audited non-consolidated annual accounts in accordance with Luxembourg Generally Accepted Accounting Principles, which may be obtained at the specified offices of the Paying Agents during normal business hours.

Financial Year

The financial year end of Glencore Finance (Europe) S.A. is December 31.

DESCRIPTION OF GLENCORE INTERNATIONAL PLC

General

Glencore International plc ("**Glencore International**" and, together with its consolidated subsidiaries, "**Glencore**" or the "**Group**") was incorporated in Jersey under the Jersey Companies Law on March 14, 2011 as a public company limited by shares with the name Glencore International Limited. Glencore International changed its name to Glencore International plc on April 12, 2011. Glencore International's registration number is 107710. The registered office of Glencore International is at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES and its headquarters are located at Baarermattstrasse 3, CH-6340 Baar, Switzerland. Glencore International's telephone number is: +44 1534 281800. The ordinary shares of Glencore International are admitted to a primary listing on the main market of the London Stock Exchange and a secondary listing on the Hong Kong Stock Exchange. Its country of jurisdiction is Jersey.

Glencore International's principal business is to act as the ultimate holding company of the Group.

Unless stated otherwise, all references within this section to company ownership interests held by Glencore are made as of June 30, 2011.

Overview of Glencore

Glencore is a leading integrated producer and marketer of commodities, with worldwide activities in the marketing of metals and minerals, energy products and agricultural products and the production, retirement, processing, storage and transport of those products. Glencore operates on a global scale, marketing and distributing physical commodities sourced from third party producers and its own production to industrial consumers, such as those in the automotive, steel, power generation, oil and food processing industries. Glencore also provides financing, logistics and other services to producers and consumers of commodities.

Glencore's long experience as a commodity merchant has allowed it to develop and build upon its expertise in the commodities which it markets and cultivate long-term relationships with a broad supplier and customer base across diverse industries and in multiple geographic regions. Glencore's marketing activities are supported by investments in industrial assets operating in Glencore's core commodities. Glencore's industrial, geographical, commodity, supplier and customer diversity, in combination with its long-term supplier and customer relationships, has enabled Glencore to operate profitably even during periods in which a particular commodity, industry, customer or geographic region may be experiencing some weakness. In addition, Glencore's marketing operations are less correlated to commodity prices than its industrial operations, which makes Glencore's earnings less volatile than those of producers of metals and mining products and energy products that do not also have marketing and logistics operations.

As a marketer, Glencore is able to differentiate itself from other production entities as, in addition to focusing on minimising costs and maximising operational efficiencies, Glencore focuses on maximising returns from the entire supply chain, taking into account its extensive and global third party supply base, its logistics, risk management and working capital financing capabilities, extensive market insight, business optionality, its extensive customer base, strong market position and penetration in most commodities and economies of scale. In contrast, this is not the business model of Glencore's mainly industrial competitors who are generally not set up to exploit the full range of value added margin and arbitrage opportunities which exist throughout the commodity supply chain.

Glencore's consolidated revenues for the six months ended June 30, 2011 were US\$ 92,120 million, and the Glencore income (pre other significant items) for the six months ended June 30, 2011 was US\$ 2,450 million. As of June 30, 2011, Glencore's total assets amounted to US\$ 81,363 million.

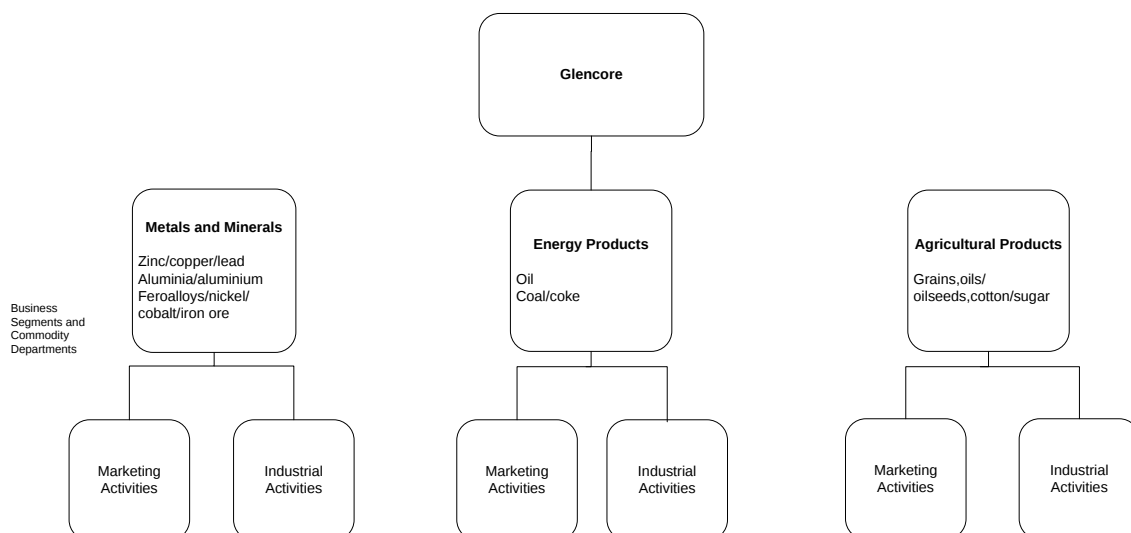
Glencore believes it is:

- the world's largest physical supplier of third party sourced commodities in respect of the majority of the metals and minerals it markets;
- among the world's largest non-integrated physical suppliers of crude oil and oil products;
- the world's largest participant in the supply of seaborne steam coal, including attribution of the

volumes under a number of exclusive advisory and agency agreements with, amongst others, its associate company Xstrata;

- among the world's leading suppliers of sugar; and
- one of the leading exporters of grain from Europe, the Commonwealth of Independent States (the "CIS") and Australia.

Glencore conducts its operations in three business segments: Metals and Minerals, Energy Products and Agricultural Products. The following chart summarises Glencore's business structure:



Glencore's business segments are responsible for managing the marketing, sourcing, hedging, logistics and industrial investment activities relating to the commodities which they cover.

Glencore's marketing and industrial investment activities are supported by a global network of more than 50 offices located in more than 40 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. Glencore's main offices are located in Baar (Switzerland), Stamford (Connecticut), London, Rotterdam, Beijing, Moscow and Singapore. This network provides Glencore with significant worldwide sourcing and distribution capabilities.

Glencore has an established record of successful strategic investments in industrial assets which have become an important component of its physical marketing activities. Glencore intends to continue to pursue selective strategic acquisitions and alliances to support and strengthen its core physical marketing activities as and when opportunities arise. Glencore evaluates each industrial asset investment opportunity on a stand-alone basis, however, also recognising its potential to support and strengthen Glencore's physical marketing activities or existing industrial coverage. Similarly, Glencore evaluates disposals of investments in industrial assets when they are no longer deemed to support its marketing activities and/or when compelling selling opportunities arise.

Glencore's three business segments focus on the following commodity segments:

- The Metals and Minerals business segment focuses on the following commodity departments: zinc/copper/lead, alumina/aluminium and ferroalloys/nickel/cobalt/iron ore. The activities of Glencore's Metals and Minerals business segment are supported by ownership interests in controlled and non-controlled industrial assets such as mining, smelting, refining and warehousing operations.
- The Energy Products business segment focuses on the following commodity departments: oil/oil products and coal/coke. The activities of Glencore's Energy Products business segment are supported by ownership interests in controlled and non-controlled coal mining and oil production operations as well as investments in strategic handling, storage and freight equipment and facilities.

- The Agricultural Products business segment focuses on the following commodity departments: grains (including wheat, maize and barley) oils/oilseeds, cotton and sugar. The activities of Glencore's Agricultural Products business group are supported by investments in controlled and non-controlled storage, handling and processing facilities in strategic locations.

Each of Glencore's business segments undertakes both marketing and industrial asset investment activities and is responsible for managing the marketing, sourcing, hedging, logistics and industrial investment activities relating to the commodities in each business segment.

Review of operations

History

Glencore was founded in 1974 (previously known as Marc Rich & Co AG) and initially focused on the physical marketing of ferrous and non-ferrous metals and minerals and crude oil, and shortly thereafter expanded into oil products. In 1981, Glencore acquired an established Dutch grain trading company, which created the basis for its Agricultural Products business segment, and later Glencore added coal to its Energy Products business segment.

Starting in 1987, Glencore developed from a purely, commodity marketing company into a diversified natural resources group through key acquisitions in mining, smelting, refining and processing in the three principal business segments. Glencore made its first equity investment in an industrial asset in 1987, when it acquired 27% of the Mt. Holly aluminium smelter in the United States and acquired its first controlling interest in an industrial asset in 1988, when it acquired a 66.7% interest in a zinc/lead mine in Peru. In 1994, the founder of Glencore sold his stake by way of a management buyout and the company was renamed Glencore International.

Competitive strengths

Glencore believes that its success has been built upon a unique combination of competitive strengths that have enabled it to grow into one of the world's largest diversified and vertically integrated producers, processors and marketers of natural resources. These competitive strengths include:

Scale and leading market shares in commodity marketing globally

Glencore believes that it has significant market share positions in many of the commodities that it markets. Glencore's global network of offices, its mining, smelting, refining and processing operations and its logistics and storage capabilities enable it efficiently to source, transport, process and physically deliver commodities throughout the world.

Glencore believes that being a major global physical marketer with leading market positions in its key commodities enables it to:

- flexibly and optimally manage product flows and logistics;
- access a broad spectrum of commodities in different grades and specifications to meet customer requirements;
- be competitive with pricing in tender and other bid processes;
- develop strong relationships with suppliers and customers;
- maintain a reputation for reliability with suppliers and customers;
- maintain knowledge of local market supply and demand dynamics;
- gain significant insight into trade flows and marketing requirements which enables continuous price discovery and rapid identification and investigation of arbitrage opportunities;
- benefit from economies of scale in relation to all key transaction components, including commodity purchases and sales, storage, transportation and risk management activities;
- market commodities linked to several different international exchanges;

- operate as a commodity supplier of last resort in difficult market conditions;
- act as a quasi-clearance house in the global physical commodities market; and
- identify strategic investment opportunities.

Core competence in commodity marketing, logistics, risk management and financing

Glencore is an established marketer of commodities and has, over a period of years, built an outstanding market reputation as a reliable supplier of quality product on a timely basis. In addition, Glencore's long experience has allowed it to build up the extensive market knowledge and insight, as well as full logistics capabilities, required to generate value-added margins as well as seek arbitrage potential throughout the physical commodity supply chain. Glencore's provision of value-added services includes shipping, logistics, transportation, storage, risk management and marketing to producers and consumers of commodities, as well as arranging working capital and capital expenditure financing for its suppliers and customers, generally secured by future physical commodity flows and/or other assets.

The broad range of value added services Glencore can offer fulfils the needs of customers that do not have the equivalent internal capability and cannot outsource to other providers who can offer these services as seamlessly or efficiently as Glencore can provide them. Furthermore, Glencore's ability to arrange for short- and long-term financing for its customers and suppliers provides Glencore with long-term demand for and supply of its physical commodities. Glencore believes that the combination of its outstanding market reputation, its market knowledge and these value added services enables it frequently to be a preferred purchaser or supplier of commodities and generally to strengthen its long-term relationships with customers and suppliers.

Access to a large shipping fleet and various freight intermediaries provides Glencore with very useful information on trade flows. Access to storage and other logistical assets increases Glencore's flexibility to blend products (such as oil distillates, metal concentrates and coal) and to manage the delivery of products in line with specific contractual quality requirements. Furthermore, Glencore believes that all of the above enable Glencore quickly and efficiently to seize time (contango) and other arbitrage opportunities, as they arise.

Investments in high quality low-cost extraction/processing operations with strong growth prospects

Glencore owns many high quality assets, for example Prodeco, which produces high grade thermal coal, and Katanga, which has significant high grade copper and cobalt reserves. Glencore continues to invest in its high-quality, large-scale, long-life assets to increase production capacity over the coming years. Production is expected to expand materially at several of Glencore's mining and processing assets, including Katanga's plans to ramp-up copper production to approximately 310,000 tonnes by 2015. Kazzinc is finalising the completion of major new metallurgy facilities (new copper smelter and lead smelter upgrade), while gold production is expected materially to increase, following the commissioning of the new Vasilkovskoje gold mine during 2010. At Mutanda a 20,000 tonnes SXEW plant was completed in first quarter 2011 and a 40,000 tonnes SXEW plant was commissioned ahead of schedule in the first half of 2011. Glencore is also, together with its partners, investing in the development of its West African Oil Assets, namely an initial two fields in Blocks I and O, with the aim of achieving production in the fourth quarter of 2011 and fourth quarter of 2013 at daily production levels of 50,000 bbls and 37,500 bbls, respectively. Finally, Prodeco is targeting 20.7 million tonnes of coal production per annum by 2015 compared to 10 million tonnes of production in 2010.

Marketer with integrated production and processing capabilities

Glencore is differentiated from commodity production competitors in that, in addition to being a producer, it is also a substantial marketer of commodities produced by third parties. Accordingly, Glencore sees its ownership of industrial assets not solely as sources of self-produced commodities, but also as tools for increasing flexibility, optionality and security of supply and for gaining valuable market knowledge.

Glencore's ownership of certain controlled industrial assets provides Glencore with access to long-term supply and throughput for its marketing activities. In addition to its investments in controlled industrial assets, Glencore also has stakes in non-controlled industrial assets, some of which are publicly traded companies, with which Glencore has secured long-term, arm's-length marketing and off-take agreements.

This positioning throughout the supply chain allows Glencore to capture value at each stage and differentiates Glencore from less integrated producers of commodities, which tend to be more focused on the competitive sale of own products rather than enhanced global sourcing, distribution and marketing activities.

Glencore's ownership of industrial assets and knowledge of supply and end user commodity demand conditions gained from its global network of offices and relationships spanning more than 7,200 suppliers and customers (excluding agricultural farming origination) also provide Glencore with valuable insight into the broad production spectrum, flexibility to optimise between its own production and third party suppliers, access to strategic markets and operating and technical know-how. In addition, these factors provide Glencore with valuable access and insight into a range of industrial assets investment opportunities and, more broadly, assist Glencore to manage its industrial assets portfolio, including production volume and expansion decisions, as well as asset purchase and disposal decisions. This combination also promotes credibility with customers and other suppliers by positioning Glencore as both producer and marketer and enhancing Glencore's overall reputation as a secure and reliable long-term supplier.

Diversified across multiple commodities, suppliers and customers

Glencore markets a broad range of commodities from a diverse supply base to a diverse customer base. Glencore's three business segments are involved in the sourcing and marketing of more than 90 distinct commodities, including various grades, blends and products within such categories. Glencore has, for a long time, developed and built upon its expertise in these commodities, cultivating long-term relationships with a broad supplier and customer base across diverse industries and geographic regions. In addition, the geographic diversity of suppliers, including Glencore's own industrial assets, mitigates the risk of exposure to any one particular country or region and helps to ensure a steady supply of commodities for the marketing operations. This industrial, geographical, commodity, supplier and customer diversity, in combination with Glencore's long-term supplier and customer relationships, has enabled Glencore to operate profitably even during periods in which a particular commodity, industry, customer or geographic region may be experiencing some weakness.

The geographic diversity of Glencore's operations is further demonstrated by the fact that it has skills and experience in operating and providing services across the globe, including in Eastern Europe, Central Africa and South America. Part of Glencore's geographic diversity is built on its willingness to invest in geographies and markets in which some of its competitors have historically avoided or been slower to enter and Glencore believes that its successful track-record in this regard has enabled it to gain an effective first-mover advantage in a number of countries with high-quality strategic resources. Many of Glencore's important industrial assets are located in the CIS, Central Africa and South America, in which Glencore has been successfully operating for many years. By following its established strategy of teaming with experienced local partners, fostering good working relationships with local and national governments, investing in local infrastructure and communities and actively managing risk, Glencore believes that it has established a competitive advantage over many of its peers in this respect.

World-class management and Board

Glencore's management is led by Ivan Glasenberg (Chief Executive Officer) and the rest of the management team. Between them, Glencore's management has more than 200 years of experience working together at Glencore, where they have a proven track record of developing and growing the business. Ivan Glasenberg and the heads of each commodity department have worked at Glencore for an average of 16 years and each was promoted to their current position from within the Company. Notwithstanding their long service with Glencore, they have a relatively low average age of 46 years.

In addition to the management team and the relevant experience of the board of Glencore International, Glencore believes that there is considerable strength and depth below this level and it seeks to develop internal talent to ensure that this remains the case. Senior employees are incentivised to optimise the performance of their departments and have been empowered to make the decisions to achieve this. Glencore believes that its current ownership structure aligns the interests of shareholders, management and employees and will continue to foster a culture of excellence, teamwork and accountability.

Resilient financial performance of marketing

Since the management buyout in 1994, Glencore's marketing operations have been profitable in every year of operation and have a proven track record of resilience through industry cycles. Glencore believes that the financial performance of the marketing operations is less correlated to commodity prices than the industrial operations, as Glencore uses price hedging strategies, meaning that marketing profitability is primarily determined by volume activity and associated value added supply chain margins and other market conditions rather than the absolute flat price itself. Owing to the marketing activities being less volatile than the industrial activities, their relative contribution to group results tends to increase during times of falling commodity prices, such as occurred during the second half of 2008 and first half of 2009.

This lower correlation with commodity prices makes Glencore's earnings less volatile than those of producers of metals, mining and energy products that do not also have marketing and logistics operations. For example, in the period of the second half of 2008, where the Thomson Reuters Equal Weight Continuous Commodity Index fell 20% (as compared to the first half of 2008), Glencore's marketing operations reported positive net income before exceptional items for the same period.

Furthermore, because the marketing operations' funding requirements are highly linked to commodity prices, during periods of falling commodity prices (as experienced in the fourth quarter of 2008 in particular), the marketing operations require less working capital. Accordingly, the marketing activities tend to generate significant amounts of cash (via release of working capital) during periods of low commodity prices (such as those which occurred at the end of 2008), at a time when industrial operations tend to be less profitable and cash generative.

Barriers to entry

The advantages provided by scale, global reach and a solid track record are also believed to present significant barriers to sustainable competitive entry into the global physical commodity marketing industry, which requires, amongst other attributes, substantial access to credit markets and a global network which supports the assembly of logistics and risk management capabilities and strong producer relationships.

Company Strategy

Glencore's strategy is to maintain and build upon its position as one of the world's largest diversified natural resources groups. The key elements of the Group's strategy include:

Continue to leverage geographic scope and diversification of operations

Glencore already has a large geographic footprint, with more than 50 offices in more than 40 countries around the world and, in many cases, industrial assets in key commodity producing and consuming locations. Similarly, Glencore's operations are already extremely diverse, covering a wide range of commodities, industries, suppliers and customers. Glencore's geographic scope and diversification of operations have allowed it to develop a track record of reliable supply performance with other large, global companies such as BHP Billiton and Shell. Glencore intends to build upon its position as one of the world's largest physical commodity suppliers and track record of extending product and geographical range by continuing to target market share increases in the geographies in which it currently operates and further expansion in emerging markets. Glencore believes that this strategy will allow it flexibly to align the geographic scope and diversity of its operations with the evolving global flows of natural resources. Glencore believes that the global scope of its operations will enable it to continue to supply a diversified range of physical commodities to its existing customer base and provide opportunities to continue developing new producer and consumer relationships and selectively target new business opportunities worldwide. Furthermore, Glencore believes that its geographic scope in countries and markets in which some of its competitors have historically avoided, or been slower to enter, has and will continue to provide an effective first-mover advantage in a number of geographies with high-quality strategic resources such as the CIS, parts of South America, the African Copperbelt and Australia.

Capitalise on strategic investments in industrial assets

Glencore's strategic investments in industrial assets are an important component of its physical sourcing strategy for its marketing activities, and Glencore believes these investments provide a competitive advantage over its marketing peers which are less vertically integrated, both upstream and downstream,

and which do not have the market presence to build up the strong supply relationships that Glencore enjoys. Glencore's investments in industrial assets also provide it with other advantages such as information, technical expertise and local presence. While Glencore intends to remain focused on physical commodity sourcing, distribution and marketing, it also intends to continue to pursue selective strategic acquisitions and alliances which support and strengthen its core physical marketing and value added activities where such acquisitions have their own industrial and financial justification as and when such opportunities arise. Glencore believes that investment opportunities will continue to be created by, among other things, (i) the privatisation of natural resources producers in primarily emerging markets, (ii) the rebalancing of asset portfolios by other players in the natural resources industry and (iii) further industry consolidation as smaller producers sell out and/or seek capital to fund growth. Glencore will continue to apply its investment criteria to these opportunities, pursuing investments in industrial assets that are of strategic importance to its core business and that are projected to achieve its targeted return-on-capital objectives on a stand-alone basis. Glencore will continue to identify investment opportunities in which value can be created through the application of its market knowledge and operational and technical know-how. Similarly, Glencore evaluates disposals of certain investments from time to time, particularly when they are no longer deemed to support its core business and/or when attractive selling opportunities arise.

Use additional capital and liquidity to grow the business

Glencore believes its recent IPO has provided it with the financial resources needed to move it to the next stage of its development and achieve further sustainable growth. More specifically, the IPO provided Glencore with an upfront capital injection and access to the equity capital markets. Glencore intends to use this additional capital and access to liquidity, in combination with its existing brand, scale, product portfolio and logistics capabilities, to grow the business by, for example:

- investing in and expanding its existing industrial and logistics capacity;
- increasing the volumes marketed, for example, by purchasing additional commodities, in each case allowing Glencore to take advantage of additional opportunities which may present themselves in the market; and
- acquiring new industrial and logistics businesses as and when appropriate opportunities arise.

Focus on cost management and further enhancing logistical capabilities

Glencore intends to continue its focus on cost control and operational efficiencies at the industrial assets it controls and maintain its focus on the sourcing of competitively priced physical commodities from reliable third party suppliers. Glencore intends to supplement this focus on low-cost production and competitive sourcing with the continued development of its transport, shipping, storage and other logistical capabilities and, where appropriate, its ability to source these services from third parties at attractive levels. Glencore believes that the continued focus on these factors will enable it to continue to benefit from and exploit arbitrage opportunities occurring in the physical commodities markets in which it operates.

Maintain conservative financial profile and investment grade ratings

Glencore's conservative financial profile and investment grade credit ratings (currently BBB from Standard & Poor's and Baa2 from Moody's) have enabled it consistently to access the bank and international debt capital markets on competitive terms to obtain required funding and maintain healthy levels of liquidity. Glencore intends to continue to manage its financial position around maintaining its investment grade credit ratings.

Disciplined risk management

Glencore already has a highly disciplined approach to risk management supported by its flat organisational structure and the privately owned nature of the business. Glencore intends to continue its focus in this key area by maintaining and expanding its centralised risk management resources and information systems and continuing to adopt and follow policies which are intended to mitigate and manage commodity price, credit and political risks. Examples of such policies which are already in place include:

- Minimise price risk: Glencore routinely hedges its exposure to price movements in its marketing inventories and forward purchase and sale commitments through futures and swap transactions or physically sells forward at pre-determined prices—in 2010, around 98% of Glencore's marketing inventory was covered by a sale at a pre-determined price or a hedge, which virtually eliminated Glencore's price risk on this inventory;
- Minimise credit risk: Glencore seeks to reduce the risk of non-payment by its customers by setting limits on open accounts extended to certain more creditworthy customers and by imposing credit support requirements and/or purchasing credit insurance products in respect of remaining customers; and
- Minimise political risk: Glencore seeks to remain diversified and where possible to obtain political risk insurance from creditworthy financial institutions in situations where Glencore believes that obtaining such insurance is financially prudent.

Place highest priority on employees, the environment and local communities

Glencore places the highest priority on its employees, the environment and the local communities where it operates. Regarding employees, Glencore takes a broad approach to employee welfare and seeks to maintain and improve its sound health and safety record. Regarding the environment, Glencore demands high environmental performance standards from its controlled operations and, while executing marketing and logistics activities, to work with its partners and suppliers to ensure similar standards are demanded within the supply chain, as well as expected of its non-controlled operations. Regarding local communities, Glencore consults with and invests in the local communities where it operates.

Marketing activities—group level

Functions of the marketing activities

Glencore's marketing activities source a diversified range of physical commodities from third party suppliers and from industrial assets in which Glencore has full or part ownership interests. These commodities are sold, often with value added services such as freight, insurance, financing and/or storage, to a broad range of consumers and industrial commodity end users, with many of whom Glencore enjoys long-term commercial relationships. As a marketer, Glencore is able to differentiate itself from other production entities as, in addition to focusing on minimising costs and maximising operational efficiencies, Glencore focuses on maximising returns from the entire supply chain, taking into account its extensive and global third party supply base, its logistics, risk management and working capital financing capabilities, extensive market insight, business optionality, extensive customer base, strong market position and penetration in most commodities and economies of scale. In contrast, this is not the business model of Glencore's mainly industrial competitors who are generally not set up to exploit the full range of value added margin and arbitrage opportunities which exist throughout the commodity supply chain.

Types of arbitrage strategies

Many of the physical commodity markets in which Glencore operates are fragmented or periodically volatile. As a result, discrepancies generally arise in respect of the prices at which the commodities can be bought or sold in different geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present Glencore with arbitrage opportunities whereby Glencore is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities. Whilst the strategies used by Glencore's business segments to generate such margin vary from commodity to commodity, the main arbitrage strategies can be generally described as being:

- geographic: where Glencore leverages its relationships and production, processing and logistical capabilities in order to source physical commodities from one location and deliver them to another location where such commodities can command a higher price (net of transport and/or other transaction costs);
- product-related: where it is possible to exploit the blending or multi-use characteristics of the particular commodities being marketed, such as the various crude oil products, coal or concentrates, in order to supply products which attract higher prices than their base constituents, or exploit existing and/or expected price differentials; and

- time-related: where it is possible to exploit a difference between the price of a commodity to be delivered at a future date and the price of a commodity to be delivered immediately, where the available storage, financing and other related costs until the future date are less than the forward pricing difference.

Glencore uses market information made available by its marketing and industrial teams across its many locations to identify arbitrage opportunities. Glencore's marketing and investment activities and relationships with producers and consumers of raw materials are supported by a global network of more than 50 offices providing sourcing and distribution capabilities located in more than 40 countries throughout Europe; North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. This network provides Glencore with visibility over shifting supply and demand dynamics in respect of significant volumes of physical commodities across the globe. The detailed information from Glencore's widespread operations and close relationships with producers, consumers and logistics providers is available to Glencore's marketing operations and often enables them to identify opportunities, taking into account Glencore's extensive logistics capabilities, to source and supply physical commodities at attractive margins.

Logistics

Glencore's logistics operations are a key part of its marketing operations as they enable Glencore to fulfil its marketing obligations and to maximise arbitrage opportunities created by demand and supply imbalances. Physical sourcing and marketing of commodities requires highly professional handling and shipment of such goods from the supplier to the customer, including storage activities, as required. Typically, the staff handling the physical movement of goods (the "**traffic team**") account for a significant proportion of the headcount of a business segment. Glencore's dedicated chartering teams actively trade freight to gain market knowledge and volume benefits. The freight element of transactions is furthermore used to maintain maximum physical optionality so that full value can be extracted from the underlying commodity positions of each department, thereby complementing Glencore's overall ability to seize geographic and time spread arbitrage opportunities as they arise.

Competitors

Glencore believes that physical commodity marketing is a volume-driven business requiring highly professional risk management, substantial financial resources, market knowledge and product and logistical expertise. Glencore believes that it is the most diversified and globally active physical commodity sourcing and marketing company. Glencore believes that the majority of its competitors by segment are niche players that tend to focus on a specific commodity group or geographic area, or concentrate more heavily on commodity-related industrial activities such as mining, drilling, smelting, processing and refining. In view of Glencore's diversification in different commodity groups and global geographical presence and scale, Glencore does not believe that there is a precisely comparable company or peer group that can be defined as competing directly with Glencore. However, three types of physical commodity marketing companies compete with Glencore indirectly or directly in certain markets. These include:

- large participants active in specific commodity portfolios, such as Cargill in agricultural products and Vitol Group in oil;
- captive marketing vehicles of major oil and metals producers and processors, such as Total, BP and BHP Billiton (though these companies are less focused on third party marketing than Glencore); and
- smaller marketing companies whose operations are more limited to particular commodities and/or to geographic areas, such as Noble Group.

Industrial activities—group level

Glencore's ownership of controlled and non-controlled industrial assets is seen as both a source of potential and desirable stand-alone financial returns and overall business diversification, complemented by their very useful source of physical commodities into Glencore's marketing arm and access to further market insight and technical know-how. Glencore believes that its corresponding reduced reliance on

third parties helps to ensure that suppliers and customers alike see Glencore as a very reliable, and therefore desirable, counterparty, given its integrated business model.

Glencore capitalises on investment opportunities created by, among other things, (i) the privatisation of natural resources producers primarily in emerging markets, (ii) the rebalancing of asset portfolios by other players in the natural resources industry and (iii) further industry consolidation as smaller producers sell out and/or seek capital to fund growth. Any decision to acquire or dispose of an industrial asset is based on the stand-alone potential of the asset and its potential contribution to Glencore's marketing activities and requires group level approval. Once acquired, an asset is held within one of the business segments (the only major exception to this is Xstrata, which is held between the Metals and Minerals and Energy Products business segments as it supplies commodities to both segments). The business segments manage the controlled and non-controlled industrial assets via hands-on "asset controllers" to interface between the asset and Glencore in respect of day-to-day operating, financial and commercial matters. Glencore's approach to the management of its industrial assets differs from some of its key competitors in that Glencore encourages its industrial assets to focus primarily on operating performance, which those businesses can largely control and influence, leaving Glencore to handle marketing and distribution activities as part of its integrated global system.

Metals and Minerals

The Metals and Minerals business segment focuses on the following commodity departments: zinc/copper/lead, alumina/aluminium and ferroalloys/nickel/cobalt/iron ore. The business segment also markets some gold, silver, tin and other by-products such as sulphuric acid. The activities of Glencore's Metals and Minerals business segment are supported by ownership interests in controlled and non-controlled industrial assets such as mining, smelting, refining and warehousing operations. The marketing of metals and minerals commodities is co-ordinated primarily through Glencore's Baar office.

Zinc • Copper • Lead

Marketing activities

The zinc/copper/lead commodity department is run as an integrated business managing the production and global marketing of refined metals and concentrates. In addition to zinc, copper and lead, the commodity department also markets tin, silver and gold, which are typically mined in conjunction with zinc, copper and lead ores, as well as sulphuric acid, a by-product of the smelting process. The commodity department has a global presence, sources commodities from all key producing regions and has relationships with consumers in the key consuming countries.

The commodity department benefits from a geographically diverse portfolio of industrial assets, located across five continents, in each of the key producing regions for these commodities. Long-term supply agreements with third parties, combined with supply from industrial assets, enhance Glencore's reputation as a reliable supplier, which is important for customers who are reliant on both timeliness and quality of supply for the continuation of their operations. The commodity department's large number of industrial assets provides Glencore with access to an integrated production and marketing system.

Across the commodity department, there is a diversified customer base, including galvanisers, alloy producers, steel and brass mills, rod and wire producers and other fabricators. The concentrates market has fewer customers (smelters) than the refined metals market. The diversification is larger for customers than for suppliers, reflecting a greater number of end users for metals and concentrates relative to the number of mines, smelters and refineries which produce concentrates and metals, respectively.

The physical metal trades are based on an exchange price plus/minus a premium/discount. A highly liquid paper futures market exists for zinc, copper, lead and tin metals, which are traded on the LME (zinc, copper, lead and tin), the SHFE (copper and zinc) and the COMEX (copper). Silver and gold are traded on the LBMA and the COMEX. These exchanges allow Glencore's underlying commodity price exposures on physical transactions to be hedged, whether the price is based on an exchange price or a fixed price. If desired, and subject to group risk limits and policies, they also allow Glencore to gain exposure to price risk and spread positions through the use of long and short paper transactions, and to take advantage of arbitrage opportunities. Concentrates are non-fungible products and, consequently, are not directly tradable on an exchange. Glencore hedges physical concentrate positions using future contracts for the estimated payable metal contained in the concentrate.

The marketing team for zinc, copper and lead are supported by a traffic team who are responsible for executing transactions following the negotiation of the key contractual terms and for managing metals along the supply chain through inventory, financing and transportation from source to end customers. The department also benefits from storage and blending facilities in Peru and has access to other warehousing facilities, including those at Glencore's industrial assets.

Although important, the freight component of price is not as critical for metals as for bulk cargoes and crude oil. All freight relating to the commodities marketed is chartered through third party freight brokers on competitive terms, taking into account Glencore's scale of activities, both on the spot market and through the longer-term contracts of affreightment.

Glencore has few major marketing competitors for zinc, copper and lead, with Noble Group and Trafigura Group trading smaller zinc, copper and lead quantities as part of their core businesses, neither of which has significant production assets.

The following table summarises the marketing volumes for the zinc/copper/lead commodity department:

Volumes sold to third parties (million tonnes)	H1 2011	H1 2010	2010	2009
Zinc metal and concentrates.....	1.8	2.0	4.1	3.8
Copper metal and concentrates	1.5	1.8	3.2	3.4
Lead metal and concentrates.....	0.4	0.4	0.9	0.9
Gold (ktoz).....	414	245	589	578
Silver (ktoz)	4,291	4,457	8,527	11,422

Industrial activities

Kazzinc

Glencore owns 50.7% of Kazzinc, a fully integrated zinc producer with significant copper, precious metals and lead resources in Kazakhstan. The remainder of the business is owned by Verny Capital JSC (48.73%), a Kazakh investment fund unrelated to Glencore, with certain small shareholders accounting for the remaining 0.58%. Kazzinc owns three major polymetallic facilities, Zyrianovsk, Ridder and Ust-Kamenogorsk, as well as a gold mining operation, VasGold in Kokshetau and a 48.3% ownership interest in the Novoshirokinskoe gold mine in Russia. Kazzinc's major operations are located primarily in Eastern Kazakhstan, spread over seven towns. In total, Kazzinc operates eight mines, four concentrators, two zinc smelters, a gold recovery plant, a recently commissioned copper smelter, a lead smelter (which is being significantly upgraded) and a precious metals refinery. Kazzinc also owns and operates a variety of auxiliary units which support its mining, smelting and refining operations.

Kazzinc's gold assets consist of its 100% ownership interest in Ridder-Sokolny and VasGold together with its 48.3% ownership interest in the Novoshirokinskoe gold mine and concentrator and a gold and silver stream provided from Kazzinc's other mining activities described above. VasGold is located in the Akmola region, 17 kilometres to the north of the city of Kokshetau. The region has well-developed infrastructure, including motor roads, railways, electricity and water supplies. It is the largest gold mining and processing operation in Kazakhstan.

In April 2011, Glencore conditionally agreed to increase its stake in Kazzinc from 50.7% to 93.0% for a total transaction consideration of US\$ 3.2 billion (consisting of the issuance of US\$ 1 billion of Glencore shares at its IPO price and US\$ 2.2 billion in cash). The transaction is subject to certain conditions precedent, including the approval of the Government of Kazakhstan, which is still pending.

Katanga

Glencore owns 74.8% of Katanga, a company listed on the Toronto Stock Exchange, which is developing and operating high grade copper and cobalt mines with integrated metallurgical facilities in the Kolwezi region of the Democratic Republic of Congo (the "DRC") through its 75% shareholding in Kamoto Copper Company SARL ("KCC"). Substantial high grade resources indicate a potential mine life for KCC in excess of 25 years and a potential to produce approximately 310,000 tonnes per annum of copper and approximately 8,000 tonnes per annum of cobalt and approximately 22,000 tonnes of cobalt contained in cobalt hydroxide by 2014. KCC's integrated mine complex contains both underground and open pit mines, providing both sulphide and oxide ores. A concentrator and metallurgical plant enable the production of refined copper and cobalt metal on-site. The complex will be a mix of existing assets being

progressively refurbished and new processing facilities which are being engineered and are under construction.

Mopani

Glencore owns 73.1% of Mopani, with the remainder of the business owned by First Quantum Minerals Ltd. (16.9%) and Zambia Consolidated Copper Mines Investment Holdings Plc (10%). Mopani is an integrated mining and processing operation in the Copperbelt region of Zambia, producing copper and cobalt metal. Mopani is an integral part of Glencore's operations in Southern Africa. It can process oxide and sulphide copper-cobalt concentrates produced by Katanga and Mutanda. Mopani also produces sulphuric acid, which is used in the leaching operations at Katanga and Mutanda. In the long term, once Mutanda and Kansuki reach full production levels, the sulphide concentrate produced at these mines is also expected to be processed at Mopani. The operations are located in the cities of Kitwe and Mufulira. There are a series of major capital projects underway to increase mine production and continue to improve and modernise the smelter. Significant projects in mining include the Synclinorium project, a major new shaft development. In metallurgy, Smelter Phase III project is currently under way, which includes the installation of 3 new converters, gas cleaning equipment and a second acid plant, which will improve sulphur dioxide emissions capture to above 97%.

AR Zinc

Glencore owns 100% of AR Zinc, an integrated zinc and lead mining operation in Argentina. AR Zinc's operations are at three locations and comprise the Aguilar underground and open pit mine and concentrator plant, the Palpala lead smelter (both located in Jujuy province), and the AR Zinc smelter, located in Rosario, Argentina. The current smelting capacities are approximately 44,000 tonnes per annum of zinc metal and approximately 14,000 tonnes per annum of lead metal.

Cobar

Glencore owns 100% of Cobar, based in Australia, comprising a high grade underground copper mine and a concentrate plant. The plant throughput is approximately 1.1 million tonnes of ore per annum and Cobar produces approximately 180k DMT of copper concentrate per annum. The main project currently being undertaken is the construction of the shaft extension which will reduce operating costs, allow access to more ore and increase production in 2013.

Los Quenuales

Glencore owns 97.1% of Los Quenuales, a zinc and lead producer in Peru with mining operations at Iscaycruz and Yauliyacu. The remaining 2.9% is indirectly listed on the Lima Stock Exchange. The Iscaycruz operations consist of underground and open pit mines and concentrator, producing zinc and lead concentrates and Los Quenuales is in the process of negotiating surface access rights to mine 5 million tonnes of zinc-bearing resource.

Pasar

Glencore owns 78.2% of Pasar, the sole copper smelter and refinery in the Philippines, with the remaining 21.8% owned by local investors. Pasar is located on the coast of Leyte Island, and owns its own port, which can accommodate vessels with a displacement of up to 50k dead weight tonnage, from which production is shipped mainly to south east Asian markets. In addition, the assets also include an auxiliary sulphuric acid plant and a dore plant which produces an alloy of gold and silver. Pasar also produces as by-products selenium, slag, iron concentrates and gypsum. Pasar's current smelter production capacity is approximately 720,000 tonnes per annum of concentrate and its current refinery production capacity is approximately 215,000 tonnes per annum of cathodes.

Portovesme

Glencore owns 100% of Portovesme, a zinc and lead smelter located in Sardinia, Italy. Portovesme is Italy's only primary zinc and lead smelter and comprises a metallurgical integrated smelting complex, with both primary and secondary smelting activities, including an electrolytic plant, a lead smelter, waelz kilns and a lead and precious metals refinery. Due to market conditions, the waelz kilns, lead smelter and lead refinery were placed on care and maintenance in 2009. The waelz line restarted operations later that year but the lead smelter and refinery are still on care and maintenance. However, should market

conditions allow, Glencore would consider reopening the plant. The plant has a production capacity of approximately 120,000 tonnes per annum of zinc metal, 60k DMT per annum of waelz oxides and approximately 80,000 tonnes per annum of lead metal.

Punitaqui

Glencore owns 100% of Punitaqui, a copper mine and concentrator in Chile, acquired by Glencore as a brownfield development in early 2010. Following rehabilitation works, commercial production commenced in late 2010 with the operation forecast to produce around 40k DMT of copper concentrates in 2011.

Sinchi Wayra

Glencore owns 100% of Sinchi Wayra, a company which operates five mining units and concentrating facilities in the Oruro and Potosi regions of Bolivia. Collectively, the mines have a current production capacity of approximately 205,000 tonnes of zinc concentrate, approximately 15,000 tonnes of lead concentrate and approximately 6,000 tonnes of tin concentrate per annum.

Mutanda

Glencore owns 50% of Samref Congo Sprl which in turn holds an 80% ownership interest in Mutanda Mining Sprl, the owner of the Mutanda concession. The remaining 20% ownership interest in Mutanda Mining Sprl was recently acquired by Rowny Assets Limited from Gecamines. Glencore is the operator. Mutanda is a newly developed high grade copper and cobalt producer, with its operations located in the province of Katanga in the DRC. Mutanda is being developed to produce approximately 110,000 tonnes per annum of copper and approximately 23,000 tonnes per annum of cobalt contained in cobalt hydroxide as of 2012.

Kansuki

Glencore owns 50% of Kansuki Investments Sprl which in turn holds a 75% ownership interest in Kansuki Sprl, the owner of the Kansuki concession (thereby giving Glencore an effective ownership interest of 37.5% in Kansuki). The remaining 25% in Kansuki was recently acquired by Biko Invest Corp. from Gecamines. Glencore is the operator. Kansuki is a 185 square kilometre copper and cobalt pre-development project which borders the Mutanda concession. Exploration of the Kansuki concession by Kansuki Sprl has commenced and is ongoing. Discussions are ongoing with respect to a potential combination of the Mutanda and Kansuki operations, with a view to ultimately obtaining a majority stake in the merged entity.

Nyrstar

Glencore owns 7.8% of Nyrstar, a leading global multi-metals business producing significant quantities of zinc and lead as well as other products including silver, gold and copper. Nyrstar is listed on NYSE Euronext Brussels.

Perkoa

As at November 3, 2011, Glencore owns 43% of Perkoa. The Perkoa project is a zinc mine under construction in Burkina Faso. Glencore's ownership interest in Perkoa will increase to 50.1% by 2012 through its joint venture with Blackthorn Resources. In addition, on March 23, 2011, it was announced that Glencore had acquired an ownership interest of 13% in Blackthorn Resources (its joint venture partner in Perkoa).

Recylex

Glencore owns 32.2% of Recylex. Recylex is the third largest lead producer in Europe, expected to produce approximately 135,000 tonnes of lead metal in 2011. The Company recycles more than 10 million lead batteries per annum to produce secondary lead and plastic. It also recycles approximately 180,000 tonnes of waste steel dust from electric arc furnaces and produces waelz oxides containing approximately 45,000 tonnes of secondary zinc metal. It has eight production locations in France, Germany and Belgium.

Volcan

As at November 3, 2011, Glencore owns 6.3% of Volcan, the second largest zinc producer in Peru. An agreement is in place between Glencore and Volcan for the purchase of zinc and lead concentrates under a multi-year contract.

Polymet

Glencore owns 28,634,509 common shares of Polymet, representing 17.8% of the 161,055,791 shares outstanding. Glencore will also be able to exchange approximately US\$ 28.6 million in debentures into an additional 7,136,913 Polymet shares, to exercise outstanding warrants for an additional 3,000,000 Polymet shares at US\$ 2.00 per share, and to acquire an additional 5,000,000 Polymet shares pursuant to the third installment of the Private Placement Commitment, for a total of 43,771,422 Polymet shares. This would represent approximately 24.8% of Polymet's outstanding shares calculated on a partially diluted basis, assuming no further capitalization of interest under the debentures and 161,055,791 Polymet shares outstanding. Polymet, which plans to mine and process copper, nickel, cobalt, platinum and palladium and gold, is listed on the NYSE and the Toronto Stock Exchange and its operational headquarters are located in Hoyt Lakes, Minnesota.

Mina Justa

In July 2011, Glencore announced that it conditionally agreed to acquire from CST Mining Group Limited a 70% ownership interest in Marcobre S.A.C., the sole owner of the Marcona Copper Property and the Mina Justa Project, for a cash consideration of US\$ 475 million, subject to closing adjustments. The Mina Justa Project is the principal exploration and development prospect within the Marcona Copper Property targeted by Marcobre, containing a JORC compliant resource of 413.3 million tonnes with 0.79% copper. The transaction is subject to a number of conditions, including the completion of satisfactory due diligence in respect of the assets by Glencore International AG, and is not expected to complete before the end of 2011.

The table below shows the zinc/copper/lead commodity department's principal investments in industrial assets as of June 30, 2011:

Company	Country	Commodity	Current annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Kazzinc	Kazakhstan	Zinc metal Lead metal Copper concentrates Copper metal Gold Silver	300k MT 130k MT ⁽²⁾ 240k MT ⁽³⁾ 70k MT 1.5 million toz 45 million toz	50.7%	49.3% privately held ⁽¹⁾	Supply and purchase agreements
Katanga.....	DRC	Copper metal Cobalt	130k MT ⁽⁴⁾ 5.5k MT ⁽⁴⁾	74.8%	25.2% publicly traded on Toronto Stock Exchange	Purchase agreements
Mopani.....	Zambia	Copper metal Cobalt	300k MT 2.8k MT	73.1%	16.9% First Quantum Minerals Ltd., 10% ZCCM	Supply and purchase agreements
AR Zinc	Argentina	Zinc metal Lead metal	44k MT 14k MT	100%	—	Purchase agreements
Cobar	Australia	Copper concentrates	180k MT	100%	—	Purchase agreements
Los Quenuales	Peru	Zinc concentrates Lead concentrates	330k MT 40k MT	97.1%	2.9% indirectly listed on Lima Stock Exchange	Purchase agreements
Pasar	Philippines	Copper metal	215k MT	78.2%	21.8% local investors	Supply and purchase agreements
Portovesme	Italy	Zinc metal Lead metal Waelz oxide	120k MT 80k MT 60k MT	100%	—	Supply and purchase agreements

Company	Country	Commodity	Current annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Punitaqui.....	Chile	Copper concentrates ⁽⁵⁾	40k MT	100%	—	Purchase agreements
Sinchi Wayra	Bolivia	Zinc concentrates Lead concentrates Tin concentrates	205k MT 15k MT 6k MT	100%	—	Purchase agreements
Non-controlled:						
Mutanda ⁽⁶⁾	DRC	Copper metal Cobalt	110k MT by 2012 23k MT by 2012 ⁽⁸⁾	40%	60% privately held ⁽⁷⁾	Purchase agreements
Kansuki.....	DRC	Copper metal Cobalt	N/A ⁽⁹⁾	37.5%	62.5% privately held ⁽¹⁰⁾	Purchase agreements
Nyrstar	Belgium	Zinc metal Lead metal	1,120k MT 235k MT	7.8%	92.2% publicly traded on Euronext Brussels	Supply and purchase agreements
Perkoa	Burkina Faso	Zinc concentrates	170k DMT ⁽¹¹⁾	N/A ⁽¹²⁾	39.9% held by Blackthorn, 10% Burkina Faso government	Purchase agreements
Recylex	France	Lead metal Battery recycling EAF dust recycling	135k MT 10 million units 180k MT	32.2%	67.8% publicly traded on Euronext Paris	Purchase agreements
Volcan	Peru	Zinc concentrates Lead concentrates	655k MT 123k MT	4.1% ⁽¹³⁾	95.9% publicly traded on the Lima Stock Exchange	Purchase agreements
Polymet.....	Canada	Copper concentrates Nickel concentrates	N/A	17.8%	82.2% publicly listed on NYSE and TSX	Purchase agreements

Notes:

- (1) Glencore has agreed with Verny to acquire additional stakes in Kazzinc, thereby increasing its ownership from 50.7% to 93.0%
- (2) After commissioning of its lead smelter, production capacity will increase to 168k MT.
- (3) Copper metal production to replace copper concentrate production with new smelter.
- (4) Expansion to 310k MT of copper metal, 8k MT of cobalt and 22k MT of cobalt contained in cobalt hydroxide by 2014.
- (5) Operation forecast for 2011.
- (6) Mutanda is not a controlled asset as Glencore has only a 40% stake; however, Glencore is the operator.
- (7) 20% ownership interest in Mutanda Mining SpA was recently acquired by Rowny Assets Limited (an entity associated with Dan Gertler) from Gécamines.
- (8) Cobalt contained in cobalt hydroxide.
- (9) Exploration stage.
- (10) 25% ownership interest in Kansuki was recently acquired by Biko Invest Corp (an entity associated with Dan Gertler) from Gécamines.
- (11) Operation forecast for first half 2012.
- (12) As at November 3, 2011, Glencore has a 43% ownership interest in Perkoa. Glencore's ownership interest in Perkoa will increase to 50.1% by 2012 through its joint venture with Blackthorn Resources.
- (13) Glencore's ownership interest in Volcan has increased to 6.3% as at November 3, 2011.

Alumina • Aluminium

Marketing activities

The alumina/aluminium commodity department is involved in the marketing and processing of bauxite, alumina, and primary aluminium. Through the sourcing and physical exchange of alumina and aluminium of different origins, the alumina/aluminium commodity department has been able to create a global position in its market.

The alumina market is a wholesale market with only a limited number of suppliers and customers operating in the market. Glencore has a guaranteed supply source as it is involved in the production of alumina through its industrial assets. In addition, Glencore purchases alumina from many of the world's leading alumina producers, mostly under long-term contracts. Prices under alumina supply contracts are

typically linked to the LME price of aluminium for long-term contracts and are fixed for short-term contracts.

Glencore's supply sources for aluminium are also fairly concentrated. Glencore's supply sources include its industrial assets, including UC Rusal and Century Aluminum.

Glencore's alumina customer base is diverse and geographically dispersed and includes Century Aluminum as well as many of the world's other major alumina consumers. Contracts are usually entered into on a "take or pay" arrangement, meaning volumes are fixed, which offsets Glencore's own risk of accepting similar terms from its suppliers. Since there is a much larger market for aluminium than for alumina, Glencore's customer base for aluminium is somewhat broader than for alumina. The largest customers include most of the aluminium consuming industrial groups in the construction, packaging, transport and electronics industries. Aluminium customers can have multiple contracts with Glencore with different terms, contract durations and geographical locations and which are typically priced on the LME price plus premium.

Alumina can only be stored for limited time periods in optimum conditions in order to maintain levels of quality. There is no derivatives exchange for alumina, which restricts the ability to hedge. As such, Glencore is unable to adjust its position through a deliverable paper market and the great majority of near-term alumina forward purchase and sale contracts are physically matched. Short-term contracts are mostly based on a fixed price and long-term contracts are normally priced as a percentage of LME aluminium prices. Many of the LME-linked contracts have put/call features. Additionally, there are nascent efforts to establish an alumina index pricing system. Where possible, Glencore hedges its exposure by contracting on a back-to-back basis or taking hedges against LME aluminium prices.

Primary aluminium is mainly traded on the LME, allowing paper and physical marketing contracts to be entered into with reference to a market price. Aluminium is also traded on the SHFE. This allows positions to be hedged and marked to market, as well as providing a purchaser of last resort. The LME provides information on forward curves as well as a standardised contract that determines purity levels, delivery dates, weights and forms of the metal. Almost all of Glencore's physical aluminium transactions are priced based on the LME price plus/minus a premium/discount. These are hedged when originated or priced. The existence of the LME allows Glencore to enter into immediate and effective, price risk hedges against its positions in physical aluminium. The existence and use of LME approved warehouses allow marketers to manage supply and store the metal while they lock in future prices on the LME. If desired, and subject to group risk limits and policies, it also allows Glencore to gain exposure to price risk and spread positions through the use of long and short paper transactions.

The alumina/aluminium traffic team are responsible for producing information to enable the marketers to make informed transactions as well as executing the transactions after the marketers have negotiated the key terms.

Glencore has few major competitors trading in its addressable markets for alumina and aluminium; however, its competitors do market significant volumes of their own alumina and aluminium production. Alumina and aluminium production utilised by the aluminium smelters and downstream facilities of integrated companies such as Rio Tinto plc, Alcoa Inc. and Norsk Hydro ASA are outside Glencore's addressable markets, but are noteworthy as these volumes are very large and therefore may affect pricing and customer relationships within the addressable markets.

The following table summarises the marketing volumes for the alumina/aluminium commodity department:

Volumes sold to third parties (million MT)	H1 2011	H1 2010	2010	2009
Alumina / aluminium	6.5	5.6	10.6	9.0

Industrial activities

Columbia Falls

Glencore owns 100% of Columbia Falls. Columbia Falls is an aluminium smelter in Montana in the U.S., which has a production capacity of approximately 168,000 tonnes of primary aluminium per annum. The plant is currently idle.

Sherwin Alumina

Glencore owns 100% of an alumina refinery processing plant, Sherwin Alumina, which is located near Corpus Christi, Texas, in the U.S. The plant produces two main classes of products: smelter grade alumina (production capacity of 1.4 million tonnes per annum) and hydrate chemical grade alumina (production capacity of 0.2 million tonnes per annum). Glencore provides or arranges all of the bauxite Sherwin Alumina requires for its refinery and processing operations. Glencore also purchases and markets all of the alumina that Sherwin Alumina produces.

Century Aluminum

Glencore owns 44.4% of Century Aluminum, a company listed on the NASDAQ with aluminium smelting and refining operations in the U.S. and Iceland. Century Aluminum's smelting operations include three wholly owned smelters: Nordural in Iceland; Hawesville in Kentucky, U.S.; and Ravenswood in West Virginia, U.S., which have production capacities of approximately 260,000 tonnes, 244,000 tonnes and 170,000 tonnes per annum, respectively. Century Aluminum also owns a 49.67% ownership interest in the Mount Holly smelter in South Carolina, U.S., which has a production capacity of approximately 222,000 tonnes per annum. Century Aluminum is currently constructing a Greenfield aluminium plant, the Helguvik Project, in Iceland which is expected to have a production capacity in the range of 250,000 tonnes to 360,000 tonnes upon its completion.

In addition, Glencore has entered into two cash-settled total return swaps over 9.8% of Century Aluminum's common shares. The swaps provide Glencore with additional economic exposure to changes in Century Aluminum's share price. The swaps have been entered into at prices of US\$ 9.72 and US\$ 16.66 per common share and terminate in two years from September 2010 and March 2011, respectively.

UC Rusal

Glencore owns 8.75% of UC Rusal, a vertically-integrated upstream aluminium company listed on the HKSE, Euronext Paris and the Russian stock exchanges MICEX and RTS.

The table below shows the alumina/aluminium commodity department's principal investments in industrial assets as of June 30, 2011:

Company	Country	Commodity	Current annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Columbia Falls	U.S.	Aluminium	168k MT	100%	—	Supply and purchase agreements
Sherwin Alumina..	U.S.	Alumina	1.6 million MT	100%	—	Supply and purchase agreements
Non-controlled:						
Century Aluminum	U.S.	Aluminium	896k MT	44.4% (39.6% voting common stock)	Publicly traded on NASDAQ	Supply and purchase agreements
UC Rusal	Russia	Alumina	11.3 million MT	8.75%	Publicly traded on HKSE, Euronext Paris, MICEX and RTS	Purchase agreements
		Aluminium	4.5 million MT	—		Purchase agreements

Ferroalloys • Nickel • Cobalt

Marketing activities

The ferroalloys/nickel/cobalt commodity department markets bulk ferroalloys (including ferrochrome and chrome ore, ferromanganese, siliconmanganese, manganese ore and ferrosilicon), noble ferroalloys (vanadium and molybdenum products), nickel, cobalt, steel and iron ore. Glencore has a significant presence in the market for ferrochrome, nickel and cobalt.

Ferroalloys, nickel and cobalt products are sourced through some of the key industrial assets Glencore has stakes in, including Xstrata by way of long-term off-take, agency and distribution agreements as well as from third party suppliers.

Glencore's ferroalloys, nickel and cobalt customer base is geographically diverse and consists of large multinational European, American and Asian businesses across the carbon, stainless steel and other special steel industries. Most products are sold to end users, but a small portion are sold to intermediaries. Glencore has also recently developed its chrome, iron and manganese ore businesses, supplying mostly large ferroalloys smelters (chrome and manganese) and carbon steel mills (iron). Contracts for the bulk ores are both spot and long-term (typically one year) with prices negotiated based on prevailing market prices.

Glencore's customers for ferroalloys are typically large carbon steel, stainless steel and special steel mills. Contracts are usually one to three years in duration with pricing terms either linked to industry publication prices or negotiated on a quarterly basis. Glencore markets a range of nickel products in ore, concentrates, matte forms and refined products. The nickel customer base is well established. Apart from nickel ore, which has its own market prices due to the variability of the grade, all nickel related products are priced by reference to LME prices. Glencore's customers for cobalt are typically large processors. Cobalt is sold in many forms, including ore, concentrates, intermediates, salts and metal. Cobalt contracts are approximately 12 months long on average, but can be up to five years, while contract pricing terms are set using the London Metals Bulletin price.

Ferroalloys, nickel and cobalt marketing operations principally involve marketing these commodities through physical, as opposed to paper, transactions. An active futures market exists for nickel on the LME, which allows the marketing team to hedge sales and purchases for nickel products; typically, physical positions are fully hedged using futures on the LME. Whilst the LME launched trading platforms for cobalt and molybdenum in February 2010, volumes are currently low, and these exchanges are therefore still relatively illiquid and, as a result, there is limited possibility to achieve effective paper hedging through a metals exchange. However, Glencore has developed and offers financial products, such as cash settled swaps, for cobalt and molybdenum as a means of managing the risk in respect of its physical exposures in these commodities. In 2008 the LME and Singapore Exchange Ltd. each launched an exchange for iron ore. Volumes traded on these exchanges are currently low but rapidly increasing and, as such, these exchanges are relatively illiquid.

Glencore has few major competitors trading in its addressable markets for ferroalloys, nickel and cobalt and the majority of its competitors compete primarily in upstream production, although some also have significant end product capabilities.

The following table summarises the marketing volumes for the ferroalloys/nickel/cobalt commodity department:

Volumes sold to third parties (million tonnes)	H1 2011	H1 2010	2010	2009
Ferroalloys (incl.agency)	1.2	1.4	2.6	2.2
Nickel (k MT)	97.8	118.1	193.9	175.3
Cobalt (k MT)	12.3	9.1	17.9	23.7
Iron ore	2.9	4.1	9.3	4.8

Industrial activities

Murrin Murrin

Glencore currently owns 98% of Minara, a nickel producer listed on the Australian Securities Exchange. Minara holds a 60% ownership interest in the Murrin Murrin joint venture, which owns the Murrin Murrin nickel/cobalt project and which it also operates. Glencore also owns 100% of Glenmurrin Pty Ltd., which holds the remaining 40% ownership interest in the Murrin Murrin joint venture. Glencore, therefore, effectively owns approximately 99% of Murrin Murrin through its ownership interests in Minara and Glenmurrin Pty Ltd. Murrin Murrin is one of Australia's largest nickel producers and is one of the top ten producers of nickel in the world. The Murrin Murrin plant has a current annual production capacity of 40,000 metric tons of nickel and 3,500 metric tons of cobalt.

On August 24, 2011, Glencore announced its intention to make an off-market cash takeover offer for all of the shares in Minara. The offer opened on September 8, 2011 and closed, after an extension, on

October 24, 2011. On October 14, 2011, Glencore started the compulsory acquisition process for the remaining shares which is expected to complete by the end of November 2011.

The table below shows the ferroalloys/nickel/cobalt commodity department's principal investments in industrial assets as of June 30, 2011:

Company	Country	Commodity	Current annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Murrin Murrin ⁽¹⁾ ...	Australia	Nickel Cobalt	40k MT 3.5k MT	83.4%	16.6% publicly traded	Purchase agreements

Note:

- (1) Glencore holds its ownership interest in Murrin Murrin via a direct 40% ownership interest in Murrin Murrin and an indirect 72.3% ownership interest in Minara, which holds the remaining 60% ownership interest in Murrin Murrin. Since June 30, 2011, Glencore has increased its ownership interest in Minara and Murrin Murrin to approximately 98% and 99% respectively.

Energy Products

Glencore's Energy Products business segment markets crude oil and oil products (such as fuel oil, heating oil, gasoline, naphtha, jet fuel, diesel and liquefied petroleum gas), coal and coke. These commodities are marketed primarily through Glencore's offices in London, Baar, Stamford and Singapore, with key support from a number of other locations.

The activities of Glencore's Energy Products business segment are supported by ownership interests in controlled and non-controlled coal mining and oil production operations as well as investments in strategic handling, storage and freight equipment and facilities. Glencore's energy products are marketed primarily through Glencore's offices in London, Baar, Stamford and Singapore, with key support from a number of other locations, including Beijing and Moscow, in order to take advantage of geographical opportunities. The global teams operate in an integrated manner.

Crude oil • Oil products

Marketing activities

The oil commodity department comprises marketing operations in crude oil, refined products, natural gas and freight, supported by access to a wide range of logistics, storage and industrial assets investments. Crude oil represents the most significant product supplied by physical volume. Oil products primarily include mid-distillates, gasoline, residuals, naphtha, natural gas and liquid petroleum gas.

Glencore sources crude oil and oil products from a variety of supplier types. Its diverse supplier base includes the major integrated oil companies, National Oil Companies ("NOCs"), independent oil companies, other marketing companies and refineries. There is a high degree of overlap between the crude oil and oil products customer and supplier base, particularly in respect of the major integrated oil companies.

Glencore's significant customers are the major integrated oil companies such as Shell, BP and ExxonMobil, as well as NOCs such as Indian Oil Corporation Ltd, Nigerian National Petroleum Company and Petroleos Mexicanos. In addition to the major integrated oil companies and NOCs, crude oil and oil products are sold to a diverse customer base, including utilities and oil refineries. While the percentage of term contracts is relatively small, this is largely consistent with the structure of the oil market and spot contracts are primarily with customers with whom relationships have been established and developed over a long time and are therefore considered similar in nature to term contracts due to their expected renewal. Glencore is also active in supplying natural gas to industrial consumers, with the gas delivered via pipeline in the U.S., the United Kingdom and other parts of Europe.

The marketing operations principally involve physical sourcing, storage, blending and distribution of oil. Paper transactions are also entered into for the purposes of hedging and/or taking or increasing exposures, within group limits and policies, where a physically-backed position exists. The availability of liquid electronic trading markets, covering the majority of the products marketed by the crude oil and oil

products operations, enables marketers to hedge their physical oil activities as well as provide profit enhancing opportunities in relation to physical marketing strategies.

Glencore's crude oil and oil products operations source their freight requirements through arrangements with Glencore's internal oil freight desk.

Glencore's main competitors are Vitol Group, Trafigura Group, Mercuria Energy and Gunvor, all of which have some infrastructure assets but little, if any, upstream production. Glencore also faces marketing competition from banks such as Morgan Stanley and Goldman Sachs, which have some infrastructure and no current oil production, although the large majority of their business activities involve derivatives with limited physical sourcing and distribution of oil. Volumes captured by oil majors such as BP and Shell are also in direct competition with Glencore's marketing volumes, although their participation in the market increases overall volume and liquidity.

Glencore's logistical operations include Chemoil, a leading supplier of marine fuels listed on the Singapore Stock Exchange. Glencore completed its acquisition of a 51.5% ownership interest in March 2010. Chemoil's primary business is the marketing and supply of bunker fuel and fuel oil and it operates in major shipping ports around the globe and owns or leases key storage terminals.

The following table summarises the marketing volumes for the oil commodity department:

Volumes sold to third parties (million tonnes)	H1 2011	H1 2010	2010	2009
Crude oil	22.1	27.0	51.9	39.7
Oil products	34.2	32.8	66.9	69.3

Industrial activities

Exploration and production

Glencore has equity stakes in two oil and gas production sharing contracts offshore Equatorial Guinea, West Africa (Block I and Block O (the "**Blocks**")). Significant oil and gas reserves have been discovered in these Blocks following the initial discovery made in Block O in 2005. Two of the discoveries in the Blocks (Aseng and Alen) are under development and are adjacent fields that will benefit from shared infrastructure. In addition to the two development projects, there have been five other discoveries in the Blocks (Carmen, Diega (A-sand), Diega (B-sand), Felicita and Yolanda) and several similar prospects that remain to be drilled. First oil is expected from the Block I Aseng field in the fourth quarter of 2011. Production in the Block O Alen field is expected to commence in late 2013.

Blocks I and O form a key part of the Glencore exploration and production portfolio which also includes equity stakes in a further two blocks in Equatorial Guinea, two blocks in Cameroon and one block in the Democratic Republic of Congo.

Block I is operated by Noble Energy EG Ltd. ("**Noble Energy**"), which is part of the Noble Houston group of companies. Noble Houston is an U.S.-based independent energy company listed on the New York Stock Exchange. Glencore has a 23.75% equity stake in Block I, which was acquired through a farm-out agreement with Atlas Petroleum International Limited ("**Atlas**"). The remaining equity interests are held by Noble Energy (38%), Atlas (27.6%), Osborne Resources Limited (5.7%) and the National Oil Company of the Republic of Equatorial Guinea (the Compañía Nacional De Petr leos de Guinea Ecuatorial or "**GEPetrol**") (5%).

The Block O licence area holds 95% of the Alen gas condensate field, as well as an estimated 10% of the Diega oil and gas discovery, and 100% of the Felicita gas condensate and Carmen gas and oil discoveries. Glencore has a 25% equity stake in Block O, with the remaining equity being held by Noble Energy (45%) and GEPetrol (30%). In addition to its 25% equity stake, Glencore is carrying 3.6% of the share of costs of GEPetrol throughout the life of the project. The costs of exploring and developing the asset are shared between Glencore (28.6%), Noble Energy (51.4%) and GEPetrol (20%). Block O is also operated by Noble Energy.

RussNeft

Glencore has invested in the Russian upstream market with its partner OAO RussNeft, taking ownership interests in a diversified portfolio of oil producing assets. OAO RussNeft owns and operates a number of

oil licences stretching from the Volga river in the west to the Siberian plains in the east. Glencore has acquired between 40 and 49% of the equity in a number of oil production subsidiaries of OAO RussNeft. OAO RussNeft is owned as to 49% by a number of associated companies of Mikhail Gutseriev, 49% by Sistema JSFC and 2% held by Sberbank of Russia, through its subsidiary.

The current aggregate production capacities of 100% of OAO RussNeft's operating subsidiaries comprise approximately 250,000 bbls per day (equivalent to 12.9 million tonnes per annum).

Glencore also benefits from a renewable one year off-take agreement, pursuant to which it is entitled to 100% of the crude oil produced by these assets destined for export markets.

The table below shows the oil commodity department's principal investments in industrial assets as of June 30, 2011:

Company	Country	Commodity	Current annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Block I ⁽¹⁾	Equatorial Guinea	Oil and gas	— ⁽²⁾	23.75% ⁽³⁾	38% Noble Energy Inc. 27.55% Atlas Petroleum 5% GEPetrol 5.66% Osborne Resources Limited	Purchase agreements ⁽⁴⁾
Block O ⁽¹⁾	Equatorial Guinea	Oil and gas	— ⁽⁵⁾	25% ⁽³⁾	45% Noble Energy Inc. 30% GEPetrol	Purchase agreements ⁽⁴⁾
Non-controlled:						
Various oil producing subsidiaries of RussNeft	Russia	Oil	250,000 bbls/day	40-49%	51-60% RussNeft	Purchase agreements

Notes:

- (1) Blocks I and O are both parts of The West African Oil Assets' portfolio. These investments are structured as unincorporated joint ventures, in which each partner receives and markets its share of production.
- (2) First production is scheduled for fourth quarter 2011 at an estimated rate of 50,000 barrels per day.
- (3) Glencore is entitled to a greater share of oil production than its percentage ownership of the joint venture as it recovers the carried interest/loans in relation to some of its partners.
- (4) To be entered into not less than three months prior to first production.
- (5) First production scheduled for late 2013 at an estimated rate of 37,500 barrels per day.

Coal • Coke

Marketing activities

The coal/coke commodity department is involved in the production and marketing of coal products. The marketing activities are supported by the industrial asset stakes, which provide both access to supply and market information. Glencore markets coal either on a principal basis, where it takes ownership of the coal, or on an agency/advisory basis, pursuant to a marketing agreement.

The main sources of Glencore's principal steam coal purchases are the coal mining companies in South Africa, Russia, Australia, Colombia, the U.S., Canada and Indonesia, accounting for most of the strategically important producing regions. Glencore's diversified supply base allows it to better manage the changing nature of coal demand and supply dynamics.

Glencore supplies thermal coal to a diverse geographic and industrial customer base, including major utilities in Spain, France, Italy, the United Kingdom, Hong Kong, China, Japan, Taiwan and South Korea. Glencore also sells coal to major cement producers, steel mills, chemical plants and other industrial users throughout the world.

Whilst traditionally coal has been sold on a physical bilateral basis, without a supporting commodity exchange, in recent years, a sizeable coal paper derivatives market has developed, providing a spot and

forward market for certain standard coal specifications. Glencore is able to transact in these markets in order to manage risks in relation to its physical supply of coal products.

Glencore's coal operations employ a specialist freight team located in Baar and Singapore. This team uses its considerable immersion in the seaborne bulk freight market to source competitive freight from third party owners and carriers.

The timing of procuring freight for coal operations is dictated primarily by physical coal sales activities, but also by global freight market dynamics at a point in time and/or forward expectations. Furthermore, geographic and time spreads are taken in order to allow the coal team to fully arbitrage relative value opportunities between the various origins and destinations of the underlying commodity. Maximum flexibility and optionality is thus sought to be maintained at all times. The operation manages freight from a combination of voyage and time charter based contracts, spot market bookings and derivative contracts which are primarily used to hedge physical freight exposure inherent in the overall position. Freight services are also supplied to third parties and are often sourced via joint venture agreements to enhance volume and gain timely market information in relation to industry trade patterns and rate developments.

Glencore has no major competitors which share its integrated business model and operate worldwide and on its scale. Instead, its competitors are either producers which largely market their own product and have less geographic market depth and visibility, for example BHP Billiton or Anglo American, or companies that have relatively little production capacity and focus mainly on less integrated trading and/or consumer activities, for example Noble Group or power/utility companies.

Glencore owns 34.5% of Xstrata, which has substantial coal mining operations in Australia, South Africa, Canada and Colombia, in respect of whose coal exports, Glencore provides advisory services.

The following table summarises the marketing volumes for the coal/coke commodity department:

Volumes sold to third parties (million tonnes)	H1 2011	H1 2010	2010	2009
Thermal coal	44.6	45.6	92.2	98.0
Metallurgical coal	1.8	4.2	8.0	7.7
Coke.....	0.2	0.3	0.7	0.3

Industrial activities

Prodeco

Glencore owns 100% of Prodeco, which comprises Glencore's Colombian export thermal and metallurgical coal mining operations and associated infrastructure. It is involved in the exploration, production, transportation and shipment of high grade thermal and metallurgical coal from its mines to markets principally in Europe and the Americas. Prodeco consists of two open pit coal mining operations (the Calenturitas mine and the La Jagua complex), export port facilities (Puerto Zuniga, which is fully operational, and Puerto Nuevo, which is under construction) and a 39.76% share in a company which holds the concession to the railway linking Prodeco's mines to the export ports.

Prodeco has a low-cost structure as it operates open cut mines and benefits from a superior quality coal which requires no washing. Prodeco is currently the third largest producer of export thermal coal in Colombia, behind Cerrejon and Drummond Company, Inc. Prodeco is going through a period of significant expansion, as coal production is planned to increase from 10 million tonnes per annum in 2010 to 19.9 million tonnes in 2013 and to 20.7 million tonnes per annum by 2015. This expansion is aimed at exploiting Prodeco's existing extensive reserve base to take advantage of demand for import coal in Europe and the Americas. The planned expansion is expected to have a significant positive impact on Prodeco's future revenues, cost structure and earnings. Prodeco has operational advantages in owning all its key operational infrastructure, including a railway (through its part ownership of the rail infrastructure concession and full ownership of rolling stock) and all mining equipment and facilities at its mine sites.

The largest project currently under way is the construction of the new direct loading port (Puerto Nuevo in Cienaga), which will provide Prodeco with higher annual throughput capacity and a lower cost of operation compared to its current port (Puerto Zúñiga). The project is broadly running on budget and on time, with expected commissioning in the first half of 2013.

Shanduka Coal

Glencore owns 70% of Shanduka Coal. The remaining 30% of Shanduka Coal is owned by Shanduka Resources (Pty) Limited, a South African Black Economic Empowerment entity. Glencore and Shanduka Resources have entered into an agreement, subject to regulatory approvals, whereby Shanduka Resources will increase its shareholding in Shanduka Coal and Glencore will reduce its shareholding in Shanduka Coal to 50.01% and 49.99% respectively. Shanduka Resources will, in addition to the payment of a cash consideration to Glencore, contribute its 30% shareholding in Kangra Coal, owner of the Savmore Colliery in the Ermelo coal fields of South Africa. Shanduka Coal owns 100% of the Graspan Colliery and the Middelburg Townlands Colliery and Extension, located near Middelburg, South Africa, as well as the Springlake Colliery located near Newcastle, South Africa. These operating mines have an aggregate annual production capacity of 9 million run of mine tonnes. Shanduka Coal also owns 100% of the Leeuwfontein and Lakeside Collieries located near Kendal, South Africa, which are under care and maintenance pending further exploration, and the Bankfontein Colliery, the reserves of which have been exhausted and which is being prepared for closure. Shanduka Coal produces both higher quality thermal and anthracite coal suitable for the export market and lower quality thermal coal sold largely to Eskom, the South African parastatal electric utility entity. Glencore also acts as marketing agent for Shanduka Coal's third party domestic coal sales, including its sales of lower quality coal to Eskom.

Umcebo

In July 2010, Glencore agreed to acquire an effective 43.66% equity interest in Umcebo for an aggregate purchase price of ZAR 908 million. The transaction is still subject to the approval of the South African Department of Mineral Resources. All other suspensive conditions have been fulfilled. Glencore's effective interest in Umcebo may increase due to certain purchase price adjustments included in the transaction agreements. An agreement with minority shareholders of a subsidiary of Umcebo to acquire their interests on closing of the transaction has lapsed due to non fulfilment of certain conditions precedent.

Global Coal Limited

Glencore owns 19.7% of Global Coal Limited, which was founded by leading members of the world coal industry to promote the development of the coal markets through screen trading of standardised coal products via the globalCOAL trading platform. More than 80 million tonnes of physical thermal coal are traded annually on the globalCOAL trading platform by approximately 100 leading coal market participants.

Optimum Coal Holdings Limited

In September 2011, Glencore announced its expression of interest in acquiring a controlling interest in Optimum Coal Holdings Limited, one of the largest producers of thermal coal in South Africa, through a consortium with its local Black Economic Empowerment partner, prominent South African businessman Cyril Ramaphosa. As at November 3, 2011, Glencore has a 28.58% shareholding in Optimum Coal Holdings Limited and has signed agreements, subject to approval by the Competition Authorities, which will result in the consortium having an effective 65.13% interest in Optimum Coal Holdings Limited. In compliance with the terms of the South African Companies Act and the takeover regulations promulgated under that Act, the consortium will be required to make a mandatory offer to all remaining shareholders when the consortium's beneficial shareholding reaches 35%.

The table below shows the coal/coke commodity department's principal investments in industrial assets as of June 30, 2011:

Company	Country	Commodity	Current annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Prodeco.....	Colombia	Coal	14.5 million MT ⁽¹⁾	100%	—	Marketing agreement
Shanduka Coal.....	South Africa	Coal	9 million run of mine MT	70%	30% Shanduka Resources (Pty) Limited ⁽²⁾	Purchase agreements, marketing agreements

Company	Country	Commodity	Current annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Non-controlled:						
Umcebo.....	South Africa	Coal	7.2 million run of mine MT	43.66% ⁽³⁾	56.34% privately held	Marketing agreement
Optimum	South Africa	Coal	17 million run of mine MT	N/A ⁽⁴⁾	71.42% publically held	N/A ⁽⁵⁾

Notes:

- (1) Planned expansion to 20.7 million MT by 2015.
- (2) Glencore and Shanduka Resources have entered into an agreement, subject to regulatory approvals, whereby Shanduka Resources will increase its shareholding in Shanduka Coal and Glencore will reduce its shareholding in Shanduka Coal to 50.01% and 49.99% respectively. Shanduka Resources will, in addition to the payment of a cash consideration to Glencore, contribute its 30% share in Kangra Coal, owner of the Savmore Colliery in the Ermelo coal fields of South Africa.
- (3) Pending completion and subject to working capital and other adjustments which could potentially increase Glencore's ownership interest.
- (4) As at November 3, 2011, Glencore has a 28.58% ownership interest in Optimum. The consortium has signed agreements, subject to approval by the Competition Authorities, which will result in the effective interest of the consortium being 65.13% of which Glencore's effective interest will increase from 28.58% to 57.02% and Cyril Ramaphosa's effective interest will be 8.11%.
- (5) Glencore has signed an agreement, subject to the fulfilment of conditions, with Mercuria Energy Trading SA ("Mercuria") to purchase the marketing agreement, effective July 1, 2012, which Mercuria has over a portion of Optimum's saleable production.

Agricultural Products

The Agricultural Products business segment focuses on the following commodities: grains (including wheat, maize and barley), oils/oilseeds, cotton and sugar. The activities of Glencore's Agricultural Products business segment are supported by investments in controlled and non-controlled storage, handling, processing and port facilities in strategic locations.

Marketing

The Agricultural Products business segment originates and markets grains (including wheat, barley and corn), oil/oilseeds (including most edible oils, biodiesel and their source seeds/beans), cotton and sugar.

The suppliers to the Agricultural Products business segment are farmers, farming co-operatives, processing plants, local exporters and global merchants. Individual commodity traders such as Cargill are the largest suppliers of the physical volume that Glencore markets. Glencore typically transacts with these third party commodity merchants as liquidity providers on a spot basis and generally does not have long-term supply contracts with them. The only top five supplier which is not a commodity merchant is Vicentin, Argentina's largest soybean crusher and producer of soy oil, most of which is supplied under long-term contract. The remaining supply base (including farmers) is very diversified and fragmented. The Agricultural Products business segment generally enters into commitments to buy agricultural products only as part of specific marketing strategies within the course of a crop season.

With respect to grains, Glencore typically buys grain from farmers at local spot prices for delivery to silos. Whilst occasionally grain from Australian or European farmers is procured pursuant to forward agreements, the business segment does not generally have long-term supply contracts in place with farmers, though it does have long-term relationships with important suppliers. Global markets, particularly on the supply side, are highly fragmented and, in many countries, Glencore procures grain directly from the farmer. North Africa, the Middle East and Asia are the prime importers. Glencore processes, handles and markets oils (including most edible oils and biodiesel) and their source seeds/beans with sourcing primarily from Argentina, Brazil, Australia, EU and Ukraine.

With respect to cotton, Glencore markets mainly unprocessed product, with sourcing primarily from West Africa, the U.S., India and Brazil.

With respect to sugar, Glencore markets both raw sugar and white sugar, and processes raw sugar into white sugar. Glencore is supplied a small portion of its sugar by farming operations which Glencore owns or in which it has an interest, with sourcing primarily from Thailand, Brazil and Guatemala.

Glencore's customers are the processing industry (food, consumer goods and animal feed), local importers, government purchasing entities and competing global marketers. Contracts with customers in

the food industry are negotiated bilaterally on a case-by-case basis, whilst contracts with governmental purchase bodies are usually tendered. Glencore estimates that it is awarded at least part of the tender in at least half of the agricultural tenders in which it participates and, where it is unsuccessful, it is sometimes able to supply part of the tender to the successful applicant. The Agricultural Products business segment does not enter into long-term contracts with these customers.

Liquid derivatives markets exist for the majority of the key commodities that the business segment markets, such as wheat, corn, soyoil, rapeseed and cotton, for example CBOT (Chicago), MATIF (Paris) and NYMEX (New York). These key products are also used as relative proxies for other products which the segment markets, such as barley and sunflower oil, in respect of which a liquid derivatives market does not currently exist, and Glencore is accordingly able to hedge, albeit imperfectly and/or partially, the risk on these physical commodities' positions using such proxy forward agreements and exchange traded futures. Glencore is also very active in ICE (New York) for global sugar futures trading and hedging as well as in local futures exchanges for sugar in India, Russia and, more recently, China.

Physical flows of product are shipped via trucks, trains and vessels. Logistical planning and chartering of dry-bulk seaborne trade is performed in-house by a freight desk which provides initial quotes for the freight associated with each shipment. The in-house freight desk trades and hedges freight and shipping capacity positions for both the department's dry-bulk shipping needs and for third parties. Glencore's logistical assets also include in-land and port elevators and silos and train wagons. The elevators and silos are located in Argentina, Australia, Brazil, Estonia, Hungary, Kazakhstan, Paraguay, Poland, Romania, Russia, Ukraine and Uruguay. Logistics assets are particularly important in the CIS as third party logistics assets typically have insufficient capacity and are not sufficiently reliable.

Glencore has three categories of competitors: large multinational merchants (Cargill, ADM, Bunge and Louis Dreyfus Group), smaller, more regionally focused merchants (includes Noble Group and Nidera) and local companies with a single country focus, primarily in Russia, Ukraine, Argentina, Australia and Brazil.

Marketing is coordinated through Glencore's subsidiary office in Rotterdam. Glencore's sugar business activities are coordinated through its subsidiary in London.

The following table summarises the marketing volumes for the agricultural commodities department:

Volumes sold to third parties (million tonnes)	H1 2011	H1 2010	2010	2009
Grains.....	12.9	9.8	20.9	19.8
Oil / oilseeds	5.1	4.4	9.4	8.1
Cotton	0.2	0.1	0.2	0
Sugar	0.2	0.3	0.5	1.0

Industrial activities

Farming Assets

Glencore's farming assets are mainly concentrated in the CIS, Australia, Paraguay, Argentina and Brazil. Glencore owns or part owns the land as full owner or on long-term leases. These activities enable the department to source its products at local prices, provide valuable information on the expected crop yields and enable Glencore to build closer relationships with other farmers in the respective regions.

Processing Assets

Access to or ownership of processing assets enables Glencore to take advantage of the various price differentials for agricultural commodities. The largest of these assets is Moreno in Argentina, of which Glencore owns 100%. Moreno's main activity is to produce and export edible oils and meal. Moreno's facilities include three sunseed/soybean crushing plants in Necochea, Daireaux and Villegas in Argentina with a combined production capacity of 1.9 million tonnes per annum. In 2007, Moreno started a biodiesel facility as a joint venture. The plant became fully operational in 2008 and its current production capacity is 0.5 million tonnes per annum. In addition, Glencore owns, or part owns, crushing facilities with a combined production capacity of 740,000 tonnes per annum in Brazil, Ukraine and Germany, including:

- a 100% ownership interest in Ponta Pora, a Brazilian oilseed crushing plant with production capacity of 350,000 tonnes per annum;
- a 100% ownership interest in Lubmin, a German rapeseed crushing plant with production capacity of 140,000 tonnes per annum;
- an 80% ownership interest in OMEZ, a Ukrainian sunseed crushing plant with production capacity of 250,000 tonnes per annum;
- a 40% share of production rights in a crushing plant through its stake in a joint venture with Vicentin and Molinos in Argentina which is expected to be operational in 2012 and which will have a production capacity of 5 million tonnes per annum;
- an 85% ownership interest in Rio Vermelho, a stand-alone distillery located in state of Sao Paulo (Brazil), with a sugarcane crushing production capacity of 1.2 million tonnes per annum. Currently only produces hydrous fuel ethanol (approximate capacity of 95,000 m3/season); and
- a soft seed crushing facility with a production capacity of 500,000 tonnes is currently under construction in Hungary with an expected start-up date in the fourth quarter of 2011.

Glencore has the following other production interests outside the crushing business:

- a 60.3% ownership interest in the Swiss company Biopetrol Industries AG owning four biodiesel production facilities;
- a 33.3% ownership interest in Renova, an Argentinean biodiesel producer;
- rice/wheat mills with a combined production capacity of 11.5 million tonnes per annum in Argentina, Brazil and Uruguay; and
- a share in two biodiesel production facilities in Argentina with a combined production capacity of 530,000 tonnes per annum.

The Agricultural Products business segment's medium-term investment is focused on increasing processing capacity in oil/oilseeds at origin, which is mainly in South America, as well as expanding its sugarcane crushing capacity in Brazil.

The table below shows the agricultural commodity department's investments in industrial assets as of June 30, 2011:

Company	Country	Commodity	Current annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Moreno	Argentina	Oilseed crushing	1.9 million MT	100%	—	N/A
Ponta Pora.....	Brazil	Oilseed crushing	350,000 MT	100%	—	Toll agreement
OMEZ.....	Ukraine	Sunseed crushing	250,000 MT	80%	20% privately held	Toll agreement
Lubmin	Germany	Rapeseed crushing	140,000 MT	100%	—	Toll agreement
		Biodiesel production	60,000 MT			
Biopetrol	Germany and Netherlands	Biodiesel production	1,000,000 MT	60.3%	Publicly traded on Frankfurt Stock Exchange	N/A
Advanced Organic Materials	Argentina	Biodiesel production	50,000 MT	50%	50% privately held	N/A
Mills.....	Argentina, Brazil and Uruguay	Flour/rice production	1,500,000 MT	50-100%	—	N/A

Company	Country	Commodity	Current annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Farming.....	Australia, Argentina, Kazakhstan, Paraguay, Russia and Ukraine	Farming activities on owned and leased land	270,000 hectares	50-100%	Any minority ownership is privately held	N/A
Rio Vermelho	Brazil	Ethanol and sugar cane crushing	1.2 million MT	85%	15% privately held	N/A
Non-controlled:						
Renova	Argentina	Biodiesel	480,000 MT	33.3%	33.3% Vicentin and 33.3% Molinos	Toll agreement

Investment in Xstrata

Glencore owns 34.5% of Xstrata, a publicly traded company listed on the London Stock Exchange. Xstrata is an international natural resources group that has significant market share in seaborne coal, zinc, copper, nickel and primary vanadium production and has a leading market share in ferrochrome production.

In addition to its position as a significant shareholder of Xstrata, Glencore has important commercial relationships with Xstrata, which include long-term marketing, agency and advisory agreements at arm's length for a number of commodities.

Worldwide office network

Organization

The three business segments described above report to management at the corporate level, and are supported by the finance, legal, risk, human resources and compliance department. All activities related to a specific commodity, including physical marketing activities, hedging, logistics and industrial investments, are managed by the business segment that covers the particular commodity.

Glencore's finance department is headed by the Chief Financial Officer based at Glencore's head office in Baar. Finance and accounting staff in each principal location (Baar, London, Rotterdam, Stamford, Singapore and Beijing) handle the day-to-day finance and accounting tasks related to the business activities conducted out of that location. The proximity of local finance and accounting staff to Glencore's marketing and logistics activities is important in order to ensure prompt and professional handling of the finance and accounting activities related to the specific commodity. The head office finance staff handle (i) funding activities based on Glencore's corporate credit, such as syndicated loan facilities and debt capital market transactions, (ii) coordination of the worldwide treasury, hedging and credit and exposure management activities, (iii) presentation of Glencore's financial statements to investors and rating agencies, (iv) relationships with its investors and with rating agencies and (v) assets and liabilities management of its consolidated balance sheet and compliance with covenants. The head office accounting staff are responsible for (a) financial accounting, including the preparation of the financial statements of the legal entities, (b) preparation of Glencore's consolidated financial statements, (c) management information related to the performance of each individual business segment, (d) reporting throughout the entire group, (e) tax issues and (f) the worldwide relationship with its independent auditors.

Office network

Relationships with producers and consumers of raw materials are the responsibility of senior employees who receive support from Glencore's global network of more than 50 offices in more than 40 countries. As shown below, these offices are located in major American, European, Asian, African and Middle Eastern natural resources producing and consuming markets. Some of these offices also oversee local logistics, including supervision of shipments, initial quality control, local authority liaison and shipping documentation. As of June 30, 2011, Glencore's global marketing network comprised the following offices:

Europe	Former Soviet Union	Asia/Australia	Americas	Middle East and Africa
Avon	Baku	Beijing	Asuncion	Casablanca
Baar	Kiev	Brisbane	Bogota	Dubai
Bucharest	Moscow	Ho Chi Minh City	Buenos Aires	Johannesburg
Budapest	Odessa	Jakarta	Calgary	Maputo
Gdansk		Kolkata	Cancun	
Istanbul		Manila	Clarkville	
London		Melbourne	Hamilton	
Madrid		Mumbai	Houston	
Milan		New Delhi	La Paz	
Novi Sad		Seoul	Lima	
Rotterdam		Shanghai	Los Olivos	
Sofia		Singapore	Mexico City	
Thame		Sydney	Montevideo	
Zagreb		Taipei	Pittsburgh	
		Tokyo	Quito	
			Rio de Janeiro	
			Santiago	
			Sao Paulo	
			Stamford	

Glencore believes its global office network significantly enhances its worldwide sourcing and distribution capabilities. It also secures key competitive advantages by enabling Glencore to penetrate and maintain a presence in local markets, identify strategic investment opportunities, develop excellent knowledge of trading conditions and counterparty quality, and respond quickly to changes in market practices and characteristics. Glencore's close proximity to its suppliers and customers is one of its key strengths.

Employees

As of June 30, 2011 Glencore employed over 2,800 people worldwide, excluding those employed in the operations of its industrial assets. The employees include department managers, support staff and employees in the subsidiary offices, as well as the management. The following table indicates the distribution of Glencore's employees by geographic region:

Employees by geographic region

Region	As of June 30	As of December 31	
	2011	2010	2009
Europe	1,289	1,241	1,153
US	268	260	235
Latin America	205	176	249
Africa	63	59	49
Asia	428	400	360
Australia	58	56	59
CIS	540	580	534
Total	2,851	2,772	2,639

In its industrial, operations, Glencore employs over 54,800 people in 30 countries.

Properties

Glencore leases its headquarters in Baar, Switzerland, as well as offices in major locations such as London, Rotterdam, Stamford and Singapore under long term lease agreements.

Environment, health and safety

Glencore is committed to conducting its business activities in a manner that will safeguard the health and safety of all employees and protect the environment. Glencore's industrial assets, as well as marketing and logistics activities, are subject to a range of EHS laws and regulations. For its operations (industrial assets and marketing logistics), Glencore has EHS policies and management programmes in place to manage and ensure compliance as well as to track and improve overall performance with the applicable local and international EHS laws and regulations. Glencore's EHS policies, management programmes and reporting schemes seek to identify areas of non-compliance or areas for general improvement. These measures are

also used to identify deficiencies by providing appropriate information and specialist advice to determine appropriate corrective actions.

Glencore's EHS policies and management systems are embedded into Glencore Corporate Practice programme ("GCP"). The GCP principles apply to Glencore's marketing activities and to all controlled industrial assets. GCP was designed to address the key non-financial aspects of Glencore's business activities that are important to its success and are indirectly linked to its overall financial performance, which are:

- health and safety;
- environment;
- community relations;
- human resources;
- impact on society and economies; and
- compliance.

These points are addressed in the form of commitments (a) to employees, the environment, communities in which Glencore operates, customers and investors; and (b) to adhere to good practice in compliance, communication and reporting. GCP meets internationally accepted good practice standards for corporate governance and management of non-financial activities.

In practice, GCP adds non-financial aspects to internal corporate reporting requirements, covering performance on societal, environmental and compliance indicators. Depending on the report subject matter, GCP may require annual or monthly internal reporting or, for critical incidents, reporting within 24 hours. Glencore will also make annual public reports on GCP itself, which will follow the latest guidelines of the Global Reporting Initiative, an initiative which aims to create conditions for the transparent and reliable exchange of sustainability information. As part of this initiative, Glencore's 2010 sustainability report was released on 7 September 2011.

Glencore encourages employees to ensure that customers, suppliers, agents, service providers and contractors comply with GCP where possible. Glencore also uses its influence to raise awareness and consideration of the basic principles within its joint ventures and entities in which it has non-controlling stakes.

Where GCP applies, employees are required to understand and comply with the principles. Glencore's managers are responsible for ensuring compliance, carrying out periodic assessments, management reviews and reviews of corrective action plans. The Group-wide minimum requirements for meeting the objectives of GCP's commitments are summarized in a GCP guidance document. Glencore applies appropriate controls, scaled for different levels of materiality in different areas of the group, and regularly benchmarks its achievements against targets and expectations, taking corrective action where necessary.

Environmental impact

In order to manage and limit the environmental impact of its controlled- extractive activities, the Group has established environmental management systems which are used to monitor environmental aspects of the operations undertaken by the Group. Glencore's controlled-extractive assets carry out internal and external environmental audits from time to time.

In common with other natural resources and mineral processing companies, despite its best efforts, Glencore's operations cannot always prevent adverse effects on the environment and surrounding communities. Such unfortunate situations may occur even though Glencore's controlled-extractive assets are managed in compliance with local laws, regulations and project-specific permits and environmental management plans. Typical issues in this regard include sulphur dioxide emissions caused by installations such as smelter furnaces or converter units, dust emissions from smelters, tailings dams or traffic on unpaved roads. Mining and ore processing always have a high demand for water which creates a challenge of ensuring a sufficient water supply (sometimes in arid regions) and managing effluents to preserve the quality of surface or ground waters. Project development may make land-clearing necessary,

which can negatively impact biodiversity and change landscapes. Waste rocks and tailings usually occur on a large-scale and, if not used for backfill, they need to be disposed in a safe and environmentally friendly manner.

Glencore also looks to promote environmental awareness in its non-controlled industrial activities and works in partnership with its customers, suppliers and service providers to limit the overall impact along the entire supply chain. Glencore's marketing and logistics operations also need to actively manage certain issues to seek to prevent damage to the environment and surrounding communities.

Besides the environmental aspects of industrial assets, Glencore's marketing and logistics operations also need to actively manage certain issues to prevent damage to the environment and surrounding communities. For example, failure in the logistics of crude oil or petroleum products can result in major environmental impact with huge reputational and financial damages. Therefore, Glencore's time charter fleet for crude oil and petroleum products is regularly inspected according to international maritime standards and has to meet certain technical criteria (for example, double hull) before being qualified to transport Glencore's products. All of this ensures sea- and cargo-worthiness and reduces the risk of failure to a tolerable minimum.

Glencore's products placed in the market are in many cases covered by national and international product safety and dangerous goods regulations. Any failure in complying with these obligations could result in a delay of Glencore's product delivery, loss of insurance coverage, business interruption for Glencore's customers, administrative or criminal sanctions and in extreme cases (temporarily) banning from a marketplace. Glencore has management systems in place to ensure compliance with applicable product safety and dangerous goods regulations. For example, Glencore provides service providers within the supply chain as well as its customers with supporting product information and documentation to allow them to take appropriate steps in relation to safe transportation, handling and use of Glencore's products.

Glencore acknowledges that managing the environmental compliance and impact of Glencore's operations is a dynamic process as the international and local regulatory environment is changing regularly.

Health and safety

Glencore is committed to the health and safety of Glencore employees and contractors and surrounding communities. Glencore's operations developed, implemented and maintain health and safety management systems and programmes which meet international standards and applicable regulatory requirements. These are tailored to the specific needs of Glencore's operations and activities. Performance is regularly monitored by tracking injuries, lost days, fatalities and near-miss events. This information is used as the basis for continuous improvement programmes, training and improvement of the integrity and safety of work places as well as mobile or stationary equipment.

Communities

Glencore believes that its business activities, and in particular its mining operations, contribute in the medium and long term to local development of communities. In addition to monetary distribution of wealth (for example, direct employment, taxes or royalties), Glencore adds value by procurement of products and services, investments in infrastructure and involvement in local social and development projects.

Initiatives are usually adapted to local situations and needs. They can either be single projects or programmes with long-term commitments. Areas of activity include, for example, education, sports, child care, medical care, culture, environment or even public provision of utilities for the surrounding communities. Glencore works in partnership with local authorities and communities to ensure effectiveness, efficiency and acceptance of each of these programmes.

Glencore seeks to maximise the share of its locally hired staff, to the extent possible, which results in positive employment opportunities in the surrounding communities. Glencore believes that, besides all the accompanying community programmes and projects, creating employment opportunities for the community is one of the major contributions to local development and wealth. This is especially relevant when Glencore operates in remote areas with limited employment opportunities and development challenges.

Although Glencore seeks to prevent local communities from adverse social impact caused by its activities, these cannot always be completely mitigated. In such an event and whenever possible, Glencore strives at least to minimise these effects and seeks to find fair compensation.

Insurance

Glencore maintains a number of key insurance policies that it believes are commercially appropriate to cover the risks associated with its business operations. All of Glencore's insurance policies are placed in external insurance markets with global and local insurers as appropriate and have bespoke terms to reflect Glencore's requirements. Deductibles are generally kept at a low level, ranging from zero to approximately US\$ 1 million (except for one of the industrial assets, which has a deductible of US\$ 20 million). The vast majority of Glencore's insurance policies are underwritten through Lloyd's and other major European and international insurance companies. Glencore maintains an insurance portfolio that covers both physical assets and liability exposures.

Glencore's global insurance policies cover its subsidiaries and its industrial assets (subject to some local insurance cover), and are purchased centrally by the Glencore Group. Glencore's principal global insurance policies include property damage and business interruption (specific to certain copper and zinc assets), charterer's legal liability, marine cargo, excess oil pollution liability, political risk (in respect of oil in storage and/or in transit only), offshore liabilities piracy, general third party liability and directors' and officers' liability insurance. In addition, Glencore provides insurance and assistance in relation to its shipping subsidiaries and arranges coverage in respect of various owned vessels for relevant shipping risks such as hull and machinery losses or damage, loss of hire and third party liability and expenses claims from owning or operating ships as principal. Insurance for the majority of co-owned vessels is arranged by Glencore's joint venture partner/co-owner, such terms and conditions and underwriter's security ratings subject to approval by Glencore. Insurance policies for its industrial assets are typically purchased locally on an individual asset basis, with Glencore covering material losses in excess of local limits. All material and locally purchased policies are held centrally by the Glencore Group. These policies include property damage and business interruption, general third party liability and directors' and officers' liability, charterer's legal liability and marine cargo liability, where applicable. However, many of Glencore's material industrial assets, such as Mopani, Prodeco, Kazzinc, Mutanda and Katanga rely on the Glencore Group's global coverage for certain risks as opposed to effecting its own local insurance cover placed in each local territory. Where local coverage is currently in place in respect of an industrial asset, such as the property damage and business interruption cover for Prodeco, Kazzinc and Mutanda, Glencore considers whether to cover such asset. Prodeco attached to Glencore's Global mining policy in June 2011. Kazzinc continues to be insured on a stand-alone basis to take advantage of more competitive local market terms and conditions and Mutanda will join the Global mining policy when on-site construction has completed.

Glencore has relationships with a number of insurance brokers that have been selected for their better market representation in particular classes of insurance or relationships with either local or international underwriters. By using different brokers, Glencore believes that it receives better service in respect of policy placements, premium costs, advice and assistance on claims. Brokers are generally remunerated on a commission basis. Although Glencore does not set its own minimum financial security ratings in respect of insurers or brokers, it verifies and confirms ratings and suitability during the course of renewal discussions.

IT Systems

Glencore's systems architecture is based on standard technologies such as Java, Microsoft and internet based client access. This architecture enables Glencore to react more quickly to market changes and enhances Glencore's ability to manage its activities in an efficient, reliable and timely fashion.

Glencore's business critical software applications such as traffic/trading, accounting and finance are based on highly integrated components. Glencore's core business processes are supported by a combination of in house developed and off-shelf purchased applications and are continuously adapted to the newest business needs. All core applications are managed from Glencore's headquarters in Baar and are available to all the major locations but some commodity-specific applications are supported by the applicable trading/marketing site, such as agriculture in Rotterdam or oil in London.

The Glencore Global Accounting Programme ("GGAP") is a new programme intended to provide Glencore with improved facilities over decision-making, assembling resources and financial control. The implementation of a third party specialist, SAP AG, as enabler for GGAP is intended to provide greater reliability and accuracy of financial information and better support for the diverse information requirements from across the Glencore Group. As a first aim, the programme will replace the current local accounting application used by Glencore's main trading sites in Baar, London, Singapore, Rotterdam and Stamford. Glencore has sought to establish structures and process to ensure GGAP is delivered on time and to budget and GGAP is scheduled to be released in three separate phases; Baar is due to go live in early 2012, London, Singapore and Stamford by the second quarter of 2012 and Rotterdam by the third quarter of 2012.

In addition to GGAP, a number of other key IT projects are currently underway within the Glencore Group such as the upgrade of the coal commodity department trading system and the integration of document management solution with Glencore Group messaging system. Glencore is continuously expanding and upgrading its communications network and server capacity in response to the growing need to link electronically its worldwide staff and to store, organise and make available to its staff the increasing volume of data transmitted within the global network.

Glencore's IT network architecture is based on a wide area network that interconnects three of its main trading sites, namely Baar, London and Stamford and is designed with built-in resilience through the use of dual connections operated by two separate suppliers. This configuration allows Glencore to provide an efficient and highly available service to its employees. Mechanisms which facilitate the restoration of Glencore systems in the event that they become unavailable are also in place. Glencore has its own IT department with more than 250 employees worldwide, which excludes people employed in the operations of its industrial assets, focused on providing customised business solutions to the changing needs of Glencore's business and providing smooth operation of IT systems.

Legal proceedings

Glencore deals with over 7,200 suppliers and customers. In the ordinary course of its business, Glencore is from time to time involved in commercial disputes as both claimant and defendant. Certain legal actions, other claims and unresolved disputes are pending against Glencore. Whilst Glencore cannot predict the results of any litigation, it believes that it has meritorious defences against those actions or claims. Glencore believes the likelihood of any liability arising from these claims to be remote and that the liability, if any, resulting from any litigation will not have a material adverse effect on its consolidated income, financial position or cash flows.

Other proceedings

In a criminal investigation in Belgium against a public official, the European Commission's Directorate-General for Agriculture ("DG AGRI") and others for violation of professional secrecy, corruption of an international civil servant and criminal conspiracy, Glencore Grain Rotterdam BV, a subsidiary of Glencore, a former employee and one current employee have been charged with having committed corruption in exchange for information covered by professional secrecy in the course of the applications for European export restitutions. Following a complaint by the European Anti-Fraud Office (the "OLAF"), the investigation led by the Brussels Prosecutor's office in co-operation with the European Commission and the French and Dutch police and judicial authorities was initiated in October 2003, covering facts dating from 1999 until 2003. The European Commission became a civil party to this case without quantifying the damage at this stage. The trial is scheduled for early 2012.

Risk management and financial risk management

Risk management and control spans across Glencore's organisational structure. Glencore's Board has been and will further be involved in the risk management of the Glencore Group at a strategic level. Glencore's CEO engages in an ongoing interrogatory exchange with the management team as a primary oversight of group risk, supported in this function by the Group Risk Management team, multi-sourced risk reporting and the Chief Risk officer. This support, amongst other things, relates to consolidated risk reporting, co-ordination of group and departmental VaR, stress, scenario and other testing, reviewing and challenging the evaluation models and, in conjunction with departmental teams, input parameters used by commodity departments. The departments and Group Risk team further engage in a dialogue concerning general

aspects of risk management policy and reporting. The internal audit and compliance and business ethics committees also play key roles in managing group operational risk and verifying process controls.

Glencore's business could be impacted by various external factors, for example political events and unfavourable actions by governments, natural catastrophes and operational disruptions. In addition, Glencore's activities expose it to a variety of financial risks: market risk (including commodity price risk, interest rate risk and currency risk), credit risk (including performance risk) and liquidity risk. Glencore's overall risk management programme focuses on the unpredictability of financial markets and seeks to protect its financial security and flexibility by using derivative financial instruments substantially to hedge these risks. Among others, Glencore monitors its commodity price risk exposure using a VaR computation and assesses the open positions, which are those subject to price risks, including inventories of these commodities. Glencore's finance and risk professionals, working in co-ordination with the commodity departments, monitor, manage and report regularly to management on the financial risks and exposures Glencore is facing. Responsibility for reviewing the overall effectiveness of Glencore's system of internal controls and risk management systems lies with the audit committee.

Members of the Board of Directors

The Directors of Glencore International as at November 7, 2011 and their principal activities outside Glencore are:

Name	Position	Other principal activities
Simon Murray	Director	Director of GEMS Limited, IRC Limited, Essar Energy plc, Cheung Kong (Holdings) Limited, Orient Overseas (International) Ltd., Wing Tai Properties Limited, Greenheat Group Limited, Compagnie Financière Richemont SA, and Sino Forest Corporation; member of the advisory board of Hua Wei; and adviser to SouthWest Energy
Ivan Glasenberg	Director	Director of Xstrata plc and United Company RUSAL Plc
Steven Kalmin	Director	Director of Century Aluminum Company
Anthony Hayward	Director	Director and founder of Vallares plc; partner of AEA Investors; member of the Advisory Board of Numis Corporation plc; and conditionally appointed as CEO of Genel Energy plc
Peter Coates	Director	Chairman and Director of Santos Ltd. and Director of Amalgamated Holdings Limited
Leonhard Fischer	Director	Chairman and CEO of RHJ International S.A.; CEO of Kleinwort Benson Group; and Director of Julius Baer Gruppe AG, AXA Konzern AG, Germany and Arecon AG
William Macaulay	Director	Chairman and CEO of First Reserve Corporation; Chairman of Dresser-Rand, Inc.; Director of Weatherford International Ltd.; and Chairman of the Rogosin Medical Institute and of the Advisory Board of the City University of New York
Li Ning	Director	Director of Henderson Land Development Company Limited and Hong Kong (Ferry) Holdings Company Limited

The business address of each of the Directors is Baarermattstrasse 3, CH-6340 Baar, Switzerland.

As at the date of this Base Prospectus none of the Directors of Glencore International has any conflict of interest between their duties to Glencore International and their other principal activities listed above.

Description of Ownership Structure

Glencore has historically been entirely owned by its employees. Glencore believes that this ownership structure has been an important element of its successful growth since inception. Following its IPO, Glencore continues to be primarily owned by employee shareholders. This ownership structure aligns the interests of shareholders and employees and has fostered a culture of excellence, teamwork and accountability. In addition, employee ownership helps Glencore to attract new employees of the highest calibre and to retain and motivate existing employees. The fact that Glencore's employees have a significant amount of capital invested in Glencore, with overall compensation structured in favour of longer-term incentives, motivates it to take a long-term view of Glencore's overall performance and to protect the capital of Glencore. Glencore believes that its consistent profitability, the long-term tenure of its management team and its prudent risk management policies have been a direct result of its employee ownership structure.

To continue the strong culture within Glencore based on employee ownership, the Company has put in place two new employee share plans – the Glencore Performance Share Plan and the Glencore Deferred Bonus Plan. These plans are in addition to the annual short-term bonus arrangements in place for the Glencore employees.

Auditors

Deloitte LLP, London has been appointed as statutory auditor to Glencore International since its incorporation.

Financial Statements

Since the date of its incorporation, Glencore International has prepared and published semi-annual consolidated unaudited financial statements in accordance with IFRS. Glencore International will prepare and publish annual consolidated audited financial statements in accordance with IFRS, with the first such financial statements to be prepared as at December 31, 2011. All such financial statements, once published, may be obtained at the specified offices of the Paying Agents during normal business hours for at least two financial years.

Financial Year

The financial year end of Glencore International is December 31.

DESCRIPTION OF GLENCORE INTERNATIONAL AG

General

Glencore International AG is a wholly owned subsidiary of Glencore International plc. Glencore International AG is the main operating entity of the Group and the direct or indirect holding entity for the operating and finance subsidiaries and industrial investments of the Group. Glencore International AG was incorporated in Switzerland under Swiss law on June 12, 1987, and its headquarters are located in Baar, Switzerland. Glencore International AG's registration number is CH-170.3.012.738-3. Its registered office is at Baarermattstrasse 3, CH-6340 Baar, Switzerland, and its telephone number is: +41 41 709 2000. Its country of jurisdiction is Switzerland.

Glencore International AG's principal business is to act as the main operating company of the Group, the description and activities of which are set out under "*Description of Glencore International plc*".

Glencore International AG's consolidated revenues for the year ended December 31, 2010 were US\$ 144,978 million, and Glencore International AG's income (pre other significant items) for the year ended December 31, 2010 was US\$ 3,799 million. As of December 31, 2010, Glencore International AG's total assets amounted to US\$ 79,787 million.

Management

Board of directors

The directors of Glencore International AG as at November 7, 2011 and their principal activities outside Glencore were as follows:

<u>Name</u>	<u>Position</u>	<u>Other Principal Activities</u>
Ivan Glasenberg	Director	Director of Xstrata plc and United Company RUSAL Plc
Andreas Hubmann	Director	None
Steven Kalmin	Director	Director of Century Aluminium Company

The business address of each of the Directors is Baarermattstrasse 3, CH-6340 Baar, Switzerland.

As at the date of this Base Prospectus, none of the Directors of Glencore International AG has any conflict of interest between their duties to Glencore International AG and their other principal activities listed above.

Auditors

Deloitte AG, Zurich, Switzerland has been appointed as statutory auditor to Glencore International AG.

Financial Statements

Since the date of its incorporation, Glencore International AG has prepared and published annual consolidated audited financial statements, semi-annual consolidated unaudited financial statements and quarterly unaudited consolidated financial statements in accordance with IFRS. With effect from December 31, 2011, Glencore International AG will prepare annual non-consolidated audited financial statements in accordance with Swiss Generally Accepted Accounting Principles ("**Swiss GAAP**") only (and will no longer prepare either semi annual or quarterly financial statements). Any such financial statements may be obtained at the specified offices of the Paying Agents during normal business hours for at least two financial years.

Financial Year

The financial year end of Glencore International AG is December 31.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC, BNP PARIBAS, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd., HSBC Bank plc and The Royal Bank of Scotland plc (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated November 8, 2011 (the "**Dealership Agreement**") and made between the Issuer, each Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Program or in relation to a particular Tranche of Notes.

United States of America

Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Relevant Member State, each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Approved prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such

prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

United Kingdom

Each Dealer has represented, warranted and agreed that:

- (a) *Financial promotion*: It has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- (b) *General compliance*: It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Jersey

Each Dealer has represented, warranted and agreed that it will not circulate in Jersey any offer for subscription, sale or exchange of the Notes except in compliance with all applicable Jersey laws, orders and regulations, including, without limitation, the Control of Borrowing (Jersey) Order 1958.

Switzerland

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

France

Each Dealer and the Issuer has represented, warranted and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or

caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier* but excluding individuals referred to in Article D.411-1-II-2°.

This Base Prospectus has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document.

TAXATION

The following is a general description of certain Luxembourg, Jersey and Switzerland tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg, Jersey, Switzerland or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws in Luxembourg, Jersey and Switzerland. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

LUXEMBOURG TAXATION

Luxembourg tax residency of the Noteholders

A Noteholder will not become resident, or be deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery, exchange and/or enforcement of the Notes.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Noteholders and to certain entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Noteholders and to certain entities (as described below), upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-resident individuals

Under the Luxembourg laws dated June 21, 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Tax Directive**") and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union, a Luxembourg based paying agent (within the meaning of the EU Savings Tax Directive) is required since July 1, 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain European Union dependent or associated territories, unless the beneficiary of the interest payments opts for the procedure of the exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain so-called "residual entities" within the meaning of article 4.2 of the EU Savings Tax Directive established in a Member State or in certain European Union dependent or associated territories (i.e., an entity without legal personality (the Finnish and Swedish companies listed in article 4.5 of the EU Savings Tax Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and that is not UCITS recognized in accordance with Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and have not opted to be considered as UCITS recognized in accordance with Council Directive 85/611/EEC).

The withholding tax rate is 35%. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals

A 10% withholding tax is levied on interest payments made by Luxembourg paying agents (defined in the same way as in the EU Savings Tax Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted to be treated as UCITS recognized in accordance with the Council Directive 85/611/EC or for the exchange of information regime).

Taxation of the Noteholders

Taxation of Luxembourg non-residents

Noteholders who are non-residents of Luxembourg and who have neither a permanent establishment, a permanent representative nor a fixed base of business in Luxembourg with which the holding of the Notes is connected are not liable to any Luxembourg income tax, whether they receive repayments of principal, payments of interest (including accrued but unpaid interest), payments received upon the redemption or the exchange of the Notes, or realize capital gains on the sale of any Notes.

Taxation of Luxembourg residents

Luxembourg resident individuals

Pursuant to the Luxembourg law of December 23, 2005, as amended by the law dated July 17, 2008, Luxembourg resident individuals acting in the course of their private wealth can opt to self-declare and pay a 10% tax on interest payments made by certain non-Luxembourg paying agents (defined in the same way as in the EU Savings Tax Directive), including paying agents located in European Union Member States other than Luxembourg, a Member State of the European Economic Area or in a State which has concluded an international agreement directly related to the EU Savings Tax Directive.

The 10% Luxembourg withholding tax (see the above section "*Withholding tax – Luxembourg resident individuals*") or the self-declared 10% tax represents the final tax liability on interest received for the Luxembourg resident individuals receiving the payment in the course of their private wealth. For individual Luxembourg resident Noteholders, receiving the interest as income from their professional asset, the 10% withholding tax levied is credited against their final tax liability. They will not be liable for any Luxembourg taxation on income on repayment of principal.

Luxembourg resident individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes owned in the framework of their private estate, unless the disposal of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of the date of acquisition of these Notes. Upon the sale, redemption or exchange of the Notes accrued but unpaid interest will however be subject to the 10% tax (either withheld or self-declared if the Luxembourg resident individuals opt for the self-declaration). Individual Luxembourg resident Noteholders receiving the interest as business income must include the portion of the price corresponding to this interest in their taxable income; the 10% Luxembourg withholding tax, if applicable, will be credited against their final income tax liability.

Luxembourg resident companies

Luxembourg resident company (*sociétés de capitaux*) Noteholders or foreign entities of the same type which have a permanent establishment or a permanent representative in Luxembourg with which the holding of the Notes is connected, must include in their taxable income any interest received or accrued as well as the difference between the sale, exchange or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes sold, redeemed or exchanged.

Luxembourg resident companies benefiting from a special tax regime

Luxembourg resident company Noteholders which are companies benefiting from a special tax regime (subject to the law of May 11, 2007 on family estate management companies and undertakings for collective investment subject to the law of December 17, 2010 (amending the law of December 20, 2002) or to the law of February 13, 2007) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

Net Wealth Tax

Luxembourg net wealth tax will not be levied on a Noteholder, unless (i) such Noteholder is a fully taxable Luxembourg resident company or (ii) the Notes are attributable to an enterprise or part thereof which is carried on by a non-resident company in Luxembourg through a permanent establishment.

Other Taxes

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by Noteholders as a consequence of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer, redemption or exchange of the Notes.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

No Luxembourg inheritance taxes are levied on the transfer of the Notes upon death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. No Luxembourg gift tax is levied on the transfer of the Notes by way of gift unless the gift is registered in Luxembourg.

JERSEY TAXATION

The following summary of the anticipated tax treatment in Jersey of any payments to be made by Glencore International plc under its guarantee(s) is based on Jersey taxation law as it is understood to apply at the date of this document. It does not constitute legal or tax advice. Holders of Notes (or a beneficial interest in Notes) should consult their professional advisers on the implications of receiving a payment from Glencore International plc under its guarantee(s) under the laws of the jurisdictions in which they may be liable to taxation. Holders of Notes (or a beneficial interest in Notes) should be aware that tax laws, rules and practice and their interpretation may change.

Withholding Tax in Respect of Payments Under Guarantee(s)

Glencore International plc is entitled to make any payment that it may be required to make under its guarantee(s) without any deduction or withholding for, or on account of, Jersey income tax.

Income Tax in Respect of Payments Under Guarantee(s)

Holders of Notes (or a beneficial interest in Notes) (other than residents of Jersey) will not be subject to any income tax in Jersey in respect of any payment made to them by Glencore International plc under its guarantee(s).

Goods and Services Tax

Glencore International plc is an "international services entity" for the purposes of the Goods and Services Tax (Jersey) Law 2007. While Glencore International plc remains an "international services entity", it is not required to charge goods and services tax in respect of any supply made by it.

EU Savings Tax Directive

As part of an agreement reached in connection with the European Union directive on the taxation of savings income in the form of interest payments, and in line with steps taken by other relevant third countries, Jersey introduced with effect from July 1, 2005, a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in a Member State by a paying agent established in Jersey. The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to Member States of information regarding such payments. During this transitional period, such an individual beneficial owner resident in a Member State will be entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the Member State in which the beneficial owner is resident.

The retention tax system in Jersey is implemented by means of bilateral agreements with each of the European Union Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and understanding of the current practice of the Jersey tax authorities

(and subject to the transitional arrangements described above), Glencore International plc would not be obliged to levy retention tax in Jersey under these provisions in respect of payments made by it under its guarantee(s) to a paying agent established outside Jersey.

SWITZERLAND TAXATION

Non-residents and residents

All payments of principal and interest in respect of the Notes and the Coupons by and on behalf of the Issuer including payments by each of Glencore International plc and Glencore International AG as Guarantors under the Deed of Guarantee and the Guarantee Agreement, respectively, will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, withheld, or assessed by Switzerland or any political subdivision or taxing authority thereof or therein, in accordance with applicable Swiss laws and administrative practice.

On October 26, 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland adopted measures equivalent to those of the EU Savings Tax Directive (see further below). The agreement came into force as of July 1, 2005.

On the basis of this agreement, Switzerland introduced a withholding tax on interest payments and other similar income paid by a paying agent within Switzerland to an individual resident in an European Union member state. The withholding tax is currently withheld at a rate of 35%, with the option of such an individual to have the paying agent in Switzerland provide to the tax authorities of the relevant member state details of the payments in lieu of the withholding. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding, if any, **provided that** certain conditions are met. For the avoidance of doubt, Condition 12 (*Taxation*) does not provide for an obligation to gross-up for such withholding.

EU SAVINGS TAX DIRECTIVE

Under the EU Savings Tax Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-European Union countries to the exchange of information relating to such payments. Belgium has replaced this withholding tax with a regime of exchange of information to the Member State of residence as from January 1, 2010.

A number of non-European Union countries including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

GENERAL INFORMATION

Listing and admission to trading

Application has been made for the Notes issued under the Program to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Regulated Market.

Notes may be issued pursuant to the Program which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

Authorizations

The 2011 update of the Program and increase of the program amount to US\$ 12,000,000,000 was authorized by resolutions of the board of directors of Glencore Finance (Europe) S.A. passed on November 4, 2011. The giving of the guarantee by Glencore International AG was authorized by a written resolution of the board of directors of Glencore International AG dated November 7, 2011 and the giving of the guarantee by Glencore International plc was authorized by the Chief Executive Officer and Chief Financial Officer of Glencore International plc on November 7, 2011 pursuant to the authority delegated to them by resolutions of the board of directors of Glencore International plc passed on August 22, 2011.

The Issuer and the Guarantors have obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes and the giving of the guarantees relating to them.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

Use of proceeds

The net proceeds of the issue of each Tranche of Notes shall be used exclusively outside Switzerland and will be applied by the Issuer and/or each Guarantor for general corporate purposes.

Post-issuance information

The Issuer does not intend to provide post-issuance information, if not otherwise required by all applicable laws and regulations.

Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantors are aware), during the 12 month period preceding the date of this Base Prospectus which may have or have had, in the recent past, significant effects on the financial position or profitability of the Issuer, the Guarantors and subsidiaries.

No significant change and no material adverse change

There has been no significant change in the financial or trading position of the Issuer, Glencore International AG and their subsidiaries since December 31, 2010 or any material adverse change in the prospects of the Issuer, Glencore International AG and their subsidiaries since December 31, 2010.

There has been no material adverse change in the prospects of Glencore International plc since March 14, 2011 (being the date of its incorporation) and there has been no significant change in the financial or trading position of Glencore International plc and its subsidiaries since June 30, 2011.

Auditors

The authorized auditors of the Issuer are Deloitte S.A. of 560, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg, who have audited the non-consolidated accounts of the Issuer, without qualification, in accordance with International Standards on Auditing for each of the two financial years ended on December 31, 2010 and December 31, 2009 respectively. Deloitte S.A. is a member of the Luxembourg Institute of Auditors (*Institut des Réviseurs d'Entreprises*).

The auditors of Glencore International plc are Deloitte LLP of 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is a member of the Institute of Chartered Accountants in England and Wales.

The auditors of Glencore International AG are Deloitte AG of General Guisan-Quai 38, 8022 Zurich, Switzerland, who have audited the consolidated accounts of Glencore International AG, without qualification, in accordance with International Standards on Auditing for each of the two financial years ended on December 31, 2010 and December 31, 2009 respectively. Deloitte AG is a member of the Swiss Institute of Certified Accountants and Tax Consultants (*Treuhand-Kammer*). Deloitte AG is recognized as auditor by the Federal Audit Oversight Authority and the Swiss Financial Market Supervisory Authority.

Documents available for inspection

For so long as the Program remains in effect or any Notes shall be outstanding, copies of the following documents may be inspected (and, in the case of (e) and (g) obtainable) during normal business hours on any working day at the specified offices of the Principal Paying Agent and the Paying Agent in Luxembourg (free of charge), namely:

- (a) the Paying Agency Agreement;
- (b) the Deed of Guarantee and the Guarantee Agreement;
- (c) the Trust Deed;
- (d) the Dealership Agreement;
- (e) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. (In the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders);
- (f) the constitutive documents of the Issuer and each Guarantor; and
- (g) this Base Prospectus and any supplements thereto.

Financial statements available

For so long as the Program remains in effect or any Notes shall be outstanding, copies of the following documents may be obtained during normal business hours at the specified office of the Principal Paying Agent and the Paying Agent in Luxembourg, namely:

- (a) the most recent publicly available and any further audited non consolidated annual accounts of the Issuer beginning with such financial statements for the years ended December 31, 2010, and December 31, 2009;
- (b) the most recent audited financial statements of Glencore International AG beginning with such financial statements for the years ended December 31, 2010 and December 31, 2009; and

- (c) the most recent publicly available unaudited consolidated financial statements of Glencore International plc beginning with such financial statements for the half-year ended June 30, 2011.

The Issuer and Glencore International AG do not produce interim accounts.

Glencore International plc will prepare annual consolidated audited financial statements in accordance with IFRS which, once published, may be obtained at the specified offices of the Paying Agents during normal business hours for at least two financial years. The first such financial statements will be prepared as at December 31, 2011.

APPENDIX 1 — SUMMARY OF CERTAIN DIFFERENCES BETWEEN INTERNATIONAL FINANCIAL REPORTING STANDARDS AND SWISS GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Introduction

Since the date of its incorporation, Glencore International AG has prepared and published annual consolidated audited financial statements, semi-annual consolidated unaudited financial statements and quarterly unaudited consolidated financial statements in accordance with IFRS. With effect from December 31, 2011, Glencore International AG will prepare annual non-consolidated audited financial statements in accordance with Swiss GAAP, as defined by the Swiss Code of Obligations ("SCO"), only (and will no longer prepare either semi annual or quarterly financial statements).

IFRS differs significantly in certain respects from Swiss GAAP. Swiss GAAP has basic and general accounting rules and it is not as comprehensive as IFRS. The following summary describes certain differences between the significant accounting policies as applied under IFRS compared to Swiss GAAP as of December 31, 2010. New IFRS standards or changed IFRS/IAS standards effective January 1, 2011 are not considered.

The following summary is not intended to provide a comprehensive listing of all such differences specifically related to Glencore International AG or the industries in which Glencore International AG operates and may not include all differences that exist between IFRS and Swiss GAAP. No attempt has been made to identify all valuation, disclosure, presentation or classification differences that would affect the manner in which transactions and events are valued and presented in the financial statements or the notes thereto.

Objective

IFRS's objective is to provide information about the financial position, performance and changes in financial position of an entity that is useful to a wide range of users in making economic decisions. The financial statements are therefore investor/shareholder driven.

IFRS provides detailed guidance on specific accounting treatments and disclosure requirements under IFRS are extensive.

The SCO's main objective is to protect creditors and to set the basis for taxation. SCO financial statements are primarily driven by the principle of prudence and cannot be described as true and fair; overstatements of liabilities and understatements of assets are allowed but are usually limited to the boundaries permitted by tax legislation.

The SCO provides basic guidance on general accounting treatments and disclosure requirements in the notes are limited, leaving room for interpretation.

Components of financial statements

IFRS financial statements consist of six elements: statement of financial position, statement of income, statement of comprehensive income, statement of cash flows, statements of changes in equity and notes including a description of the accounting policies and other explanatory notes.

The SCO financial statements consist of three elements: statement of financial position, statement of income and notes (only limited notes required by the SCO).

Consolidation requirements

IFRS requires consolidated financial statements including all subsidiaries when control of the subsidiaries exists. A parent does not need to present consolidated financials if the parent is itself a wholly owned subsidiary, the parent's debt or equity instruments are not traded in a public market, the parent is not in the process of filing its financial statements with a securities commission or other regulatory organization and the ultimate parent or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS. Any goodwill should be assessed for impairment annually.

The SCO requires consolidation if certain size criteria are met. However, under certain conditions, the SCO waives the consolidation requirement if the ultimate or any intermediate parent produces consolidated financial statements which are available to the company's shareholders. Goodwill should be amortized over a fixed period of time. In addition, goodwill may be offset against equity at acquisition date.

Translation of financial statements

Under IFRS, for financial statements that are presented in another currency than the functional currency of the entity, assets and liabilities are translated into the presentation currency using year end exchange rates, while their income statements are translated using average rates of exchange for the year. Translation adjustments are included as a separate component of shareholders' equity and have no income statement impact provided no disposals of investments have occurred.

Under SCO, a company's accounting records may be kept in currencies other than Swiss Francs. However, the statutory financial statements must be presented in Swiss Francs. When the underlying accounting records are not kept in Swiss Francs, monetary assets and liabilities are translated into Swiss Francs using year end exchange rates, non monetary assets translated using historical rates while the income statement is translated using average rates of exchange for the year. Any translation difference resulting in an unrealized gain is classified as a liability (deferred translation gain), whereas any translation loss is recorded in the income statement.

Receivables

Under IFRS, individual debtors are required to be assessed for impairment. For any identified impairment loss arising from past events, a provision for doubtful debts should be recognized.

Under the SCO, general provisions for doubtful debts are allowed up to a maximum of 10% of total debts for foreign debts and 5% of total debts for domestic debts.

Inventories

Under IFRS, inventories are carried at the lower of cost and net realizable value using first-in, first-out (FIFO) or the weighted average method to determine cost. In addition, IFRS also permits commodity trading companies to measure their trading inventories at fair value less costs to sell, which is applied by Glencore International AG.

Under the SCO, inventories are measured at the lower of cost and net realizable value. SCO permits a general valuation allowance.

Investment in associates / subsidiaries

Under IFRS, when preparing consolidated financial statements, investments in associated companies are accounted for using the equity method or in the case where there is no significant influence treated as an available for sale financial asset as described in IAS 39. Equity accounting involves Glencore International AG recording its share of the associated entity's net income and equity. Subsidiaries would be consolidated when preparing consolidated financial statements. When separate financial statements are prepared, investments in associates and subsidiaries can be recognized at either cost or fair value in accordance with IAS 39.

SCO requires consolidated financial statements to be prepared under certain conditions. However the accounting principles applied in preparing these consolidated financial statements are not dictated by SCO. In the unconsolidated financial statements required under SCO, investments in associates and subsidiaries are recorded at the lower of cost or net realizable value.

Employee post employment benefits

IFRS distinguishes between defined contribution and defined benefit plans. Post retirement obligations that meet the criteria of defined benefit plans need to be accounted for using the projected unit credit method. As all Swiss pension plans are defined benefits plans, this could lead to the recognition of a pension plan liability (or an asset) in the balance sheet, depending on the method used, and the actuarial calculation.

Pension liabilities and amounts due to pension funds need to be disclosed separately in the financial statements prepared in accordance with the SCO. Under the SCO, it is generally assumed that the employer normally does not have any other obligation than to pay the contributions to the pension fund, unless additional contributions are decided by the board of the pension fund in the case of undercoverage. Therefore, no pension liability is usually recognized in the company's books, unless there is a legal obligation towards the pension fund or the employees.

Revenue recognition

Under IFRS, revenue is generally recognized when the risk and rewards of the goods is transferred.

Under the SCO, revenue is recognized once the legal title of the goods passes to the new owner.

Measurement of derivatives, of fair value hedges and cash flow hedges

Under IFRS, derivatives including derivatives designated as hedge instruments are measured at fair value. The recognition of changes in fair value is recorded in the income statement except for effective cash flow hedges, of which the changes in fair value are deferred in equity until the effect of the underlying transaction is recognized in the income statement. This issue is not addressed in the SCO.

Accounting for tax

Under IFRS, detailed guidance regarding recognition of deferred tax assets and liabilities is provided. Deferred tax assets have to be recognized on tax loss carry forwards if realization of the tax benefit is probable.

Under the SCO, financial statements prepared in accordance with the SCO are the basis for the tax calculation by the tax authorities, subject to any adjustments i.e. unjustified provisions or depreciation as defined by the tax authorities. Deferred taxes are not dealt with in the SCO. Due to the prudence principle, the SCO does not permit the recognition of deferred tax assets.

Extraordinary items

Under IFRS, the term "**extraordinary**" does not exist. Therefore, all items of income and expense are to be presented as arising from the entity's ordinary activities.

Under the SCO, the term "**extraordinary**" is fairly broad and includes profits and losses from transactions not related to the normal course of business or the current accounting period. The SCO does not prescribe a specific presentation of such items in the income statement.

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