THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II (*EXPLANATORY STATEMENT*), TOGETHER WITH THE REST OF THIS DOCUMENT, COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

If you sell or have sold or otherwise transferred all of your Xstrata Shares, please send this document and the accompanying documents at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred only part of your holding of Xstrata Shares, you should retain the documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Recommended all-share merger of equals of

Glencore International plc

and

Xstrata plc

to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

This document (including any documents incorporated into it by reference) should be read as a whole and in conjunction with the accompanying Forms of Proxy. In particular, this document should also be read in conjunction with the Glencore Prospectus dated 31 May 2012 which has been prepared in accordance with the Prospectus Rules made under section 73A of the Financial Services and Markets Act 2000 and for which Glencore, the Glencore Directors and the Proposed Glencore Directors are responsible. Your attention is drawn to the letter from the Chairman of Xstrata which is set out in Part I (*Letter from the Chairman of Xstrata*) of this document and which contains a recommendation from the Independent Non-Executive Xstrata Directors that you vote in favour of each of the Resolutions to be proposed at the Shareholder Meetings. A letter from the Xstrata Financial Advisers explaining the Scheme appears in Part II (*Explanatory Statement*) of this document and it, together with the rest of this document, comprises an explanatory statement in compliance with section 897 of the Companies Act.

Notices of the Court Meeting and of the Xstrata General Meeting, both to be held at Theater-Casino Zug, Artherstrasse 2-4, Zug, Switzerland on 12 July 2012, are set out in Part IX (*Notice of Court Meeting*) and Part X (*Notice of Xstrata General Meeting*) of this document respectively. The Court Meeting will start at 11.00 a.m. Central European Summer Time and the Xstrata General Meeting at 11.30 a.m. Central European Summer Time (or as soon thereafter as the Court Meeting has concluded or been adjourned). You may also attend both the Court Meeting and the Xstrata General Meeting at Holborn Bars, 138-142 Holborn, London EC1N 2NQ where satellite meetings linked by video conference to the Shareholder Meetings in Zug will be held at 10.00 a.m. and 10.30 a.m. London time, respectively (or, in the case of the Xstrata General Meeting (and concurrent satellite meeting), as soon thereafter as the Court Meeting has concluded or been adjourned).

The actions to be taken in respect of the Shareholder Meetings are set out on pages 3-5 of this document. Xstrata Shareholders will find enclosed with this document a BLUE Form of Proxy for use in connection with the Court Meeting and a WHITE Form of Proxy for use in connection with the Xstrata General Meeting. Whether or not you intend to attend the Shareholder Meetings in person, please complete and sign each of the enclosed Forms of Proxy (or appoint a proxy electronically, as referred to below) in accordance with the instructions printed on them and return them to Xstrata's Registrars, Computershare Investor Services PLC, of The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and, in any event, so as to be received by no later than 48 hours (excluding any part of a day that is not a working day) prior to the time appointed for the relevant Shareholder Meeting. If the BLUE Form of Proxy for the Court Meeting is not returned by the specified time, it may be handed to representatives of Computershare Investor Services PLC or the Chairman of the Court Meeting before the start of that meeting and will still be valid. In the case of the Xstrata General Meeting, however, unless the WHITE Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid.

In order to comply with the requirements of the Panel and Rule 16.2 of the Code, the Management Incentive Arrangements Resolution to be proposed at the Xstrata General Meeting will be taken on a poll and only Independent Xstrata Shareholders are permitted to vote thereon. Any vote cast by an Xstrata Shareholder who is not an Independent Xstrata Shareholder, either in person or by proxy, will not be counted. If you are in any doubt as to whether or not you are permitted to vote on such resolution, please call the shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0800 279 4113 (free from landlines in the UK), 0800 002 427 (free from landlines in Switzerland), or +44 800 279 4113 (from outside the UK and Switzerland, international rates apply). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Merger.

If you have any questions about this document, the Court Meeting, the Xstrata General Meeting or on the completion and return of the Forms of Proxy, please call the shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0800 279 4113 (free from landlines in the UK), 0800 002 427 (free from landlines in Switzerland), or +44 800 279 4113 (from outside the UK and Switzerland, international rates apply). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Merger.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin — Federal Financial Supervisory Authority) and authorised and subject to limited regulation by the FSA. Details about the extent of Deutsche Bank AG's authorisation and regulation by the FSA are available on request. Deutsche Bank AG, London Branch is acting as financial adviser and corporate broker to Xstrata and no one else in connection with the Merger and will not be responsible to anyone other than Xstrata for providing the protections afforded to clients of Deutsche Bank AG, London Branch, nor for providing advice in relation to the Merger or for any of the matters referred to in this document.

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove and is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser and corporate broker to Xstrata and for no one else in connection with the Merger and will not be responsible to anyone other than Xstrata for providing the protections afforded to its clients nor for providing advice in relation to the Merger or for any of the matters set out in this document.

Goldman Sachs International, which is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser to Xstrata and for no one else in connection with the Merger and will not be responsible to anyone other than Xstrata for providing the protections afforded to clients of Goldman Sachs International nor for providing advice in relation to the Merger, the content of this document or any matter referred to herein.

Nomura International plc, which conducts its UK investment banking business as Nomura and is authorised and regulated in the United Kingdom by the FSA, is acting as financial adviser to Xstrata and for no one else in connection with the matters set out in this document and will not be responsible to anyone other than Xstrata for providing the protections afforded to its clients nor for providing advice in relation to the matters set out in this document.

Barclays Bank PLC, acting through its investment bank ("Barclays"), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Xstrata and no one else in connection with the Merger and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Merger and will not be responsible to anyone other than Xstrata for providing the protections afforded to its clients, nor for providing advice in connection with the Merger or any other matter referred to herein.

AVAILABILITY OF HARD COPIES

If you have received this document in electronic form, you may request a hard copy of this document and/or any information incorporated by reference into this document by calling the shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0800 279 4113 (free from landlines in the UK), 0800 002 427 (free from landlines in Switzerland), or +44 800 279 4113 (from outside the UK and Switzerland, international rates apply). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Merger. You may also request that all future documents, announcements and information to be sent to you in relation to the Merger should be in hard copy form. Copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

INFORMATION FOR UNITED STATES AND OTHER OVERSEAS SHAREHOLDERS

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy, any securities by any person, or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction (a) in which such offer or invitation is not authorised, (b) in which the person making such offer or invitation is not qualified to do so, or (c) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or would impose any unfulfilled registration, publication or approval requirements on Xstrata, Glencore or any of their respective, directors, officers, agents and advisers. No action has been taken nor will be taken in any jurisdiction by any such person that would permit a public offering of any securities in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Neither Xstrata, Glencore nor their respective directors, officers, agents or advisers accept any responsibility for any violation of any of these restrictions by any other person.

None of the securities referred to in this document have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The Merger will involve an exchange of the securities of a UK company for the securities of a Jersey company and will be subject to Jersey and UK disclosure requirements, which are different from those of the United States. The financial information included in this document has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP. US GAAP differs in certain significant respects from IFRS. None of the financial information in this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

The Merger will be effected by means of a scheme of arrangement under the Companies Act and otherwise in accordance with the requirements of the Code. The scheme of arrangement will relate to the shares of a UK company that is a 'foreign private issuer' as defined under Rule 3b-4 under the US Exchange Act. Accordingly, the proposed combination will be subject to disclosure and other procedural requirements applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the US proxy and tender offer rules under the US Exchange Act.

The New Glencore Shares have not been, and will not be, registered under the US Securities Act, or under the securities laws of any state, district or other jurisdiction of the United States, or of any jurisdiction other than the United Kingdom. Accordingly, the New Glencore Shares may not be offered, sold, reoffered, resold, pledged, delivered or otherwise transferred, in or into any jurisdiction

where such offer or sale would violate the relevant securities laws of such jurisdiction. It is expected that the New Glencore Shares will be issued in reliance upon the exemption from such registration provided by Section 3(a)(10) of the US Securities Act. Under applicable US securities laws, persons (whether or not US persons) who are or will be ''affiliates'' (within the meaning of the US Securities Act) of Xstrata or Glencore prior to, or of Glencore after, the Effective Date will be subject to certain transfer restrictions relating to the Glencore Shares received in connection with the Scheme. It may be difficult for US holders of Xstrata Shares to enforce their rights and any claim arising out of the US federal securities laws, since each of Glencore and Xstrata are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Xstrata Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

If Glencore exercises its right, subject to the consent of the Panel (where necessary) and with Xstrata's prior written consent, to implement the Merger by way of a Merger Offer, the Merger will be made in compliance with applicable US laws and regulations, including applicable provisions of the tender offer rules under the US Exchange Act, to the extent applicable.

The ability of Xstrata Shareholders who are not resident in the United Kingdom to participate in the Scheme may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

New Glencore Shares have neither been marketed to, nor are available for purchase or exchange, in whole or in part, by, the public in the United Kingdom or elsewhere in connection with the Merger. This document is not a prospectus but a shareholder circular and does not constitute an invitation or offer to sell or the solicitation of an invitation or offer to buy any security. None of the securities referred to in this document shall be sold, issued, subscribed for, purchased, exchanged or transferred in any jurisdiction in contravention of applicable law.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTE ON FORWARD-LOOKING STATEMENTS

This document contains statements which are, or may be deemed to be, ''forward-looking statements'' which are prospective in nature. All statements other than statements of historical fact are forward-looking statements. They are based on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as ''plans'', ''expects'', ''is expected'', ''is subject to'', ''budget'', ''scheduled'', ''estimates'', ''forecasts'', ''intends'', ''anticipates'', ''believes'', ''targets'', ''aims'', ''projects'' or words or terms of similar substance or the negative thereof, are forward-looking statements, as well as variations of such words and phrases or statements that certain actions, events or results ''may'', ''could'', ''should'', ''would'', ''might'' or ''will'' be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements include statements relating to (a) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects, (b) business and management strategies and the expansion and growth of Glencore's or Xstrata's operations and potential synergies resulting from the Merger, and (c) the effects of global economic conditions on Glencore's or Xstrata's business.

Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause the actual results, performance or achievements of Glencore or Xstrata to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results, performance or achievements of Glencore or Xstrata to differ materially from the expectations of Glencore or Xstrata, as applicable, include, among other things, general business and economic conditions globally, commodity price volatility, industry trends, competition, changes in government and other regulation, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, changes in political and economic stability, disruptions in business operations due to reorganisation activities (whether or not Glencore combines with Xstrata), interest rate and currency fluctuations, the failure to satisfy any conditions for the Merger on a timely basis or at all, the failure to satisfy the conditions of the Merger when implemented (including approvals or clearances from regulatory and other agencies and bodies) on a timely basis or at all, the failure of Glencore to combine with Xstrata on a timely basis or at all, the inability of the Combined Group to realise successfully any anticipated synergy benefits when the Merger is implemented, the inability of the Combined Group to integrate successfully Glencore's and Xstrata's operations and programmes when the Merger is implemented, the Combined Group incurring and/or experiencing unanticipated costs and/or delays or difficulties relating to the Merger when the Merger is implemented. Such forward-looking statements should therefore be construed in light of such factors.

Neither Xstrata nor Glencore, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

Other than in accordance with its legal or regulatory obligations (including under the Listing Rules and the Disclosure and Transparency Rules), neither Xstrata nor Glencore is under any obligation and Xstrata and Glencore each expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DISCLOSURE REQUIREMENTS OF THE CODE

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

This document, together with all information incorporated by reference into this document, will be available on the websites of Xstrata and Glencore at www.xstrata.com and www.glencore.com, respectively, by no later than 12 noon on 31 May 2012.

NO PROFIT FORECAST

No statement in this document is intended as a profit forecast or a profit estimate and no statement in this document should be interpreted to mean that earnings per share for the current or future financial years would necessarily match or exceed the historical published earnings per share.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Expected time/date[1]
Latest time for receipt by Xstrata's Registrars of Forms of Proxy for:	
Court Meeting (BLUE form)[2]	10.00 a.m. (11.00 a.m. Central European Summer Time) on 10 July 2012
Xstrata General Meeting (WHITE form)[3]	10.30 a.m. (11.30 a.m. Central European Summer Time) on 10 July 2012
Scheme Voting Record Time (for the Court Meeting and the Xstrata General Meeting)[4]	6.00 p.m. (7.00 p.m. Central European Summer Time) on 10 July 2012
Glencore General Meeting[5]	10.00 a.m. (11.00 a.m. Central European Summer Time) on 11 July 2012
Court Meeting[6]	10.00 a.m. (11.00 a.m. Central European Summer Time) on 12 July 2012
Xstrata General Meeting[6][7]	10.30 a.m. (11.30 a.m. Central European Summer Time) on 12 July 2012

The following dates are provided by way of indicative guidance, are subject to change and will depend, amongst other things, on the date on which regulatory (and other) conditions to the Merger are satisfied or, if capable of waiver, waived and on the date on which the Court sanctions the Scheme and approves the Reduction of Capital. Xstrata will give adequate notice of all of these dates, when known, by issuing an announcement through an RIS. Further updates or changes to other times or dates indicated below shall, at Xstrata's discretion, be notified in the same manner (please also see note (8) below).

Scheme Court Hearing[8]	A date expected to be in the third quarter of 2012 ("D")
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, Xstrata Shares[8]	D+1 2012
Reorganisation Record Time[8]	6.00 p.m. on D+1 2012
Reduction Court Hearing[8]	D+2 2012
Scheme Record Time[8]	6.00 p.m. on D+2 2012
Effective Date[8]	D+3 2012
New Glencore Shares listed, and crediting of New Glencore Shares in uncertificated form to CREST accounts (and cancellation of listings of Xstrata Shares)[8]	8.00 a.m. on D+4 2012
Admission to trading and commencement of dealings in New Glencore Shares[8]	by 8.00 a.m. D+4 2012
Despatch of share certificates in respect of New Glencore Shares[8]	by no later than D+17 2012
Long Stop Date[9]	31 October 2012

Notes:

(1) All times shown in this document are references to London time unless otherwise stated. **The times and dates given are indicative only and are based on Xstrata's and Glencore's current expectations and may be subject to change (including as a result of changes to Court times or the regulatory approval timetable).** If any of the times and/or dates above change the revised times and/or dates will be notified to Xstrata Shareholders by announcement through an RIS.

(2) BLUE Forms of Proxy not returned by this time may be handed to representatives of Xstrata's Registrars or the Chairman of the Court Meeting before the start of that meeting and will still be valid.

(3) To be valid, WHITE Forms of Proxy for the Xstrata General Meeting must be lodged by 10.30 a.m. (11.30 a.m. Central European Summer Time) on 10 July 2012.

(4) If either the Court Meeting or the Xstrata General Meeting is adjourned the voting record time for the adjourned meeting will be 6.00 p.m. on the date falling two business days before the adjourned meeting.

(5) The Glencore General Meeting is required to be held as the Merger constitutes a ''Class 1'' transaction for Glencore under the Listing Rules, requiring Glencore Shareholder approval.

(6) The Court Meeting and Xstrata General Meeting will be held at Theater-Casino Zug, Artherstrasse 2-4, Zug, Switzerland and at Holborn Bars, 138-142 Holborn, London EC1N 2NQ, where a satellite meeting linked by video conference to the Zug meetings will be held concurrently at 10.00 a.m. London time (in the case of the Court Meeting) and at 10.30 a.m. London time (in the case of the Xstrata General Meeting).

(7) To commence at the time fixed or, if later, immediately following the conclusion or adjournment of the Court Meeting.

(8) These times and dates are indicative only and will depend, amongst other things, on the dates upon which (a) the conditions are satisfied or (if capable of waiver) waived, (b) the Court sanctions the Scheme and confirms the associated Reduction of Capital, and (c) a copy of the Reduction Court Order has been delivered to the Registrar of Companies and, if the Court so orders for the Reduction of Capital to take effect, the Reduction Court Order and the Statement of Capital have been registered by the Registrar of Companies, following the prior delivery of the Scheme Court Order to the Registrar of Companies.

(9) This date may be extended by agreement between Xstrata and Glencore, with the consent of the Panel and (if required) the approval of the Court.

ACTION TO BE TAKEN

Detailed instructions on the action to be taken by Xstrata Shareholders are set out below.

Voting at the Court Meeting and the Xstrata General Meeting

The Scheme will require approval at the meeting of Scheme Voting Shareholders convened by order of the Court to be held at 11.00 a.m. Central European Summer Time on 12 July 2012 at Theater-Casino Zug, Artherstrasse 2-4, Zug, Switzerland, with a concurrent satellite meeting linked by video conference to be held at Holborn Bars, 138-142 Holborn, London EC1N 2NQ at 10.00 a.m. London time. The approval required at this meeting is that those voting to approve the Scheme must:

- represent a majority in number of those Scheme Voting Shareholders present and voting, either in person or by proxy; and
- also represent 75 per cent. or more in value of all Scheme Voting Shares voted by those Scheme Voting Shareholders present and voting, either in person or by proxy.

The Scheme also requires the sanction of the Court which will follow a hearing at which all Xstrata Shareholders may be present and be heard in person or through representation to support or oppose the sanctioning of the Scheme.

Implementation of the Scheme also requires the approval of Xstrata Shareholders at the Xstrata General Meeting (or, in the case of the Management Incentive Arrangements Resolution to be proposed at the Xstrata General Meeting, the approval of Independent Xstrata Shareholders alone, at the Xstrata General Meeting). The Xstrata General Meeting is to be held at the same venue at which the Court Meeting is to be held at 11.30 a.m. Central European Summer Time, with a concurrent satellite meeting linked by video conference to be held at Holborn Bars, 138-142 Holborn, London EC1N 2NQ at 10.30 a.m. London time on 12 July 2012 (or as soon thereafter as the Court Meeting has concluded or been adjourned). Notices of the Court Meeting and Xstrata General Meeting are set out at Part IX (*Notice of Court Meeting*) and Part X (*Notice of Xstrata General Meeting*) of this document, respectively.

The passing of the resolution to approve the Scheme at the Court Meeting is subject to and inter-conditional with the passing of the Management Incentive Arrangements Resolution. Accordingly, the Merger will not be implemented if the Management Incentive Arrangements Resolution is not passed.

If the Scheme is implemented it will be binding on all holders of Scheme Shares, including any holders of Scheme Voting Shares who did not vote to approve the Scheme.

Please check you have received the following with this document:

- a BLUE Form of Proxy for use in respect of the Court Meeting on 12 July 2012;
- a WHITE Form of Proxy for use in respect of the Xstrata General Meeting on 12 July 2012; and
- a reply-paid envelope for use in the United Kingdom for the return of the BLUE Form of Proxy for the Court Meeting **AND** the WHITE Form of Proxy for the Xstrata General Meeting.

Should any of these documents be missing please contact the shareholder helpline on the number set out below.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of the opinion of the Scheme Voting Shareholders. Whether or not you plan to attend the Shareholder Meetings in person, you are strongly encouraged to sign and return your Forms of Proxy, or to appoint a proxy electronically, as referred to below, as soon as possible and, in any event, so as to be received by Xstrata's Registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom, by the following times and dates:

- BLUE Forms of Proxy for the Court Meeting by 10.00 a.m. (11.00 a.m. Central European Summer Time) on 10 July 2012; and
- WHITE Forms of Proxy for the Xstrata General Meeting by 10.30 a.m. (11.30 a.m. Central European Summer Time) on 10 July 2012,

or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a working day) prior to the time and date set for the adjourned meeting. This will enable your votes to be counted at the Shareholder Meetings in the event of your absence.

Alternatively, BLUE Forms of Proxy for the Court Meeting (but NOT WHITE Forms of Proxy for the Xstrata General Meeting) may be handed to representatives of Computershare Investor Services PLC or the Chairman of the Court Meeting before the start of the Court Meeting.

The completion and return of a Form of Proxy will not prevent you from attending and voting in person at the Court Meeting, the Xstrata General Meeting or any adjournment thereof, if you so wish and are so entitled.

In order to comply with the requirements of the Panel and Rule 16.2 of the Code, the Management Incentive Arrangements Resolution to be proposed at the Xstrata General Meeting will be taken on a poll and only Independent Xstrata Shareholders are permitted to vote thereon. Any vote cast by an Xstrata Shareholder who is not an Independent Xstrata Shareholder, either in person or by proxy, shall not be counted. If you are in any doubt as to whether or not you are permitted to vote on such resolution, please call the shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0800 279 4113 (free from landlines in the UK), 0800 002 427 (free from landlines in Switzerland), or +44 800 279 4113 (from outside the UK and Switzerland, international rates apply). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Merger.

Certificated Xstrata Shareholders — multiple proxy voting instructions

Eligible Xstrata Shareholders who hold Xstrata Shares in certificated form are entitled to appoint a proxy, to exercise all or any of their rights to attend and to speak and vote on their behalf at the Shareholder Meetings, in respect of some or all of their Xstrata Shares and may appoint more than one proxy. A space has been included on the Forms of Proxy to allow certificated Xstrata Shareholders to specify the number of Xstrata Shares in respect of which any such proxy is appointed.

If you wish to appoint more than one proxy in respect of your shareholding, you should photocopy the Form of Proxy or call the shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0800 279 4113 (free from landlines in the UK), 0800 002 427 (free from landlines in Switzerland), or +44 800 279 4113 (from outside the UK and Switzerland, international rates apply). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Merger.

Electronic appointment of proxies

Xstrata Shareholders holding Xstrata Shares in certificated form

Xstrata Shareholders entitled to attend and vote at the Shareholder Meetings may appoint a proxy electronically by logging on to the website of Computershare Investor Services PLC at www.eproxyappointment.com and entering the voting ID, task ID and shareholder reference number shown on their Forms of Proxy. Full details of the procedure to be followed to appoint a proxy electronically are given on the website. Further information is also included in the instructions included on the Forms of Proxy.

The appointment of a proxy or proxies electronically or through CREST shall not preclude an eligible Xstrata Shareholder from attending and voting in person at either Shareholder Meeting or any adjournment thereof.

Xstrata Shareholders holding Xstrata Shares in uncertificated form

Xstrata Shareholders who hold Xstrata Shares in uncertificated form (that is, in CREST) and who wish to appoint a proxy or proxies for the Shareholder Meetings or any adjournment(s) by using the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using CREST to be valid, the appropriate CREST message (a ''CREST Proxy Instruction'') must be properly authenticated in accordance with Euroclear's

specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC (ID 3RA50) no later than 48 hours (excluding any part of a day that is not a working day) prior to the Court Meeting or Xstrata General Meeting, as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Xstrata may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

Xstrata Share Schemes

Participants in the Xstrata Share Schemes should refer to paragraph 10 of Part II (*Explanatory Statement*) of this document for information relating to the effect of the Merger on their rights under such share schemes. Separate letters will be sent to participants in the Xstrata Share Schemes with details of the actions they can take in respect of their rights under the Xstrata Share Schemes.

Assistance

If you have any questions about this document, the Court Meeting, the Xstrata General Meeting or on the completion and return of the Forms of Proxy, please call the shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0800 279 4113 (free from landlines in the UK), 0800 002 427 (free from landlines in Switzerland), or +44 800 279 4113 (from outside the UK and Switzerland, international rates apply). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Merger.

PART I
LETTER FROM THE CHAIRMAN OF XSTRATA

Registered office:
Xstrata plc
4th Floor, Panton House
25/27 Haymarket
London SW1Y 4EN

Registered in England and Wales
with number 04345939

31 May 2012

To all Xstrata Shareholders and, for information only, participants in the Xstrata Share Schemes

Dear Xstrata Shareholder,

Recommended All-Share Merger of Equals of Glencore and Xstrata

1. Introduction

I am writing to you on behalf of the Independent Non-Executive Xstrata Directors to explain the background to and reasons for the Merger of Glencore and Xstrata and the actions that you should now take. On 7 February 2012, the Independent Xstrata Directors and the Glencore Directors jointly announced the terms of a recommended all-share merger of equals of Glencore and Xstrata.

The Independent Xstrata Directors believe that the Merger will create a unique, integrated natural resources group, better positioned to succeed in a changing industry landscape, with the ability to unlock value along the entire value and distribution chain from operation to customer.

Xstrata's prospects as a standalone company remain very strong. Therefore, the Independent Non-Executive Xstrata Directors' decision to recommend unanimously the Merger to eligible Xstrata Shareholders rests on the assessment that the combination represents an opportunity to create more value for shareholders than could be created by Xstrata on a standalone basis. Further information about the Independent Non-Executive Xstrata Directors' consideration of the terms of the proposed Merger is set out below in paragraph 3 of this Part I.

The Merger brings together two highly successful, entrepreneurial companies, each with an established track record of creating superior shareholder value to provide globally diverse customers with a reliable, tailored and efficient supply of commodities. Glencore and Xstrata Shareholders will continue to participate and benefit from the enhanced value proposition of the Combined Group. The terms of the Merger will provide Scheme Shareholders at the Scheme Record Time with:

for each Scheme Share: 2.8 New Glencore Shares.

The Scheme Record Time is expected to be 6.00 p.m. on the date of the Reduction Court Hearing. The Merger will be effected by way of a Court sanctioned scheme of arrangement of Xstrata under Part 26 of the Companies Act, pursuant to which Glencore will acquire all of the issued and to be issued ordinary share capital of Xstrata not already owned by the Glencore Group.

The Independent Non-Executive Xstrata Directors believe that the terms of the Merger as a whole — comprising the merger ratio, governance, management structure and Management Incentive

Arrangements — are attractive for non-Glencore Group Xstrata Shareholders. The benefits of the Merger are set out in paragraph 2 below of this Part I.

The Merger proposal has received a high degree of scrutiny by the Independent Non-Executive Xstrata Directors to assess the arrangements in place from completion to safeguard the interests of Xstrata Shareholders, the ability of the Combined Group to deliver superior returns, the Management Incentive Arrangements and whether the terms are fair and reasonable for non-Glencore Group Xstrata Shareholders. This letter sets out the Independent Non-Executive Xstrata Directors' assessment of each of these factors in more detail, as well as the Independent Non-Executive Xstrata Directors' unanimous recommendation that you vote in favour of the Scheme at the Court Meeting and in favour of each of the resolutions to be proposed at the Xstrata General Meeting.

The Merger will be subject to the Conditions and further terms which are set out in Part IV (*Conditions and certain further terms of the Scheme and the Merger*) of this document. The expected transaction timetable is set out on page 1 of this document. We currently expect that the Effective Date will occur in the third quarter of 2012, following the receipt of necessary antitrust and other regulatory approvals.

The Independent Non-Executive Xstrata Directors have received advice from each of the Xstrata Financial Advisers that the terms of the Merger are fair and reasonable. In providing its advice, each of the Xstrata Financial Advisers has taken into account the commercial assessments of the Independent Xstrata Directors.

Having carefully considered the merits of the Merger, and for the reasons set out below, all of the Independent Non-Executive Xstrata Directors, being all of the Independent Xstrata Directors other than the Xstrata Executive Directors (who are participating in the Management Incentive Arrangements), unanimously recommend that you vote in favour of the Scheme at the Court Meeting and in favour of each of the resolutions to be proposed at the Xstrata General Meeting. All of the Independent Non-Executive Xstrata Directors who hold or are beneficially entitled to Xstrata Shares have each irrevocably undertaken to vote in favour of the Scheme and each of the resolutions to be proposed at the Xstrata General Meeting in respect of their own Xstrata Shares or Xstrata Shares to which they are beneficially entitled (representing as at the last practicable date prior to the posting of this document, in aggregate, approximately 0.0032 per cent. of the issued ordinary share capital of Xstrata). The Xstrata Executive Directors have each irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and resolution 1 to be proposed at the Xstrata General Meeting in respect of their own Xstrata Shares or Xstrata Shares to which they are beneficially entitled (representing as at the last practicable date prior to the posting of this document, in aggregate approximately 0.1140 per cent. of the issued ordinary share capital of Xstrata).

Further information on the action you should take is contained in paragraph 15 of this Part I and on pages 3 to 5 of this document.

2. Background to and reasons for the Merger

Relationship between Xstrata and Glencore

Each of Xstrata's and Glencore's businesses has developed and grown in parallel and the two companies have enjoyed a longstanding, constructive working relationship.

Glencore has been a supportive, significant shareholder of Xstrata throughout its growth into a major diversified mining group. Xstrata has undertaken a number of large transactions over this timeframe. In any rights issues and in discussions about potential transactions since Xstrata's IPO in 2002, Glencore has consistently sought to maintain its shareholding in Xstrata. Various commercial marketing and advisory agreements are in place between Xstrata and Glencore, pursuant to which Glencore markets around one-third of Xstrata's total sales on an arm's-length basis, an arrangement that delivers demonstrable value to both companies.

During the first phase of Xstrata's growth, Xstrata's Management rapidly built a world-class portfolio of mining and metallurgical assets, diversified across commodities and geographies. The next phase of Xstrata's growth is now underway to increase copper-equivalent volumes substantially, by more than 50 per cent. by 2015 over 2009 production from approved organic growth projects. Xstrata's evolution into a new, major diversified mining group has delivered total shareholder returns in excess of 370* per cent. compared to approximately 54 per cent. for the FTSE100 since the IPO in 2002.

* As at 6 February 2012 and as adjusted for the effects of rights issues.

Over its 38 year history, Glencore has been profitable in every year since its foundation, with an impressive compound annual return on equity of 28* per cent. since its management buyout in 1994. Glencore has grown its marketing business to become a world leader in commodities trading and simultaneously has developed a portfolio of industrial assets. Glencore's producing assets include attractive mining and metallurgical complexes at Prodeco (an export thermal and metallurgical coal mining complex) in Colombia, Kazzinc (a fully integrated zinc producer with significant copper, precious metals and lead resources) in Kazakhstan and Katanga (a high grade copper and cobalt mining operation with integrated metallurgical facilities) in The Democratic Republic of Congo, and various oil producing and agricultural assets. Glencore's producing assets are on track to deliver high-return, capital efficient brownfield growth with an expected compound annual growth rate of 12.9 per cent. on a copper-equivalent basis from 2011 to 2015.

The strategies of both companies have increasingly converged in recent years, as Glencore has accelerated the development of its industrial asset portfolio, and, following its initial public offering in May 2011, is in a position to pursue larger targets.

Changing industry environment

Xstrata plc was formed ten years ago with a set of convictions about the mining industry and about the business model best placed to respond to the emerging trends at that time. Demand for commodities was undergoing a secular shift, driven by China, after a long period of declining prices, while the supply-side of the mining industry was severely constrained from historic underinvestment. Xstrata's Management set out to create a nimble, entrepreneurial diversified mining company to grow and benefit from improved terms of trade, with scale and a diversified portfolio, and a belief that operating responsibly and in partnership with communities and governments was essential for long-term success.

The secular, long-term trends in demand and supply remain intact and continue to underpin strong market conditions for natural resources. These driving forces are also giving rise to a changing competitive environment for mining and metals producers.

The rapid growth of Asian economies has transformed global commodity trade flows and the locus of commodity demand growth from a traditional focus on OECD economies. Sources of supply have also diverged as traditional mining regions progressively become depleted and our industry is increasingly compelled to access resources in highly prospective but remote and more challenging geographies. Emerging mining regions have less mature operating environments with difficult logistics and less developed support services.

Consequently, the route to market for commodities is becoming more complex as a more disparate supply base, increasingly in developing economies with embryonic logistics infrastructure and capabilities, seeks to satisfy growing demand for commodities from emerging markets.

Background to Merger discussions

It is against this backdrop that an integrated business with capabilities in mining, marketing and logistics will be able to unlock value along the entire value and distribution chain, from operation to customer. Xstrata's Management and board of directors have long recognised the strategic rationale of combining Glencore and Xstrata. A potential combination has been discussed formally and informally by Xstrata and Glencore on a number of occasions and the Xstrata board has been kept informed in each case. Most recently, discussions in late 2011 culminated in the Independent Xstrata Directors' recommendation of the Merger in February 2012. On each previous occasion, the underlying strategic rationale for the combination has been clear to both companies. However, the terms of a transaction could not be agreed, due to differing views of relative value, the optimal structure and governance arrangements for any combined entity, or as a result of competing immediate strategic priorities. Periodically during this time, Xstrata's Management has undertaken due diligence on Glencore assets.

Towards the end of 2011, a number of factors aligned to enable substantive engagement between the companies in relation to a merger of Xstrata and Glencore. As global commodity markets continue to evolve, the opportunities available to a combined group, bringing together growth, production, distribution and marketing capabilities with increased scale and greater diversity of earnings, have become increasingly apparent. At the same time, Glencore's and Xstrata's expansion strategies have

* As at 6 February 2012.

increasingly converged as Glencore continues to build its producing asset portfolio. Glencore's initial public offering in May 2011 provided improved transparency and a market valuation, resolving previous concerns over the appropriate valuation of Glencore's business. Xstrata and Glencore also reached agreement in principle on the appropriate organisational structure and governance arrangements for the Combined Group.

The Merger recommended to eligible Xstrata Shareholders is, therefore, the product of many years of discussions and negotiations. The agreed terms reflect the criteria set out by the Independent Non-Executive Xstrata Directors on governance, valuation, the Management Incentive Arrangements, transaction structure and an exchange ratio that, the Independent Non-Executive Xstrata Directors believe, is preferential for Xstrata Shareholders without causing unacceptable dilution to Glencore Shareholders. Further explanation of the Independent Non-Executive Xstrata Directors' assessment of the terms of the Merger is provided in paragraph 3 below.

Benefits of the Merger

Against the backdrop of a changing competitive environment and given the development of Xstrata and Glencore to the point where the two businesses are of a similar size, with maturing organic growth portfolios and complementary capabilities and geographic footprints, the Merger will create a new, unique natural resource super-major. The next major opportunity for our company is to become the leading global diversified commodities group with a unique business model to capture value from operation to customer and a significant foothold in the highly prospective mining regions which will replace depleting existing supply sources over time.

Xstrata Shareholders will continue to benefit from Xstrata's growth projects, operational expertise and entrepreneurial management team. Through the Merger, Xstrata Shareholders will also gain exposure to Glencore's portfolio of capital efficient, near-term brownfield growth projects as well as new commodities including alumina/aluminium, agricultural products and oil, and a portfolio of mining assets in highly prospective emerging regions in which Xstrata does not yet have a presence. Glencore is a leading global commodities marketing business and its marketing capabilities, logistics network and relationships with thousands of suppliers and customers will provide the Combined Group with insight into opportunities to grow Xstrata's business and the ability to provide globally diverse customers with a secure, tailored supply of commodities and risk management services.

Together, the Combined Group will have increased scale, the most diverse earnings in the sector and a robust financial position. The Combined Group will benefit from a governance and management structure that is designed to represent the interests of non-Glencore Xstrata Shareholders and to reflect the earnings profile of the Combined Group, which will be substantially weighted towards the industrial assets but will also benefit from the more stable earnings which result from Glencore's marketing revenues which tend to be less correlated to the volatility of commodity prices.

The Independent Non-Executive Xstrata Directors believe that the Combined Group can deliver enhanced value and shareholder returns compared to either Xstrata or Glencore on a standalone basis, as a result of the following benefits:

Strong presence in the key current and future mining regions for all of our core commodities

Global commodity supply depends upon a number of key existing and developing regions worldwide. The Combined Group will have leading positions in terms of both the number and global spread of its participation in major commodity-producing regions, with efficient, large scale mining complexes in key locations for each of Xstrata's core commodities including:

(i) Copper: The Cuzco region of Southern Peru, the Andean Plateau of Northern Chile and the African copper belts of Northern Zambia and the Democratic Republic of Congo;

(ii) Thermal Coal: The Hunter Valley and emerging Surat Basin in Australia, the Witbank coal fields of South Africa and the coal fields of North Eastern Colombia;

(iii) Metallurgical Coal: The Bowen Basin of Australia and the Peace River coal fields of Western Canada;

(iv) Zinc: The major zinc provinces of North West Queensland and the Northern Territory in Australia, Central Peru, Central Bolivia, Eastern Kazakhstan and Eastern and Western Canada; and

(v) Nickel: The Sudbury Basin and Nunavik Territory in Canada, and the extensive nickel provinces of Western Australia and New Caledonia.

Ideally positioned to take advantage of opportunities in emerging mining regions

The unique, integrated business model of the Combined Group will ideally position us to identify and take advantage of opportunities arising in the world's emerging mining regions.

Glencore's significant marketing and logistics capabilities, presence in around 40 countries, including an established footprint in some of the world's most prospective mineral regions and longstanding customer and supplier relationships offer a significant first-mover advantage. A number of small and medium-sized producers are emerging from the highly prospective mineral regions, many of whom already have existing trading relationships with Glencore. Many producers in these regions have the capabilities to operate in-country and valuable growth opportunities but often lack financing, operational expertise and the ability to bring production to market. The Combined Group will be positioned as a partner of choice for emerging producers, with the ability to develop and operate assets, market the output through Glencore's trading network and provide logistics solutions, together with the financial strength to support investment in mining operations and infrastructure.

Glencore's local presence and marketing network provides unique insights into opportunities to invest in new projects and existing assets. These opportunities may not be immediately apparent to other international mining companies not yet established in these countries. At a time when rapid consolidation of the better known operations into the major natural resource companies has resulted in high expected valuations, the Combined Group will be positioned to identify and acquire new operations or projects in highly prospective regions in which competition for resources is less advanced. As an example, Glencore developed the Prodeco coal complex through multiple smaller acquisitions at an attractive total cost. Xstrata's mining expertise and the enhanced scale and risk profile resulting from the Merger will position the Combined Group to take advantage of similar opportunities in the future.

Substantially enhanced scale and earnings diversification

The Merger will create a group with substantially increased scale and earnings diversification compared to each of Xstrata and Glencore today, positioning the Combined Group as a competitor to the world's largest natural resources groups. Further earnings diversification will result from the Combined Group's exposure to Glencore's marketing and logistics revenues, which tend to be less correlated with commodity prices and generate a more resilient profile of earnings in weaker commodity markets than traditional operations. Scale and diversity are vital ingredients in today's global resources sector to manage the operational, financial and geographic risks associated with the major investments required to bring new sources of supply to market. Enhanced scale and the most diverse earnings profile in the global resources sector should lead to an improved risk profile for the Combined Group, more reliable cash flow generation throughout the economic cycle and, consequently, a stronger financial position.

The Combined Group will occupy top five positions in all of Xstrata's core commodities as the world's largest producer of thermal coal, the largest integrated producer of zinc, the third largest producer of copper — aiming to grow into the largest independent producer within four years, the largest ferrochrome producer, the fourth largest producer of nickel and a significant producer of metallurgical coal, crude oil and agricultural products. The Combined Group will also be the world's largest trader and marketer of commodities.

The Combined Group will employ 130,000 people, producing over 18 commodities in 33 countries and operating over 150 mining and metallurgical facilities, offshore oil production facilities, farms and agricultural facilities, 40 marketing offices, over 200 vessels and numerous other logistical assets, including warehouses, tank farms and oil and grain terminals.

Complementary growth pipeline to accelerate high-return growth

Both Xstrata and Glencore are developing significant, valuable growth projects to expand production. The Merger will result in an enhanced combined growth profile. Glencore's short-term and capital efficient volume growth provides a more immediate, rapid growth trajectory. Xstrata's medium-term industry leading organic portfolio provides substantial new volumes from world-class projects that are on track to commence production over the next two years. Together, the Combined Group will have a compound annual copper equivalent growth rate of 11 per cent. per annum from 2011 to 2015 from

approved growth projects. Glencore's and Xstrata's extensive combined portfolio of growth projects provides the opportunity to optimise the growth pipeline and, on an ongoing basis, to prioritise the most capital-efficient, highest return projects in attractive commodities.

Improved financial flexibility

The Combined Group will benefit from greater financial strength and will be strongly positioned for continuous access to capital markets to exploit opportunities throughout the cycle. Together with improved scale and diversification, Glencore's marketing business will provide a complementary cash flow profile to the industrial assets. Marketing activities include a reliable base of high volume, lower margin earnings relating to the logistics of moving commodities around the world that are less reliant on the commodity price cycle than the industrial assets. We expect the Combined Group to enjoy a solid investment grade credit rating, based on initial reactions published by Standard & Poor's and Moody's following the announcement of the Merger on 7 February 2012. A more stable cash flow profile from a larger, more diversified combined business should, over time, result in a lower cost of funding.

Increased strategic optionality

The Merger will clarify the ownership structure of Xstrata, providing the board and management with a range of corporate development options. The free float of the Combined Group will be approximately 71.0 per cent. immediately following the Effective Date, valued at approximately £31.6 billion (US$49.4 billion) as of 29 May 2012 (being the last practicable date prior to the posting of this document). As of this date, the Combined Group would rank among the four largest mining companies globally and would be one of the ten largest FTSE 100 companies by equity market capitalisation. The Combined Group will be able to participate in ongoing industry consolidation and fund growth opportunities as they arise.

Short-term value creation from expected synergies

Xstrata believes the Combined Group will be able to deliver estimated EBITDA synergies at an annual run-rate of at least US$500 million per annum in the first full year of the Combined Group to provide short-term earnings enhancement for non-Glencore Group Xstrata Shareholders. The Merger is expected to be earnings per share accretive to non-Glencore Group Xstrata Shareholders in the first full financial year following implementation of the Merger before synergies and after estimated fair value adjustments to asset book values resulting from the Merger*. The respective management teams of Xstrata and Glencore are planning the integration of the two organisations to ensure potential synergies are captured.

The significant majority of the estimated synergies are due to the additional value created from marketing Xstrata's existing output which is not currently marketed through Glencore's trading network, with approximately 60 per cent. estimated to emanate from Metals and Minerals, one third from Energy Products and the balance from the reduction of corporate and other costs. Glencore maintains a far more comprehensive physical trading capability than Xstrata, including shipping, insurance, warehousing, port storage and logistics as well as access to significant volumes of third-party product across a wider geographic footprint and extensive customer relationships across the globe. While opportunities in any given period will be driven by prevailing market conditions, marketing synergies are expected to arise from the following sources:

- increased marketing volumes: the Combined Group expects to benefit from increased marketing opportunities for the Combined Group across the copper, coal, zinc, nickel and ferroalloys product areas, resulting from Glencore marketing access to additional Xstrata production volumes;
- blending opportunities: enhanced product-related arbitrage opportunities are expected for the Combined Group's marketing activities through access to the Combined Group's broadened product mix and the ability to optimise blending;
- geographic arbitrage: optimised logistics resulting from the Combined Group's enlarged geographical footprint is expected to result in enhanced arbitrage opportunities for the Combined Group's marketing business;

* This statement should not be interpreted to mean that earnings per share for Scheme Shareholders will necessarily be greater than those for the year ended 31 December 2011.

- operational efficiencies: cost savings are expected in the Combined Group's industrial and marketing activities associated with freight, logistics and procurement, in each case through increased economies of scale; and
- corporate cost reduction: elimination of duplicated and redundant head office costs and other corporate overheads is expected to result in reduced corporate costs for the Combined Group.

The expected marketing and corporate cost synergies have been calculated on the basis of an analysis of historical marketing margins and Xstrata's and Glencore's respective 2013 budgets and plans. The expected synergies assume that upfront realisation costs are recognised in the second half of 2012. The expected synergy figures set out above are unaudited numbers based on management estimates, are contingent on the Merger completing and could not be achieved independently.

World class management team and entrepreneurial culture

Glencore's and Xstrata's management teams each have outstanding track records of shareholder value creation. The agreed management structure for the Combined Group is set out in greater detail below and is designed to harness the skills and capabilities of both management teams to the greatest effect.

Xstrata and Glencore share an entrepreneurial, value-focused culture. The Combined Group will maintain and extend a decentralised management structure, empowering operational management with the authority and ability to respond rapidly to opportunities, as has been the successful hallmark of both businesses throughout their histories.

3. Independent Non-Executive Xstrata Directors' assessment of Merger terms

The Merger proposal has received a high degree of scrutiny by the Independent Non-Executive Xstrata Directors to assess the fairness of the terms for Xstrata Shareholders other than the Glencore Group, the arrangements in place to safeguard the interests of such shareholders following completion of the Merger and the ability of the Combined Group to deliver superior returns. In considering the Merger, the Independent Non-Executive Xstrata Directors received financial advice from the four investment banks appointed by Xstrata. Of the four banks engaged, Nomura International plc was also asked to provide financial advice specifically to the Independent Non-Executive Xstrata Directors. Nomura International plc's fee is predominantly payable at the discretion of Xstrata irrespective of whether the Merger is implemented or not.

During the course of the Merger negotiations, the Independent Non-Executive Xstrata Directors met and discussed the Merger proposal on multiple occasions in both formal and informal meetings. The Independent Non-Executive Xstrata Directors conducted due diligence on Glencore's industrial and marketing businesses, including an assessment of Glencore's comprehensive due diligence process as part of its initial public offering in May 2011. The Independent Non-Executive Xstrata Directors' consideration also included, but was not restricted to, a continuous assessment of Glencore's recent trading and future prospects, including a review of underlying assumptions for commodity prices, exchange rates and production growth targets, a review of Glencore's ethical risks, and sustainability framework and performance, detailed presentations related to the Combined Entity's working capital adequacy and a detailed discussion of the synergy estimates arising from the Merger.

The Independent Non-Executive Xstrata Directors believe the structure under which the Merger will be implemented (as a scheme of arrangement) is an important element of the transaction which protects the interests of Xstrata Shareholders other than the Glencore Group. The Scheme is subject to approval by a majority in number of those Scheme Voting Shareholders present and voting, either in person or by proxy, representing 75 per cent. or more in value of all Scheme Voting Shares voted by Scheme Voting Shareholders, amongst other Conditions. The Glencore Group will not be able to cast any vote in relation to its holding of Xstrata Shares at the Court Meeting or on the Management Incentive Arrangements Resolution to be proposed at the Xstrata General Meeting. In addition to a higher threshold for acceptance by non-Glencore Group Xstrata Shareholders than the minimum acceptance level for a takeover offer, the Scheme structure ensures a binary outcome. If the requisite majorities for Scheme Voting Shareholder approval are not received (and subject to the satisfaction of the other Conditions), the Merger will not be implemented and Xstrata will thereafter continue to operate as a standalone company with the Glencore Group retaining only its existing 33.65 per cent. shareholding in Xstrata.

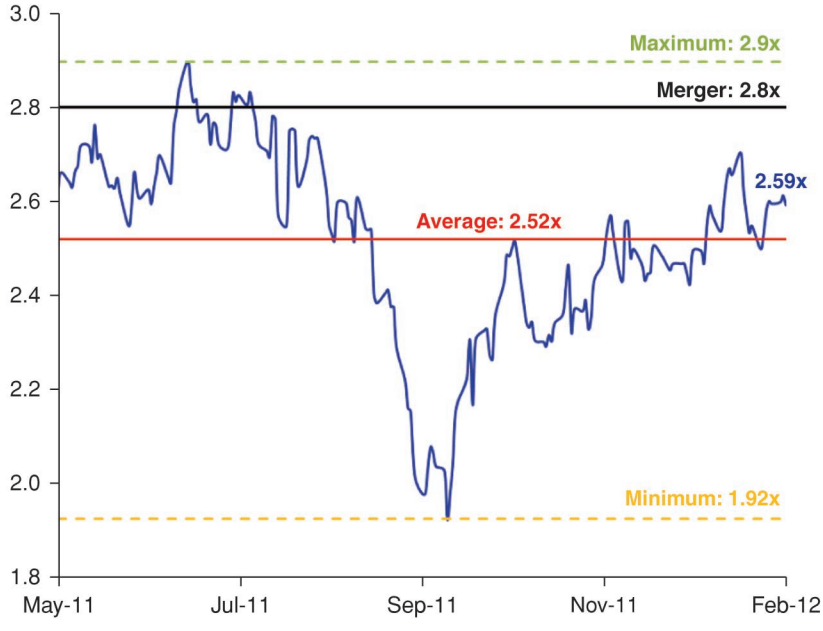
As an all-share merger of equals, shareholders of both companies remain invested in the Combined Group. The value from the transaction is derived from the capacity of the Combined Group to deliver superior value for its shareholders compared to either company on a standalone basis. As such, the Independent Non-Executive Xstrata Directors believe that relative ownership in the Combined Group is the most appropriate economic measure for Xstrata Shareholders to consider, together with the governance structure which ensures Xstrata Shareholder interests are reflected in the Combined Group's decision-making. Consequently, the Independent Non-Executive Xstrata Directors carefully considered the contribution of each of Xstrata and Glencore in the Combined Group across a range of metrics. In particular, the Independent Non-Executive Xstrata Directors have considered the following:

(a) The terms of the Merger represent a premium to the historic relative share prices of both companies since Glencore's initial public offering in May 2011. The ratio of 2.8 New Glencore Shares for each Scheme Share represents:

(i) a premium of approximately 11.1 per cent. to the average exchange ratio of 2.52 implied by the middle market closing prices of the two companies' shares between Glencore's initial public offering on 18 May 2011 and 1 February 2012 (being the last business day prior to the announcement by Xstrata that it was in discussions with Glencore);

(ii) a ratio only approximately 3 per cent. lower than the highest exchange ratio of 2.9 implied by the middle market closing prices of the two companies' shares during the period referred to in "(i)" above; and

(iii) a premium of approximately 8.0 per cent. to the exchange ratio of 2.59 implied by the middle market closing prices of the two companies on 1 February 2012 (the last business day prior to the announcement by Xstrata that it was in discussions with Glencore).



Source: Datastream as at 1 February 2012, calculated as the daily exchange ratio between 18 May 2011 and 1 February 2012.

(b) Under the Merger terms, eligible Xstrata Shareholders excluding the Glencore Group will own approximately 45.0 per cent. of the Combined Entity's enlarged share capital following the Effective Date, compared to their current shareholding of approximately 66.4 per cent. of Xstrata and compared to an ownership of approximately 42.4 per cent. in the Combined Entity implied by the average market values of both companies since Glencore's initial public offering in May 2011.

(c) The combination is expected to be earnings per share accretive to non-Glencore Group Xstrata Shareholders in the first full financial year following implementation of the Merger before synergies and after estimated fair value adjustments to asset book values resulting from the Merger*. Based on a number of historic and forward-looking metrics, the Independent Non-Executive Xstrata

* This statement should not be interpreted to mean that earnings per share for Scheme Shareholders will necessarily be greater than those for the year ended 31 December 2011.

Directors assessed that, going forward, non-Glencore Group Xstrata Shareholders' approximately 45.0 per cent. ownership of the Combined Group implied by the Merger ratio represents a greater share of the Combined Group than the contribution of Xstrata, excluding the Glencore Group's existing 33.65 per cent. shareholding in Xstrata, to the Combined Group.

(d) The Independent Non-Executive Xstrata Directors believe the Merger is broadly neutral for non-Glencore Group Xstrata Shareholders of Scheme Shares on a net asset value basis. In analysing the Glencore Group, we have considered Glencore as comprising three distinct parts of similar significance in terms of value contribution:

  (i) Glencore's pre-existing 33.65 per cent. interest in Xstrata;

  (ii) a portfolio of mining and other industrial assets, including the world class Prodeco coal mine in Columbia, Kazzinc's polymetallic operations in Kazakhstan and Katanga's copper operations in The Democratic Republic of Congo; and

  (iii) a world leading commodities marketing business.

(e) The combination is expected to deliver estimated annual EBITDA synergies of at least US$500 million in the first full year of the Combined Group. While not the primary motivation for the Merger, the expected synergies provide additional potential upside and represent further comfort on the terms of the Merger.

(f) The majority of the Combined Group's earnings will be generated from mining and other industrial activities (which, based on the 2011 financial results of Xstrata and Glencore, would have contributed approximately 84 per cent. of 2011 EBIT). In light of the reliance of the Combined Group on the performance of the industrial assets and the importance of executing the combined project pipeline to deliver production growth and expected shareholder value, the Independent Non-Executive Xstrata Directors believe the agreed governance and management structure are essential to underpin the future success of the Combined Group, as described in more detail below.

4. GOVERNANCE, MANAGEMENT STRUCTURE AND EMPLOYEES

The agreed governance and management structure is an integral and critical element of the transaction. All management and governance arrangements are intended to remain in place for a period of at least two years following the Effective Date. The proposed corporate governance structure is designed to ensure that decision-making in the Combined Group is aligned with the experience and capabilities of the respective management teams. The Independent Non-Executive Xstrata Directors considered the proposed board and management structure carefully against three key objectives, namely to:

(a) ensure Xstrata Shareholders' interests are reflected in the Combined Group to balance the influence of Glencore management, who will continue to hold significant individual shareholdings in the Combined Group;

(b) provide the optimal management structure to enable the Combined Group to execute its strategy and achieve superior returns for shareholders, reflecting the respective earnings contributions of the industrial assets and marketing business; and

(c) ensure the transaction is effected as a merger, as proposed, that harnesses the best from both companies and ensures Xstrata Shareholders continue to gain exposure to Xstrata's Management and industry-leading operational and sustainability expertise.

In addition, Mr Glasenberg has irrevocably undertaken in his personal capacity and in respect of his shareholding of approximately 8.7 per cent. of the Combined Entity's enlarged issued share capital not to use his voting rights or other influence to depart from the agreed governance principles for the Combined Group referred to above for a period of not less than two years following the Effective Date. Mr Kalmin and each of the Principal Shareholders, who in aggregate will hold approximately 11.8 per cent. of the Combined Entity's enlarged issued share capital, have indicated their support for the governance principles referred to above.

Further information about the irrevocable undertakings received from Glencore management is provided in paragraph 3 of Part II (*Explanatory Statement*) of this document.

Board composition

The Combined Group's Board will comprise eleven directors, including nine non-executive directors, the majority of whom (five) will be nominated by Xstrata. As Chairman of the Combined Group, I will have the casting vote on matters before the Combined Group's Board. A majority of the Combined Group's Board will be independent non-executive directors.

Each committee of the Combined Group's Board will comprise one Xstrata-nominated non-executive director and one Glencore-nominated non-executive director (in the case of the Nominations Committee, both of whom must be acceptable to Glencore) and the Chair of the relevant committee, save for the Remuneration Committee, which will have three members but in addition I will attend in an *ex-officio* capacity.

I will chair the Nominations Committee and Ian Strachan, an Xstrata-nominated non-executive director, will chair the Health, Safety, Environment and Community ("HSEC") Committee. Leonhard Fischer and Anthony Hayward, Glencore-nominated non-executive directors, will chair the Audit and Remuneration Committees respectively. The Senior Independent Director will be Anthony Hayward, currently a Glencore non-executive director. Each of the directors of the Combined Entity will stand for re-election by shareholders at the first Annual General Meeting of members, expected to be held in the first half of 2013 and all existing and any newly proposed directors will stand for re-election on an annual basis.

The directors below will be appointed upon completion of the Merger:

	Current position	**Combined Group position**
Sir John Bond	*Xstrata non-executive Chairman*	Non-executive Chairman*, Chair, Nominations Committee, *ex-officio* Remuneration Committee attendee
Mick Davis	*Xstrata CEO*	CEO, HSEC Committee member
Ivan Glasenberg	*Glencore CEO*	Deputy CEO and President
Con Fauconnier	*Xstrata non-executive director*	Non-executive director*, Remuneration Committee and HSEC Committee member
Peter Hooley	*Xstrata non-executive director*	Non-executive director*, Audit Committee member
Sir Steve Robson CB	*Xstrata non-executive director*	Non-executive director*, Nominations Committee member
Ian Strachan	*Xstrata non-executive director*	Non-executive director*, Chair, HSEC Committee
Peter Coates	*Glencore non-executive director*	Non-executive director*, HSEC Committee member
Leonhard Fischer	*Glencore non-executive director*	Non-executive director*, Chair, Audit Committee
Anthony Hayward	*Glencore non-executive director*	Non-executive director, Senior Independent Director*, Chair, Remuneration Committee, Nominations Committee member
William Macaulay	*Glencore non-executive director*	Non-executive director*, Audit Committee and Remuneration Committee member

* Denotes independent director

Management structure

Xstrata's success over the past ten years has been achieved with almost entirely the same management team despite very significant and increasing global competition for high-performing and proven mining

executives. In my view, this has been one of the key ingredients of Xstrata's success and track record of value creation.

The Independent Non-Executive Xstrata Directors believe that the agreed management structure and the ongoing commitment of Xstrata's Management, the Xstrata Senior Employees and other key Xstrata personnel are essential to ensure the Combined Group can achieve its potential and deliver superior shareholder value. The structure outlined below reflects Xstrata's and Glencore's respective skills and expertise and the importance of the mining and industrial assets to the future earnings of the Combined Group.

Upon completion of the Merger, mining and other industrial activities will comprise the most significant business within the Combined Group, including over 150 mining and metallurgical facilities. Future production growth and value creation for shareholders is to a significant extent dependent upon the successful execution of both companies' approved project pipelines, with a number of major projects currently at a critical stage of execution. Retaining the appropriate operational and executive management expertise to deliver major organic growth projects across each major commodity and maintain the underlying value of the business is considered by the Glencore Directors and the Independent Non-Executive Xstrata Directors to be essential for the future success of the Combined Group.

Following the Effective Date, Glencore and Xstrata intend to work together to maintain and build upon the Combined Group's position as one of the world's largest global diversified natural resources companies.

Glencore and Xstrata attach great importance to the skills and experience of the existing management and employees of Xstrata. Accordingly, Glencore has given assurances to the Independent Non-Executive Xstrata Directors that, following completion of the Merger, the pre-existing monetary rights of all Xstrata employees, including employment, share scheme, bonus scheme and pension rights, will be fully safeguarded.

Glencore and Xstrata believe that whilst the increased size and strength of the Combined Group will offer greater opportunities for employees of both Xstrata and Glencore, where there is a combination of similar functions this may result in some rationalisation of the combined workforce.

Following the Effective Date, the Combined Group will, over time, seek to consolidate offices in locations where duplication exists. In addition, whilst Glencore and Xstrata have project pipelines, the Board will assess the project pipeline and planned capital expenditure of the Combined Group following the Merger in light of all relevant factors including the market conditions and the Combined Group's overall financing commitments.

As at 29 May 2012 (being the last practicable date prior to the posting of this document), Xstrata had received the Employee Representatives' Opinions from various Xstrata Group employee representatives, as set out at (or unofficial translations of such letters into English) the Appendix to this document.

The Independent Non-Executive Xstrata Directors welcome Glencore's intentions regarding Xstrata's Management, employees and locations as described above and elsewhere in this document.

Mr Davis will become Chief Executive Officer and an executive director of the Combined Group on terms and conditions which are broadly comparable to his existing Xstrata employment contract and conditional upon completion of the Merger. A summary of the terms of his existing contract with Xstrata and of his new contract with the Combined Group is set out in paragraph 8 of Part VI (*Additional Information*) of this document.

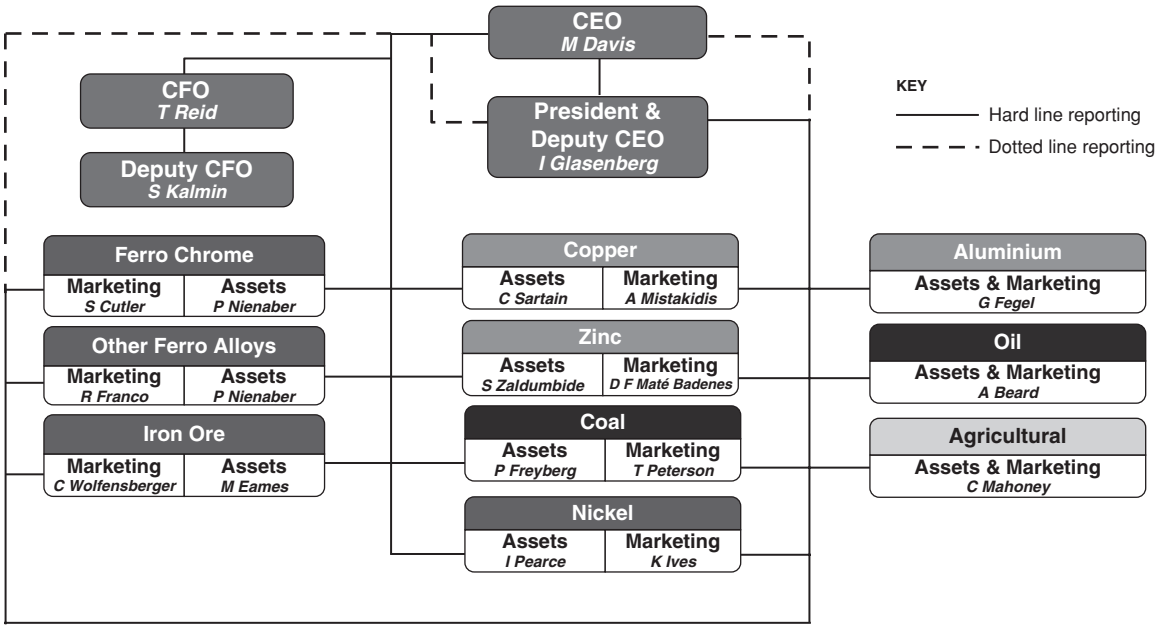
Mr Reid, currently Chief Financial Officer and an executive director of Xstrata plc, will become Chief Financial Officer of the Combined Group, but will not be on the board of the Combined Entity. Mr Zaldumbide, currently an executive director of Xstrata plc and Chief Executive, Xstrata Zinc will become Chief Executive of the Combined Group's Zinc Operating Business Unit, but similarly will not be on the board of the Combined Entity. The other members of Xstrata's Management have been offered and have agreed to roles in the Combined Entity in line with those currently held in Xstrata. In other respects, terms and conditions for the employment of Xstrata's Management are broadly comparable to existing Xstrata employment contracts. The employment of Xstrata's Management within the Combined Group is conditional upon completion of the Merger.

Mr Glasenberg, current Glencore CEO, will be Deputy CEO and President of the Combined Group and Mr Kalmin, current Glencore CFO, will be Deputy CFO of the Combined Group.

Executive Committee

The Combined Group's Executive Committee will comprise Mr Davis, Mr Glasenberg, Mr Reid and Mr Kalmin, with other members to be determined during detailed integration planning currently underway.

Organisational structure



Notes :

1. All Assets (with the exception of Aluminium, Oil and Agricultural) will have a hard line report to the CEO.
2. All Assets (with the exception of Aluminium, Oil and Agricultural) will have a dotted line report to the Deputy CEO.
3. All Marketing operations will have a hard line report to the Deputy CEO.
4. All Marketing operations will have a dotted line report to the CEO.
5. Aluminium, Oil and Agricultural will have a hard line report to the Deputy CEO and a dotted line report to the CEO.

The Combined Group's organisational structure is designed with three key objectives:

(a) clear accountability across and at all levels of the organisation and, hence, preservation of the entrepreneurial characteristic of both the Xstrata and Glencore cultures;

(b) the optimal application of Glencore's and Xstrata's capabilities and leveraging their respective strengths; and

(c) maximisation of value creation in each of the operating and marketing components of the business, while ensuring value is maximised across the entire Combined Group.

With these objectives in mind:

- Upon completion of the Merger, Glencore's mining and processing operations will be fully integrated into Xstrata's global commodity businesses led by Xstrata's existing operational management teams. Oil, agricultural products, alumina/aluminium and certain vessels, ports, storage facilities and the like will continue to be operated under existing Glencore management. Xstrata commodity business unit Chief Executives will continue to report directly to Mr Davis, Chief Executive Officer.
- The Combined Group's marketing business will be responsible for marketing all of the Combined Group's output. The marketing, logistics and trading functions will continue to be led by existing

Glencore segmental business heads, reporting to Mr Glasenberg, Deputy CEO and President, who in turn will report to Mr Davis, Chief Executive Officer.

- Production from the Combined Group's operations will be transferred to the marketing business at market-related prices. Xstrata's commodity business units will continue to operate as profit centres, responsible for each stage of the production chain from exploration to post-closure obligations and with an enduring mandate to maximise the underlying net present value of our operations and projects.
- A free flow of information and a spirit of collaboration will be fostered between each commodity's Operating and Marketing CEOs, who will work closely together within a clearly defined protocol of responsibilities and authority limits.

The Combined Group intends to apply Xstrata's best in class sustainability and operating expertise across its enlarged portfolio of operations to underpin access to natural resources and a social licence to operate. Following the completion of the Merger, we intend to maintain Xstrata's existing commitments in respect of sustainability and operate to at least the same sustainability standards as we do today.

Management Incentive Arrangements

The Independent Non-Executive Xstrata Directors believe the new business model resulting from the Merger, and its ability to generate superior shareholder returns, is dependent upon the retention of key Xstrata personnel. Effective retention measures provide assurance to shareholders that Xstrata's Management team, whose stability has been integral to Xstrata's success over a decade, will remain in place to preserve and protect current and future value.

The transaction is structured as a merger and the governance arrangements are a critical element of the terms. The Independent Non-Executive Xstrata Directors' decision to recommend the Merger on its current terms to eligible Xstrata Shareholders is therefore dependent upon the agreed governance and management structure (including the Management Incentive Arrangements), which represent integral and inseparable elements of the transaction. In turn, the sustainability of these arrangements depends upon the transition of key Xstrata personnel into the Combined Group and their ongoing commitment. The Management Incentive Arrangements, together with the irrevocable undertaking received from Mr Glasenberg not to depart from the agreed governance principles for the Combined Group for a period of not less than two years following the Effective Date and the indications of support from Mr Kalmin and each of the Principal Shareholders for the agreed governance principles, aim to secure these necessary elements of the transaction and are, we believe, essential for the success of the Merger and the Combined Group going forward.

The skills and experience of Xstrata's Management, the Xstrata Senior Employees and other employees, together with a highly decentralised management structure and longstanding relationships between operators and managers enables Xstrata to act nimbly and with an entrepreneurial spirit — key drivers of Xstrata's success over the past ten years. In the view of the Independent Non-Executive Xstrata Directors, the cohesion of Xstrata's Management team, which has remained almost entirely intact over the past decade, is another important factor in the Xstrata Group's success.

The Independent Non-Executive Xstrata Directors considered very carefully the Management Incentive Arrangements for the Merger, particularly in the light of the heightened public debate about executive remuneration. The Management Incentive Arrangements reflect the judgment of the Independent Non-Executive Xstrata Directors that, without the transition of key Xstrata personnel into the Combined Group and their ongoing commitment within the agreed governance and organisational structure, the transaction would cease to be a merger in which Xstrata Shareholders' interests would be adequately represented and in which the Combined Group would be best positioned to deliver superior value to its shareholders.

In view of these inter-dependent elements, which together comprise the recommended Merger, the passing of the resolution to approve the Management Incentive Arrangements at the Xstrata General Meeting will be inter-conditional with the passing of the resolution to approve the Scheme at the Court Meeting to be held on 12 July 2012.

A resolution to approve the Management Incentive Arrangements will be proposed at the Xstrata General Meeting, to be taken on a poll and only Independent Xstrata Shareholders are permitted to vote thereon. Any vote cast by an Xstrata Shareholder who is not an Independent Xstrata Shareholder, either

in person or by proxy, shall not be counted. The passing of the resolution to approve the Scheme at the Court Meeting is subject to and inter-conditional with the passing of the Management Incentive Arrangements Resolution. Accordingly, the Merger will not be implemented if the Management Incentive Arrangements Resolution is not passed. To be passed, the Management Incentive Arrangements Resolution will require a simple majority of all Xstrata Shares voted by those Independent Xstrata Shareholders present and voting, either in person or by proxy, to be voted in favour of the Management Incentive Arrangements Resolution. No member of the Glencore Group (nor any person acting in concert with Glencore), nor any of the Xstrata Executive Directors, nor any other members of Xstrata's Management, nor any of the Senior Xstrata Employees are Independent Xstrata Shareholders and, pursuant to the requirements of Rule 16.2 of the Code are not, therefore, entitled to vote on the Management Incentive Arrangements Resolution. Each of the Xstrata Financial Advisers has reviewed the terms of the Management Incentive Arrangements and each of them considers them to be fair and reasonable so far as the Independent Xstrata Shareholders are concerned. In providing its advice, each of the Xstrata Financial Advisers has taken into account the commercial assessments of the Independent Non-Executive Xstrata Directors.

On account of the participation of the Xstrata Executive Directors in the Management Incentive Arrangements and the fact that the passing of the Management Incentive Arrangements Resolution is a non-waivable condition to the implementation of the Scheme, as contemplated by Note 4 on Rule 25.2 of the Code only the Independent Non-Executive Xstrata Directors are recommending that eligible Xstrata Shareholders vote in favour of the Scheme at the Court Meeting. In addition, as employees of the offeror, the Glencore Nominee Directors have been deemed to have a conflict of interest in relation to the Scheme and are therefore not giving any recommendation either in favour or against the resolutions required to implement the Scheme.

Further information concerning the Management Incentive Arrangements is set out in paragraph 9 of Part II (*Explanatory Statement*), which begins on page 30 of this document.

Xstrata Share Schemes

Appropriate proposals will be made to all participants in the Xstrata Share Schemes under Rule 15 of the Code which will enable participants to maintain an ongoing shareholding in the Combined Group and to convert any existing options over Xstrata Shares into new vested options over Glencore Shares having the same duration as the existing options and having equivalent economic terms (namely the exercise price and numbers of shares under option by reference to the Merger ratio referred to in paragraph 1 above) to those of the existing options over Xstrata Shares.

The Xstrata Executive Directors' vested shares under the Xstrata LTIP will be replaced by New Glencore Shares if the Scheme is implemented, save for the sale of sufficient of the Xstrata Shares to which they will become entitled on vesting of their share awards under the Xstrata LTIP to meet any immediate tax liabilities. The Xstrata Executive Directors have indicated that they propose to accept the ''Glencore option proposal'' described in paragraph 10 of Part II (*Explanatory Statement*) and will exchange all of their vested options under the Xstrata LTIP, the Xstrata Annual Bonus Plan and, in the case of Mr Davis only, the Xstrata Added Value Incentive Plan, for new options over Glencore Shares.

Further details of the proposals to be made to participants in the Xstrata Share Schemes are set out in paragraph 10 of Part II (*Explanatory Statement*) of this document. Separate letters will be sent to participants in the Xstrata Share Schemes with details of the actions they can take in respect of their options and awards.

5. Integration

Post-Merger integration planning is led by a specific steering committee comprising each of the Chief Executive Officers and Chief Financial Officers of Glencore and Xstrata and the Executive General Manager, Strategy and Corporate Affairs of Xstrata. Detailed integration planning began in early May and, subject to what is permissible under applicable antitrust laws, is well underway. Integration teams have been established across each commodity division and corporate function comprising a limited group of senior Xstrata and Glencore managers, who are working together to define detailed integration plans that will be implemented immediately on completion of the Merger.

These plans comprise:

- detailed organisational charts and processes for each of the corporate functions of the Combined Group, including Finance and Reporting, IT and Legal;
- an operating model, including organisational charts and management appointments, decision rights and governance arrangements for each of the commodity groups; and
- organisation charts, authority limits, key policies, principles and governance arrangements for the Combined Group as a whole.

Within approximately 100 days of closing the Merger, we aim to have completed the principal elements of the restructuring of the Combined Group. This will include all management appointments, reporting structures, operational and executive authority limits and key Combined Group policies and processes, including financial reporting, planning and budgeting, treasury and liquidity management policies, sustainability practices, risk and internal audit and compensation.

Xstrata's and Glencore's organisations are highly complementary in assets, geographic locations and capabilities, reducing the overlap and, thus, level of integration risk.

Integration risk is further mitigated by:

- a decade of working together at various levels of the organisation;
- the complementary nature of the two organisations' skills and businesses and an organisational structure for the Combined Group designed to reflect these;
- aligned corporate strategies;
- a common, entrepreneurial, value-focused culture;
- agreement on the key principles of the post-merged entity; and
- Xstrata's successful track record of post-transaction integration, honed over more than 40 transactions.

6. Regulatory approvals

Antitrust filings have been submitted or are in the process of being formally submitted, following constructive discussions with the relevant authorities, where appropriate. In respect of the European Union, the merger control approval process is progressing well and Xstrata and Glencore continue to expect to receive all relevant merger approvals to enable completion of the Merger in the third quarter of 2012. As provided for in the Conditions, should the European Commission grant clearance (either unconditionally or subject to remedies that are reasonably satisfactory to Glencore), the Merger will be able to proceed to closing, provided all other regulatory and non-regulatory Conditions have been satisfied or, if capable of waiver, waived. Should the European Commission open an in-depth (phase two) review, the Merger proposal will lapse (a) automatically under Rule 12.1 of the Code if the review is initiated prior to the Court Meeting and the Xstrata General Meeting, and (b) if the review is initiated after the Court Meeting and the Xstrata General Meeting and Glencore invokes the EU merger control Condition to the Merger.

7. Name and branding

Glencore and Xstrata both have strong brands with relevance in each of the areas in which they predominantly compete and the Combined Group will be renamed on the Effective Date as ''Glencore Xstrata plc'', subject to Glencore Shareholder approval. The operational activities of the Combined Group (other than oil, agricultural products and alumina/aluminium) will be branded and trade under the name ''Xstrata'' and the marketing activities of the Combined Group will trade under the name ''Glencore''.

A resolution will be proposed at the Glencore General Meeting to effect this change of name conditional upon the Scheme being implemented. The passing of this resolution is not a Condition to the Merger.

8. Current trading and prospects

Xstrata current trading and prospects

Xstrata published its first quarter production report on 1 May 2012. In the first three months of 2012, total coal, nickel and lead production rose by 9 per cent., 8 per cent. and 7 per cent. compared to the same period in 2011. Copper production fell by 18 per cent. compared to the first three months of 2011 marking the transition from older mines reaching the end of their productive lives, before new expansions ramp up during the second half. Thermal coal production rose by 17 per cent. while coking coal production was impacted by the timing of longwall moves at Oaky Creek underground complex in Queensland. A 12 per cent. increase in zinc concentrate production from the Australian operations in the first quarter compensated for lower output at Antamina and other operations.

Since the end of March, production of thermal coal has been impacted by adverse ground conditions at Newlands Northern underground and a one-off incident at Collinsville mine, subsequently resolved. A partial pit wall failure at Tintaya caused by significant rainfall events in the first quarter has restricted copper production at that mine. In the second quarter, lower mill throughput impacted production of zinc in concentrates in Australia, although this has been offset by higher than expected production from the Brunswick, McArthur River, Perseverance and Antamina operations. Nickel and ferroalloys production have continued at a similar rate to the first quarter while platinum production has been constrained due to days lost from safety stoppages in South Africa, in common with the rest of the platinum industry.

Concerns about the on-going problems in the Eurozone and the Chinese government's reduced forecast of economic growth have resulted in deteriorating sentiment, with a consequent impact on equity markets and commodity prices. Since the start of the year, average LME commodity prices have declined by 13 per cent. for copper, 14 per cent. for zinc and 28 per cent. for nickel compared to the same period of 2011 as at 25 May 2012. Thermal and coking coal prices have also fallen over this period. Xstrata concluded annual thermal coal contracts in respect of the Japanese financial year at approximately US$115 per tonne FOB, compared to US$129.85 per tonne for the same period in 2011, while quarterly hard coking coal contract prices have declined from US$235 per tonne at the beginning of the year to US$210 per tonne for second quarter shipments.

Over the second half of 2012, commissioning of the Antapaccay copper mine near the Tintaya mine in Peru, as well as planned higher copper grades at Collahuasi and the ramp-up of production at the Ernest Henry underground project are expected to support increased copper production volumes. Similarly in thermal coal, the recommencement of Blakefield South longwall operations, continued ramp-up of Mangoola and ATCOM East, early stage production from Ravensworth North and development tonnes from Ulan West will underpin higher second-half mine production. In nickel, the major growth project at Koniambo in New Caledonia remains on track to deliver first ore to the furnace in the second half of this year and together with higher expected production from Falcondo will increase nickel production compared to 2011, with increased third party custom feed expected to offset planned lower grades at the Australian and Raglan nickel operations. Higher zinc grades at Mount Isa are expected to drive higher second half zinc mine production compared to the same period in 2011, while operating performance of the ferroalloys division is expected to remain at a similar level to the previous year.

While the short-term outlook for commodity prices remains uncertain and negative sentiment is weighing on mining stocks and commodity prices, Xstrata's proprietary index of leading indicators which track underlying demand in key commodity-consuming regions point to a growing level of economic activity. On-going growth of an expanded Chinese economy will underpin demand growth for commodities over the medium and longer term and the emerging economies of India, Brazil, Mexico and Turkey continue to provide additional support to global growth.

Glencore current trading and prospects

On 10 April 2012, Glencore published its annual report and accounts for the year ended 31 December 2011 and on 9 May 2012 released its interim management statement for the first quarter of 2012. Glencore has performed well across all segments of its business in 2012.

The Viterra transaction, announced on 20 March 2012, is Glencore's first major investment in the North American agricultural sector and reflects Glencore's strong belief in the importance and future potential of the Canadian and Australian grain markets.

Physical demand for commodities remains broadly healthy across the globe to date in 2012, although precise conditions vary by location. US demand has continued to strengthen in areas such as automobiles and aerospace, while European conditions remain generally weaker. Overall China demand continues to be healthy. It remains Glencore's view that available global inventories are generally low, both on exchanges and within supply chains and in the short term, Glencore expects the Combined Group to benefit from a continuation of the healthy growth seen within emerging markets during 2011. Looking to the longer term, Glencore sees no change to the fundamental drivers for healthy markets in the major commodities produced and marketed by the Combined Group.

9. Dividend Policy

The Combined Group intends to pursue Xstrata's and Glencore's progressive dividend policy, aiming to increase dividends in line with underlying growth in Group earnings, capital requirements and cash flows, while maintaining an appropriate level of dividend cover.

Interim and final dividends will generally be paid in the approximate ratio of one-third and two-thirds of the total annual dividend. The Sterling, Euro or Swiss Franc amount payable will be determined by reference to the exchange rates applicable to the US dollar seven days prior to the dividend payment date.

Glencore and Xstrata will work together so that both sets of shareholders have the opportunity to receive a 2012 interim dividend, if one is paid. To this end, it is expected that the record date for Xstrata's 2012 interim dividend will be brought forward to the same date as the record date for Glencore's 2012 interim dividend. Any Xstrata 2012 interim dividend will be in an amount in the ordinary and usual course.

10. Cancellation of listing of Xstrata Shares

Your attention is drawn to paragraph 15 of Part II (*Explanatory Statement*) of this document in relation to Glencore's intentions regarding the de-listing and cancellation of trading in Xstrata Shares following the Effective Date.

11. Glencore Shareholder approval

In view of the size of Xstrata and Glencore, and in order to effect the Merger, it will be necessary for Glencore Shareholders to approve the Merger. Further information is provided in paragraph 16 of Part II (*Explanatory Statement*) of this document.

12. Conditions

Your attention is drawn to Part IV (*Conditions and certain further terms of the Scheme and the Merger*) of this document, which sets out the Conditions and certain further terms of the Scheme and the Merger.

To become effective, the Merger requires the satisfaction (or, if capable of waiver, the waiver) of various Conditions by no later 31 October 2012 or such later date (if any) as Glencore and Xstrata may, with the consent of the Panel, agree and (if required), the Court may allow, including, among other things (a) the approval of a majority in number of those Scheme Voting Shareholders present and voting, either in person or by proxy, representing 75 per cent. or more in value of all Scheme Voting Shares voted by Scheme Voting Shareholders, (b) the passing of the resolution necessary to implement the Scheme at the Xstrata General Meeting, and (c) the passing of the Management Incentive Arrangements Resolution at the Xstrata General Meeting. **Only Independent Xstrata Shareholders are entitled to vote on the Management Incentive Arrangements Resolution. As no member of the Glencore Group is a Scheme Voting Shareholder, no member of the Glencore Group is entitled to vote at the Court Meeting. Equally, no member of the Glencore Group (nor any person acting in concert with Glencore), nor any of the Xstrata Executive Directors, nor any other members of Xstrata's Management, nor any of the Senior Xstrata Employees are Independent Xstrata Shareholders and, pursuant to the requirements of Rule 16.2 of the Code are not, therefore, entitled to vote on the Management Incentive Arrangements Resolution.** The Scheme must also be sanctioned by the Court and the associated Reduction of Capital must be confirmed by the Court at the Scheme Court Hearing and the Reduction Court Hearing, respectively.

13. Taxation

Your attention is drawn to Part V (*Taxation*) of this document. If you are in any doubt as to your tax position, or you are subject to taxation in any jurisdiction other than the United Kingdom, United States or Switzerland, you are strongly advised to consult an appropriate professional independent financial adviser.

14. Overseas shareholders

Overseas shareholders should refer to paragraph 18 of Part II (*Explanatory Statement*) of this document.

15. Action to be taken

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of the opinion of the Scheme Voting Shareholders. Whether or not you plan to attend the Shareholder Meetings in person, you are strongly encouraged to sign and return your Forms of Proxy, or to appoint a proxy electronically.

In order to comply with the requirements of the Panel and Rule 16.2 of the Code, the Management Incentive Arrangements Resolution to be proposed at the Xstrata General Meeting will be taken on a poll and only Independent Xstrata Shareholders are permitted to vote thereon. Any vote cast by an Xstrata Shareholder who is not an Independent Xstrata Shareholder, either in person or by proxy, shall not be counted. If you are in any doubt as to whether or not you are permitted to vote on such resolution, please call the shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0800 279 4113 (free from landlines in the UK), 0800 002 427 (free from landlines in Switzerland), or +44 800 279 4113 (from outside the UK and Switzerland, international rates apply). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Merger.

Further details of the Shareholder Meetings are set out in paragraph 12 of Part II (*Explanatory Statement*) of this document.

Your attention is drawn to pages 3-5 of this document (*Actions to be Taken*) which explains in detail the action you should take in relation to the Merger and the Scheme.

16. Recommendation

The Independent Non-Executive Xstrata Directors, being all of the Independent Xstrata Directors other than the Xstrata Executive Directors (who are participating in the Management Incentive Arrangements), who have been so advised by each of the Xstrata Financial Advisers, consider the terms of the Merger to be fair and reasonable. Accordingly, the Independent Non-Executive Xstrata Directors, being all of the Independent Xstrata Directors other than the Xstrata Executive Directors (who are participating in the Management Incentive Arrangements), unanimously recommend eligible Xstrata Shareholders to vote in favour of the Scheme at the Court Meeting and each of the resolutions to be proposed at the Xstrata General Meeting as the Independent Non-Executive Xstrata Directors who hold or are beneficially entitled to Xstrata Shares have irrevocably undertaken to do in respect of their own Xstrata Shares (representing as at the last practicable date prior to the posting of this document, in aggregate, approximately 0.0032 per cent. of the issued ordinary share capital of Xstrata). In providing its advice, each of the Xstrata Financial Advisers has taken into account the commercial assessments of the Independent Xstrata Directors.

The Xstrata Executive Directors have each irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and resolution 1 to be proposed at the Xstrata General Meeting in respect of their own Xstrata Shares or Xstrata Shares to which they are beneficially entitled (representing as at the last practicable date prior to the posting of this document, in aggregate approximately 0.1140 per cent. of the issued ordinary share capital of Xstrata).

On account of the participation of the Xstrata Executive Directors in the Management Incentive Arrangements and the fact that the passing of the Management Incentive Arrangements Resolution is a non-waivable condition to the implementation of the Scheme, as contemplated by Note 4 on Rule 25.2 of the Code only the Independent Non-Executive Xstrata Directors are recommending that eligible Xstrata Shareholders vote in favour of the Scheme at the Court Meeting. In addition, as employees of the offeror, the Glencore Nominee Directors have been deemed to have a conflict of

interest in relation to the Scheme and are therefore not giving any recommendation either in favour or against the resolutions required to implement the Scheme.

17. Irrevocable Undertakings

In aggregate, Glencore has received irrevocable undertakings from those of the Independent Xstrata Directors who hold or are beneficially entitled to Xstrata Shares to vote in favour of the Scheme in respect of 3,519,387 Xstrata Shares, representing in aggregate approximately 0.1 per cent. of Xstrata's existing issued share capital.

In aggregate, Xstrata and Glencore have received irrevocable undertakings from those of the Glencore Directors who hold or are beneficially entitled to Glencore Shares and also from the Principal Shareholders to vote in favour of the resolutions to be proposed at the Glencore General Meeting to approve the Merger and related resolutions in respect of 2,573,503,749 Glencore Shares, representing in aggregate approximately 37.2 per cent. of Glencore's existing issued share capital.

Further details of these irrevocable undertakings are set out in paragraph 6 of Part VI (*Additional Information*) of this document.

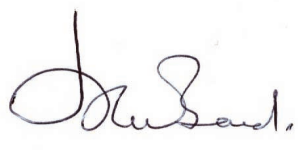
18. Further information

Your attention is drawn to the further information contained in Part II (*Explanatory Statement*), Part III (*The Scheme of Arrangement*), Part IV (*Conditions and certain further terms of the Scheme and the Merger*), Part V (*Taxation*) and Part VI (*Additional Information*) of this document and to the expected timetable of principal events set out on page 1 of this document. Please note that the timings set out in this document are indicative only and subject to change. You should also refer to the information incorporated by reference in this document which is referred to in Part VII (*Financial and Ratings Information*).

You are advised to read the whole of this document and not just rely on the summary information contained in this letter.

In the judgment of the Independent Non-Executive Xstrata Directors, being all of the Independent Xstrata Directors other than the Xstrata Executive Directors (who are participating in the Management Incentive Arrangements), the terms of the proposal are fair and reasonable, the governance and management structure (including the Management Incentive Arrangements) we have agreed safeguards the interests of non-Glencore Group Xstrata Shareholders in the Combined Entity and harness the best of both companies' management teams and the proposal represents a significant opportunity to create a distinctive business with very strong prospects to generate superior returns for our shareholders.

Yours faithfully



Sir John Bond
Non-Executive Chairman
Xstrata plc

PART II

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act 2006)

Deutsche Bank J.P.Morgan CAZENOVE Goldman Sachs NOMURA

31 May 2012

To all Xstrata Shareholders and, for information only, participants in the Xstrata Share Schemes

Dear Xstrata Shareholder,

Recommended All-Share Merger of Equals of Glencore and Xstrata

1. Introduction

On 7 February 2012, the Independent Xstrata Directors and the Glencore Directors announced that they had agreed the terms of a recommended all-share merger of equals of Glencore and Xstrata. It is proposed that the Merger will be effected by way of a Court sanctioned scheme of arrangement of Xstrata under Part 26 of the Companies Act, pursuant to which Glencore will acquire the entire issued and to be issued ordinary share capital of Xstrata not already held by the Glencore Group.

The Independent Non-Executive Xstrata Directors have been advised by the Xstrata Financial Advisers in connection with the Merger and the Scheme. We have been authorised by the Independent Non-Executive Xstrata Directors to write to you to explain the terms of the Merger and to provide you with other relevant information.

Your attention is drawn to the letter from the Chairman of Xstrata set out in Part I (*Letter from the Chairman of Xstrata*) of this document which, together with the rest of this document, forms part of this explanatory statement. That letter explains, amongst other things, the background to and reasons for the Merger and the recommendation by the Independent Non-Executive Xstrata Directors, being all of the Independent Xstrata Directors other than the Xstrata Executive Directors (who are participating in the Management Incentive Arrangements), to eligible Xstrata Shareholders to vote in favour of each of the Resolutions to be proposed at the Shareholder Meetings.

Your attention is also drawn to the further information contained in Part III (*The Scheme of Arrangement*), Part IV (*Conditions and certain further terms of the Scheme and the Merger*), Part V (*Taxation*) and Part VI (*Additional Information*) of this document and to the expected timetable of principal events set out on page 1 of this document. Please note that the timings set out in this document are indicative only and subject to change. You should also refer to the information incorporated by reference referred to in Part VII (*Financial and Ratings Information*) of this document.

2. Summary of the terms of the Merger

The Merger will be implemented by way of a Court sanctioned scheme of arrangement under Part 26 of the Companies Act.

Under the terms of the Merger, which will be subject to the Conditions and further terms which are set out in Part IV (*Conditions and certain further terms of the Scheme and the Merger*) of this document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

for each Scheme Share: 2.8 New Glencore Shares.

On the basis of Glencore's closing share price of 460.75 pence on 6 February 2012 (being the last business day prior to the announcement by Glencore and Xstrata of Glencore's firm intention to make an offer), the Merger values each Xstrata Share at 1,290.10 pence and the entire issued and to be issued share capital of Xstrata at approximately £38.9 billion (US$61.6 billion). This represents a premium of

approximately 15.2 per cent. to the closing middle market price per Xstrata Share, of 1,119.50 pence, on 1 February 2012 (being the last business day prior to the commencement of the Offer Period).

On the basis of the closing share price of Glencore on 29 May 2012 (the last practicable date prior to the posting of this document), being 354.10 pence, the Merger values each Xstrata Share at 991.48 pence and the entire issued and to be issued share capital of Xstrata at £30.1 billion (US$47.0 billion). This is a premium of approximately 11.4 per cent. lower than the closing middle market price per Xstrata Share, of 1,119.50 pence, on 1 February 2012 (being the last business day prior to the commencement of the Offer Period), while over the same period the Xstrata Share price has fallen by approximately 14.4 per cent.

Fractions of New Glencore Shares will not be allotted or issued pursuant to the Scheme and will be disregarded.

The expected transaction timetable is set out on page 1 of this document. In light of the likely timetable for seeking regulatory and antitrust clearances, the current expectation is that the Effective Date will occur in the third quarter of 2012.

To become effective, the Scheme requires, among other things (a) the approval of a majority in number of those Scheme Voting Shareholders present and voting, either in person or by proxy, representing 75 per cent. or more in value of all Scheme Voting Shares voted by Scheme Voting Shareholders, (b) the passing of the resolutions necessary to implement the Scheme at the Xstrata General Meeting, and (c) the passing of the Management Incentive Arrangements Resolution at the Xstrata General Meeting. **Only Independent Xstrata Shareholders are entitled to vote on the Management Incentive Arrangements Resolution. As no member of the Glencore Group is a Scheme Voting Shareholder, no member of the Glencore Group is entitled to vote at the Court Meeting. Equally, no member of the Glencore Group (nor any person acting in concert with Glencore), nor any of the Xstrata Executive Directors, nor any other members of Xstrata's Management, nor any of the Senior Xstrata Employees are Independent Xstrata Shareholders and, pursuant to the requirements of Rule 16.2 of the Code are not, therefore, entitled to vote on the Management Incentive Arrangements Resolution**. The Scheme must also be sanctioned by the Court and the associated Reduction of Capital must be confirmed by the Court at the Scheme Court Hearing and Reduction Court Hearing, respectively. The Merger will not become effective until the Scheme Court Order and the Reduction Court Order have been delivered to the Registrar of Companies and, if the Court so orders for the Reduction of Capital to take effect, until the Reduction Court Order and the Statement of Capital have been registered by the Registrar of Companies.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of the opinion of the Scheme Voting Shareholders. Whether or not you plan to attend the Shareholder Meetings in person, you are strongly encouraged to sign and return your Forms of Proxy, or to appoint a proxy electronically. Please refer to pages 3-5 (*Action to be Taken*) of this document for details of the steps that you will need (and are encouraged) to take in connection with this document and the Merger.

In order to comply with the requirements of the Panel and Rule 16.2 of the Code, the Management Incentive Arrangements Resolution to be proposed at the Xstrata General Meeting will be taken on a poll and only Independent Xstrata Shareholders are permitted to vote thereon. Any vote cast by an Xstrata Shareholder who is not an Independent Xstrata Shareholder, either in person or by proxy, shall not be counted. Only Independent Xstrata Shareholders are entitled to vote on the Management Incentive Arrangements Resolution. No member of the Glencore Group (nor any person acting in concert with Glencore), nor any of the Xstrata Executive Directors, nor any other members of Xstrata's Management, nor any of the Senior Xstrata Employees are Independent Xstrata Shareholders and, pursuant to the requirements of Rule 16.2 of the Code are not, therefore, entitled to vote on the Management Incentive Arrangements Resolution. If you are in any doubt as to whether or not you are permitted to vote on such resolution, please call the shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0800 279 4113 (free from landlines in the UK), 0800 002 427 (free from landlines in Switzerland), or +44 800 279 4113 (from outside the UK and Switzerland, international rates apply). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Merger.

Further details of the Shareholder Meetings are set out in paragraph 12 of this Part II of this document.

3. Irrevocable undertakings

In aggregate, Glencore has received irrevocable undertakings from those of the Independent Xstrata Directors who hold or are beneficially entitled to Xstrata Shares to vote in favour of the Scheme in respect of 3,519,387 Xstrata Shares, representing in aggregate approximately 0.1 per cent. of Xstrata's existing issued share capital.

In aggregate, Xstrata and Glencore have received irrevocable undertakings from those of the Glencore Directors who hold or are beneficially entitled to Glencore Shares and also from the Principal Shareholders to vote in favour of the resolutions to be proposed at the Glencore General Meeting to approve the Merger and related resolutions in respect of 2,573,503,749 Glencore Shares, representing in aggregate approximately 37.2 per cent. of Glencore's existing issued share capital.

Further details of these irrevocable undertakings are set out in paragraph 6 of Part VI (*Additional Information*) of this document.

4. Information on 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, refinement, processing, storage and transport of these products. Glencore operates globally, marketing and distributing physical commodities sourced from third party producers and 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 tend to be 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.

Glencore conducts its operations in three business segments: Metals and Minerals, Energy Products and Agricultural Products. Glencore's business segments are responsible for managing the marketing, sourcing, hedging, logistics and industrial investment activities relating to the commodities which they cover.

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, its extensive market insight, business optionality, extensive customer base, strong market position and penetration in most commodities and its economies of scale.

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's industrial assets, as well as its marketing and logistics activities, are subject to a range of health and safety, environment and communities ("HSEC") laws and regulations. For its operations (industrial assets and marketing/logistics), Glencore has HSEC 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 HSEC laws and regulations.

Glencore's HSEC policies and management systems are embedded into the Glencore Corporate Practice Programme ("GCP"). The GCP principles apply to Glencore's marketing activities and to all controlled industrial assets. The 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 (i) to employees, the environment, communities in which Glencore operates, customers and investors, and (ii) to adhere to good practice in compliance, communication and reporting. The GCP meets internationally accepted good practice standards for corporate governance and management of non-financial activities.

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.

Glencore Shares are traded on the London Stock Exchange and the Hong Kong Stock Exchange. Glencore is a member of the FTSE 100 index.

On 20 March 2012 Glencore announced that it had agreed, subject to certain conditions, a C$6.1 billion acquisition of Viterra, in conjunction with a disposal of certain of its assets to Agrium and Richardson. The Viterra transaction is Glencore's first major investment in the North American agricultural sector and reflects Glencore's strong belief in the importance and future potential of the Canadian and Australian grain markets.

Glencore continues to evaluate a number of opportunities in relation to its business, whether M&A, joint ventures or otherwise.

Financial information on Glencore is incorporated by reference into this document in Part VII (*Financial and Ratings Information*) of this document.

5. Information on Xstrata

The Xstrata Group comprises the fifth largest diversified mining group in the world, with top five industry positions in copper, export thermal coal, export coking coal, ferrochrome, zinc and nickel, meaningful positions in vanadium and additional exposure to gold, cobalt, lead and silver. The Xstrata Group also includes a growing platinum group metals business, iron ore projects, recycling facilities and a suite of global technology products, many of which are industry leaders.

The Xstrata Group's operations and projects span more than 20 countries: Argentina, Australia, Brazil, Canada, Chile, China, Colombia, the Dominican Republic, Germany, Mauritania, New Caledonia, Norway, Papua New Guinea, Peru, the Philippines, the Republic of Congo, Singapore, South Africa, Spain, Tanzania, the United Kingdom and the United States.

The Xstrata Group has an extensive organic growth pipeline with major expansion projects at every stage of the project development cycle. The organic pipeline comprises 20 approved major projects in implementation, all of which remain on schedule, comprising go-forward capital expenditure of US$12.5 billion and a significant number of projects in feasibility, pre-feasibility or concept stage that will provide further potential growth options across a range of geographies and commodities. Once commissioned, these approved projects will cement the Xstrata Group's top five market position in major commodities, significantly reduce overall average real unit costs by around 20 per cent. and deliver robust returns, even at conservative long-run commodity prices.

Since 2002, the Xstrata Group has successfully commissioned a total of 22 major projects. In 2011, the Xstrata Group commissioned 10 projects in total, four of which commissioned ahead of schedule.

Xstrata's business is organised in the following five principal business units:

Xstrata Copper: Through Xstrata Copper, the Xstrata Group is a semi-integrated producer of copper metal and is the world's fourth largest global copper producer, with mining and processing operations in Australia, Chile, Peru, Argentina and Canada. Xstrata Copper has a portfolio of copper development projects, located in Peru, the Philippines, Chile, Argentina and Papua New Guinea.

Xstrata Coal: Through Xstrata Coal, the Xstrata Group is the world's largest exporter of bituminous thermal coal and a significant producer of premium quality hard coking coal and semi-soft coking coal. Xstrata Coal has interests in over 30 operating coal mines in Australia, South Africa and Colombia and exploration projects in Nova Scotia and British Columbia, Canada. Xstrata Coal has development projects in Australia and also manages Xstrata's growing iron ore business.

Xstrata Nickel: Through Xstrata Nickel, the Xstrata Group is the fourth largest global nickel producer and one of the world's largest producers of cobalt. Xstrata Nickel's operations include mines and processing facilities in Canada, the Dominican Republic and Australia, and a refinery in Norway. Xstrata Nickel has world-class development projects in Canada, Tanzania and New Caledonia.

Xstrata Zinc: Through Xstrata Zinc, the Xstrata Group is one of the world's largest miners and producers of zinc. Xstrata Zinc's operations span Spain, Germany, Australia, the UK and Canada, with an interest in the Antamina copper-zinc mine in Peru.

Xstrata Alloys: Through Xstrata Alloys, the Xstrata Group is one of the world's largest and amongst the world's lowest cost integrated ferrochrome producers (through the Xstrata-Merafe Chrome Venture), one of the largest producers of primary vanadium and a growing producer of platinum group metals. Xstrata Alloys also owns carbon operations which supply key raw materials to its ferrochrome production operations. All of Xstrata Alloys' operations are based in South Africa.

In addition to its five principal businesses, the Xstrata Group also operates Xstrata Process Support and Xstrata Technology, mining and processing technology businesses with operations in Australia, Canada, Chile and South Africa.

Xstrata Shares are traded on the London Stock Exchange and the SIX. Xstrata is a member of the FTSE 100 index.

Financial information on Xstrata is incorporated by reference into this document in Part VII (*Financial and Ratings Information*) of this document.

6. New Glencore Shares

The New Glencore Shares will be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. In addition, the New Glencore Shares will be admitted to secondary listing on the Main Board of the Hong Kong Stock Exchange. On the basis of current expectations as to the timing of regulatory approvals and Court availability, it is expected that New Glencore Shares will be issued, Admission will become effective and dealings for normal settlement in the New Glencore Shares will commence in the third quarter of 2012.

The New Glencore Shares will be issued fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them. The New Glencore Shares will rank equally in all respects with the existing Glencore Shares, including the right to receive all dividends and other distributions declared, made or paid by Glencore by reference to a record date falling after the Effective Date.

The New Glencore Shares to be issued to Scheme Shareholders upon the Merger becoming effective will be issued in registered form and will be capable of being held in certificated or uncertificated form. Pending the issue of definitive certificates for the New Glencore Shares, transfers of New Glencore Shares in certificated form will be certified against the register. No temporary documents of title in respect of the New Glencore Shares will be issued.

7. Financial effects of the Merger

On a pro forma basis and assuming the Merger had become effective on 31 December 2011, the Combined Group would have had net assets of approximately US$62,192 million (based on the net assets of the Glencore Group and Xstrata Group as at 31 December 2011). Please see paragraph 2 of Part I (*Letter from the Chairman of Xstrata*) for further details on the effect of the Merger upon the earnings and assets and liabilities of Glencore.

8. Xstrata's Management and employees

Glencore and Xstrata attach great importance to the skills and experience of the existing management and employees of Xstrata. The agreed management structure of the Combined Group outlined in paragraph 4 of Part I (*Letter from the Chairman of Xstrata*) of this document is a key component of the overall governance structure. The Independent Non-Executive Xstrata Directors believe that the governance and management structure is essential to ensure the Combined Group can achieve its potential and deliver superior shareholder value. The proposed management structure is designed to ensure that the benefits of Xstrata's devolved organisational model are maintained and that the Combined Group benefits fully from the complementary skills of the two companies' management teams.

Following the Effective Date, Glencore and Xstrata intend to work together to create superior shareholder value from the Combined Group's position as one of the world's largest global diversified natural resources companies. Existing contractual arrangements for Xstrata's Management, the Xstrata Senior Employees and other key employees will be preserved and Glencore has given assurances to the Independent Non-Executive Xstrata Directors that, following completion of the Merger, the pre-existing monetary rights of all Xstrata employees, including employment, share scheme, bonus scheme and pension rights will be fully safeguarded. Further information regarding Glencore's intentions for the management and employees of Xstrata and the views of the Independent Non-Executive Xstrata Directors are set out in paragraph 4 of Part I (*Letter from the Chairman of Xstrata*) of this document. In addition, as at 29 May 2012 (being the last practicable date prior to the posting of this document), Xstrata had received the Employee Representatives' Opinions from various Xstrata Group employee representatives, as set out at the Appendix to this document.

9. Management Incentive Arrangements

The Independent Non-Executive Xstrata Directors believe the new business model resulting from the Merger and its ability to generate superior shareholder returns is dependent upon the retention of key Xstrata personnel. The skills and experience of Xstrata's Management, the Xstrata Senior Employees and other employees, together with a highly devolved management structure and longstanding relationships between operators and managers that enable Xstrata to act nimbly and with an entrepreneurial spirit, are key drivers of Xstrata's success over the past ten years. The cohesion of Xstrata's Management team which has remained almost entirely intact over the past decade is another important factor in the Xstrata Group's success, in the view of the Independent Non-Executive Xstrata Directors.

The transaction is structured as a merger and the governance arrangements are a critical element of the terms. The Independent Non-Executive Xstrata Directors' decision to recommend the Merger on its current terms to eligible Xstrata Shareholders is therefore dependent upon the agreed governance and management structure (including the Management Incentive Arrangements), which represent integral and inseparable elements of the transaction. In turn, the sustainability of these arrangements depends upon the transition of key Xstrata personnel into the Combined Group and their ongoing commitment. The Management Incentive Arrangements, together with the irrevocable undertaking received from Mr Glasenberg not to depart from the agreed governance principles for the Combined Group for a period of not less than two years following the Effective Date and the indications of support from Mr Kalmin and each of the Principal Shareholders for the agreed governance principles, aim to secure these necessary elements of the transaction and are, in the view of the Independent Non-Executive Xstrata Directors, essential for the future success of the Merger and the Combined Group.

Each member of Xstrata's Management and each of the Xstrata Senior Employees has been offered retention arrangements with the aim of ensuring they transition into the Combined Group and to ensure that each is motivated to remain in position and contribute to the execution of the Combined Group's business strategy.

Retention arrangements have been designed to ensure the agreed governance structure is sustained and its key objectives are underpinned, namely to:

(a) ensure Xstrata Shareholders' interests are reflected in the Combined Group to balance the influence of Glencore management, who will continue to hold significant individual shareholdings in the Combined Group;

(b) provide the optimal management structure to enable the Combined Group to execute its strategy and achieve superior returns for shareholders, reflecting the earnings contribution of the industrial assets (which, based on the 2011 financial results of Xstrata and Glencore, would have contributed 84 per cent. of 2011 EBIT); and

(c) ensure the transaction is effected as a merger, as proposed, that harnesses the best from both companies and ensures Xstrata Shareholders continue to gain exposure to Xstrata's Management and the Xstrata Senior Employees and industry-leading operational and sustainability expertise. The Glencore Directors and the Independent Non-Executive Xstrata Directors have recognised the importance of retaining key Xstrata personnel for the ongoing success of the Combined Group, in view of the following:

- Xstrata's Management and the Xstrata Senior Employees have a proven track record of shareholder value creation from managing and growing a diversified portfolio of industrial assets and transforming operational and sustainability performance. The majority of the Combined Group's earnings will be generated by mining and other industrial activities;
- Xstrata and Glencore are developing a number of approved growth projects to increase copper equivalent volumes substantially in the period to 2015. Twenty approved major projects are currently in construction with the majority due to commence production during the next two years. Project development skills are in scarce supply throughout the sector. Retention of key operational management is critical to deliver growth from the project pipeline and maximise shareholder value; and
- the Merger is taking place during a period of intense competition from global competitors for the skills, expertise and knowledge base of Xstrata's mining executives and other key employees.

There will be a separate vote on the Management Incentive Arrangements. The Management Incentive Arrangements Resolution to be proposed at the Xstrata General Meeting will be taken on a poll and only Independent Xstrata Shareholders are permitted to vote thereon. Any vote cast by an Xstrata Shareholder who is not an Independent Xstrata Shareholder, either in person or by proxy, shall not be counted. The Scheme is conditional upon, amongst other things, the passing of the Management Incentive Arrangements Resolution. Accordingly, the Merger will not become effective if the Management Incentive Arrangements Resolution is not passed. To be passed, the Management Incentive Arrangements Resolution will require a simple majority of all Xstrata Shares voted by those Independent Xstrata Shareholders present and voting, either in person or by proxy, to be voted in favour of the Management Incentive Arrangements Resolution. No member of the Glencore Group (nor any person acting in concert with Glencore), nor any of the Xstrata Executive Directors, nor any other members of Xstrata's Management, nor any of the Senior Xstrata Employees are Independent Xstrata Shareholders and, pursuant to the requirements of Rule 16.2 of the Code are not, therefore, entitled to vote on the Management Incentive Arrangements Resolution**. Each of the Xstrata Financial Advisers has reviewed the terms of the Management Incentive Arrangements and each of them considers them to be fair and reasonable so far as the Independent Xstrata Shareholders are concerned. In providing its advice, each of the Xstrata Financial Advisers has taken into account the commercial assessments of the Independent Non-Executive Xstrata Directors.**

Retention awards

Each of the Xstrata Executive Directors, other members of Xstrata's Management and the Xstrata Senior Employees have been offered retention measures to, in each case, motivate them to remain in position after the completion of the Merger and contribute to the execution of the Combined Group's business strategy. This is in addition to entitlements to salary, benefits and any discretionary performance bonuses (which are subject to the satisfaction of relevant performance conditions) that are payable pursuant to the terms of each relevant individual's revised contract of employment with the Combined Group. Details of the maximum amounts payable to the Xstrata Executive Directors, other members of Xstrata's Management and the Xstrata Senior Employees in relation to these retention awards are set out below under the sub-paragraph entitled ''Summary of Management Incentive Arrangements'' of this paragraph 9, which appears on page 33. Payment of all retention awards will be in tranches following completion of the Merger. The value of each tranche of a retention award is equal to the total of an individual's current annual salary, pension and other benefits, and the bonus awarded in February 2012 in

respect of performance during the financial year ended 31 December 2011, except in the case of Mr Zaldumbide, who does not receive retirement or other benefits. As a result, the value of each tranche of Mr Zaldumbide's retention award is equal to 150 per cent. of his current annual salary and the bonus awarded in February 2012 in respect of performance during the financial year ended 31 December 2011. The payment of each retention award is conditional upon completion of the Merger and the individual not being dismissed for cause in accordance with his or her employment contract before the date of payment of the award.

Mr Davis' retention award is payable in three equal tranches on the first, second and third anniversaries, respectively, of the Effective Date. Each payment will be paid as to two-thirds in cash and one-third in Glencore Shares (the number of which will be fixed by reference to their value at the Effective Date). The Glencore Shares will be delivered in the form of the grant of a nil-cost option over the fixed number of Glencore Shares which will be exercisable as to one-third on the first, second and third anniversaries, respectively, of the Effective Date and for up to ten years from the date of grant.

Mr Davis has entered into an employment agreement with the Combined Group which is conditional upon, and takes effect on, the Effective Date. Payment of Mr Davis' award will be accelerated if his employment is terminated at any time for any reason (other than if he is dismissed for cause in accordance with his contract of employment) or if Mr Davis resigns for a ''valid reason'' as defined in his contract of employment with the Combined Group. Details of Mr Davis' contract of employment with Xstrata and with the Combined Group are set out in paragraphs 8.1 and 8.3, respectively, of Part VI (*Additional Information*).

The retention awards of the other members of Xstrata's Management and the Xstrata Senior Employees are payable in two equal tranches in cash on the first and second anniversaries, respectively, of the Effective Date. In each case, retention awards are subject to the same conditions for payment as Mr Davis' award. For these purposes, ''valid reason'' has a similar definition to that in Mr Davis' employment contract with the Combined Group and includes a material change to the terms of employment and benefits or compensation, Glencore ceasing to comply with the governance structure as set out in the announcement of the Merger made on 7 February 2012 (including where Mr Davis ceases to be Chief Executive Officer of the Combined Group) and a change of control of Glencore. The maximum aggregate amount payable to members of Xstrata's Management (with the exception of Mr. Davis and other than Messrs Reid and Zaldumbide, as to which see below) in respect of year one under their retention awards is £16,088,493 (assuming all retention awards are ultimately paid). At the second anniversary of the closing of the Merger, a maximum of a further £16,088,493 (assuming all retention awards are ultimately paid) will be payable in aggregate. The maximum aggregate amount payable to the Xstrata Senior Employees under their retention awards is £46,447,660 at the first anniversary of closing of the Merger (assuming all retention awards are ultimately paid). A maximum of £46,447,660 will be paid at the second anniversary of the closing of the Merger (assuming all retention awards are ultimately paid).

Payments in respect of contractual provisions

The existing employment contracts of Xstrata's Management provide for a contractual severance payment to be made if employment is terminated in certain circumstances, including if the individual terminates his employment for a ''valid reason'' (as defined in the contract). This includes circumstances where an employee cannot in good faith be expected to continue in employment, for example if there is a diminution in his role or duties. To secure their transition into the Combined Group, Xstrata has agreed to compensate each member of Xstrata's Management, with the exception of Mr Davis, by paying an amount equal to the amount to which he would have been entitled on termination of his employment for a ''valid reason'' under his contractual provision. Payment is conditional upon completion of the Merger and on the individual being in employment with the Combined Group on the Effective Date.

Mr Reid and Mr Zaldumbide will not be appointed to the board of the Combined Group. Accordingly, Xstrata has agreed to make a payment to ''buy out'' Mr Reid's and Mr Zaldumbide's contractual right to receive a severance payment which may have been triggered in the circumstances of the Merger, in an amount of £5,451,848 in the case of Mr Reid and £3,942,785 in the case of Mr Zaldumbide.

In addition, arrangements structured in a similar way to those proposed for Xstrata's Management have been put in place for 27 Xstrata Senior Employees, each of whom is considered to be key to the execution of the Combined Group's business strategy. These arrangements seek to ensure that none of this group of senior employees terminates his/her contract of employment with the Xstrata Group prior

to the completion of the Merger. Payment to each eligible Xstrata Senior Employee is conditional upon completion of the Merger and on the individual being in employment with the Combined Group on the Effective Date. The maximum aggregate amount payable to members of Xstrata's Management (other than Messrs Reid and Zaldumbide, as to which see above) under this arrangement is £16,088,493 (assuming that they are still in employment with the Combined Group on the Effective Date), and the maximum aggregate amount payable to the 27 aforementioned Xstrata Senior Employees under their arrangements is £19,006,927 (assuming that they are still in employment with the Combined Group on the Effective Date). Details of the amounts payable to the Xstrata Executive Directors, other members of Xstrata's Management and the Xstrata Senior Employees in relation to these payments and arrangements are set out below under the sub-paragraph entitled "Summary of Management Incentive Arrangements" of this paragraph 9.

Xstrata Long Term Incentive Plan and Glencore Performance Share Plan

On completion of the Merger, the Xstrata LTIP will terminate — for further detail on the terms of the Xstrata LTIP and the impact of the Merger upon awards under this plan, please refer to paragraph 10 of this Part II on pages 34 to 36 and to paragraph 9 of Part VI (*Additional Information*) on pages 90 and 91. Participants in the Xstrata LTIP will be eligible for awards under the Glencore Performance Share Plan, on and subject to the terms of that plan from 2013. Awards will be granted in the normal grant period following the announcement of Glencore's results for the financial year ending 31 December 2012.

Glencore has agreed to grant share awards under the Glencore Performance Share Plan to Xstrata Executive Directors and other members of Xstrata's Management for the financial year ending 31 December 2012, the value of which, expressed as a multiple of each individual's salary, will be at least equal to the multiple of salary represented by the share award granted to the individual under the Xstrata LTIP in February 2012. These awards will be subject to objective performance conditions over a period of at least 3 years. These individuals will also be eligible to participate in the Glencore Performance Share Plan in future years, albeit without a guaranteed base level of award.

The salary multiples for the awards granted to each of the Xstrata Executive Directors under the Xstrata LTIP in February 2012 are as follows:

Mr Davis	400%
Mr Reid	400%
Mr Zaldumbide	300%

For further detail on the remuneration of the Xstrata Executive Directors see paragraph 8.1 of Part VI (*Additional Information*) on pages 87 to 89.

Summary of Management Incentive Arrangements

Set out below is a summary of the payments to be made to (a) each of the Xstrata Executive Directors, (b) Xstrata's Management, and (c) the Xstrata Senior Employees in connection with the Management Incentive Arrangements:

	Retention awards[1]			Payments in respect of contractual provisions[2]	Indicative value of award at grant under 2013 Glencore Performance Share Plan[3]
	2013	2014	2015	2012	
Mr Davis[4]	£9,598,475	£9,598,475	£9,598,475	N/A	£6,000,000
Mr Reid	£5,451,848	£5,451,848	N/A	£5,451,848	£3,260,000
Mr Zaldumbide	£3,942,785	£3,942,785	N/A	£3,942,785	£2,600,000
Xstrata's Management[5]	£16,088,493	£16,088,493	N/A	£16,088,493	£13,750,000
Xstrata Senior Employees[6]	£46,447,660	£46,447,660	N/A	£19,006,927	N/A

Notes:

(1) Maximum aggregate amount payable.

(2) Maximum aggregate amount payable.

(3) The amounts stated are indicative only. No value is realised on completion of the Merger and relevant awards may never vest. Vesting of awards will be subject to performance conditions in line with the Combined Group's strategy. These awards will be subject to objective performance conditions over a period of at least 3 years. On completion of the Merger, the Xstrata LTIP will terminate — for further detail on the Xstrata LTIP, please refer to paragraph 10 of this Part II on pages 34 to 36 and to paragraph 9 of Part VI (*Additional Information*) on pages 90 and 91. Participants in the Xstrata LTIP will be eligible for awards under the Glencore Performance Share Plan, on and subject to the terms of that plan from 2013. Amounts stated are the product of respective current annual salary converted into Sterling at prevailing foreign exchange rates and the multiple of salary awarded to the respective individuals under the Xstrata LTIP in February 2012. The value of awards granted under the Glencore Performance Share Plan in 2013 will be at least the product of respective 2013 annual salary converted into Sterling and the multiple of salary awarded to the respective individuals under the Xstrata LTIP in February 2012. In the case of Mr Davis, the relevant multiple is 400 per cent., in the case of Mr Reid, 400 per cent., in the case of Mr Zaldumbide, 300 per cent., and, in the case of the other members of Xstrata's Management, the multiple is between 285 and 400 per cent. (and, on average, 351 per cent.).

(4) Mr Davis' retention award is payable in three equal tranches on the first, second and third anniversaries, respectively, of the Effective Date. Each payment will be paid as to two-thirds in cash and one-third in Glencore Shares (the number of which will be fixed by reference to their value at the Effective Date). The Glencore Shares will be delivered in the form of the grant of a nil-cost option over the fixed number of Glencore Shares which will be exercisable as to one-third on the first, second and third anniversaries, respectively, of the Effective Date and for up to ten years from the date of grant.

(5) Excluding the Xstrata Executive Directors.

(6) 64 employees in total are eligible to receive retention awards. Of those 64 employees, 27 are eligible to receive payments in respect of contractual provisions.

10. Xstrata Share Schemes

Share options and awards already granted to participants of the Xstrata Share Schemes which are not already exercisable, or which have not already vested, will become exercisable or will vest upon sanction of the Scheme by the Court. All Xstrata Shares issued or transferred on the exercise of options or vesting of awards under the Xstrata Share Schemes before the Reorganisation Record Time will be subject to the terms of the Scheme and will constitute Scheme Shares.

The Xstrata Executive Directors' vested shares under the Xstrata LTIP will be replaced by New Glencore Shares if the Scheme is implemented, save for the sale of sufficient of the Xstrata Shares to which they will become entitled on vesting of their share awards under the Xstrata LTIP to meet any immediate tax liabilities.

The Scheme will not extend to any Xstrata Shares issued after the Reorganisation Record Time, for example to satisfy the exercise of options over Xstrata Shares subsequent to the Reorganisation Record Time. It is therefore proposed to amend the Xstrata Articles to ensure that in respect of any participants in the Xstrata Share Schemes who exercise options after the date on which the Xstrata Articles are amended to remove the so-called entrenched rights from the Xstrata Articles (which is expected to take place as soon as practicable following, and on the same day as, the Effective Date) described in paragraph 12 of this Part II, each such participant will be able to receive New Glencore Shares on the same terms as Scheme Shareholders. No additional value will arise from the Merger as a result of these arrangements.

Letters will be sent to participants in the Xstrata Share Schemes explaining the effect of the Scheme on their share options and awards and, where applicable, their right to exercise share options or to receive Xstrata Shares.

Glencore option proposal

To enable Xstrata Share Schemes participants to remain invested in the Combined Group following the Effective Date and to encourage further alignment with shareholders' interests, Glencore is offering participants who hold share options under each of the Xstrata Share Schemes (''Xstrata Options'') the opportunity to exchange, at their election, all or some of their Xstrata Options for equivalent new options over Glencore Shares (''New Glencore Options''). An Xstrata Option will be exchanged for a New Glencore Option over Glencore Shares on equivalent economic terms as existing Xstrata Options, calculated by reference to the Merger ratio referred to in paragraph 2 above and having a proportionate per share exercise price (if any) as the equivalent Xstrata Option. The New Glencore Options will be fully vested and will remain exercisable until the original expiry date of the equivalent Xstrata Options. It is expected that the trustee of the Xstrata Employee Benefit Trust will hold sufficient Xstrata Shares at the Scheme Record Time (which will be replaced by New Glencore Shares under the terms of the Scheme) to satisfy the exercise of such New Glencore Options in the future.

The Xstrata Executive Directors have also indicated that they propose to accept the ''Glencore option proposal'' described above and will exchange all of their vested options under the Xstrata LTIP, the Xstrata Annual Bonus Plan and, in the case of Mr Davis only, the Xstrata Added Value Incentive Plan, for new options over Glencore Shares.

Further details on the impact of the Scheme on the Xstrata Share Schemes are set out below. Full details of options and awards granted to the Xstrata Directors under the Xstrata Share Schemes are set out in the Remuneration Report contained in the Xstrata 2011 Annual Report and are also provided in paragraph 5.2(e) of Part VI (*Additional Information*) on pages 78 and 79.

(i) Xstrata LTIP

Awards under the Xstrata LTIP are granted to the Xstrata Executive Directors, other members of Xstrata's Management and senior employees with the ability to influence shareholder value. Participants are granted a combination of (a) conditional share awards over Xstrata Shares under which participants become entitled to acquire Xstrata Shares for nil consideration, and (b) options to acquire Xstrata Shares on payment of an exercise price which is equal to the market value of the underlying Xstrata Shares at the time the option is granted. Awards are structured to ensure an equal weighting between the value of the conditional share awards and share options upon grant. The option exercise price ensures that the options can only deliver a return to the recipient when shareholders have benefited from an increased share price over the prevailing price on the date of grant. None of the options granted are tradable.

Share awards granted under the Xstrata LTIP which have not already vested will vest upon sanction of the Scheme by the Court. On vesting, participants will receive Xstrata Shares prior to the Reorganisation Record Time and these Xstrata Shares will be subject to the terms of the Scheme in the same way as the Xstrata Shares held by other Scheme Shareholders and will receive 2.8 New Glencore Shares for every Xstrata Share that vests under the share awards.

Share options will, to the extent not already exercisable, vest on and become exercisable upon sanction of the Scheme by the Court. Participants may choose whether to exercise their share options within the period of six months following the sanction of the Scheme by the Court or to accept the ''Glencore option proposal'' described above. Participants who choose to exercise their share options will receive 2.8 New Glencore Shares for each Xstrata Share to which they are entitled on exercise of their option. For further detail on impact of the Merger upon awards under this plan, please refer to paragraph 9 of Part VI (*Additional Information*) on pages 90 and 91.

(ii) Xstrata Annual Bonus Plan

Xstrata Executive Committee members (being Xstrata's Management) are eligible for awards under the Xstrata Annual Bonus Plan. The overall bonus pool is determined according to Return on Capital Employed (''ROCE'') targets and net profits. Individual payments are determined with respect to a range of key financial and non-financial metrics. Any award in excess of 100 per cent. of salary is deferred in conditional share awards or nil-cost options over Xstrata Shares for a period of one or two years.

Deferred bonus awards that have already been granted under previous bonus awards but that have not yet vested, will vest upon sanction of the Scheme by the Court. No additional value will arise from the Merger but awards will become available approximately 7 months and 19 months earlier than if the Merger did not take place. On vesting of the deferred bonus awards, participants will receive Xstrata Shares prior to the Reorganisation Record Time and these Xstrata Shares will be subject to the terms of the Scheme in the same way as the Xstrata Shares held by other Scheme Shareholders and they will receive 2.8 New Glencore Shares for every Xstrata Share that vests under the deferred bonus awards.

Participants who hold nil-cost share options over Xstrata Shares may exercise those options within 30 days following sanction of the Scheme by the Court or accept the ''Glencore option proposal'' described above. To the extent that a participant exercises an option and acquires Xstrata Shares prior to the Reorganisation Record Time, the Xstrata Shares acquired on exercise will be subject to the terms of the Scheme in the same way as the Xstrata Shares held by other Scheme Shareholders and participants will receive 2.8 New Glencore Shares for every Xstrata Share acquired under the share option. Participants who exercise an option after the date on which the Xstrata Articles are amended as described in paragraph 12 of this Part II, will receive 2.8 New Glencore Shares for each Xstrata Share to which they are entitled on exercise of their option. This is not included in the table of Management Incentive Arrangements on page 33.

(iii) Xstrata Added Value Incentive Plan

The Xstrata Added Value Incentive Plan which only applied to Mr Davis expired in 2009. The Plan has been closed to new awards since that date. The Xstrata Added Value Incentive Plan measures Xstrata's total shareholder return growth over a three-year (for phase 1 rewards) and five-year (for phase 2 rewards) period, relative to an index of global mining companies. Rewards under the Plan are dependent on Xstrata's performance compared to an index of global mining companies. If Xstrata underperforms the index, no payment is made under the Plan. Since introduction in 2005, two awards have been made, in respect of the performance period 2005-2008 and 2009-2012.

Mr Davis holds deferred awards in the form of nil-cost options over Xstrata Shares granted on 18 April 2012 in respect of the vesting of the 2009-2012 performance cycle under the Xstrata AVP. He may exercise these options within 30 days following the sanction of the Scheme by the Court at the Scheme Court Hearing or accept the "Glencore option proposal" described above. If he exercises his options after the date on which the Xstrata Articles are amended as described in paragraph 12 of this Part II he will receive 2.8 New Glencore Shares for each Xstrata Share. No additional value will arise from the Merger. This is not included in the table of Management Incentive Arrangements on page 33.

11. The Xstrata Directors and the effect of the Scheme on their interests

The Scheme Shares held by the Xstrata Directors will be subject to the Scheme. Information on the Xstrata Shares held by the Xstrata Directors as at 28 May 2012 for the purposes of the relevant parts of paragraph 5 of Part VI (*Additional Information*), (being the last practicable date prior to the posting of this document) is provided in paragraph 5 of Part VI (*Additional Information*) of this document.

Those Independent Xstrata Directors who hold or are beneficially entitled to Xstrata Shares have irrevocably undertaken to vote in favour of the Scheme as described in paragraph 17 of Part I (*Letter from the Chairman of Xstrata*). These persons are the only Xstrata Directors who hold or are beneficially entitled to Xstrata Shares.

Particulars of the service contracts and letters of appointment of the Xstrata Directors are set out in paragraph 8 of Part VI (*Additional Information*) of this document and particulars of the Management Incentive Arrangements are set out in paragraph 9 of this Part II.

The effect of the Scheme on options and awards held by Xstrata Directors in common with those held by other participants in the Xstrata Share Schemes, is described in paragraph 10 of this Part II.

Save as set out above, the effect of the Scheme on the interests of the Xstrata Directors does not differ from its effect on the like interest of any other Scheme Shareholder.

12. Description of the Scheme and the Shareholder Meetings

(a) The Scheme

The Merger will be implemented by way of a Court sanctioned scheme of arrangement between Xstrata and the Scheme Shareholders, under Part 26 of the Companies Act. The provisions of the Scheme are set out in full in Part III (*The Scheme of Arrangement*) of this document.

The purpose of the Scheme is to provide for Glencore to become the holder of the entire issued and to be issued ordinary share capital of Xstrata not already owned by the Glencore Group. This is to be achieved through a reorganisation of the share capital of Xstrata whereby, in accordance with the terms of the Scheme, the Excluded Shares (being all Xstrata Shares beneficially owned by Glencore or any other member of the Glencore Group, any Xstrata Shares held in treasury by Xstrata and any other Xstrata Shares which Glencore and Xstrata agree (subject to the consent of the Court) will not be subject to the Scheme) will be reclassified into A Shares and all other Xstrata Shares will be reclassified into B Shares. Following this share capital reorganisation, the B Shares will be cancelled and the reserve arising from such cancellation will be applied in paying up in full such number of New Xstrata Shares as is equal to the number of B Shares cancelled which will be issued to Glencore in consideration of the issue of New Glencore Shares to Scheme Shareholders (being holders of B Shares following the reclassification effected pursuant to Clause 1.1 of the Scheme) who appear in the register of members of the Company at the Scheme Record Time, on the basis set out in paragraph 2 of this Part II.

The share capital reorganisation described above will take place at the Reorganisation Record Time. The A Shares will not participate in the Scheme and Glencore will procure, to the extent it is able, that the

holders of the Excluded Shares consent to the Scheme. The B Shares will be cancelled and Scheme Shareholders will receive New Glencore Shares on the basis described above. No temporary documents of title will be issued to Xstrata Shareholders in respect of the A Shares or the B Shares, as applicable.

If for any reason the Scheme and the Reduction of Capital do not become effective, the share capital reorganisation described above will not take effect (or will be reversed) and Xstrata Shareholders will retain their holdings of Xstrata Shares.

The Scheme and the Reduction of Capital will only become effective if, among other things, the Conditions have been fulfilled or (if capable of waiver) waived by no later than 31 October 2012 or such later date as Glencore and Xstrata may, with the consent of the Panel, agree and (if required) the Court may allow.

Please refer to paragraph 13 of this Part II and Part IV (*Conditions and certain further terms of the Scheme and the Merger*) of this document for further details of the Conditions.

Upon the Scheme and the Reduction of Capital becoming effective (a) the Scheme will be binding on all Scheme Shareholders, irrespective of whether or not Scheme Voting Shareholders attended or voted at the Court Meeting or the Xstrata General Meeting (and if they attended and voted, whether or not they voted in favour), and (b) share certificates in respect of Xstrata Shares will cease to be valid and entitlements to Xstrata Shares held within the CREST system will be cancelled.

The New Xstrata Shares will be acquired by Glencore pursuant to the Scheme fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto, including voting rights and the rights to receive and retain in full all dividends and other distributions declared, made or paid on or after the Effective Date, save where the record date for such dividend or other distribution falls prior to the Effective Date or otherwise where Xstrata and Glencore agree. The New Glencore Shares issued to Scheme Shareholders pursuant to the Scheme will rank *pari passu* in all respects with existing Glencore Shares, including the right to receive all dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date.

(b) The Shareholder Meetings

Before the Court's approval can be sought to sanction the Scheme, the Scheme will require the approval of the requisite majority of Scheme Voting Shareholders at the Court Meeting and the passing of both resolutions by relevant Xstrata Shareholders at the Xstrata General Meeting.

Notices of the Court Meeting and the Xstrata General Meeting are set out in Part IX (*Notice of Court Meeting*) and Part X (*Notice of Xstrata General Meeting*) of this document, respectively.

All Scheme Voting Shareholders (in respect of the Court Meeting) and all Xstrata Shareholders (in respect of the Xstrata General Meeting, other than in relation to the Management Incentive Arrangements Resolution on which only Independent Xstrata Shareholders may vote) whose names appear on the register of members of Xstrata at the Scheme Record Voting Time, or, if either Shareholder Meeting is adjourned, on the register of members at 6.00 p.m. on the date two business days before the date set for the adjourned Shareholder Meeting(s), shall be entitled to attend and vote at the relevant meeting in respect of the number of Xstrata Shares registered in their name at the relevant time.

The Court Meeting and the Xstrata General Meeting will be held at Theater-Casino Zug, Artherstrasse 2-4, Zug, Switzerland with concurrent satellite meetings being held at Holborn Bars, 138-142 Holborn, London EC1N 2NQ linked by video conference to the Shareholder Meetings in Zug.

The Court Meeting

The resolution to be proposed at the Court Meeting is subject to the passing of the resolutions to be proposed at the Xstrata General Meeting, as described below.

The Court Meeting, which has been convened for 10.00 a.m. (11.00 a.m. Central European Summer Time) on 12 July 2012, is being held at the direction of the Court to seek the approval of Scheme Voting Shareholders for the Scheme. At the Court Meeting, voting will be by way of poll and each Scheme Voting Shareholder present, either in person or by proxy, will be entitled to one vote for each Scheme Voting Share held. In order for the resolution to be passed, it must be approved by a majority in number of those Scheme Voting Shareholders present and voting, either in person or by proxy, representing

75 per cent. or more in value of all Scheme Voting Shares voted by Scheme Voting Shareholders. As no member of the Glencore Group is a Scheme Voting Shareholder no member of the Glencore Group is entitled to vote at the Court Meeting.

The passing of the resolution to approve the Scheme at the Court Meeting is conditional upon the passing of the Xstrata General Meeting Resolutions to be proposed at the Xstrata General Meeting. It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Voting Shareholder opinion. Please refer to pages 3-5 (*Action to be Taken*) of this document for details of the steps that you will need (and are encouraged) to take in connection with this document and the Merger.

The Xstrata General Meeting

The Xstrata General Meeting has been convened for 10.30 a.m. (11.30 a.m. Central European Summer Time) on 12 July 2012, or as soon thereafter as the Court Meeting has concluded or been adjourned, to consider and, if thought fit:

(i) pass a resolution (which requires votes in favour representing at least 75 per cent. of the votes cast) to approve:

  (A) the authorisation of the Xstrata Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into full effect;

  (B) the reclassification of the Excluded Shares and Scheme Shares into A Shares and B Shares respectively;

  (C) the cancellation of the B Shares in accordance with the Scheme, representing a reduction of Xstrata's share capital equal to the aggregate nominal value of such shares;

  (D) the giving of authority to the directors of Xstrata pursuant to section 551 of the Companies Act to allot securities in Xstrata;

  (E) the subsequent issue of New Xstrata Shares to Glencore and/or its nominee(s) in accordance with the Scheme; and

  (F) certain amendments to the Xstrata Articles (as described below); and

(ii) pass a resolution (which requires votes in favour of Independent Xstrata Shareholders representing more than 50 per cent. of the votes cast) to approve the Management Incentive Arrangements.

The passing of each of the Xstrata General Meeting Resolutions is conditional upon the passing of the other Xstrata General Meeting Resolution. The passing of the Management Incentive Arrangements Resolution is also conditional on the passing of the resolution to approve the Scheme at the Court Meeting and *vice versa*.

The Xstrata Deferred Shares and the Xstrata Special Voting Share

In addition to the Xstrata Shares, Xstrata also has in issue 50,000 Deferred Shares and one Special Voting Share. In connection with the Merger, Xstrata and Glencore have agreed that these shares are to be transferred to the Glencore Group or otherwise dealt with outside of the Scheme. Further details on what is proposed are set out below.

Xstrata Deferred Shares

The Deferred Shares were issued by Xstrata in 2002 to satisfy the (now largely abolished) requirement under the UK Companies Act 1985 for a UK public limited company to have at least £50,000 of share capital denominated in Sterling. In connection with the Merger, it has been agreed with the holders of the Deferred Shares that, conditional upon the Scheme and the Reduction of Capital becoming effective, each of the Deferred Shares shall be immediately gifted (i.e. transferred for nil consideration) or transferred to Glencore for an aggregate consideration of £1. Consequently, none of the Deferred Shares will be subject to the Scheme, but, conditional upon the Scheme and the Reduction of Capital becoming effective, Glencore shall acquire these shares.

Xstrata Special Voting Share

In addition to the Xstrata Shares and the Deferred Shares, Xstrata also has in issue one Special Voting Share. In connection with the Merger, Xstrata and Glencore have agreed that the Special Voting Share is to be dealt with outside of the Scheme. Further details on what is proposed are set out below.

The Special Voting Share is currently held by The Law Debenture Trust Corporation p.l.c. (''Law Debenture''). The Special Voting Share was issued by Xstrata in connection with its 2002 merger with Xstrata AG (the ''Previous Merger''). As part of the Previous Merger, Xstrata was required to incorporate certain Swiss law and related administrative provisions into the Xstrata Articles to preserve some of the specific rights which the former shareholders of Xstrata AG had enjoyed as shareholders of Xstrata AG (the ''Entrenched Rights'').

Upon the Previous Merger becoming effective, Xstrata issued the Special Voting Share to Law Debenture as trustee, to hold on trust for the former shareholders of Xstrata AG. The Special Voting Share entitles Law Debenture to defeat any action to amend or remove the Entrenched Rights (an ''Entrenched Rights Action''). To govern Law Debenture's rights in respect of the Special Voting Share, Xstrata and Law Debenture entered into a voting deed (the ''Voting Deed''), which obliges Law Debenture to vote the Special Voting Share so as to defeat all Entrenched Rights Actions unless certain procedures set out in the Voting Deed are followed.

The Special Voting Share will not be subject to the Scheme. It is instead proposed that, conditional upon (a) the Scheme and the Reduction of Capital becoming effective, and (b) implementation of the procedures outlined below following the Effective Date, the Voting Deed will be terminated, the Entrenched Rights will be removed from the Xstrata Articles and the Special Voting Share will be redeemed by Xstrata.

The first step will be to terminate the Voting Deed and remove the Entrenched Rights from the Xstrata Articles (other than the provisions regarding the existence of the Special Voting Share and its redemption). To achieve this, it is proposed that, as soon as practicable following the Effective Date, Xstrata will hold a general meeting of its shareholders, in relation to which the eligible members will be Glencore and Finges B.V. as the only remaining Xstrata Shareholders and Law Debenture as holder of the sole Special Voting Share. A resolution to terminate the Voting Deed and amend the Xstrata Articles will be proposed at this meeting. This resolution will be an Entrenched Rights Action and Law Debenture would ordinarily vote the Special Voting Share so as to defeat it. However, under the terms of the Voting Deed, provided Xstrata notifies Law Debenture of the general meeting in accordance with the Voting Deed and complies with certain other procedural and information requirements thereunder, Law Debenture will refrain from voting against the resolution. Termination of the Voting Deed and removal of the Entrenched Rights from the Xstrata Articles will become effective once the resolution has been passed, following which Xstrata will redeem the Special Voting Share in accordance with the Xstrata Articles and thereafter amend the Xstrata Articles (by way of a further resolution approved by Glencore and Finges B.V.) to remove the remaining provisions concerning the Special Voting Share.

Xstrata Shares held by Batiss pursuant to the Equity Capital Management Programme

Background

As has been disclosed publicly by Xstrata on various occasions, the Xstrata Group has in place an equity capital management programme (''ECMP''). The ECMP was set up in 2003 to, among other things, allow Xstrata to purchase Xstrata Shares in the market and hold them at a time when UK companies were not able to hold their own shares in treasury (which is no longer the case). Under the ECMP, up to 10 per cent. of the issued share capital of Xstrata can be purchased in the market by Batiss Investments Limited (''Batiss''), a Guernsey registered entity owned by a charitable trust, which is independent of the Xstrata Group.

As part of the ECMP, Batiss has entered into an option agreement (the ''Option Agreement'') with Xstrata Finance Dubai Limited (''Xstrata Dubai''), a wholly-owned subsidiary within the Xstrata Group, under which Xstrata Dubai is granted an option to require Batiss to sell any Xstrata Shares it purchases to a third party nominated by Xstrata Dubai (other than a subsidiary of Xstrata) (the ''Batiss Option''). For each Xstrata Share over which the Batiss Option is granted, Xstrata Dubai (a) pays Batiss a premium being the equivalent of the market price paid by Batiss, plus associated costs less 0.66 pence, and (b) subscribes for one non-voting redeemable preference share in Batiss (''Batiss Preference Shares'') at a price of 0.66 pence per share. The purchase of Xstrata Shares by Batiss is therefore fully funded. For each Xstrata

Share in relation to which the Batiss Option is exercised, Xstrata Dubai must pay an exercise price of 0.66 pence per share to Batiss, and Batiss must redeem one Batiss Preference Share, with the two payments being netted off against each other. The payments by Xstrata Dubai have historically been sourced from its existing cash resources. Xstrata Dubai is able to exercise the Batiss Options for a period of six years from the date of each purchase.

Under the Option Agreement, Batiss waives its right to receive dividends on Xstrata Shares which it holds from time to time. While Xstrata Shares are held by Batiss under the ECMP they are disregarded for the purposes of calculating earnings per Xstrata Share. Batiss is consolidated by the Xstrata Group as a quasi-subsidiary, and Xstrata Shares held by it are accounted for as a deduction from shareholders' funds in the Xstrata Group's consolidated balance sheet.

As at 29 May 2012 (the last practicable date prior to the posting of this document), Batiss held 28,428,786 Xstrata Shares (the ''Batiss Shares'').

Proposed treatment of the Batiss Shares in connection with the Scheme

Since the benefits of the ECMP which have been enjoyed by Xstrata since its establishment will not be of value to Glencore (given, among other things, its jurisdiction of incorporation in Jersey) following the Effective Date, in connection with the Merger, it has been agreed by Xstrata and Glencore that the ECMP will be unwound. Further details on the proposed process for achieving this are set out below.

It has been agreed by Xstrata and Glencore that, if and to the extent that Batiss holds any Batiss Shares at such time, following the sanction of the Scheme by the Court at the Scheme Court Hearing but prior to delivery of the Scheme Court Order to the Registrar of Companies, Xstrata Dubai will (in accordance with the terms of the Option Agreement described above) direct Batiss to transfer the Batiss Shares held by it to Glencore for nil consideration.

Consequently, if this occurs the Batiss Shares shall constitute Excluded Shares for the purposes of the Scheme (since they will be held by Glencore) and will not therefore be cancelled pursuant to the Scheme.

Amendments to the Xstrata Articles

It is proposed that the Xstrata Articles be amended firstly to reflect the reclassification of the Excluded Shares and the Scheme Shares and to provide that, subject to the implementation of the Scheme, any Xstrata Shares issued on or after the time at which the Entrenched Rights referred to above are removed from the Xstrata Articles will automatically and immediately be transferred to Glencore (or as it may direct) in consideration of, and conditional upon, Glencore issuing or procuring the issue of 2.8 Glencore Shares for each such Xstrata Share transferred (as adjusted by the Xstrata Directors in the event of any reorganisation of, or alteration to, the share capital of Xstrata or Glencore in such manner, if any, as Xstrata's auditors may determine to be appropriate).

The proposed amendments to the Xstrata Articles referred to above are set out in the notice of the Xstrata General Meeting set out in Part X (*Notice of Xstrata General Meeting*) of this document.

Entitlement to vote at the Shareholder Meetings

Each Scheme Voting Shareholder who is entered in Xstrata's register of members at the Scheme Voting Record Time (expected to be 6.00 p.m. London time on 10 July 2012) will be entitled to attend and vote on all resolutions to be put to the Court Meeting and each Xstrata Shareholder who is entered in Xstrata's register of members at the Scheme Voting Record Time will be entitled to attend and vote on all resolutions to be put to the Xstrata General Meeting other than the Management Incentive Arrangements Resolution in relation to which only Independent Xstrata Shareholders who are entered into Xstrata's register of members at the Scheme Voting Record Time will be entitled to vote. If either Shareholder Meeting is adjourned, only those Xstrata Shareholders (or, as applicable, Independent Xstrata Shareholders) on the register of members at 6.00 p.m. on the day which is two business days before the adjourned meeting will be entitled to attend and vote. **Only Independent Xstrata Shareholders are entitled to vote on the Management Incentive Arrangements Resolution. As no member of the Glencore Group (nor any person acting in concert with Glencore), nor any of the Xstrata Executive Directors, nor any other members of Xstrata's Management, nor any of the Senior Xstrata Employees are Independent Xstrata Shareholders and, pursuant to the requirements of Rule 16.2 of the Code are not, therefore, entitled to vote on the Management Incentive Arrangements Resolution. If you are in any doubt as to whether or not you are permitted to vote on**

such resolution, please call the shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0800 279 4113 (free from landlines in the UK), 0800 002 427 (free from landlines in Switzerland), or +44 800 279 4113 (from outside the UK and Switzerland, international rates apply). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Merger.

Each eligible Xstrata Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a shareholder of Xstrata. A BLUE Form of Proxy for the Court Meeting and a WHITE Form of Proxy for the Xstrata General Meeting, are enclosed. To be valid those Forms of Proxy must be duly completed and signed and must be received by Xstrata's Registrars of The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by 10.00 a.m. London time (for the Court Meeting) and 10.30 a.m. London time (for the Xstrata General Meeting), both times on 10 July 2012, or, in the case of any adjournment, by no later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting. However, in the case of the Court Meeting, the BLUE Form of Proxy can also be handed to representatives of Xstrata's Registrars or the Chairman of the meeting before the start of the meeting.

If you propose to attend the Shareholder Meetings, please detach and bring with you the attendance card to assist your admission.

Eligible Xstrata Shareholders who return completed Forms of Proxy may still attend the Shareholder Meetings instead of their proxies and vote in person if they wish. In the event of a poll on which an Xstrata Shareholder votes in person, his/her proxy votes lodged with the Company will be excluded.

Eligible Xstrata Shareholders are entitled to appoint a proxy in respect of some or all of their Xstrata Shares. Xstrata Shareholders are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy to allow Xstrata Shareholders to specify the number of Xstrata Shares in respect of which that proxy is appointed. Xstrata Shareholders who return a Form of Proxy duly executed but leave this space blank will be deemed to have appointed a proxy in respect of all of their Xstrata Shares.

Xstrata Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact Xstrata's Registrars for further Forms of Proxy or photocopy the Forms of Proxy as required. Such Xstrata Shareholders should also read the section entitled "Certificated Xstrata Shareholders — multiple proxy voting instructions" on page 4 (*Action to be Taken*) of this document.

If you hold your Xstrata Shares in uncertificated form (i.e. in CREST) you may vote using the CREST voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the notices of the Shareholder Meetings set out in Part IX (*Notice of Court Meeting*) and Part X (*Notice of Xstrata General Meeting*) of this document). Proxies submitted via CREST (under CREST participant ID 3RA50) must be received by Xstrata's Registrars by no later than 10.00 a.m. London time on 10 July 2012 in the case of the Court Meeting and by no later than 10.30 a.m. London time on 10 July 2012 in the case of the Xstrata General Meeting or, in the case of any adjournment, by no later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting.

Xstrata Shareholders entitled to attend and vote at the Shareholder Meetings may appoint a proxy electronically by logging on to the website of Xstrata's Registrars at www.eproxyappointment.com and entering the voting ID, task ID and shareholder reference number shown on their Forms of Proxy. Full details of the procedure to be followed to appoint a proxy electronically are given on the website. Further information is also included in the instructions contained on the Forms of Proxy.

The completion and return of a Form of Proxy or the appointment of a proxy or proxies electronically or through CREST shall not prevent an Xstrata Shareholder from attending and voting in person at either Shareholder Meeting or any adjournment thereof, if an Xstrata Shareholder so wishes and is so certified.

Further information on the actions to be taken is set out on pages 3 to 5 (*Action to be Taken*) of this document.

(c) Scheme Court Hearing and Reduction Court Hearing

Following the Shareholder Meetings and the satisfaction of the other Conditions, the Scheme also requires the sanction of the Court in accordance with the Companies Act. There will be separate Court Hearings sanctioning the Scheme and confirming the Reduction of Capital.

The Scheme Court Hearing to sanction the Scheme is expected to take place during the third quarter of 2012. All Xstrata Shareholders other than holders of Excluded Shares are entitled to attend the Scheme Court Hearing in person or through counsel to support or oppose the sanctioning of the Scheme. The Reduction Court Hearing is also expected to take place during the third quarter of 2012. The gap between the Scheme Court Hearing and the Reduction Court Hearing is included to allow the transfer to participants in the Xstrata Share Schemes of Xstrata Shares.

The Scheme and the Reduction of Capital will become effective as soon as copies of the Scheme Court Order and the Reduction Court Order and the Statement of Capital have been delivered by Xstrata to the Registrar of Companies for registration and, in the case of the Reduction of Capital, if the Court so orders for the Reduction of Capital to be effective, when the copies of the Reduction Court Order and the Statement of Capital have been registered. This is expected to occur during the third quarter of 2012.

If the Scheme and the Reduction of Capital become effective, the Scheme will be binding on all Scheme Shareholders, irrespective of whether or not Scheme Voting Shareholders voted in favour of the Scheme at the Court Meeting or in favour of the Xstrata General Meeting Resolutions at the Xstrata General Meeting. If the Scheme and the Reduction of Capital do not become effective by no later than 31 October 2012 (or such later date (if any) as Glencore and Xstrata may, with the consent of the Panel, agree and (if required) the Court may allow), the Scheme will not be implemented and the Merger will not proceed.

(d) Modifications to the Scheme

The Scheme contains a provision for Xstrata and Glencore to consent on behalf of all persons concerned to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or additions to, or impose a condition to the Scheme which might be material to the interests of the Scheme Shareholders unless Scheme Shareholders were informed of such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Voting Shareholders should be held in these circumstances.

13. Conditions to the Merger

The Conditions to the Merger are set out in full in Part IV (*Conditions and certain further terms of the Scheme and the Merger*) of this document. In summary, the Merger is conditional upon:

(a) the Scheme and the Reduction of Capital becoming unconditional and being implemented by no later than 31 October 2012 or such later date as Glencore and Xstrata may, with the consent of the Panel, agree and (if required) the Court may allow;

(b) a resolution to approve the Scheme being passed by a majority in number of those Scheme Voting Shareholders present and voting, either in person or by proxy, representing 75 per cent. or more in value of all Scheme Voting Shares voted by Scheme Voting Shareholders. For the avoidance of doubt, no member of the Glencore Group nor any person acting in concert with Glencore is a Scheme Voting Shareholder and therefore no member of the Glencore Group or person acting in concert with Glencore is entitled to vote at the Court Meeting (or any adjournment thereof);

(c) the Special Resolution (which will be taken on a poll) necessary to implement the Scheme and to sanction the related Reduction of Capital being duly passed by Xstrata Shareholders representing 75 per cent. of the votes cast on the relevant resolution at the Xstrata General Meeting (or any adjournment thereof);

(d) the Management Incentive Arrangements Resolution (which will be taken on a poll) being passed at the Xstrata General Meeting (or any adjournment thereof) by a simple majority of all Xstrata Shares voted by those Independent Xstrata Shareholders present and voting, either in person or by proxy. **The approval of the Scheme by Scheme Voting Shareholders is inter-conditional with the passing of the Management Incentive Arrangements Resolution. Accordingly, the Merger will not become effective if the Management Incentive Arrangements Resolution is not passed. In this regard Xstrata Shareholders should note that only Independent Xstrata Shareholders are entitled to vote on the Management Incentive Arrangements Resolution. No member of the Glencore Group (nor any person acting in concert with Glencore), nor any of the Xstrata Executive Directors, nor any other members of Xstrata's Management, nor any of the Senior**

Xstrata Employees are Independent Xstrata Shareholders and, pursuant to the requirements of Rule 16.2 of the Code are not, therefore, entitled to vote on the Management Incentive Arrangements Resolution;

(e) the Scheme being sanctioned (with or without modification, on terms agreed by Glencore and Xstrata) and the related Reduction of Capital being confirmed by the Court;

(f) copies of the Scheme Court Order and the Reduction Court Order being delivered to the Registrar of Companies and, if the Court so orders for the Scheme to become effective, the copy of the Reduction Court Order with the Statement of Capital being registered;

(g) antitrust and regulatory approvals in certain jurisdictions being obtained;

(h) the resolutions to be proposed at the Glencore General Meeting to approve the transaction as a ''Class 1'' transaction under the Listing Rules and to grant authority to the Glencore Directors to allot the New Glencore Shares being passed by Glencore Shareholders representing more than 50 per cent. of the votes cast on the relevant resolution, but, for the avoidance of doubt, not the resolution relating to Glencore's proposed change of name following the Merger becoming effective (which shall not be a condition to the Merger);

(i) (a) the Financial Services Authority having acknowledged to Glencore or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Glencore Shares to the premium listing segment of the Official List has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (''listing conditions'')) will become effective as soon as a dealing notice has been issued by the Financial Services Authority and any listing conditions having been satisfied, and (b) the London Stock Exchange having acknowledged to Glencore or its agent (and such acknowledgement not having been withdrawn) that the New Glencore Shares will be admitted to trading on the London Stock Exchange's main market for listed securities; and

(j) the other Conditions set out in Part IV (*Conditions and certain further terms of the Scheme and the Merger*) of this document which are not otherwise summarised in paragraphs (a) to (i) above being satisfied or waived.

The Conditions relating to the approval of the Scheme by the Scheme Voting Shareholders, the passing of the resolutions at the Xstrata General Meeting, including the passing of the resolution to approve the Management Incentive Arrangements by the Independent Xstrata Shareholders, the sanction of the Scheme and confirmation of the Reduction of Capital by the Court, and the Condition described in paragraph 3(b) of Part IV (*Conditions and certain further terms of the Scheme and the Merger*) regarding Admission, are not capable of being waived in whole or in part.

14. Offer-related arrangements

Glencore and Xstrata entered into a mutual confidentiality agreement on 12 December 2011 (the ''Confidentiality Agreement'') pursuant to which each of Glencore and Xstrata has undertaken to keep confidential information relating to the other party and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation. These confidentiality obligations will remain in force until completion of the Merger, or for a period of two years from any date of termination of discussions or negotiations relating to the Merger.

Glencore and Xstrata also entered into a reverse break fee agreement on 7 February 2012 (the ''Break Fee Agreement'') pursuant to which Glencore has agreed to pay to Xstrata by way of compensation a fee in the amount of £298 million (inclusive of irrecoverable value added tax), payable in the event that Glencore's board of directors withdraws, amends, modifies or qualifies its recommendation of the Merger or resolves or agrees to do the same so as to cause the Merger not to proceed (a ''Glencore Change in Recommendation''), save where the Glencore Change in Recommendation occurs, directly or indirectly, as a result of an event or events outside the control of Glencore.

15. Cancellation of listing of Xstrata Shares

Prior to the Scheme and the Reduction of Capital becoming effective, applications will be made by Xstrata to the Financial Services Authority to cancel the listing of the Xstrata Shares on the premium listing segment of the Official List, to the London Stock Exchange to cancel the admission to trading of the Xstrata Shares on the London Stock Exchange's main market for listed securities and to the

Admission Board of the SIX to cancel the admission to trading of the Xstrata Shares on the SIX, on or shortly after the Effective Date.

On the basis of the indicative timetable set out on page 1 of this document, the last day of dealings in, and registrations of transfers of, Xstrata Shares is expected to be during the third quarter of 2012, following which the Xstrata Shares will be suspended from the Official List and from trading on the London Stock Exchange's main market for listed securities and the SIX. No transfers for Xstrata Shares will be registered after that date.

On the Effective Date, Xstrata will become a wholly-owned subsidiary of Glencore and share certificates in respect of Xstrata Shares will cease to be valid and should be destroyed. In addition, on the Effective Date, entitlements to Xstrata Shares held within the CREST system will be cancelled.

The Xstrata Deferred Shares and the Xstrata Special Voting Share

Please see paragraph 12(b) above of this Part II for further details in relation to the Deferred Shares and the Special Voting Share.

Xstrata Shares held by Batiss pursuant to the Equity Capital Management Programme

It has been agreed by Xstrata and Glencore that the ECMP (as is described at paragraph 12 above of this Part II) will be unwound. Therefore, following the sanction of the Scheme by the Court at the Scheme Court Hearing but prior to delivery of the Scheme Court Order to the Registrar of Companies, Xstrata Dubai will (in accordance with the terms of the Option Agreement described above at paragraph 12 of this Part II) direct Batiss to transfer the Batiss Shares (if any) held by it to Glencore for nil consideration. Consequently, the Batiss Shares shall constitute Excluded Shares for the purposes of the Scheme (since they will be held by Glencore) and will not therefore be cancelled pursuant to the Scheme.

16. Glencore Shareholder approval

As a result of its size, the Merger constitutes a ''Class 1'' transaction (as defined in the Listing Rules) for Glencore. Accordingly, Glencore will be required to seek the approval of Glencore Shareholders for the Merger at the Glencore General Meeting. Glencore is required to prepare and send to Glencore Shareholders a circular summarising the background to and reasons for the Merger (which will include a notice convening the Glencore General Meeting). The Merger is conditional on, amongst other things, the resolutions to approve the Merger as a ''Class 1'' transaction and to grant authority to the Glencore Directors to allot the New Glencore Shares (but not, for the avoidance of doubt, the resolution to approve the proposed change of Glencore's name following the Merger becoming effective) being passed by Glencore Shareholders at the Glencore General Meeting.

Those Glencore Directors who hold or are beneficially entitled to Glencore Shares and the Principal Shareholders have each agreed to vote in favour of the relevant resolutions to be proposed at the Glencore General Meeting. Glencore Shares held by such Glencore Directors and the Principal Shareholders, or to which they are beneficially entitled, represent, in aggregate, approximately 37.2 per cent. of Glencore's existing issued share capital. Further details of this meeting are being sent to Glencore Shareholders at the same time that this document is being sent to Xstrata Shareholders.

Glencore has also produced the Glencore Prospectus in connection with Admission. The Glencore Prospectus is available at www.glencore.com.

17. Settlement

Subject to the Scheme and the Reduction of Capital becoming effective, settlement of the consideration to which any holder of Xstrata Shares is entitled under the Scheme will be effected in the manner set out below within 14 days of the Merger becoming effective.

Save with the consent of the Panel, settlement of the consideration to which any Xstrata Shareholder is entitled under the Scheme will be implemented in full within 14 days of the Effective Date in accordance with the terms set out in this Part II without regard to any lien, right of set off, counterclaim or analogous right to which Glencore may otherwise be, or claim to be, entitled against any Xstrata Shareholder.

(a) Consideration where Scheme Shares are held in uncertificated form (that is, in CREST)

(i) Where, at the Scheme Record Time a Scheme Shareholder holds Scheme Shares in uncertificated form, the New Glencore Shares to which the Scheme Shareholder is entitled will be issued in uncertificated form through CREST. Glencore will procure that Euroclear is instructed to credit the relevant Scheme Shareholder's appropriate stock account in CREST with the applicable number of New Glencore Shares at the commencement of dealings in the New Glencore Shares.

(ii) As from the Scheme Record Time, each holding of Xstrata Shares credited to any stock account in CREST will be disabled and all Xstrata Shares will be removed from CREST in due course.

(iii) Notwithstanding the above, Glencore reserves the right to settle all or part of such consideration in the manner set out in sub-paragraph (c) below if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this sub-paragraph (a).

(b) Consideration where Scheme Shares are held in certificated form

Where, at the Scheme Record Time, a Scheme Shareholder (being a holder of B Shares) holds Scheme Shares in certificated form, the New Glencore Shares to which the Scheme Shareholder (being a holder of B Shares) is entitled will be issued in certificated form.

Definitive certificates for the New Glencore Shares will be despatched by first class post (or by such other method as may be approved by the Panel) within 14 days after the Effective Date.

On the Effective Date, each certificate representing a holding of Scheme Shares (being B Shares) will cease to be valid. Following settlement of the consideration to which a Scheme Shareholder is entitled under the Scheme, such Scheme Shareholder will be bound on the request of Xstrata either (i) to destroy such Xstrata Share certificates, or (ii) to return such Xstrata Share certificates to Xstrata, or to any person appointed by Xstrata for cancellation.

(c) General

Fractions of New Glencore Shares will not be allotted or issued pursuant to the Scheme and will be disregarded.

All documents sent to Xstrata Shareholders in accordance with this paragraph will be sent at the risk of the person entitled thereto.

In relation to New Glencore Shares to be issued in certificated form, temporary documents of title will not be issued pending the despatch by post of definitive certificates for such New Glencore Shares as referred to in sub-paragraph (b) above. Pending the issue of definitive certificates for such New Glencore Shares, former Xstrata Shareholders wishing to register transfers of such New Glencore Shares may certify their share transfer forms against the register of members of Glencore by contacting Glencore's Registrars, Computershare Investor Services (Jersey) Limited, on 0870 7074040 (from the UK) or 0044 870 7074040 (from outside of the UK). On the registration of any such transfers, the transferee will receive a share certificate in respect of the New Glencore Shares which are the subject of the relevant transfer.

18. United States and other overseas shareholders

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy, any securities by any person, or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction (a) in which such offer or invitation is not authorised, (b) in which the person making such offer or invitation is not qualified to do so, or (c) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or would impose any unfulfilled registration, publication or approval requirements on Xstrata, Glencore or any of their respective, directors, officers, agents and advisers. No action has been taken nor will be taken in any jurisdiction by any such person that would permit a public offering of any securities in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Neither Xstrata, Glencore nor their respective directors, officers, agents or advisers accept any responsibility for any violation of any of these restrictions by any other person.

None of the securities referred to in this document have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy

or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The Merger will involve an exchange of the securities of a UK company for the securities of a Jersey company and will be subject to Jersey and UK disclosure requirements, which are different from those of the United States. The financial information included in this document has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP. US GAAP differs in certain significant respects from IFRS. None of the financial information in this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

The Merger will be effected by means of a scheme of arrangement under the Companies Act and otherwise in accordance with the requirements of the Code. The Scheme of Arrangement will relate to the shares of a UK company that is a 'foreign private issuer' as defined under Rule 3b-4 under the US Exchange Act. Accordingly, the proposed combination will be subject to disclosure and other procedural requirements applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the US proxy and tender offer rules under the US Exchange Act.

The New Glencore Shares have not been, and will not be, registered under the US Securities Act, or under the securities laws of any state, district or other jurisdiction of the United States, or of any jurisdiction other than the United Kingdom. Accordingly, the New Glencore Shares may not be offered, sold, reoffered, resold, pledged, delivered or otherwise transferred, in or into any jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. It is expected that the New Glencore Shares will be issued in reliance upon the exemption from such registration provided by Section 3(a)(10) of the US Securities Act. Under applicable US securities laws, persons (whether or not US persons) who are or will be "affiliates" (within the meaning of the US Securities Act) of Xstrata or Glencore prior to, or of Glencore after, the Effective Date will be subject to certain transfer restrictions relating to the Glencore Shares received in connection with the Scheme. It may be difficult for US holders of Xstrata Shares to enforce their rights and any claim arising out of the US federal securities laws, since each of Glencore and Xstrata are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Xstrata Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

If Glencore exercises its right, subject to the consent of the Panel (where necessary) and with Xstrata's prior written consent, to implement the Merger by way of a Merger Offer, the Merger will be made in compliance with applicable US laws and regulations, including applicable provisions of the tender offer rules under the US Exchange Act, to the extent applicable.

The ability of Xstrata Shareholders who are not resident in the United Kingdom to participate in the Scheme may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

New Glencore Shares have neither been marketed to, nor are available for purchase or exchange, in whole or in part, by, the public in the United Kingdom or elsewhere in connection with the Merger. This document is not a prospectus but a shareholder circular and does not constitute an invitation or offer to sell or the solicitation of an invitation or offer to buy any security. None of the securities referred to in this document shall be sold, issued, subscribed for, purchased, exchanged or transferred in any jurisdiction in contravention of applicable law.

19. Taxation

Shareholders should read Part V (*Taxation*) of this document which contains a general description of the United Kingdom, United States and Swiss tax consequences of the Merger. If they are in any doubt as to their tax position, they should contact their professional adviser immediately.

Xstrata Shareholders who are or may be subject to tax outside the United Kingdom, the United States or Switzerland should consult an appropriate independent professional adviser as to the tax consequences of the Scheme.

20. Further information

Your attention is drawn to the Letter to the Chairman of Xstrata in Part I of this document and the full text of the Scheme as set out in Part III (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the following sections, which form part of this Explanatory Statement.

Part IV	Conditions and certain further terms of the Scheme and the Merger
Part V	Taxation
Part VI	Additional information
Part VII	Financial and ratings information
Part VIII	Definitions
Part IX	Notice of Court Meeting
Part X	Notice of Xstrata General Meeting
Appendix	Employee Representatives' Opinions on the Effects of the Merger on Employment

21. Action to be taken

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of shareholder opinion. Please refer to pages 3-5 (*Action to be Taken*) of this document for details of the steps that you will need (and are encouraged) to take in connection with this document and the Merger.

Yours faithfully,

Nigel Robinson	**Barry Weir**	**Brett Olsher**	**William Vereker**
Managing Director	*Managing Director*	*Managing Director*	*Managing Director*
For and on behalf of	*For and on behalf of*	*For and on behalf of*	*For and on behalf of*
Deutsche Bank AG, London Branch	*J.P. Morgan Limited*	*Goldman Sachs International*	*Nomura International plc*

PART III

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 4168 of 2012

IN THE MATTER OF XSTRATA PLC

– and –

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)

BETWEEN

XSTRATA PLC

AND

THE SCHEME SHAREHOLDERS
(as hereinafter defined)

(A) In this Scheme, unless inconsistent with the subject or context, the following terms have the following meanings:

"$", or "US$" or "US dollars" or "cents" or "USD"	the lawful currency of the United States
"£", or "Sterling" or "pounds sterling" or "pence"	the lawful currency of the United Kingdom
"A Shares"	has the meaning given in Clause 1.1(i)
"Act"	the UK Companies Act 2006 (as amended)
"Article"	an article of the Xstrata Articles
"B Shares"	has the meaning given in Clause 1.1(ii)
"business day"	a day (other than a Saturday, Sunday, UK public or bank holiday) on which banks are generally open for the transaction of business in London
"certificated" or in "certificated form"	the relation to a share or other security which is not in uncertificated form (that is, not in CREST)
"Code"	the UK City Code on Takeovers and Mergers
"Company" or "Xstrata"	Xstrata plc, incorporated in England and Wales with registered number 04345939
"Court"	the High Court of Justice of England and Wales
"Court Meeting"	the meeting of Scheme Voting Shareholders to be convened by order of the Court pursuant to section 896 of the Act to consider and, if thought fit, approve this Scheme, including any adjournment thereof
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form

"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI2001 No. 3755) or the Companies (Uncertificated Securities) (Jersey) Order 1999 (as applicable) in each case, as amended from time to time
"Deferred Shares"	the non-voting deferred shares of £1 each in the capital of Xstrata
"Effective Date"	the date upon which a copy of the Reduction Court Order and the related Statement of Capital has been delivered to the Registrar of Companies and, if the Court so orders for the Reduction of Capital to take effect, registered by the Registrar of Companies, following the prior delivery of the Scheme Court Order to the Registrar of Companies
"Euroclear"	Euroclear UK & Ireland Limited
"Excluded Shares"	(a) all Xstrata Shares beneficially owned by Glencore or any other member of the Glencore Group, (b) any Xstrata Shares held in treasury by Xstrata, and (c) any other Xstrata Shares which Glencore and Xstrata agree (subject to the consent of the Court) will not be subject to the Scheme, in each case which will be reclassified as A Shares pursuant to Clause 1 of the Scheme
"Financial Services Authority"	the UK Financial Services Authority
"Glencore"*	Glencore International plc, incorporated in Jersey with registered number 107710
"Glencore Group"	Glencore and its subsidiaries and subsidiary undertakings
"Glencore Shares"	the ordinary shares of US$0.01 each in the capital of Glencore
"holder"	includes a person entitled by transmission
"Independent Xstrata Shareholders"	those Xstrata Shareholders who are permitted under Rule 16.2 of the Code to vote on the Management Incentive Arrangements Resolution
"Long Stop Date"	11.59 p.m. London time on 31 October 2012 or such later date (if any) as Glencore and Xstrata may, with the consent of the Panel, agree and (if required) the Court may allow
"Management Incentive Arrangements"	those elements of the retention and incentive arrangements set out in paragraph 9 of Part II (*Explanatory Statement*) of the circular posted to Xstrata Shareholders in relation to (amongst other matters) the Scheme, proposed to be put in place for (a) the members of Xstrata's Management, and (b) each of the Xstrata Senior Employees, which will be voted on by the Independent Xstrata Shareholders at the Xstrata General Meeting
"Management Incentive Arrangements Resolution"	resolution number 2 set out in the notice of the Xstrata General Meeting in Part X (*Notice of Xstrata General Meeting*) of the circular posted to Xstrata Shareholders in relation to (amongst other matters) the Scheme, to be voted on by the Independent Xstrata Shareholders
"members"	in relation to a share or other security, members of the Company on the register of members at any relevant date

* Proposed to be renamed Glencore Xstrata plc upon the Effective Date, subject to the requisite majority of Glencore Shareholders (as defined in the circular (the "Circular") posted to Xstrata Shareholders in relation to (amongst other matters) the Scheme) approving the change of name at the Glencore General Meeting (as defined in the Circular).

"New Glencore Shares"	the new Glencore Shares to be allotted and issued to Scheme Shareholders pursuant to the Scheme
"New Xstrata Shares"	the new Xstrata Shares to be allotted and issued to Glencore and/or its nominees pursuant to the Scheme
"Panel"	the UK Panel on Takeovers and Mergers
"Reduction of Capital"	the proposed reduction of the Company's share capital under Chapter 10 of Part 17 of the Act, to be effected as part of this Scheme
"Reduction Court Hearing"	the hearing by the Court of the claim form to confirm the Reduction of Capital under section 648 of the Act at which the Reduction Court Order will be sought
"Reduction Court Order"	the order of the Court confirming the Reduction of Capital
"Registrar of Companies"	the Registrar of Companies in England and Wales
"Reorganisation Record Time"	6.00 p.m. (London time) on the business day following the date of the Scheme Court Hearing
"RIS" or "Regulatory Information Service"	an information service that is approved by the Financial Services Authority and on the Financial Services Authority's list of Registered Information Services
"Scheme"	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Glencore
"Scheme Court Hearing"	the hearing by the Court of the claim form to sanction the Scheme under section 899 of the Act at which the Scheme Court Order will be sought
"Scheme Court Order"	the order of the Court sanctioning the Scheme under Part 26 of the Act
"Scheme Record Time"	6.00 p.m. (London time) on the date of the Reduction Court Hearing
"Scheme Shareholders"	registered holders of Scheme Shares
"Scheme Shares"	all Xstrata Shares which have been reclassified as B Shares pursuant to Clause 1 of the Scheme
"Scheme Voting Record Time"	6.00 p.m. (London time) on the day which is two business days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. (London time) on the day which is two business days before the date set for the adjourned Court Meeting
"Scheme Voting Shareholders"	holders of Scheme Voting Shares
"Scheme Voting Shares"	all Xstrata Shares: (a) in issue as at the date of the circular posted to Xstrata Shareholders in relation to (amongst other matters) the Scheme; and (b) (if any) issued after the date of the circular posted to Xstrata Shareholders in relation to (amongst other matters) the Scheme and prior to the Scheme Voting Record Time, but in each case other than the Excluded Shares
"Special Voting Share"	the special voting share of US$0.50 in the capital of Xstrata

"Statement of Capital"	the statement of capital (approved by the Court) showing, with respect to Xstrata's share capital, as altered by the Reduction Court Order, the information required by section 649 of the Act
"subsidiary"	has the meaning given to it in section 1159 of the Act
"subsidiary undertaking"	has the meaning given to it in section 1162 of the Act
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"uncertificated" or "in uncertificated form"	in relation to a share or other security, recorded on the relevant register of the share or other security concerned as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations may be transferred by means of CREST
"United States of America", "United States" or "US"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"Xstrata Articles"	the articles of association of Xstrata from time to time
"Xstrata Directors"	the directors of Xstrata
"Xstrata Executive Directors"	Messrs. Davis, Reid and Zaldumbide
"Xstrata General Meeting"	the extraordinary general meeting of Xstrata to be convened in connection with the Scheme, the Reduction of Capital and the Management Incentive Arrangements, including any adjournment thereof
"Xstrata Group"	Xstrata and its subsidiaries and subsidiary undertakings
"Xstrata Senior Employees"	the 64 senior employees of the Xstrata Group who it is proposed will benefit from those elements of the Management Incentive Arrangements described in paragraph 9 of Part II (*Explanatory Statement*) of the circular posted to Xstrata Shareholders in relation to (amongst other matters) the Scheme, which will be voted on by the Independent Xstrata Shareholders at the Xstrata General Meeting
"Xstrata Shareholders"	holders of Xstrata Shares
"Xstrata Shares"	the ordinary shares of US$0.50 each in the capital of Xstrata
"Xstrata's Management"	the members of senior management of the Xstrata Group, being the Xstrata Executive Directors and Peter Freyberg, Benny Levene, Thras Moraitis, Peet Nienaber, Ian Pearce and Charlie Sartain

and, where the context so admits or requires, the plural includes the singular and *vice versa*. References to Clauses are to Clauses of this Scheme, and references to time are to London time.

(B) The share capital of the Company as at the close of business on 29 May 2012 (the last practicable date prior to the date of this Scheme) was £50,000 plus US$1,501,346,038.50 divided into 50,000 Deferred Shares of £1 each, 3,002,692,076 Xstrata Shares of US$0.50 each and one Special Voting Share of US$0.50 each, all of which were credited as fully paid.

(C) The share capital of Glencore as at the close of business on 29 May 2012 (the last practicable date prior to the date of this Scheme) was US$69,227,135 divided into 6,922,713,511 Glencore Shares of US$0.01 each, all of which were credited as fully paid.

(D) As at the close of business on 29 May 2012 (the last practicable date prior to the date of this Scheme) Glencore, through its wholly-owned subsidiary, Finges B.V., beneficially held

1,010,403,999 Xstrata Shares, representing approximately 33.65 per cent. of the current issued ordinary share capital of the Company.

(E) Glencore and Finges B.V. have agreed to appear by Counsel at the Scheme Court Hearing and to submit to be bound by and to undertake to the Court to be bound by this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

(F) Section 2 of this Scheme is subject to the subsequent confirmation by the Court of the Reduction of Capital and accordingly may not become effective until a copy of the Reduction Court Order and related Statement of Capital have been delivered to and, if the Court so orders for the Reduction of Capital to take effect, registered by the Registrar of Companies.

THE SCHEME

Section 1

1. Reclassification of Xstrata Shares

1.1 At the Reorganisation Record Time, each of the Xstrata Shares shall be reclassified on the following basis:

(i) all of the Excluded Shares shall be reclassified into A ordinary shares of nominal value US$0.50 each (''A Shares''); and

(ii) all other Xstrata Shares shall be reclassified into B ordinary shares of nominal value US$0.50 each (''B Shares'').

1.2 For the purposes of this Clause 1, each portion of a member's holding which is recorded in the register of members of the Company by reference to a separate designation at the Reorganisation Record Time, whether in certificated or uncertificated form, shall be treated as though it were a separate holding held at such time by a separate person.

1.3 The A Shares and B Shares created by the reclassifications referred to in Clause 1.1 shall have the rights and be subject to the restrictions contained in the new Article 7A to be adopted pursuant to paragraph 1.4 of Resolution 1 set out in the notice of the Xstrata General Meeting.

1.4 No certificates representing the A Shares or the B shares will be issued by or on behalf of the Company.

2. Effective time

2.1 Section 1 of the Scheme will become effective in accordance with its terms as soon as a copy of the Scheme Court Order shall have been delivered to the Registrar of Companies for registration. Section 2 of the Scheme will become effective as soon as a copy of each of the Reduction Court Order and the Statement of Capital has been delivered to the Registrar of Companies and, if the Court so orders for the Reduction of Capital to take effect, registered by the Registrar of Companies.

2.2 If Section 2 of this Scheme does not become effective by 6.00 p.m. on the tenth business day following the Reorganisation Record Time or such earlier or later time and date as the Company and Glencore may agree and the Company may announce through a Regulatory Information Service, the reclassifications effected by Clause 1.1 shall be reversed and the A Shares and B Shares shall revert to, and be reclassified as, Xstrata Shares, and the new Article 7A adopted and referred to in Clause 1.3 shall be deleted from the Xstrata Articles.

2.3 Unless Section 2 of this Scheme has become effective by the Long Stop Date it will lapse.

Section 2

3. Cancellation of the B Shares and issue of New Xstrata Shares

3.1 Subject to the reclassification referred to in Clause 1.1 taking effect and the requisite entries having been made in the register of members of the Company, the share capital of the Company shall be reduced by cancelling and extinguishing all of the B Shares.

3.2 Subject to and forthwith upon the said reduction of capital referred to in Clause 3.1 taking effect the reserve arising in the books of account of the Company as a result of the Reduction of Capital shall be capitalised and applied in paying up in full such number of New Xstrata Shares as shall be equal to the number of B Shares cancelled pursuant to Clause 3.1 which shall be allotted and issued credited as fully paid to Glencore and/or its nominee(s).

3.3 One business day following the said reduction of capital referred to in Clause 3.1 taking effect:

(i) the A shares shall revert to and be reclassified as ordinary shares of US$0.50 each in the capital of the Company; and

(ii) the Xstrata Articles shall be amended by the deletion of the new Article 7A referred to in Clause 1.3.

4. Consideration for the cancellation of the B Shares

4.1 In consideration for the cancellation of the B Shares pursuant to Clause 3.1 and the allotment and issue of the New Xstrata Shares as provided in Clause 3.2, Glencore shall (subject to the remaining provisions of this Scheme) allot and issue to Scheme Shareholders (being holders of B Shares following the reclassification effected pursuant to Clause 1.1) who appear in the register of members of the Company at the Scheme Record Time:

for every Scheme Share: 2.8 New Glencore Shares.

4.2 The aggregate number of New Glencore Shares to which Scheme Shareholders at the Scheme Record Time shall be entitled under Clause 4.1 shall be rounded down to the nearest whole number. No fractions of New Glencore Shares shall be allotted to any holder of Scheme Shares, and all fractions to which, but for this Clause 4.2, holders of Scheme Shares would have become entitled shall be disregarded.

4.3 The New Glencore Shares to be issued pursuant to Clause 4.1 shall be issued, credited as fully paid, and shall rank equally in all respects with all other fully paid Glencore Shares and shall be entitled to all dividends and other distributions declared, paid or made by Glencore by reference to a record date on or after the Effective Date.

5. Overseas shareholders

5.1 The provisions of Clause 4 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any holders of B Shares with a registered address in a jurisdiction outside the United Kingdom, or whom Glencore and the Company reasonably believe to be a citizen, national or resident of a jurisdiction outside the United Kingdom, Glencore and the Company are advised that the allotment and/or issue of New Glencore Shares pursuant to Clause 4 would or may infringe the laws of such jurisdiction or would or may require Glencore or the Company to comply with any governmental or other consent or any registration, filing or other formality with which Glencore and the Company are unable to comply or compliance with which Glencore and the Company regard as unduly onerous, Glencore and the Company may, in their sole discretion, either:

(i) determine that such New Glencore Shares shall be sold, in which event the New Glencore Shares shall be issued to such Scheme Shareholder and Glencore shall appoint a person to act pursuant to this Clause 5.1(i) and such person shall be authorised on behalf of such Scheme Shareholder to procure that any New Glencore Shares in respect of which Glencore and the Company have made such determination shall, as soon as practicable following the Effective Date, be sold; or

(ii) determine that such New Glencore Shares shall not be issued to such Scheme Shareholder but shall instead be issued to a nominee for such Scheme Shareholder appointed by Glencore and

the Company on terms that the nominee shall, as soon as practicable following the Effective Date, sell the New Glencore Shares so issued.

5.2 Any sale under Clause 5.1 shall be carried out at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid to such Scheme Shareholder by sending a cheque or creating an assured payment obligation in accordance with the provisions of Clause 6.1.

5.3 To give effect to any sale under Clause 5.1, the person appointed by Glencore and the Company in accordance with Clause 5.1(i) shall be authorised as attorney on behalf of the Scheme Shareholder concerned, and the nominee appointed by Glencore and the Company in accordance with Clause 5.1(ii) shall be authorised, to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer and to give such instructions and to do all other things which he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of the Company, Glencore, the Company or the person or nominee so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.

6. SETTLEMENT OF CONSIDERATION

6.1 As soon as practicable after the Effective Date and in any event no later than 14 days after the Effective Date, Glencore shall:

(a) allot and issue the New Glencore Shares which it is required to allot and issue to Scheme Shareholders at the Scheme Record Time pursuant to this Scheme and:

(i) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch of certificates for such New Glencore Shares to the persons entitled thereto in accordance with Clause 6.2; and

(ii) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant holder of Scheme Shares with such holder of Scheme Share's entitlement to such New Glencore Shares, provided that Glencore reserves the right to settle all or part of such consideration in the manner set out in Clause 6.1(a)(i) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this Clause 6.1(a)(ii);

(b) in the case of Scheme Shares sold pursuant to Clause 5.1 which at the Scheme Record Time are in certificated form, procure the despatch to the persons entitled thereto in accordance with Clause 6.2 of cheques for the sums payable to them respectively in accordance with Clause 5; and

(c) in the case of Scheme Shares sold pursuant to Clause 5.1 which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively in accordance with Clause 5, provided that Glencore reserves the right to make payment of the said sums by cheque as set out in Clause 6.1(b) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this Clause 6.1(c).

6.2 All deliveries of share certificates or cheques pursuant to this Scheme shall be effected by sending the same by first class post in prepaid envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of the Company or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in the said register in respect of such joint holding, at the Scheme Record Time, and none of Glencore, the Company nor any person or nominee appointed by Glencore shall be responsible for any loss or delay in the transmission or delivery of any share certificates or cheques sent in accordance with this Clause 6.2, which shall be sent at the risk of the persons entitled thereto.

6.3 All cheques shall be in pounds sterling drawn on a UK clearing bank and shall be made payable to the persons respectively entitled to the moneys represented thereby (except that, in the case of joint holders, Glencore reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company at the Scheme Record Time in respect of such joint holding) and the encashment of any such cheque or the creation of any such assured

payment obligation as is referred to in Clause 6.1(c) shall be a complete discharge to Glencore for the moneys represented thereby.

6.4 The provisions of this Clause 6 shall be subject to any prohibition or condition imposed by law.

7. Share certificates and cancellation of entitlements

7.1 With effect from and including the Effective Date:

(i) all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of the Company to deliver up the same to the Company or to destroy the same and appropriate entries shall be made in the register of members of the Company with effect from the Effective Date to reflect their cancellation; and

(ii) Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form with effect from the Effective Date.

8. Mandates

All mandates relating to the monetary payment of dividends on the Xstrata Shares and other instructions, including communication preferences, given to the Company by Scheme Shareholders in force at the Scheme Record Time relating to their holdings of Xstrata Shares will, unless amended or revoked, be deemed from the Effective Date to be an effective mandate or instruction to Glencore in respect of the corresponding Glencore Shares. Any reinvestment elections given to the Company by Scheme Shareholders in connection with dividends payable by the Company will not be treated as a valid instruction to Glencore in respect of the corresponding Glencore Shares.

9. Modification

Glencore and the Company may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition, which the Court may approve or impose.

10. Costs

The Company is authorised and permitted to pay all costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

Dated: 31 May 2012

PART IV

CONDITIONS AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE MERGER

A. Conditions to the Scheme and Merger

1 The Merger is conditional upon the Scheme becoming unconditional and effective, subject to the Code, by not later than 31 October 2012 or such later date (if any) as Glencore and Xstrata may, with the consent of the Panel, agree and (if required) the Court may allow.

2 The Scheme is subject to the following conditions:

2.1 its approval by a majority in number of the Scheme Voting Shareholders who are on the register of members of Xstrata at the Scheme Voting Record Time, and who are present and vote, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof) and who represent not less than 75 per cent. in value of the Scheme Voting Shares held by those Scheme Voting Shareholders;

2.2 the resolution required to approve and implement the Scheme and Reduction of Capital being duly passed by Xstrata Shareholders representing 75 per cent. or more of the votes cast at the Xstrata General Meeting;

2.3 a resolution to approve the Management Incentive Arrangements (which will be taken on a poll) being duly passed by the Independent Xstrata Shareholders representing more than 50 per cent. of the votes cast on the resolution; and

2.4 the sanction of the Scheme by the Court (in each case with or without modification but subject to any modification being on terms acceptable to Xstrata and Glencore) and confirmation of the Reduction of Capital by the Court and (a) the delivery of copies of the Scheme Court Order and the Reduction Court Order and the requisite Statement of Capital attached thereto to the Registrar of Companies, and (b) the registration of the Reduction Court Order.

3 In addition, subject as stated in Part B below and to the requirements of the Panel, the Merger is conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived in writing:

Approval of Glencore Shareholders

(a) any resolution or resolutions of Glencore Shareholders required to (i) approve, effect and implement the Merger, (ii) confer authorities for the issue and allotment of the New Glencore Shares to be issued in connection with the Merger, and (iii) effect such other actions as are required in connection with the implementation of the Merger (as such resolutions may be set out in the Glencore Circular), but excluding, for the avoidance of doubt, relating to any change in Glencore's name being duly passed at the Glencore General Meeting (or at any adjournment of that meeting) in each case by the requisite majority of Glencore Shareholders;

Admission of the New Glencore Shares

(b) the UK Listing Authority having acknowledged to Glencore or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Glencore Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (''listing conditions'')) will become effective as soon as a dealing notice has been issued by the FSA and any listing conditions having been satisfied, and (ii) the London Stock Exchange having acknowledged to Glencore or its agent (and such acknowledgement not having been withdrawn) that the New Glencore Shares will be admitted to trading;

EU merger control

(c) the European Commission indicating, in terms reasonably satisfactory to Glencore, that it does not intend to initiate proceedings under Article 6(1)(c) of Council Regulation (EC) No. 139/2004 (the "Regulation"), or to make a referral to a competent authority in the EEA under Article 9(1) of such Regulation, in either case with respect to the Merger or any matter arising from the Scheme or Merger;

US merger control

(d) all filings having been made in connection with the Merger or any aspect of the Merger and all or any applicable waiting periods (including any extensions thereof) under the United States Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended, and the regulations thereunder;

South African merger control

(e) the South African Competition Tribunal having approved unconditionally or, if approved with conditions, on such conditions reasonably satisfactory to Glencore, as expressed in writing, the Merger in terms of Chapter 3 of the South African Competition Act;

China merger control

(f) in so far as Glencore established on reasonable grounds that the Merger triggers a mandatory filing requirement, a filing having been made to and accepted by the Ministry of Commerce of the People's Republic of China ("MOFCOM") pursuant to the Anti-Monopoly Law of the People's Republic of China (the "Anti-Monopoly Law") and MOFCOM having cleared the Merger on terms reasonably satisfactory to Glencore of all applicable waiting periods under the Anti-Monopoly Law in respect of the review of the Merger have expired;

Australian foreign investment approval

(g) one of the following having occurred:

(i) the Treasurer of the Commonwealth of Australia (or his delegate) gives written advice without conditions that there are no objections under Australia's foreign investment policy to the Merger; or

(ii) after notice of the proposed Merger has been given by Glencore to the Treasurer of the Commonwealth of Australia under the Foreign Acquisitions and Takeovers Act 1975 (Cwlth), the Treasurer ceases to be empowered to make any order under Part II of that Act because of lapse of time;

Notifications, waiting periods and authorisations

(h) other than in respect of Conditions 3(a) to (g), all notifications, filings or applications which are necessary or reasonably considered appropriate in connection with the Merger having been made and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Merger and all Authorisations deemed necessary or reasonably appropriate by Glencore in any jurisdiction for or in respect of the Merger and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Xstrata or any other member of the Wider Xstrata Group by any member of the Wider Glencore Group having been obtained in terms and in a form reasonably satisfactory to Glencore from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Xstrata Group or the Wider Glencore Group has entered into contractual arrangements and all such Authorisations necessary, appropriate or desirable to carry on the business of any member of the Wider Xstrata Group in any jurisdiction having been obtained and all such Authorisations remaining in

full force and effect at the time at which the Merger becomes otherwise wholly unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

General antitrust and regulatory

(i) no antitrust regulator or Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to (in any case which is material in the context of the Merger):

(i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Glencore Group or by any member of the Wider Xstrata Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);

(ii) require any member of the Wider Glencore Group or the Wider Xstrata Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Xstrata Group or any asset owned by any Third Party (other than in the implementation of the Merger);

(iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider Glencore Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Xstrata or on the ability of any member of the Wider Xstrata Group or any member of the Wider Glencore Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Xstrata Group;

(iv) otherwise adversely affect any or all of the business, assets, profits or prospects of any member of the Wider Xstrata Group or any member of the Wider Glencore Group;

(v) result in any member of the Wider Xstrata Group or any member of the Wider Glencore Group ceasing to be able to carry on business under any name under which it presently carries on business;

(vi) make the Merger, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Xstrata by any member of the Wider Glencore Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly prevent or prohibit, restrict, restrain, or delay the same or otherwise interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise challenge, impede, interfere or require amendment of the Merger or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Xstrata by any member of the Wider Glencore Group;

(vii) require, prevent or materially delay a divestiture by any member of the Wider Glencore Group of any shares or other securities (or the equivalent) in any member of the Wider Xstrata Group or any member of the Wider Glencore Group; or

(viii) impose any material limitation on the ability of any member of the Wider Glencore Group or any member of the Wider Xstrata Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the

business of any other member of the Wider Glencore Group and/or the Wider Xstrata Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Merger or the acquisition or proposed acquisition of any Xstrata Shares or otherwise intervene having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

(j) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Xstrata Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject or any event or circumstance which, as a consequence of the Merger or because of a change in the control or management of any member of the Wider Xstrata Group, could or might reasonably be expected to result in (in any case to an extent which is or would be material in the context of the Wider Xstrata Group taken as a whole):

(i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Xstrata Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

(ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Xstrata Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;

(iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Xstrata Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;

(iv) any liability of any member of the Wider Xstrata Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;

(v) the rights, liabilities, obligations, interests or business of any member of the Wider Xstrata Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Xstrata Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

(vi) any member of the Wider Xstrata Group ceasing to be able to carry on business under any name under which it presently carries on business;

(vii) the value of, or the financial or trading position or prospects of, any member of the Wider Xstrata Group being prejudiced or adversely affected; or

(viii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Xstrata Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of

the Wider Xstrata Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in Conditions (j)(i) to (viii) (in any case to an extent which is or would be material in the context of the Wider Xstrata Group taken as a whole);

Certain events occurring since 31 December 2011

(k) except as Disclosed, no member of the Wider Xstrata Group having since 31 December 2011:

(i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Xstrata Shares out of treasury (except, where relevant, as between Xstrata and wholly owned subsidiaries of Xstrata or between the wholly owned subsidiaries of Xstrata and except for the issue or transfer out of treasury of Xstrata Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Xstrata Share Schemes);

(ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than (a) the Xstrata 2011 Final Dividend, (b) if the Effective Date falls after the record date for the Glencore 2012 Interim Dividend, an interim dividend in an amount in the normal and regular course per Xstrata Share and (c) dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Xstrata to Xstrata or any of its wholly owned subsidiaries;

(iii) other than pursuant to the Merger (and except for transactions between Xstrata and its wholly owned subsidiaries or between the wholly owned subsidiaries of Xstrata and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider Xstrata Group taken as a whole;

(iv) (except for transactions between Xstrata and its wholly owned subsidiaries or between the wholly owned subsidiaries of Xstrata) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so which in any case is material in the context of the Wider Xstrata Group taken as a whole;

(v) (except for transactions between Xstrata and its wholly owned subsidiaries or between the wholly owned subsidiaries of Xstrata) issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness which in any case is material in the context of the Wider Xstrata Group taken as a whole;

(vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is likely to be restrictive on the business of any member of the Wider Xstrata Group and

which in any case is material in the context of the Wider Xstrata Group taken as a whole;

(vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Xstrata Group save as agreed by Glencore;

(viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Xstrata Group save as agreed by Glencore;

(ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital, save as agreed by Glencore in writing;

(x) waived, compromised or settled any claim (other than in the ordinary course of business) which is material in the context of the Wider Xstrata Group taken as a whole;

(xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Xstrata Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Xstrata Group taken as a whole;

(xii) made any alteration to its memorandum or articles of association or other incorporation documents in each case which is material in the context of the Merger;

(xiii) made or agreed or consented to any change to the terms of the trust deeds and rules constituting the pension scheme(s) established for its directors, employees or their dependants or any material change to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to, in each case which is material in the context of the Wider Xstrata Group taken as a whole;

(xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business, in each case which is material in the context of the Wider Xstrata Group taken as a whole;

(xv) (other than in respect of a member of the Wider Xstrata Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, in each case which is material in the context of the Wider Xstrata Group taken as a whole;

(xvi) (except for transactions between Xstrata and its wholly owned subsidiaries or between the wholly owned subsidiaries), made, authorised, proposed or

announced an intention to propose any change in its loan capital, in each case which is material in the context of the Wider Xstrata Group taken as a whole;

(xvii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities, in each case which is material in the context of the Wider Xstrata Group taken as a whole; or

(xviii) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (k);

No adverse change, litigation, regulatory enquiry or similar

(l) except as Disclosed, since 31 December 2011 there having been:

(i) no adverse change or deterioration and no circumstance having arisen which would or might be reasonably expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Xstrata Group which in any case is material in the context of the Wider Xstrata Group taken as a whole;

(ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Xstrata Group or to which any member of the Wider Xstrata Group is or may become a party (whether as claimant, defendant or otherwise), in each case which might reasonably be expected to have a material adverse effect on the Wider Xstrata Group taken as a whole or in the context of the Merger;

(iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Xstrata Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Xstrata Group, in each case which might reasonably be expected to have a material adverse effect on the Wider Xstrata Group taken as a whole or in the context of the Merger;

(iv) no contingent or other liability having arisen or become apparent to Glencore or increased other than in the ordinary course of business which would or might reasonably be expected to adversely affect the business, assets, financial or trading position or profits or prospects of any member of the Wider Xstrata Group to an extent which is material in the context of the Wider Xstrata Group taken as a whole or in the context of the Merger; and

(v) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Xstrata Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider Xstrata Group taken as a whole or in the context of the Merger;

No discovery of certain matters regarding information, liabilities and environmental issues

(m) except as Disclosed, Glencore not having discovered:

(i) that any financial, business or other information concerning the Wider Xstrata Group publicly announced prior to 7 February 2012 or disclosed at any time to any member of the Wider Glencore Group or to any of their advisers by or on behalf of any member of the Wider Xstrata Group prior to 7 February 2012 is misleading, contains a misrepresentation of any fact, or omits to state a fact

necessary to make that information not misleading, to an extent which in any such case is material in the context of the Wider Xstrata Group taken as a whole;

(ii) that any member of the Wider Xstrata Group or any partnership, company or other entity in which any member of the Wider Xstrata Group has a significant economic interest and which is not a subsidiary undertaking of Xstrata is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise and which is material in the context of the Wider Xstrata Group taken as a whole or in the context of the Merger;

(iii) that any past or present member of the Wider Xstrata Group has not complied in any material respect with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Xstrata Group which in any case is material in the context of the Wider Xstrata Group taken as a whole;

(iv) that there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider Xstrata Group which in any case is material in the context of the Wider Xstrata Group taken as a whole;

(v) that there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Xstrata Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto which in any case is material in the context of the Wider Xstrata Group taken as a whole; or

(vi) that circumstances exist (whether as a result of making the Merger or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Xstrata Group would be likely to be required to institute), an environment audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Xstrata Group (or on its behalf) or by any person for which a member of the Wider Xstrata Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, which in any case is material in the context of the Wider Xstrata Group taken as a whole.

B. Certain further terms of the Scheme and the Merger

Subject to the requirements of the Panel, Glencore reserves the right to waive in whole or in part, all or any of the above Conditions 3(a) to (m) (inclusive), other than Condition 3(b).

The Scheme will not become effective unless the Conditions have been fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by Glencore to be or remain satisfied by no later than the date referred to in Condition 1 (or such later date as Glencore and Xstrata may, with the consent of the Panel, agree and (if required) the Court may allow).

If Glencore is required by the Panel to make an offer for Xstrata Shares under the provisions of Rule 9 of the Code, Glencore may make such alterations to any of the above Conditions and terms of the Merger as are necessary to comply with the provisions of that Rule.

The Scheme is governed by the law of England and Wales and is subject to applicable requirements of the Code, the Panel, the London Stock Exchange, the FSA and the UK Listing Authority.

Glencore is under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 3(a) to (m) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Merger may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfillment.

Glencore reserves the right to elect, with the consent of the Panel (where necessary) and with Xstrata's prior written consent, to implement the Merger by way of a Merger Offer. In such event, the acquisition will be implemented on substantially the same terms subject to appropriate amendments, so far as applicable, as those which would apply to the Scheme.

The Merger will lapse if the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority of the United Kingdom under Article 9(1) of the Regulation and there is then a reference to the Competition Commission before the date of the Court Meeting.

The availability of the Merger to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

The Merger is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.

Under Rule 13.5 of the Code, Glencore may not invoke a condition to the Merger so as to cause the Merger not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to Glencore in the context of the Merger. The conditions contained in paragraphs 1, 2 and 3(a) and (c) of Part A are not subject to this provision of the Code.

The Merger is governed by the law of England and Wales and is subject to applicable requirements of the Code, the Panel, the London Stock Exchange, the FSA, the UK Listing Authority, the jurisdiction of the English courts and to the Conditions and further terms set out in this Part IV (*Conditions and certain further terms of the Scheme and the Merger*) and the further terms of this document.

PART V

TAXATION

The following section is a summary guide only to certain aspects of tax in the UK, the US and Switzerland. This is not a complete analysis of the potential tax effects of the Scheme nor will it relate to the specific tax position of all Scheme Shareholders in all jurisdictions. Xstrata Shareholders are advised to consult their own tax advisers as to the effects of the Scheme in their relevant jurisdictions. This summary assumes that the Scheme has been implemented in full, and that Glencore is tax resident solely in Switzerland.

A. United Kingdom Taxation

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of the Scheme and holding or disposing of New Glencore Shares. They are based on current UK legislation and what is understood to be the current practice of HM Revenue & Customs, both of which may change, possibly with retroactive effect. They apply only to Scheme Shareholders who are resident, and in the case of individual Scheme Shareholders, ordinarily resident and domiciled, for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Scheme Shares and New Glencore Shares as an investment (other than under an individual savings account), and who are the absolute beneficial owners of both the Scheme Shares and New Glencore Shares and any dividends paid on them. The tax position of certain categories of Scheme Shareholders who are subject to special rules (such as persons acquiring their Securities in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered. In addition, the summary below does not apply to any Scheme Shareholders who, either alone or together with one or more associated persons, control directly or indirectly at least 10 per cent. of the voting rights of any class of share capital in Xstrata or Glencore.

If you are in any doubt about your tax position, you should consult your own professional adviser without delay.

United Kingdom tax consequences of the Scheme

UK tax consequences of the reclassification of Xstrata Shares into A Shares and B Shares

The reclassification of Xstrata's Shares into A Shares and B Shares should be regarded as a reorganisation of Xstrata's share capital for the purposes of UK capital gains tax and corporation tax on chargeable gains (''CGT''). Accordingly, the Xstrata Shareholders should not be treated as having disposed of their Xstrata Shares, and no liability to CGT should arise as a result of this reclassification. The A Shares and B Shares should be treated as the same asset, and as having been acquired at the same time and for the same consideration, as the Xstrata Shares from which they are derived.

UK tax consequences of the cancellation of the B Shares and issue of the New Glencore Shares

For the purposes of CGT, the cancellation of the B Shares and the issue of New Glencore Shares should be treated as a scheme of reconstruction. UK resident Scheme Shareholders who do not hold (either alone or together with connected persons) more than 5 per cent. of, or of any class of, shares in or debentures of Xstrata should obtain ''rollover'' relief in respect of the cancellation of the B Shares and the issue to them of the New Glencore Shares. This means that for the purposes of CGT the New Glencore Shares issued to a Scheme Shareholder should be treated as the same asset, and as having been acquired at the same time and for the same consideration, as the B Shares from which they are derived.

Scheme Shareholders who hold (alone, or together with connected persons) more than 5 per cent. of, or of any class of, shares in or debentures of Xstrata will be eligible for the above treatment only if the Scheme is implemented for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of a liability to capital gains tax or corporation tax. If these conditions are not met, then such a Scheme Shareholder will be treated as receiving the New Glencore Shares in consideration for the cancellation of the B Shares and as having made a disposal of the B Shares which may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for CGT purposes. Clearance has been sought from HMRC that the Scheme will be implemented for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of a liability to capital gains tax or corporation tax.

UK stamp duty and stamp duty reserve tax ("SDRT") consequences of the Scheme

No stamp duty or SDRT will be payable as a result of the cancellation of the B Shares and issue of New Glencore Shares under the Scheme.

UK taxation of dividends on the New Glencore Shares

Individual shareholders

An individual Glencore Shareholder will, if he owns less than 10 per cent. of the issued share capital in Glencore, be entitled to a tax credit in respect of a dividend paid by Glencore which may be set off against his total income tax liability. The tax credit will be equal to 10 per cent. of the aggregate of the dividend and the tax credit (the "gross dividend"), which is also equal to one-ninth of the cash dividend received.

Such an individual Glencore Shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such Glencore Shareholder's liability to income tax on the dividend.

In the case of such an individual Glencore Shareholder who is liable to income tax at the higher rate, the tax credit will be set against, but not fully match, the Glencore Shareholder's tax liability on the gross dividend and such Glencore Shareholder will have to account for additional income tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend) to the extent that the gross dividend when treated as the top slice of the Glencore Shareholder's income falls above the threshold for higher rate income tax.

In the case of such an individual Glencore Shareholder who is subject to income tax at the additional rate, the tax credit will also be set against, but not fully match, the Glencore Shareholder's liability on the gross dividend and such Glencore Shareholder will have to account for additional income tax equal to (currently) 32.5 per cent. of the gross dividend (which is also equal to approximately 36.1 per cent. of the cash dividend) to the extent that the gross dividend when treated as the top slice of the Glencore Shareholder's income falls above the threshold for additional rate income tax. It was announced in the 2012 Budget that the additional rate of income tax will, from 6 April 2013, be reduced to 45 per cent. and that the dividend additional rate will be set at 37.5 per cent. If the relevant computations are made in the same way as is currently the case, an additional rate individual Shareholder will, from that date, have to account for additional income tax equal to 27.5 per cent. of the gross dividend (which is equal to approximately 30.6 per cent. of the net dividend), to the extent that the gross dividend falls above the threshold for the additional rate of income tax.

Corporate shareholders

Glencore Shareholders who are within the charge to UK corporation tax in respect of Glencore Shares will be subject to corporation tax on the gross amount of any dividends paid by Glencore, subject to any applicable credit for Swiss Withholding Tax (as defined below), unless (subject to special rules for such Glencore Shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. It is expected that the dividends paid by Glencore would generally be exempt for such Glencore Shareholders.

There is, however, some doubt as to whether HMRC agrees with the statements contained in this section ("*UK taxation of dividends on the New Glencore Shares*") in respect of distributions made out of share premium and, therefore, it is unclear how HMRC would interpret a distribution by Glencore out of "Qualifying Reserves" (as is intended, see the discussion under "*Swiss taxation*" below). In such cases, and despite recent judicial opinion to the contrary, there is a possibility that HMRC may seek to argue, in relation to certain classes of Glencore Shareholders, that such a distribution should not be treated under the rules for income distributions, but is instead within the charge to tax on chargeable gains. ***In light of this uncertainty, shareholders are advised to consult their own professional advisers in relation to the implications of distributions by Glencore.***

Impact of Swiss Withholding Tax

As described more fully under "*Swiss taxation*" below, dividends and other distributions paid by Glencore out of reserves other than the "Qualifying Reserves" will be subject to Swiss Withholding Tax on the cash amount of the distribution at the then prevailing rate (currently 35 per cent.). A UK resident

Glencore Shareholder may be able to claim a partial refund (four-sevenths) of the Swiss Withholding Tax withheld under Article 10, paragraph 2 (b) of the UK-Switzerland double tax convention.

A UK resident individual Glencore Shareholder will generally be entitled to credit for the 15 per cent. of Swiss Withholding Tax withheld from a dividend or other distribution paid by Glencore and not recoverable from the Swiss tax authorities against income tax payable by such Glencore Shareholder in respect of the dividend.

Under the dividend exemption rules of Part 9A of the Corporation Tax Act 2009, any Glencore Shareholder within the charge to corporation tax should generally not be subject to corporation tax on dividends paid by Glencore. Where the dividend exemption applies, no credit for any Swiss Withholding Tax withheld from a dividend paid by Glencore will be available to a UK resident corporate Glencore Shareholder. However, under the dividend exemption rules, an election can be made for a dividend not to be exempt from corporation tax. If such an election is made, HMRC will generally give credit against UK corporation tax on the dividend for the 15 per cent. Swiss Withholding Tax withheld from a dividend paid by Glencore and not recoverable from the Swiss tax authorities, under the UK-Switzerland double tax convention.

If you are in any doubt about your tax position, you should consult your own professional adviser without delay.

UK taxation consequences of disposing of the New Glencore Shares in the future

UK tax on gains

A disposal of New Glencore Shares by a UK tax resident Glencore Shareholder may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for UK tax purposes.

A disposal of the New Glencore Shares by a Glencore Shareholder who is not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and has used, held or acquired the New Glencore Shares for the purposes of such trade, profession or vocation or such branch, agency or permanent establishment may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for UK tax purposes.

A Glencore Shareholder who is an individual and who is temporarily non-resident in the UK for a period of less than five complete tax years may, under anti-avoidance legislation, still be liable to UK taxation on their return to the UK on a chargeable gain realised on the disposal or part disposal of the New Glencore Shares during the period when he is non-resident.

For corporate shareholders only, indexation allowance on the relevant proportion of the original allowable cost should be taken into account for the purposes of calculating a chargeable gain (but not an allowable loss) arising on a disposal or part disposal of its New Glencore Shares.

UK stamp duty and SDRT on transfers of New Glencore Shares

In practice, UK stamp duty should generally not need to be paid on an instrument transferring New Glencore Shares, provided that such instruments are executed and retained outside of the UK. No UK SDRT will be payable in respect of any agreement to transfer New Glencore Shares.

The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that the New Glencore Shares will not be registered in a register kept in the UK by or on behalf of Glencore. Glencore has confirmed that it does not intend to keep such a register in the UK.

B. United States Taxation

The following is a summary based on present law of US federal income tax considerations relevant to the exchange of Scheme Shares for New Glencore Shares in the Merger and to the ownership of New Glencore Shares. It addresses only US Holders (as defined below) that exchange Scheme Shares in the Merger, hold all shares as capital assets and use the US dollar as their functional currency. It is not a complete description of all the tax considerations that may be relevant to a particular US Holder. It does not consider the circumstances of holders subject to special tax regimes, such as banks, insurance companies, regulated investment companies, dealers, traders in securities that elect mark-to-market treatment, insurance companies, tax-exempt entities or persons holding shares as part of a hedge, straddle, conversion or other integrated financial transaction. It does not address persons resident in the

United Kingdom or Switzerland and persons holding shares through a permanent establishment or fixed base outside the United States. It does not consider consequences for persons who own (or are deemed to own) 10 per cent. or more (by voting power) of the Scheme Shares or that will own (or be deemed to own) 5 per cent. or more (by voting power) of the New Glencore Shares. It does not address US state or local tax considerations. The summary is for general information only; it is not a substitute for tax advice.

*Xstrata understands, and this summary assumes, that Glencore believes it is not and not likely to become a passive foreign investment company ("*PFIC*") for US federal income tax purposes. Glencore's status as a PFIC must be determined annually, and it could therefore change. If Glencore were to be a PFIC in any year, US Holders could suffer material adverse tax consequences.*

THE STATEMENTS ABOUT U.S. FEDERAL INCOME TAX MATTERS IN THIS DOCUMENT ARE MADE TO SUPPORT THE SCHEME. YOU CANNOT RELY ON THEM TO AVOID U.S. FEDERAL TAX PENALTIES. EACH SHAREHOLDER SHOULD SEEK ADVICE FROM ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF THE MERGER AND THE OWNERSHIP OF NEW GLENCORE SHARES UNDER THE LAWS OF THE UNITED STATES, THE UNITED KINGDOM, SWITZERLAND AND ANY OTHER JURISDICTION WHERE THE SHAREHOLDER MAY BE SUBJECT TO TAXATION.

As used here, ''US Holder'' means a beneficial owner of Scheme Shares that for US federal income tax purposes is (i) an individual citizen or resident of the United States, (ii) a corporation or other business entity organized in or under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of a US person and the primary supervision of a US court or (iv) an estate the income of which is subject to US federal income taxation regardless of its source.

The US federal tax consequences to a partner in a partnership generally will depend on the status of the partner and the activities of the partnership. US Holders that are partnerships are urged to consult their own tax advisers about the tax consequences to their partners of the Merger and the ownership of New Glencore Shares.

Share Exchange

Xstrata and Glencore intend to treat the Merger as a tax-free reorganization for US federal income tax purposes under section 368(a) of the US Internal Revenue Code. Neither Xstrata nor Glencore can offer any assurance that the intended treatment will be sustained, however, because neither has sought a ruling from US tax authorities or an opinion from US tax counsel about the proper US tax treatment of the Merger.

Assuming the Merger is a tax-free reorganization, a US Holder will recognise no gain or loss on the exchange of Scheme Shares for New Glencore Shares. A US Holder's basis in New Glencore Shares will equal its aggregate tax basis in the Scheme Shares exchanged, and its holding period in the New Glencore Shares will include the period it held the Xstrata Shares which become Scheme Shares. If a US Holder acquired different blocks of Scheme Shares at different times or at different prices, the holder's basis and holding period in the New Glencore Shares will be determined separately for each block of shares.

A US Holder may be required to attach to its tax return for the year in which it receives New Glencore Shares a statement regarding application of the tax-free reorganization requirements (including information about the Scheme Shares it exchanged and the New Glencore Shares it received) and to maintain records regarding the Merger.

If the Merger were not a tax-free reorganization, a US Holder receiving New Glencore Shares in exchange for Scheme Shares would recognise a gain or loss equal to the difference between the fair market value of the New Glencore Shares as of the Scheme Record Time and its adjusted tax basis in the Scheme Shares exchanged. Subject to the PFIC discussion below, any gain would be long-term gain if the US Holder held the Scheme Shares for more than one year. Any loss would be long-term loss if the US Holder held the Scheme Shares for more than one year or to the extent the US Holder previously received qualified dividends in excess of 10 per cent. of the holder's basis in the Scheme Shares. Any gain or loss generally would be treated as arising from US sources. Deductions for capital losses are subject to limitations. The holder would have a tax basis in the New Glencore Shares equal to their fair market value as of the Scheme Record Time and a holding period beginning on the following day.

Dividends

US Holders generally must include dividends paid on New Glencore Shares (including the amount of any withholding tax) in their gross income as ordinary income from foreign sources. Dividends will not be eligible for the dividends-received deduction generally available to corporations. They also will not be eligible for the reduced rate on qualified dividend income available to non-corporate US Holders for certain dividends received before 2013.

Subject to generally applicable limitations, a US Holder of New Glencore Shares may claim a foreign tax credit or a deduction for Swiss income taxes withheld by Glencore at the appropriate rate. A US Holder may claim a deduction or a foreign tax credit (subject to other applicable limitations) only for tax withheld at the appropriate rate.

Dividends paid in a currency other than US dollars will be includable in income in a US dollar amount based on the exchange rate in effect on the date of receipt whether or not the payment is converted into US dollars at that time. A US Holder's tax basis in the non-US currency will equal the US dollar amount included in income. Any gain or loss on a subsequent conversion of the non-US currency into US dollars for a different amount generally will be US source ordinary income or loss.

Dispositions

Subject to the PFIC discussion below, the sale or other disposition of New Glencore Shares will result in a capital gain or loss in an amount equal to the difference between the US Holder's adjusted tax basis in the shares and the US dollar value of the amount realised. Any gain will be long-term gain if the US Holder's holding period for the New Glencore Shares exceeds one year. Any loss will be long-term loss if the US Holder's holding period exceeds one year or (assuming the Merger is a tax-free reorganization) to the extent the US Holder previously received qualified dividends on Scheme Shares in excess of 10 per cent. of the holder's basis in those shares.

A US Holder that receives a currency other than US dollars in exchange for its shares will realise an amount equal to the US dollar value of the currency received at the spot rate on the date of disposition (or, if the shares are traded on an established securities market and a US Holder is a cash-basis or electing accrual basis taxpayer, at the spot rate on the settlement date). A US Holder will have a tax basis in the currency received equal to the US dollar value of the currency on the settlement date. Any currency gain or loss realised on the settlement date or on a subsequent conversion or other disposition of the currency for a different US dollar amount generally will be US source ordinary income or loss.

Passive foreign investment company

Xstrata believes that it is not and has not been a PFIC. Xstrata understands that Glencore believes that it is not a PFIC and is not likely to become a PFIC in the current or subsequent tax years. Because a company's status as a PFIC must be redetermined each year based on its income and assets (including goodwill) for the year, however, neither Xstrata nor Glencore can assure US Holders that it will not be a PFIC in the current or subsequent years.

A non-US corporation would be a PFIC in any tax year when, taking into account the income and assets of certain subsidiaries, either passive income represents 75 per cent. or more of its gross income or assets held for the production of passive income represent 50 per cent. or more of the average quarterly value of its assets. Passive income generally includes gain from commodities transactions. Commodities are Xstrata's and Glencore's principal products, but passive income does not include gains from the sale of commodities if substantially all of a company's commodities are inventory, depreciable property used in its business or supplies used or consumed in the ordinary course of business. Xstrata believes, and it understands that Glencore believes, its and Glencore's commodities gains qualify for these active business exceptions. Neither Xstrata nor Glencore can assure US Holders that its commodities gains will qualify for the exceptions in the current or subsequent years.

If Xstrata were a PFIC in any tax year when a US Holder owned Xstrata Shares which become Scheme Shares, or Glencore were a PFIC in any tax year when a US Holder owned New Glencore Shares, the US Holder would be subject to additional taxes on any excess distributions received from the company and on any gain from the sale or other disposition of the company's shares whether or not the company continued to be a PFIC. A holder has an excess distribution to the extent that distributions on shares during a tax year exceed 125 per cent. of the average distributions during the three preceding years or (if shorter) the holder's holding period.

To compute the tax on excess distributions or any gain, (i) the excess distribution or the gain is allocated rateably over the holder's holding period, (ii) the amount allocated to the current year and any year before the company became a PFIC is taxed as ordinary income in the current year and (iii) the amount allocated to other taxable years is taxed at the highest applicable marginal rate in effect for each year and an interest charge is imposed to recover the deemed benefit from the deferred payment of the tax attributable to each year. If a company were a PFIC, a US Holder generally would be subject to similar rules with respect to distributions by, and dispositions of the shares of, any direct or indirect subsidiaries of the company that were also PFICs.

If a company in which it holds shares is a PFIC, a US Holder may avoid some of the tax consequences just described by electing to mark the shares that it holds to market annually. Any gain from marking the shares to market or from disposing of them will be ordinary income. A US Holder may recognise loss from marking the shares to market, but only to the extent of unreversed gains from marking them to market. Loss from marking shares to market will be ordinary, and loss on disposing of them will be ordinary loss except to the extent of unreversed gains.

A US Holder will not be able to elect to treat either Xstrata or Glencore as a qualified electing fund (''QEF'') because neither company intends to prepare the information needed to make a QEF election.

US Holders should consult their own tax advisers about the potential application of the PFIC provisions summarised here.

Reporting and withholding

Dividends on and proceeds from the disposition of New Glencore Shares may be reported to the US Internal Revenue Service unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding tax may apply to amounts subject to reporting if the holder fails to provide an accurate taxpayer identification number or to meet other conditions. The amount of any backup withholding tax may be credited against, or refunded to the extent it exceeds, the holder's US federal income tax liability.

A US Holder may be required specifically to report to the US Internal Revenue Service the receipt of New Glencore Shares in the Merger. A US Holder may also be required to report to the Internal Revenue Service information about its investment in the New Glencore Shares not held through an account with a financial institution. Holders who fail to report required information could become subject to substantial penalties. A US Holder may also be required specifically to report a sale or other taxable disposition of the New Glencore Shares to the Internal Revenue Service if it recognises a foreign currency or other loss from a single transaction that exceeds, in the case of an individual or trust, US$50,000 in a single taxable year or, in other cases, various higher thresholds. US Holders should consult their tax advisers about these possible reporting requirements.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR HOLDER. EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISER.

C. Swiss Taxation

The following paragraphs are a general summary of Swiss Withholding Tax, certain tax consequences of the Scheme, and the holding and disposal of the New Glencore Shares. These discussions are based, as applicable, on the tax laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions of Switzerland as in effect on the date of this document, which are subject to change (or subject to changes in interpretations), possibly with retrospective effect. This is not a complete analysis of the potential tax effects relevant to owning New Glencore Shares, nor does the following summary take into account or discuss the tax laws of any jurisdiction other than Switzerland. It also does not take into account investors' individual circumstances. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of New Glencore Shares. Investors are advised to consult their own tax advisers as to Swiss or other tax consequences of the acquisition, ownership and disposition of the New Glencore Shares. Tax consequences may differ according to the provisions of different double taxation treaties and the investor's particular circumstances. The statements and discussion of Swiss taxes set out below are of a general nature and do not relate to persons in the business of buying and selling shares or other securities.

Swiss tax consequences of the Scheme

Swiss tax consequences of the reclassification of Xstrata Shares into A Shares and B Shares

The reclassification of Xstrata's Shares into A Shares and B shares has no tax consequences for Swiss tax resident individual and corporate shareholders.

Swiss tax consequences of the cancellation of the B Shares and issue of the New Glencore Shares

Income tax for individual shareholders

The cancellation of the B Shares and issue of the New Glencore Shares qualifies for Swiss tax purposes as a tax neutral merger-like transaction (*Quasifusion*). For Swiss tax resident individual shareholders holding their Scheme Shares as private assets (*Privatvermögen*) the exchange of Scheme Shares into New Glencore Shares is tax neutral for federal, cantonal and communal income tax purposes. For Swiss tax resident individual shareholders holding their Scheme Shares as business assets (*Geschäftsvermögen*), including professional securities dealers, and for foreign individual shareholders or partnerships holding their Scheme Shares in a Swiss permanent establishment or a fixed place of business, the share-for-share exchange is tax neutral for federal, cantonal and communal income tax purposes provided the Glencore Shares will carry over the (tax) book value of the Scheme Shares.

Income tax for corporate shareholders

Generally, for Swiss tax resident corporate shareholders and for foreign corporate shareholders holding their Xstrata shares in a Swiss permanent establishment, the share-for-share exchange is tax neutral for corporate income tax purposes provided the New Glencore Shares will carry over the (tax) book value of the Xstrata Shares and provided Glencore would record the shares received in Xstrata at net asset value of Xstrata. It is, however, understood, that Glencore will record the shares received in Xstrata at their market value. According to the regulations regarding restructurings issued by the federal tax administration (Kreisschreiben EStV Nr. 5), paragraph 4.6.2.2, this would trigger corporate income tax for Swiss resident corporate shareholders on the difference between the market value of the Xstrata shares recorded by Glencore and the (tax) book value of the Scheme Shares.

Swiss withholding tax

The share-for-share exchange within a merger-like transaction is not subject to Swiss withholding tax. This has been confirmed by a tax ruling granted by the Swiss Federal Tax Administration.

Stamp duties

Pursuant to a ruling by the Swiss Federal Tax Administration the issue of the New Glencore Shares and the New Xstrata Shares is not subject to Swiss one-time capital duty (*Emissionsabgabe*) and the exchange of Scheme Shares for New Glencore Shares within the context of the Scheme is not subject to the Swiss securities transfer tax.

Swiss Withholding Tax on future distributions and capital redemptions of Glencore

Any dividends or similar cash or in-kind distributions of profit and reserves or capital redemptions, other than out of Qualifying Reserves (*Reserven aus Kapitaleinlagen*), made by Glencore in respect of the New Glencore Shares, including stock dividends and the distribution of any liquidation proceeds in excess of nominal share capital and Qualifying Reserves, will be subject to Swiss Withholding Tax imposed on the gross amount at the then prevailing rate (currently 35 per cent.).

For distributions subject to Swiss Withholding Tax, Glencore may only pay out 65 per cent. of the gross amount of any dividend or similar distribution to the holders of New Glencore Shares. A portion equal to 35 per cent. of the gross amount of such dividend or similar distribution must be paid to the Swiss Federal Tax Administration. The redemption of New Glencore Shares may under certain circumstances (in particular, if the New Glencore Shares are redeemed for subsequent cancellation) be taxed as a partial liquidation for Swiss Withholding Tax purposes, with the effect that Swiss Withholding Tax at the then prevailing rate (currently 35 per cent.) is due on the difference between the redemption price and nominal value plus proportionate Qualifying Reserves of the redeemed New Glencore Shares.

However, dividends, similar distributions or capital redemptions out of Qualifying Reserves and repayments of the nominal share capital will not be subject to Swiss Withholding Tax. A tax ruling by the Swiss Federal Tax Administration confirmed that the quasi-merger generally results in a contribution into

the existing Qualifying Reserves of Glencore. It is at the discretion of Glencore's shareholders to decide (at a shareholders' meeting) whether to distribute a dividend out of Qualifying Reserves free of Swiss Withholding Tax and/or out of profit, retained earnings or non-qualifying reserves subject to Swiss Withholding Tax. Once cumulative distributions out of Qualifying Reserves exceed the value threshold described above, any distributions paid by Glencore will be subject to Swiss Withholding Tax. To the extent that additional shares are issued by Glencore in the future, the value of the distributions which can be made free of Swiss Withholding Tax will be increased by an amount corresponding to the total nominal share capital and paid-in capital/share premium of the shares issued.

Swiss resident beneficiaries of taxable dividends, similar distributions or capital redemptions who are subject to Swiss Withholding tax in respect of the New Glencore Shares are entitled to full subsequent relief of the Swiss Withholding Tax, either through a tax refund or tax credit against their income tax liability, provided that they duly report the underlying income in their tax returns or financial statements used for tax purposes (as the case may be) and if there is no tax avoidance. Non-Swiss resident beneficiaries of dividends and similar distributions in respect of the New Glencore Shares may be entitled to a partial or full relief at source or refund of the Swiss Withholding Tax in accordance with any applicable double taxation convention between Switzerland and the beneficiary's country of tax residence or to a tax credit of the amount finally withheld in Switzerland in accordance with any applicable double taxation convention between Switzerland and the beneficiary's country of tax residence.

Swiss taxation of dividends on the New Glencore Shares

Income and profit tax

Income tax for individuals holding the shares as private assets

An individual who is resident in Switzerland for tax purposes and holds New Glencore Shares as part of his or her private assets (*Privatvermögen*) and who receives dividends and similar distributions (including stock dividends and liquidation proceeds in excess of nominal share capital and Qualifying Reserves) from Glencore must include these distributions in his or her personal tax return and will be subject to federal, cantonal and communal income tax on any net taxable income for the relevant tax period. However, dividends and similar distributions as well as capital redemptions out of Qualifying Reserves and repayments of the nominal share capital will not be subject to federal, cantonal and communal income tax. Stock dividends may be treated differently for cantonal and communal taxes depending on the canton of residency. Since no individual shareholder of the New Glencore Shares holds at least 10 per cent of the nominal share capital of Glencore, the tax consequences of such a shareholding are not described here.

Income tax for individuals holding the shares as business assets

Swiss resident individuals holding New Glencore Shares as business assets, as well as non-Swiss resident individuals holding the shares as part of a permanent establishment or a fixed place of business, are required to include all taxable distributions received on the New Glencore Shares in their income statements and will be subject to federal, cantonal and communal income tax on any net taxable income for the relevant tax period. Since no individual shareholder of the New Glencore Shares presently holds at least 10 per cent. of the nominal share capital of Glencore, the tax consequences of such a shareholding are not described here.

Income tax for corporate shareholders

Corporate shareholders tax resident in Switzerland or non-Swiss resident corporate shareholders holding New Glencore Shares as part of a Swiss permanent establishment are required to include all taxable distributions received on the New Glencore Shares in their profit and loss statement relevant for profit tax purposes and will be subject to federal, cantonal and communal corporate profit tax on any net taxable earnings for such period. A Swiss corporation or co-operative, or a non-Swiss corporation or co-operative holding New Glencore Shares as part of a Swiss permanent establishment, may, under certain circumstances, benefit from taxation relief with respect to distributions (*Beteiligungsabzug*), provided such New Glencore Shares represent at the time of the distribution at least a fair market value of at least 1 million Swiss francs.

A corporate holder of New Glencore Shares who is not a resident of Switzerland for tax purposes will not be liable for any Swiss income or profit taxes on dividends and similar distributions with respect to the

New Glencore Shares, unless the New Glencore Shares are attributable to a permanent establishment in Switzerland by such non-Swiss resident.

Net worth and capital taxes

An individual, who is a Swiss resident for tax purposes, or a non-Swiss resident holding New Glencore Shares as part of a permanent establishment or fixed place of business situated in Switzerland, is required to include his or her New Glencore Shares in his or her assets which are subject to cantonal and communal net worth taxes. No net worth tax is levied at the federal level.

Corporate shareholders tax resident in Switzerland or non-Swiss resident corporate shareholders with a Swiss permanent establishment are subject to cantonal and communal capital tax. The cantonal and communal capital tax is levied on the basis of the taxable equity of the legal entities. Usually, the acquisition of New Glencore Shares should not influence the equity of a legal entity and should therefore have no or only limited influence on its capital tax charge. No capital tax is levied at the federal level.

Swiss taxation on the disposal of New Glencore Shares

Individuals

Individuals who are resident in Switzerland for tax purposes and hold New Glencore Shares as part of their private assets (*Privatvermögen*) generally are exempt from Swiss federal, cantonal and communal taxes with respect to capital gains realised upon the sale or other disposal of New Glencore Shares. Under certain circumstances, share sale proceeds of a private individual may be recharacterised into taxable investment income. Upon a repurchase of New Glencore Shares by Glencore, the portion of the repurchase price in excess of the nominal amount and Qualifying Reserves may be classified as taxable investment income if the New Glencore Shares repurchased are not sold within a six-year period or if the New Glencore Shares are repurchased for a capital redemption. Capital gains realised by an individual on New Glencore Shares that are held as part of his or her business assets, including an individual being qualified as professional securities dealer, are subject to income taxation and social security contributions.

Corporate shareholders

Capital gains upon the sale or other disposal of New Glencore Shares realised by corporate shareholders resident in Switzerland for tax purposes or non-Swiss resident corporate shareholders holding New Glencore Shares as part of a Swiss permanent establishment are generally subject to ordinary profit taxation. Since no individual shareholder of the New Glencore Shares presently holds at least 10 per cent. of the nominal share capital of Glencore, the tax consequences of such a shareholding are not described here.

Non-resident individual and corporate shareholders

Individual and corporate shareholders which are not Swiss residents for tax purposes and do not hold New Glencore Shares as part of a Swiss business operation or a Swiss permanent establishment or fixed place of business situated in Switzerland are generally not subject to Swiss income or profit taxes on gains realised upon the disposal of the New Glencore Shares.

Gift and inheritance taxes

The transfer of New Glencore Shares may be subject to cantonal and/or communal gift, estate or inheritance taxes if the donor is, or the deceased was, resident for tax purposes in a canton levying such taxes.

Swiss securities transfer tax

The subsequent transfer of any New Glencore Shares may be subject to Swiss securities transfer tax (*Umsatzabgabe*) at a current rate of 0.30 per cent., if such transfer occurs through or with a Swiss or Liechtenstein bank or securities dealer as defined in the Swiss Federal Stamp Tax Act.

PART VI
ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENTS

1.1 The Independent Xstrata Directors, whose names are set out in paragraph 2.1 of this Part VI, each accept responsibility for the information contained in this document other than (a) in respect of the Xstrata Executive Directors only, the information for which responsibility is taken by the Independent Non-Executive Xstrata Directors pursuant to paragraph 1.2 of this Part VI, (b) information for which responsibility is taken by the Glencore Directors pursuant to paragraph 1.3 of this Part VI, and (c) the information contained in the Employee Representatives' Opinions set out at the Appendix to this document. To the best of the knowledge and belief of the Independent Xstrata Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 The Independent Non-Executive Xstrata Directors, whose names are asterisked in paragraph 2.1 of this Part VI, each accept responsibility for the recommendation that eligible Xstrata Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions at the Xstrata General Meeting as set out in this document. To the best of the knowledge and belief of the Independent Non-Executive Xstrata Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible pursuant to the terms of this paragraph 1.2 is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.3 The Glencore Directors, whose names are set out in paragraph 2.3 of this Part VI, each accept responsibility for the information contained in this document relating to (a) the Glencore Group and the Glencore Directors and their immediate families, related trusts and companies and those other persons presumed to be acting in concert with Glencore, and (b) the future plans for the Combined Group, its management and employees. To the best of the knowledge and belief of the Glencore Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. DIRECTORS

2.1 The Independent Xstrata Directors and their principal functions are as follows:

Name	Current Position
Sir John Bond*	Independent Non-Executive Chairman
Mick Davis	Chief Executive Officer
Trevor Reid	Chief Financial Officer
Santiago Zaldumbide	Executive Director and Chief Executive of Xstrata Zinc
David Rough*	Deputy Chairman and Senior Independent Non-Executive Director
Dr Con Fauconnier*	Non-Executive Director
Peter Hooley*	Non-Executive Director
Claude Lamoureux*	Non-Executive Director
Sir Steve Robson CB*	Non-Executive Director
Ian Strachan*	Non-Executive Director

* Independent Non-Executive Xstrata Directors.

The registered office of Xstrata plc and the business address of each of the Independent Xstrata Directors is 4th Floor, Panton House, 25/27 Haymarket, London SW1Y 4EN.

2.2 Each of Mr Glasenberg, Mr Mistakidis and Mr Peterson are Xstrata Non-Executive Directors but, as nominees of Glencore appointed to the board of directors of Xstrata pursuant to the terms of the Relationship Agreement, are not Independent Xstrata Directors.

2.3 The Glencore Directors and their principal functions are as follows:

Name	Current Position
Simon Murray	Independent Non-Executive Chairman
Ivan Glasenberg	Chief Executive Officer
Steve Kalmin	Chief Financial Officer
Peter Coates	Independent Non-Executive Director
Leonard Fischer	Independent Non-Executive Director
Anthony Hayward	Senior Independent Non-Executive Director
William Macaulay	Independent Non-Executive Director
Li Ning	Independent Non-Executive Director

The registered office of Glencore International plc and the business address of each of the Glencore Directors is Queensway House, Hilgrove Street, St. Helier, Jersey JE1 1ES.

3. PERSONS ACTING IN CONCERT

3.1 In addition to the Glencore Directors, the persons who, for the purposes of the Code, are acting in concert with Glencore in respect of the Merger are:

Name	Registered Office	Relationship with Glencore
BNP Paribas Corporate Finance	10 Harewood Avenue London NW1 6AA	Connected adviser
Citigroup Global Markets Limited	Citigroup Centre Canada Square Canary Wharf London E14 5LB	Connected adviser
Credit Suisse Securities (Europe) Limited	One Cabot Square London E14 4QJ	Connected adviser
Morgan Stanley & Co. Limited	25 Cabot Square Canary Wharf London E14 4QA	Connected adviser

3.2 The persons who, for the purposes of the Code, are acting in concert with Xstrata in respect of the Merger are:

Name	Registered Office	Relationship with Xstrata
Deutsche Bank AG, London Branch	Winchester House 1 Great Winchester Street London EC2N 2DB	Connected adviser
J.P. Morgan Limited	125 London Wall London EC2Y 5AJ	Connected adviser
Goldman Sachs International	Peterborough Court 133 Fleet Street London EC4A 2BB	Connected adviser
Nomura International plc	1 Angel Lane London EC4R 3AB	Connected adviser
Barclays Bank PLC	1 Churchill Place London E14 5HP	Connected adviser

4. Market quotations

The following table shows the closing-middle market prices, as derived from the Daily Official List, for Xstrata Shares and Glencore Shares on the first business day in each of the six months prior to the date of this document, on 1 February 2011 (being the last business day prior to the commencement of the Offer Period) and on 29 May 2012 (being the last practicable date prior to the posting of this document):

Date	Xstrata Shares	Glencore Shares
1 December 2011	1,008.00	392.25
3 January 2012	1,032.50	418.15
1 February 2012	1,119.50	431.75
1 March 2012	1,212.00	427.15
2 April 2012	1,097.00	399.15
1 May 2012	1,205.00	434.60
29 May 2012	957.80	354.10

5. Disclosure of interests and dealings in shares

5.1 For the purposes of this Part VI:

(a) "acting in concert" has the meaning given in the Code;

(b) "arrangement" includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;

(c) "connected adviser" has the meaning given in the Code;

(d) "dealing" or "dealt" has the meaning given in the Code;

(e) "derivative" has the meaning given in the Code;

(f) "disclosure period" means the period commencing on 2 February 2011 (being the date 12 months prior to the Offer Period) and ending on 28 May 2012 (for the purposes of this paragraph 5.1 of this Part VI, being the last practicable date prior to the posting of this document);

(g) "Glencore relevant securities" means relevant securities of Glencore (such term having the meaning given in the Code in relation to an offeror), including Glencore Shares and securities carrying conversion or subscription rights into Glencore Shares;

(h) references to a person having an "interest" in Xstrata or Glencore relevant securities (as applicable) has the meaning given in the Code;

(i) references to Glencore Directors or Xstrata Directors having an interest in relevant securities are to be interpreted in accordance with Part XX of the Companies Act;

(j) "short position" means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative; and

(k) "Xstrata relevant securities" means relevant securities of Xstrata (such term having the meaning given in the Code in relation to an offeree), including Xstrata Shares and securities of Xstrata carrying conversion or subscription rights into Xstrata Shares.

5.2 Interests in Xstrata relevant securities

As at the close of business on 28 May 2012 (for the purposes of this paragraph 5.2 of this Part VI, being the last practicable date prior to the posting of this document):

(a) Glencore, through its wholly-owned subsidiary undertaking, Finges B.V., beneficially held 1,010,403,999 Xstrata Shares representing approximately 33.65 per cent. of the current issued ordinary share capital of Xstrata;

(b) the Glencore Directors (including members of their immediate families, close relatives and related trusts) had the following interests in or rights to subscribe for Xstrata relevant securities:

Name of Glencore Director	Number of Xstrata relevant securities
Peter Coates	512,838

(c) persons acting, or presumed to be acting, in concert with Glencore had an interest in or right to subscribe for the following Xstrata relevant securities:

Name	Number of Xstrata relevant securities
Citigroup Global Markets Inc	1,290
Citibank (Switzerland) AG	13,328
Citibank (Channel Islands) Limited	10,021
Citibank London	1,646
Citibank NA	17,931
BNP Paribas Asset Management	5,249,890
BNP Paribas Suisse SA	65,245
BGL BNPP (Luxembourg)	2,215
Bank Insinger de Beaufort NV (UK Branch)	5,620
Bank Insinger de Beaufort NV (Netherlands)	4,170

(d) the interests of the Xstrata Directors (including members of their immediate families, close relatives and related trusts) in Xstrata relevant securities apart from options which are disclosed under paragraph (e) below were as follows:

Name	Number of Xstrata relevant securities
Mick Davis	2,517,549
Trevor Reid	647,365
Sir John Bond	1,000
Claude Lamoureux	27,000
David Rough	25,249
Ian Strachan	43,098
Santiago Zaldumbide	258,126

(e) the interests of the Xstrata Directors in awards and options over Xstrata Shares under the Xstrata Share Scheme(s) were as follows (For the avoidance of doubt, the share options in the table entitled ''Vested Share Options'' are already fully vested and, as a result, the Merger does not impact their economic value):

Vested Share Options

Name	Scheme	Number of Xstrata Shares under option	Normal exercise period	Exercise price
Mick Davis	Xstrata LTIP 2003 award	661,590	1 Mar 2006—10 Feb 2013	£1.82
Mick Davis	Xstrata LTIP 2004 award	1,361,071	6 Mar 2007—4 Mar 2014	£3.72
Mick Davis	Xstrata Annual Bonus Plan	91,944	1 Feb 2012—1 Feb 2021	Nil
Trevor Reid	Xstrata LTIP 2004 award	310,822	6 Mar 2007—4 Mar 2014	£3.72
Trevor Reid	Xstrata LTIP 2005 award	379,178	26 Mar 2008—11 Mar 2015	£5.37
Trevor Reid	Xstrata LTIP 2006 award	117,788	11 Mar 2009—10 Mar 2016	£8.70
Trevor Reid	Xstrata LTIP 2007 award	92,223	16 Mar 2010—15 Mar 2017	£13.59

Name	Scheme	Number of Xstrata Shares under option	Normal exercise period	Exercise price
Trevor Reid	Xstrata LTIP 2008 award	93,676	5 Apr 2011—4 Apr 2018	£20.0168
Trevor Reid	Xstrata LTIP 2009 award	750,760	13 Mar 2012—12 Mar 2019	£3.35
Trevor Reid	Xstrata Annual Bonus Plan	46,312	7 Feb 2012—1 Feb 2021	Nil
Santiago Zaldumbide . . .	Xstrata LTIP 2008 award	89,095	5 Apr 2011—4 Apr 2018	£20.02
Santiago Zaldumbide . . .	Xstrata LTIP 2009 award	743,920	13 Mar 2012—12 Mar 2019	£3.35
Santiago Zaldumbide . . .	Xstrata Annual Bonus Plan	58,149	7 Feb 2012—1 Feb 2021	Nil

Unvested Share Options (To vest or become exercisable upon the sanction of the Scheme at the Scheme Court Hearing)

Name	Scheme	Number of Xstrata Shares under option	Normal exercise period	Exercise price
Mick Davis	Xstrata AVP	834,498	17 Apr 2013—17 Apr 2022	Nil
Mick Davis	Xstrata AVP	834,498	17 Apr 2014—17 Apr 2022	Nil
Mick Davis	Xstrata LTIP 2010 award	696,809	19 Feb 2013—18 Feb 2020	£10.31
Mick Davis	Xstrata LTIP 2011 award	562,791	19 Feb 2014—18 Feb 2021	£14.68
Mick Davis	Xstrata LTIP 2012 award	660,025	18 Feb 2015—17 Feb 2022	£11.94
Mick Davis	Xstrata Annual Bonus Plan	91,944	1 Feb 2013—1 Feb 2021	Nil
Mick Davis	Xstrata Annual Bonus Plan	119,795	1 Feb 2013—1 Feb 2022	Nil
Mick Davis	Xstrata Annual Bonus Plan	119,795	1 Feb 2014—1 Feb 2022	Nil
Trevor Reid	Xstrata LTIP 2010 award	351,064	19 Feb 2013—18 Feb 2020	£10.31
Trevor Reid	Xstrata LTIP 2011 award	283,480	19 Feb 2014—18 Feb 2021	£14.68
Trevor Reid	Xstrata LTIP 2012 award	346,167	18 Feb 2015—17 Feb 2022	£11.94
Trevor Reid	Xstrata Annual Bonus Plan	46,312	1 Feb 2013—1 Feb 2021	Nil
Trevor Reid	Xstrata Annual Bonus Plan	62,829	1 Feb 2013—1 Feb 2022	Nil
Trevor Reid	Xstrata Annual Bonus Plan	62,829	1 Feb 2014—1 Feb 2022	Nil
Santiago Zaldumbide . . .	Xstrata LTIP 2010 award	344,286	19 Feb 2013—18 Feb 2020	£10.31
Santiago Zaldumbide . . .	Xstrata LTIP 2011 award	233,371	19 Feb 2014—18 Feb 2021	£14.68
Santiago Zaldumbide . . .	Xstrata LTIP 2012 award	299,989	18 Feb 2015—17 Feb 2022	£11.94
Santiago Zaldumbide . . .	Xstrata Annual Bonus Plan	43,611	1 Feb 2013—1 Feb 2021	Nil
Santiago Zaldumbide . . .	Xstrata Annual Bonus Plan	72,542	1 Feb 2013—1 Feb 2022	Nil
Santiago Zaldumbide . . .	Xstrata Annual Bonus Plan	72,542	1 Feb 2014—1 Feb 2022	Nil

Unvested Share Awards (To vest upon sanction of the Scheme at the Scheme Court Hearing)

Name	Scheme	Number of Xstrata Shares under award	Normal vesting date	Exercise price
Mick Davis	Xstrata LTIP 2010 award	209,043	18 Feb 2013	N/A
Mick Davis	Xstrata LTIP 2011 award	204,856	18 Feb 2014	N/A
Mick Davis	Xstrata LTIP 2012 award	239,589	17 Feb 2015	N/A
Trevor Reid	Xstrata LTIP 2010 award	105,319	18 Feb 2013	N/A
Trevor Reid	Xstrata LTIP 2011 award	103,187	18 Feb 2014	N/A
Trevor Reid	Xstrata LTIP 2012 award	125,658	17 Feb 2015	N/A
Santiago Zaldumbide	Xstrata LTIP 2010 award	103,286	18 Feb 2013	N/A
Santiago Zaldumbide	Xstrata LTIP 2011 award	84,947	18 Feb 2014	N/A
Santiago Zaldumbide	Xstrata LTIP 2012 award	108,896	17 Feb 2015	N/A

(f) the following persons acting, or presumed to be acting, in concert with Xstrata had interests in, or rights to subscribe for, Xstrata relevant securities:

Name	Number of Xstrata relevant securities
Kleinwort Benson (Guernsey) Trustees Limited as trustee of the Xstrata plc Employee Share Ownership Trust	14,704,719
Xstrata Guernsey Limited as trustee of the Xstrata plc Number 2 Employee Share Ownership Trust	5,600,230
Concept Fund Solutions PLC	5,061
Deutsche Bank AG London	(4,034)
Deutsche Postbank Vermögens-Management S.A.	50,000
Frankfurt-Trust Invest Luxemburg AG	70,000
Frankfurt-Trust Investment-Gesellschaft mbH	70,600
JPMorgan Funds Management, Inc.	59,497
Goldman, Sachs & Co	(13,800)
Goldman, Sachs & Co	458,400 Put Options
Goldman, Sachs & Co	(458,400) Put Options
Barclays Bank PLC	394,253

5.3 Dealings in Xstrata relevant securities

During the disclosure period:

(a) the following persons acting, or presumed to be acting, in concert with Glencore dealt in Xstrata relevant securities:

Name	Date of transaction	Nature of transaction	Number of Xstrata relevant securities	High price per security	Low price per security
Citigroup	2 February 2012	Sale	200 (Xstrata Shares)	US$19.34	US$19.34
Citigroup	2 February 2012	Purchase	579.8 (Xstrata ADRs)	US$3.83	US$3.83
BNP Paribas	2 February 2011—1 May 2011	Sale	172,410	£15.23	£13.36
BNP Paribas	2 February 2011—1 May 2011	Purchase	601,078	£15.30	£13.47
BNP Paribas	2 May 2011—1 August 2011	Sale	537,875	£15.30	£12.35
BNP Paribas	2 May 2011—1 August 2011	Purchase	1,854,042	£15.36	£12.24
BNP Paribas	2 August 2011—1 November 2011	Sale	65,682	£11.33	£8.34
BNP Paribas	2 August 2011—1 November 2011	Purchase	716,247	£13.35	£7.64
BNP Paribas	2 November 2011—30 November 2011	Sale	95,822	£10.08	£8.85
BNP Paribas	2 November 2011—30 November 2011	Purchase	691,153	£10.46	£9.46

Name	Date of transaction	Nature of transaction	Number of Xstrata relevant securities	High price per security	Low price per security
BNP Paribas . .	1 December 2011—31 December 2011	Sale	92,828	£10.49	£9.39
BNP Paribas . .	1 December 2011—31 December 2011	Purchase	44,342	£10.65	£9.66
BNP Paribas . .	1 January 2012—31 January 2012	Sale	66,048	£10.86	£10.12
BNP Paribas . .	1 January 2012—31 January 2012	Purchase	196,083	£11.16	£10.22
BNP Paribas . .	1 February 2012—2 February 2012	Purchase	12,708	£11.20	£11.19
BNP Paribas . .	1 April 2012—30 April 2012	Sale	16,950	£11.16	£11.06
BNP Paribas . .	1 May 2012—28 May 2012	Sale	1,361	£9.32	£9.32

(b) Xstrata has not redeemed or purchased any Xstrata relevant securities.

5.4 Between the commencement of the Offer Period and 28 May 2012 (for the purposes of this paragraph 5.4 of this Part VI, being the last practicable date prior to the posting of this document):

(a) the Xstrata Directors and their immediate families and related trusts and companies dealt in Xstrata relevant securities as follows:

Name	Date of transaction	Nature of transaction	Number of Xstrata relevant securities	Price per security
Santiago Zaldumbide	13 March 2012	Vesting of contingent share award	223,176[(1)]	£11.67
Trevor Reid	13 March 2012	Sale	117,353[(2)]	£11.67
Trevor Reid	13 March 2012	Transfer to a connected person	107,874[(3)]	£11.67

(1) The transfer to the director of 223,176 Xstrata Shares on the 88.89 per cent. vesting of contingent Xstrata Shares awarded under the Xstrata LTIP in 2009.

(2) The sale of 117,353 Xstrata Shares for the purpose of funding a tax liability on the 88.89 per cent. vesting of contingent Xstrata Shares awarded under the Xstrata LTIP in 2009.

(3) The transfer of 107,874 Xstrata Shares, being the balance of the contingent Xstrata Shares vesting under the Xstrata LTIP in 2009 to Sandra Reid, a connected person, and the transfer of the said 107,874 Xstrata Shares from Sandra Reid to the Claret Trust, of which Trevor Reid is a beneficiary.

(b) the following persons acting, or presumed to be acting, in concert with Xstrata dealt in Xstrata relevant securities:

Name	Date of transaction	Nature of transaction	Number of Xstrata relevant securities	Price per security
J.P. Morgan Trust Company of Delaware	7 March 2012	Sale	1,170	US$3.45
Barclays Bank PLC	3 February 2012	Sale	5,000	£12.74
Barclays Bank PLC	16 April 2012	Sale	4,730	£11.02

5.5 Interests in Glencore relevant securities

As at the close of business on 28 May 2012 (for the purposes of this paragraph 5.5 of this Part VI, being the last practicable date prior to the posting of this document):

(a) the Glencore Directors (including members of their related families, close relatives and related trusts) had the following interests in or rights to subscribe for Glencore relevant securities:

Name	Number of Glencore relevant securities (Glencore Shares)
Ivan Glasenberg	1,093,418,752
Steven Kalmin	70,523,154
Peter Coates	82,700
Li Ning	123,000
William Macaulay[1]	121,996,976

(1) Of these shares, 114,247,165 are held by FR Galaxy Holdings S.a.r.l. ("FR") and 7,749,811 by ECP Galaxy Holdings S.a.r.l. ("ECP"). Glencore has been notified that (a) FR is a connected person of William Macaulay and (b) ECP is an affiliate of FR. In addition, FR has an economic interest under swap arrangements in 33,750,000 shares and ECP in 2,250,000 shares (being an aggregate 36,000,000 shares in Glencore).

(b) the Glencore Directors had no options over Glencore Shares;

(c) the following persons acting, or presumed to be acting, in concert with Glencore had interests in or rights to subscribe for Glencore relevant securities:

Name	Number of Glencore relevant securities
Citigroup Global Markets Financial Products LLC	473,530 (Glencore Shares)
BNP Paribas Asset Management	287,167 (Glencore Shares)
Bank Insinger de Beaufort NV (UK Branch)	97,128 (Glencore Shares)
BNP Paribas Espana SA	2,056 (Glencore Shares)
BNP Paribas Asset Management	9,100,000 (principal amount of Glencore convertible bonds[1], US$)

(1) Glencore 5 per cent. guaranteed convertible bonds due December 2014.

(d) the following persons acting, or presumed to be acting, in concert with Xstrata had interests in or rights to subscribe for Glencore relevant securities:

Name	Number of Glencore relevant securities
Frankfurt-Trust Invest Luxemburg AG	46,800 Glencore Shares
Goldman Sachs Asia Finance, Ltd.	2,266,303 Glencore Shares
Goldman Sachs Asia Finance, Ltd.	(2,391,640) BBM Barrier Options
Goldman, Sachs & Co.	1,307,000 Put Options
Goldman, Sachs & Co.	(1,307,000) Put Options
Nomura Capital Markets	35,120 Glencore Shares
Barclays Bank PLC	13,585 Glencore Shares

5.6 Dealings in Glencore relevant securities

During the disclosure period:

(a) the Glencore Directors and their immediate families, close relatives and related trusts dealt in Glencore relevant securities as follows:

Name	Date of transaction	Nature of transaction	Number of Glencore relevant securities	Price per security
Ivan Glasenberg	15 September 2011	Purchase	2,250,000	£4.3502
Ivan Glasenberg	16 September 2011	Purchase	3,000,000	£4.487009
Ivan Glasenberg	19 September 2011	Purchase	1,500,000	£4.3767

Name	Date of transaction	Nature of transaction	Number of Glencore relevant securities	Price per security
Ivan Glasenberg . . .	20 September 2011	Purchase	1,010,000	£4.4622
Peter Coates	26 August 2011	Purchase	82,700	£3.8718
Li Ning	30 August 2011	Purchase	62,000	HK$48.87
Li Ning	30 March 2011	Purchase	61,000	HK$48.83
William Macaulay[1] .	7 September 2011	Sale	7,500[2]	US$135,313.89
William Macaulay[1] .	7 September 2011	Sale	500[2]	US$135,313.89
William Macaulay[1] .	8 September 2011	Purchase	31,875,000[3]	£4.25
William Macaulay[1] .	8 September 2011	Purchase	2,125,000[3]	£4.25
William Macaulay[1] .	8 September 2011	Purchase	100,385,312[4]	£4.25
William Macaulay[1] .	8 September 2011	Purchase	6,692,354[4]	£4.25
William Macaulay[1] .	12 September 2011	Purchase	1,179,320	£4.02
William Macaulay[1] .	12 September 2011	Purchase	78,621[4]	£4.02
William Macaulay[1] .	13-16 September 2011	Purchase	1,919,498[4]	£4.05
William Macaulay[1] .	13-16 September 2011	Purchase	127,967[4]	£4.05
William Macaulay[1] .	19-21 September 2011	Purchase	3,119,142[4]	£4.39
William Macaulay[1] .	19-21 September 2011	Purchase	207,943[4]	£4.39
William Macaulay[1] .	22 September 2011	Purchase	4,591,061[4]	£4.14
William Macaulay[1] .	22 September 2011	Purchase	306,071[4]	£4.14
William Macaulay[1] .	23 September 2011	Purchase	4,218,750[4]	£4.02
William Macaulay[1] .	23 September 2011	Purchase	281,250[4]	£4.02
William Macaulay[1] .	26 September 2011	Purchase	137,520[4]	£4.10
William Macaulay[1] .	26 September 2011	Purchase	9,168[4]	£4.10
William Macaulay[1] .	17 November 2011	Sale	1,875,000	£4.1257
William Macaulay[1] .	17 November 2011	Purchase	1,875,000[5]	£4.1257
William Macaulay[1] .	17 November 2011	Sale	125,000	£4.1257
William Macaulay[1] .	17 November 2011	Purchase	125,000[5]	£4.1257

(1) Disclosure for William Macaulay are transactions by FR Galaxy Holdings S.a.r.l. ("FR"), which is a connected person of Mr Macaulay, and ECP Galaxy Holdings S.a.r.l. ("ECP"), which is an affiliate of FR, as applicable.

(2) Agreement to sell 5% Glencore convertible bonds due December 2014 for a price per bond equal to US$135,313.89 per bond

(3) Share swap transactions, with a maximum term of three years.

(4) Agreement to purchase Glencore Shares.

(5) Increase in economic interest in respect of Glencore Shares under the share swap transactions under note (3) above.

(b) the following persons acting, or presumed to be acting, in concert with Glencore dealt in Glencore relevant securities:

Name	Date of transaction	Nature of transaction	Number of Glencore relevant securities (Glencore Shares)	High price per security	Low price per security
Citigroup	1 May 2011—31 July 2011	Sale	114,889,315	£8.56	£4.60
Citigroup	1 May 2011—31 July 2011	Sale	753,173	HK$67.95	HK$48.51
Citigroup	1 May 2011—31 July 2011	Purchase	114,889,315	£8.56	£4.60
Citigroup	1 May 2011—31 July 2011	Purchase	1,608,900	HK$67.38	HK$57.05
Citigroup	1 August 2011—31 October 2011	Sale	7,187,470	£4.56	£3.60
Citigroup	1 August 2011—31 October 2011	Sale	2,383,466	HK$61.30	HK$47.65
Citigroup	1 August 2011—31 October 2011	Purchase	4,926,403	£4.56	£3.60
Citigroup	1 August 2011—31 October 2011	Purchase	2,368,300	HK$60.16	HK$44.30
Citigroup	1 November 2011—31 November 2011	Sale	2,600,754	£4.45	£3.78

Name	Date of transaction	Nature of transaction	Number of Glencore relevant securities (Glencore Shares)	High price per security	Low price per security
Citigroup	1 November 2011—31 November 2011	Sale	268,148	HK$59.82	HK$46.20
Citigroup	1 November 2011—31 November 2011	Purchase	743,000	HK$65.18	HK$45.10
Citigroup	1 December 2011—30 December 2011	Sale	856,196	£4.25	£3.83
Citigroup	1 December 2011—30 December 2011	Sale	383,041	HK$59.82	HK$46.14
Citigroup	1 December 2011—30 December 2011	Purchase	856,196	£4.25	£3.83
Citigroup	1 December 2011—30 December 2011	Purchase	191,900	HK$48.70	HK$46.18
Citigroup	1 January 2012—1 February 2012	Sale	649,590	£4.56	£3.95
Citigroup	1 January 2012—1 February 2012	Sale	380,848	HK$59.82	HK$46.14
Citigroup	1 January 2012—1 February 2012	Purchase	649,590	£4.56	£3.95
Citigroup	1 January 2012—1 February 2012	Purchase	109,300	HK$51.10	HK$47.50
Citigroup	2 February 2012—28 May 2012	Sale	1,184,394	HK$59.82	HK$42.30
Citigroup	2 February 2012—28 May 2012	Purchase	805,200	HK$55.80	HK$42.25
BNP Paribas . . .	2 May 2011—1 August 2011	Sale	63,606	£5.19	£4.76
BNP Paribas . . .	2 May 2011—1 August 2011	Purchase	171,752	£5.30	£4.67
BNP Paribas . . .	2 August 2011—1 November 2011	Sale	92,727	£5.19	£3.67
BNP Paribas . . .	2 August 2011—1 November 2011	Purchase	136,314	£4.13	£3.90
BNP Paribas . . .	2 November 2011—30 November 2011	Sale	24,898	£4.34	£4.34
BNP Paribas . . .	2 November 2011—30 November 2011	Purchase	2,000	£4.05	£4.05
BNP Paribas . . .	1 December 2011—31 December 2011	Sale	5,298	£3.99	£3.84
BNP Paribas . . .	1 January 2012—31 January 2012	Sale	1,882	£3.95	£3.94
BNP Paribas . . .	1 January 2012—31 January 2012	Purchase	737	£4.36	£4.36
BNP Paribas . . .	1 February 2012—2 February 2012	Sale	9,518	£4.32	£4.32

Name	Date of transaction	Nature of transaction	Glencore relevant securities (principal amount of Glencore convertible bonds[1], US$)	High price per security (US$ '000)	Low price per security (US$ '000)
BNP Paribas . . .	2 November 2011—30 November 2011	Purchase	6,500,000	137	133
BNP Paribas . . .	1 December 2011—31 December 2011	Purchase	100,000	130	133
BNP Paribas . . .	1 January 2012—31 January 2012	Purchase	300,000	133	128
BNP Paribas . . .	1 February 2012—2 February 2012	Sale	200,000	135	135

(1) Glencore 5 per cent. guaranteed convertible bonds due December 2014.

(c) Glencore has not redeemed nor purchased any Glencore relevant securities.

5.7 Between the commencement of the Offer Period and 28 May 2012 (for the purposes of this paragraph 5.7 of this Part VI, being the last practicable date prior to the posting of this document):

(a) the following persons acting, or presumed to be acting, in concert with Xstrata dealt in Glencore relevant securities:

Name	Date of transaction	Nature of transaction	Number of relevant securities	High price per security	Low price per security
Goldman Sachs Asia Finance, Ltd. . .	2 February 2012—28 May 2012	Purchase	2,557,800 Glencore Shares	HK$57.09	HK$42.44
Goldman Sachs Asia Finance, Ltd. . .	2 February 2012—28 May 2012	Sell	1,743,080 Glencore Shares	HK$60.20	HK$45.14
Goldman Sachs Asia Finance, Ltd. . .	2 February 2012—28 May 2012	Exercise	120,280 Call Options	N/A	N/A
Goldman Sachs Asia Finance, Ltd. . .	2 February 2012—28 May 2012	Exercise	1,479,780 Put Options	N/A	N/A

5.8 Interests of significant shareholders in Glencore

Other than the interests of Glencore Directors disclosed above, so far as Glencore is aware the following persons hold directly or indirectly 5 per cent. or more of Glencore's voting rights as at 29 May 2012 (being the last practicable date prior to the posting of this document) or will do so immediately following the Merger becoming effective:

	As at 29 May 2012 (the last practicable date prior to the posting of this document)		Interests immediately following the Effective Date[1]	
Shareholder	Number of Glencore Shares	Percentage of issued shares	Number of Glencore Shares	Percentage of Combined Group
Daniel Francisco Maté Badenes	417,468,330	6.03	417,468,330	3.32
Aristotelis Mistakidis	414,730,597	5.99	414,730,597	3.30
Tor Peterson[2]	366,074,885	5.29	366,074,885	2.91
Qatar Holding LLC[3]	N/A	N/A	789,477,248	6.27

(1) Figures are calculated assuming (i) that the interests of the significant shareholders as at close of business 29 May 2012 do not change, (ii) that the maximum number of the New Glencore Shares are issued in connection with the Merger (assuming (a) rollover of all share options under the Xstrata Share Schemes, (b) vesting of all share awards held under the Xstrata Share Schemes and such Xstrata Shares being acquired by Glencore and (c) none of the outstanding Glencore Convertible Bonds are converted) and (iii) the exclusion of any other issues of Glencore Shares (including under Glencore Share Plans) between the posting of this document and the Effective Date.

(2) Within the meaning of Chapter 5 of the Disclosure and Transparency Rules, Tor Peterson is an indirect holder of 109,178,079 Glencore Shares held by Cititrust (Switzerland) Limited pursuant to a fiduciary arrangement established for his benefit prior to the Glencore IPO. This indirect holding of Glencore Shares is included in the above table. Tor Peterson's interest in this fiduciary arrangement is expected to become fully vested during June 2012.

(3) As disclosed on 29 May 2012 (being the last practicable date prior to the posting of this document), Qatar Holding LLC had an interest in 263,391,917 Xstrata Shares, and had written put options over a further 18,564,243 Xstrata Shares. For the purposes of calculating Qatar Holding LLC's interest in Glencore immediately following the Effective Date, these options have been taken into account.

5.9 General

(a) Save as disclosed above neither Glencore, nor any of the Glencore Directors, nor (so far as the Glencore Directors are aware having made due and careful enquiry) any person acting, or presumed to be acting, in concert with Glencore, nor any person who is a party to an arrangement relating to relevant securities with Glencore or any person acting, or presumed to be acting, in concert with Glencore:

(i) had an interest in or a right to subscribe for relevant securities as at the close of business on 28 May 2012 (for the purposes of paragraph 5.9 of this Part VI, being the last practicable date prior to the posting of this document);

(ii) engaged in any dealing in relevant securities during the disclosure period; or

(iii) had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, relevant securities as at the close of business on 28 May 2012 (for the purposes of paragraph 5.9 of this Part VI, being the last practicable date prior to the posting of this document);

(b) Save as disclosed above, neither Xstrata, the Xstrata Directors, nor (so far as the Xstrata Directors are aware having made due and careful enquiry), any person acting, or presumed to be acting, in concert with Xstrata, nor any person with whom Xstrata or any person acting, or presumed to be acting, in concert with Xstrata has any arrangement in relation to Xstrata relevant securities:

(i) had an interest in or a right to subscribe for relevant securities as at the close of business on 28 May 2012 (for the purposes of this paragraph 5.9 of this Part VI, being the last practicable date prior to the posting of this document);

(ii) engaged in any dealing in relevant securities during the period between the commencement of the Offer Period and 28 May 2012 (for the purposes of this paragraph 5.9 of this Part VI being the last practicable date prior to the posting of this document); or

(iii) had any short position in, was party to any agreement to sell, or subject to any delivery obligation in respect of, or had the right to require another person to purchase or take delivery of, relevant securities as at the close of business on 28 May 2012 (for the purposes of this paragraph 5.9 of this Part VI being the last practicable date prior to the posting of this document).

(c) Save as disclosed in this document there are no arrangements of the kind referred to in Note 6(b) on Rule 8 of the Code which exist between Glencore or any person acting, or presumed to be acting, in concert with Glencore, and any other person nor between Xstrata or any person acting, or presumed to be acting, in concert with Xstrata and any other person.

6. IRREVOCABLE UNDERTAKINGS

Irrevocable undertakings in respect of Xstrata Shares

6.1 The following persons have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and, subject to paragraph 6.2 of this Part VI, the relevant resolutions to be proposed at the Xstrata General Meeting in relation to the following Xstrata Shares:

Name	Number of Xstrata Shares	Percentage of issued ordinary share capital of Xstrata
Sir John Bond	1,000	0.000033
Mick Davis	2,517,549	0.083843
Trevor Reid	647,365	0.021559
Santiago Zaldumbide	258,126	0.008596
Claude Lamoureux	27,000	0.000899
David Rough	25,249	0.000841
Ian Strachan	43,098	0.001435

6.2 None of Messrs. Davis, Reid and Zaldumbide are Independent Xstrata Shareholders. None are therefore permitted to vote any Xstrata Shares on resolution 2 to be proposed at the Xstrata General Meeting.

6.3 The undertakings shall only lapse if Glencore announces, with the consent of the Panel, that it does not intend to make or proceed with the Merger and no new, revised or replacement Scheme is announced in accordance with Rule 2.7 of the Code at the same time; or if the Scheme lapses or is withdrawn and no new, revised or replacement Scheme has been announced, in accordance with Rule 2.7 of the Code, in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time.

Irrevocable undertakings in respect of Glencore Shares

6.4 The following persons have given irrevocable undertakings to vote in favour of the resolution to be proposed at the Glencore General Meeting to approve the Merger and related resolutions to be proposed at the Glencore General Meeting in relation to the following Glencore Shares:

Name	Number of Glencore Shares	Percentage of issued ordinary share capital of Glencore (per cent.)
Ivan Glasenberg	1,093,418,752	15.794656
Steven Kalmin	70,523,154	1.018721
Peter Coates	82,700	0.001195
Li Ning	123,000	0.001777
Daniel Francisco Maté Badenes	417,468,330	6.030415
Aristotelis Mistakidis	414,730,597	5.990868
Tor Peterson[1]	256,896,806	3.710926
Alex Beard	320,260,410	4.626227

(1) Tor Peterson is also beneficially interested in, but does not control the voting rights in respect of, a further 109,178,079 Glencore Shares. Tor Peterson has undertaken to recommend to the person holding such shares on his behalf that it vote in favour of the resolutions to be proposed at the Glencore General Meeting on substantially the same terms as described above.

6.5 The undertakings shall only lapse if Glencore announces, with the consent of the Panel, that it does not intend to make or proceed with the Merger and no new, revised or replacement Scheme is announced in accordance with Rule 2.7 of the Code at the same time; if Glencore announces that it has withdrawn its recommendation to shareholders to vote in favour of the resolutions to be proposed at the Glencore General Meeting; or if the Scheme lapses or is withdrawn and no new, revised or replacement Scheme has been announced, in accordance with Rule 2.7 of the Code, in its place or is announced, in accordance with Rule 2.7 of the Code, at the same time.

7. Glencore Directors' emoluments

The emoluments of the Glencore Directors are subject to the terms set by the remuneration committee of Glencore and/or the employment agreements and letters of appointment of the directors with Glencore (such terms, agreements and appointment letters being the "Remuneration Terms"). The Remuneration Terms may, in the ordinary course of events, take into account the successful completion of the Merger and the Combined Group when determining the Glencore Directors' emoluments. However, save as aforesaid, the emoluments of the Glencore Directors will not be affected by the Merger or any other associated transaction.

8. Service contracts and letters of appointment of the Xstrata Directors

8.1 Xstrata Executive Directors

Employment contracts with Xstrata

The Xstrata Executive Directors have employment contracts with Xstrata, particulars of which are set out below:

Name	Date of Contract	Employing Company	Basic Salary with effect from 1 January 2012	Basic Salary for calendar year 2011
Mr Davis	19 March 2002	Xstrata Services (UK) Limited	£1,501,500	£1,430,000
Mr Reid	19 March 2002	Xstrata Services (UK) Limited	£815,000	£750,000
Mr Zaldumbide	23 July 2007	Asturiana de Zinc S.A.	€1,076,400	€1,040,000

Except as disclosed above there are no other service contracts of any Director or proposed Director of Xstrata.

Mick Davis and Trevor Reid have employment agreements with Xstrata Services (UK) Limited, which are terminable by either party by at least 12 months' notice but their services as Chief Executive and Chief Financial Officer, respectively, are provided to Xstrata under a secondment agreement entered into between Xstrata and Xstrata Services (UK) Limited on 19 March 2002. Each of the directors are seconded to Xstrata for a fixed term of two years thereafter renewable by Xstrata for further periods of two years. The secondment agreements were most recently renewed for the two-year period commencing on 19 March 2012 and ending on 19 March 2014. The secondment agreements will terminate automatically on termination of the employment agreements. Under their employment agreements, on termination of their employment by Xstrata Services (UK Limited) in breach, or if Mr Davis or Mr Reid resign in circumstances where they cannot in good faith be expected to continue in employment, each director is entitled to be paid a sum equal to 100 per cent. of his annual salary plus retirement benefits and other benefits and his previous year's bonus (capped at 300 per cent. of annual salary) (plus any accrued basic salary and expenses) and to have all entitlements under his retirement benefit plans paid in accordance with the plan rules.

Mr Zaldumbide provides his services to the Xstrata Group under a professional services agreement entered into between him and Asturiana de Zinc S.A. on 23 July 2007, pursuant to which Mr Zaldumbide agreed to act as Chairman and Chief Executive of Xstrata Zinc. This agreement continues indefinitely unless terminated by one of the parties on at least 6 months' written notice. Mr Zaldumbide receives no retirement benefits under the terms of his professional services agreement but is eligible to participate in the Xstrata Annual Bonus Plan and the LTIP. On termination of his professional services agreement, other than on his voluntary termination or termination for gross negligence, Mr Zaldumbide is entitled to be paid a sum equal to 150 per cent. of his annual salary and 100 per cent. of his previous year's bonus' (plus any accrued basic salary and expenses).

As set out in paragraph 9 of Part II (*Explanatory Statement*) on pages 32 and 33, Xstrata has agreed to make a payment to ''buy out'' Mr Reid's and Mr Zaldumbide's contractual right to receive a severance payment which may have been triggered in the circumstances of the Merger. Payment is conditional on completion of the Merger and on the individual being in employment with the Combined Group on the Effective Date.

Retirement benefits

Mr Davis and Mr Reid participate in money purchase retirement plans which target a defined benefit pension. The Xstrata Group makes contributions which are reassessed annually and are based on actuarial advice, with the objective of accumulating sufficient funds over the working lifetime of each executive to provide an overall target retirement benefit that is currently intended to be equivalent to 3 per cent. of final pensionable salary per year of service (up to a maximum of 20 years) targeting retirement at age 60. The actual benefits payable from the retirement benefit plans will be based on the amount that has accumulated in that member's money purchase accounts. Contributions are made through a combination of payments to a registered retirement benefit plan and cash sum allowances to the Independent Executive Xstrata Director, having regard to the tax limits on contributions and benefits from registered UK retirement benefit plans (with only cash sum allowances being made after 2007). No employee contributions are currently payable by Mr Davis and Mr Reid. Mr Zaldumbide receives no retirement benefits under the terms of his professional services agreement. Details of the retirement benefit related payments made for the year ending 31 December 2011 are shown below.

Retirement benefit related payments[(1)]

Mr Davis	£2,706,687
Mr Reid	£1,846,577

(1) Mr Zaldumbide received no retirement benefits under the terms of his fixed cost remuneration agreement.

Incentives

The Xstrata Executive Directors are eligible to participate in the Xstrata Annual Bonus Plan. The maximum bonus payable under the bonus plan is 300 per cent. of salary. Bonuses are payable in

up to three tranches, as follows, (i) the maximum bonus a participant is eligible to receive in cash is limited to 100 per cent. of the individual's basic salary, (ii) any additional bonus of up to a further 100 per cent. of basic salary is deferred for a period of 1 year, and (iii) any remaining bonus of up to the further maximum 100 per cent. of basic salary is deferred for a period of 2 years. The deferred element takes the form of an award of Xstrata Shares granted on either a net or gross of tax basis subject to conditions or an award of a nil-cost option over Xstrata Shares.

Other benefits

Each of the Xstrata Executive Directors is entitled to the provision of permanent health, life and private medical insurance, short-term, interest-free loans to assist with funding double-taxation liabilities where appropriate, any housing allowance (where essential for the performance of duties) and, in the case of Mr Davis, limited private use of Xstrata's leased aircraft. In addition, Xstrata Executive Directors are entitled to reimbursement of reasonable expenses, and to a company car or car allowance. Details of the value of the annual bonus and benefits provided in the year ending 31 December 2011 are shown below.

	Cash Bonus[1]	Housing allowances	Health, life and private medical insurance	Other benefits
Mick Davis	£1,430,000	US$183,000	£113,024	£299,964
Trevor Reid	£750,000	US$141,660	£14,760	N/A
Santiago Zaldumbide	€1,040,000	N/A	N/A	N/A

(1) The bonus tranche is payable in cash. Two additional bonus tranches have been deferred in the form of nil cost options granted under the Xstrata Annual Bonus Plan, details of which are shown in respect of Mr Davis, Mr Reid and Mr Zaldumbide on page 79 of this document under the heading "Unvested Share Options" with earliest exercise dates of 2 February 2013 and 2 February 2014 respectively.

8.2 The Chairman and the other Xstrata Non Executive Directors

The Chairman and the other Xstrata Non Executive Directors do not have service contracts with Xstrata. The Chairman's appointment can be terminated on 12 months' notice or by way of payment in lieu of notice. The appointments of the Non Executive Directors can be terminated at any time and without notice and, save for any payment in lieu of notice payable to the Chairman, Xstrata Non Executive Directors have no right to compensation on early termination of their office. The following terms apply to the Chairman and the Xstrata Non Executive Directors:

Name	Appointment Date	Annual Fee as at 1 January 2012	Fee for calendar year 2011 (pro rated where director appointed during the year)
Sir John Bond	4 May 2011	£700,000	£474,167
David Rough	4 April 2002	£185,200	£185,200
Ivan Glasenberg	25 February 2002	£81,200[1]	£86,019
Sir Steve Robson CB	25 February 2002	£109,800	£109,800
Ian Strachan	8 May 2003	£119,350	£119,350
Claude Lamoureux	6 May 2008	£109,800	£109,800
Peter Hooley	5 May 2009	£118,200	£118,200
Con Fauconnier	5 May 2010	£109,800	£109,800
Telis Mistakidis	4 May 2011	£81,200	£53,837
Tor Peterson	4 May 2011	£81,200	£53,837

(1) Mr Glasenberg received a fee of £86,019 for the calendar year 2011, when he also served on the Nominations Committee.

In accordance with the Xstrata Articles the Xstrata Directors are all indemnified out of the assets of Xstrata to the extent permitted by law in respect of liabilities incurred as a result of their office. In addition, Xstrata has also put in place a specific deed of indemnity setting out in greater detail the terms and conditions of the indemnity provided by Xstrata. Xstrata also purchases and maintains a director's and officer's liability insurance policy.

8.3 Mr Davis' employment contract with the Combined Group

Mr Davis has entered into a service contract with the Combined Group which is conditional upon and takes effect from the Effective Date. Save for the retention award described as part of the Management Incentive Arrangements in paragraph 9 of Part II (*Explanatory Statement*), the terms of Mr Davis' employment contract largely reflect the terms of his existing employment contract with Xstrata, as described in paragraph 8.1 above, with the following material differences:

- Mr Davis will be employed by Glencore Services Limited, rather than Xstrata Services (UK) Limited. It is expected that Mr Davis will be seconded to the Combined Entity on similar terms to those under which he is currently seconded by Xstrata Services (UK) Limited to Xstrata. It is also expected that Mr Davis will be seconded to Glencore Exco AG on similar terms to those under which he is currently seconded by Xstrata Services (UK) Limited to Xstrata (Schweiz) AG.
- Mr Davis may terminate his employment at any time by giving 12 months' notice, such notice not to expire before the second anniversary of the Merger becoming effective. Glencore may terminate the employment immediately and without notice at any time after the second anniversary of the Merger.
- Where Glencore terminates the employment, either by giving notice in accordance with the contract of employment or in breach of the contract of employment, after the third anniversary of the Effective Date, Mr Davis is entitled to be paid a sum equal to 100 per cent. of his annual salary plus retirement benefits and other benefits and his previous year's bonus (the bonus being capped at 300 per cent. of annual salary) (plus any accrued basic salary and expenses) and to have all entitlements under his retirement benefit plans paid in accordance with the plan rules. If Glencore terminates the employment before the third anniversary of the Effective Date for any reason (other than if he is dismissed for cause in accordance with Mr Davis' contract of employment), Mr Davis is entitled to an accelerated payment (or, in the case of nil cost options, the acceleration of exercise of relevant options) of any outstanding tranches of his retention bonus.
- Mr Davis is contractually entitled to the grant of a share award under the Glencore Performance Share Plan equal in value to at least the product of his 2013 annual salary converted into Sterling and not less than 400 per cent. and not more than 500 per cent. of his salary in the normal grant period following the announcement of Glencore's results for the financial year ending 31 December 2012. Any award under the Glencore Performance Share Plan will be subject to performance conditions in line with Glencore's strategy. These awards will be subject to objective performance conditions over a period of at least 3 years. Any grants under the Glencore Performance Share Plan for future years will be at the discretion of the Glencore remuneration committee in the same way as awards under the Xstrata LTIP are currently at the discretion of the Xstrata remuneration committee.

Consistent with his existing Xstrata employment contract, Mr Davis' employment contract with the Combined Group provides that Mr Davis may resign in circumstances where he cannot in good faith be expected to continue in employment (a ''valid reason'') and that he will be entitled to the compensation described above in those circumstances. The employment contract specifies a number of ''valid reasons'' and these include a material change to the terms of his employment and benefits or his compensation, Glencore ceasing to comply with the governance structure as set out in the announcement of the Merger made on 7 February 2012 and a change of control of Glencore.

9. XSTRATA LTIP

9.1 Awards under the Xstrata LTIP are granted to the Xstrata Executive Directors, other members of Xstrata's Management and senior employees with the ability to influence shareholder value. Participants are granted a combination of (a) conditional share awards over Xstrata Shares under which participants become entitled to acquire Xstrata Shares for nil consideration, and (b) options to acquire Xstrata Shares on payment of an exercise price which is equal to the market value of the underlying Xstrata Shares at the time the option is granted. Awards are structured to ensure an equal weighting between the value of the conditional share awards and share options upon grant. The option exercise price ensures that the options can only deliver a return to the recipient when

shareholders have benefited from an increased share price over the prevailing price on the date of grant. None of the options granted are tradable.

9.2 Share awards granted under the Xstrata LTIP which have not already vested will vest upon sanction of the Scheme by the Court. On vesting, participants will receive Xstrata Shares prior to the Reorganisation Record Time and these Xstrata Shares will be subject to the terms of the Scheme in the same way as the Xstrata Shares held by other Scheme Shareholders and will receive 2.8 New Glencore Shares for every Xstrata Share that vests under the share awards.

9.3 Share options will, to the extent not already exercisable, vest on and become exercisable upon sanction of the Scheme by the Court at the Scheme Court Hearing. Participants may choose whether to exercise their share options within the period of six months following the sanction of the Scheme by the Court at the Scheme Court Hearing or to accept the ''Glencore option proposal'' described in paragraph 10 of Part II (*Explanatory Statement*) of this document. Participants who choose to exercise their share options will receive 2.8 New Glencore Shares for each Xstrata Share to which they are entitled on exercise of their option, provided that they do not sell their Xstrata Shares before the Reorganisation Record Time.

9.4 The following table shows the number of share awards granted under the Xstrata LTIP as at 29 May 2012 (being the last practicable date prior to the posting of this document), which have not already vested but which will vest upon sanction of the Scheme by the Court at the Scheme Court Hearing:

LTIP	Series	Unvested LTIP awards	Exercise price (£)	Exercisable on or between
Xstrata LTIP	2010	13,340,572	10.3086	18 February 2013—18 February 2020
Xstrata LTIP	2011	9,302,961	14.6829	18 February 2014—18 February 2021
Xstrata LTIP	2012	15,118,314	11.9371	18 February 2015—18 February 2022
Xstrata LTIP (Free Xstrata Shares)	2010	3,999,948	N/A	18 February 2013
Xstrata LTIP (Free Xstrata Shares)	2011	3,386,276	N/A	18 February 2014
Xstrata LTIP (Free Xstrata Shares)	2012	5,487,821	N/A	18 February 2015
Total		**50,635,892**		
Percentage of current issued ordinary share capital		**1.686**		

Note:

The figures for the unvested Xstrata LTIP awards set out in the table above include the unvested LTIP awards granted to the Xstrata Executive Directors, Xstrata's Management (other than the Xstrata Executive Directors) and the Xstrata Senior Employees, each of whom is participating in the Management Incentivisation Arrangements.

10. MATERIAL CONTRACTS

10.1 Glencore's material contracts

Save as set out in this paragraph 10.1, Glencore and its subsidiaries have not entered into any material contracts, other than contracts entered into in the ordinary course of business, since 2 February 2010 (being the date two years before the commencement of the Offer Period).

(a) Underwriting Agreement and Pricing Agreement

On 4 May 2011, Glencore, Glencore International AG, the Glencore Directors, Penwith Limited (the ''Selling Shareholder'') and the banks named therein (the ''Underwriting Banks'') entered into the underwriting agreement relating to the IPO of Glencore's ordinary shares (the ''Underwriting Agreement''). Glencore also entered into a pricing agreement on 19 May 2011 in connection with the IPO (the ''Pricing Agreement''). The Glencore IPO completed on 25 May 2011, when performance of the parties' obligations under the Underwriting Agreement and the Pricing Agreement were substantially completed.

Pursuant to the Underwriting Agreement, among other things, each of Glencore, Glencore International AG, the Selling Shareholder and the Glencore Directors gave certain representations, warranties and undertakings to the underwriters named in the Underwriting Agreement. The liabilities of Glencore under the Underwriting Agreement are not limited as to time or amount. The liabilities of the Glencore Directors and the Selling Shareholder under the Underwriting Agreement are limited as to time and amount. Glencore gave an indemnity to the Underwriting Banks, in a form that is typical for an agreement of this nature.

(b) Cornerstone Investment Agreements

On 4 May 2011, Glencore, Glencore International AG, the IPO Joint Global Co-ordinators and certain cornerstone investors entered into subscription agreements to subscribe for shares in the IPO (the "Cornerstone Investment Agreements"). The Glencore IPO completed on 25 May 2011, when performance of the parties' obligations under the Cornerstone Investment Agreements were substantially completed. Each of the Cornerstone Investment Agreements was entered into on substantially the same terms. Each of the parties gave certain customary representations and warranties to the other, in particular regarding compliance with laws and regulations affecting the entry into of the Cornerstone Investment Agreement in relevant jurisdictions. The terms of the Cornerstone Investment Agreement do not limit the liability of the parties for breach of contract as to time or amount.

(c) Glencore International AG Purchase Agreement

Pursuant to the Glencore International AG Purchase Agreement dated 3 May 2011 between Revelstoke Limited and Glencore, Revelstoke Limited agreed to sell and Glencore agreed to purchase on the day before the date of the admission of Glencore Shares to the Premium Listing segment of the Official List and to the trading on London Stock Exchange (the "UK Admission") the entire issued ordinary share capital of Glencore International AG. As a consequence of the Glencore International AG Purchase Agreement, Glencore became the parent company of the Glencore Group on the day before the date of UK Admission, on 23 May 2011.

(d) The medium-term revolving credit facilities agreement

On 10 May 2010, Glencore International AG, Glencore Singapore Pte Ltd. ("GSPL") and Glencore AG entered into a US$10.22 billion revolving credit facilities agreement (the "MTF Agreement" and the facilities granted thereby, the "MTF Facilities") with, among others, Banc of America Securities Limited, Banco Santander, S.A., London Branch, Barclays Capital (the investment banking division of Barclays Bank PLC), BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, London Branch, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International), London Branch, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, DBS Bank Ltd., London Branch, Deutsche Bank Luxembourg S.A., Fortis Bank (Nederland) N.V., HSBC Bank plc, ING Bank N.V., J.P. Morgan plc, Lloyds TSB Bank plc, Morgan Stanley Bank International Limited, Société Geńérale Corporate & Investment Banking, Standard Chartered Bank, The Royal Bank of Scotland plc and UBS Limited as mandated lead arrangers with Barclays Bank PLC acting as facility agent and swingline agent and various financial institutions as lenders. Glencore International AG is currently the sole borrower under the MTF Agreement; Glencore AG provides a guarantee for Glencore International AG's borrowing obligations.

The MTF Agreement originally provided for three separate MTF Facilities, namely Facility A, Facility B and Facility C (with Facility C being further divided into two tranches, Facility C1 and Facility C2). Facility A and Facility C expired on the day falling 364 days after the date of the MTF Agreement and were subsequently refinanced by new short-term revolving credit facilities. Facility B includes two extension options whereby the maturity date of Facility B may, in each case, be extended by a period of 12 months from the then applicable maturity date. Glencore International AG exercised the first extension option in 2011 and the second option in 2012, thereby extending the maturity date of US$8,030 million of Facility B to 10 May 2015.

Facility B is to be used towards working capital or general corporate purposes of Glencore and is available until the date falling seven days prior to its maturity date.

Interest is payable on advances under Facility B at the rate which is the aggregate of:

(i) the margin applicable to Facility B advances, which varies between 1.250 per cent. and 2.125 per cent. per annum, depending on the then current rating assigned by Standard & Poor's and/or Moody's in respect of Glencore International AG's long-term senior unsecured debt;

(ii) LIBOR; and

(iii) the mandatory cost (being the regulatory costs of the lenders which are passed on to the borrowers), if any.

The MTF Agreement includes a mandatory prepayment provision which is triggered by certain specified change of control events.

The MTF Agreement includes certain financial covenants that require Glencore to maintain certain financial ratios. Pursuant to these covenants, which are calculated in accordance with IFRS, on (i) the last day of each financial year and (ii) 30 June in each year (or such other date as is the end of the first half of each financial year), the consolidated financial condition of Glencore International AG and its subsidiaries, as evidenced by its latest consolidated financial statements, shall be such that:

(i) net consolidated working capital shall not be less than US$750 million;

(ii) the ratio of consolidated current assets to consolidated current liabilities shall not fall below 1.10:1; and

(iii) long-term debt shall not be more than 120 per cent. of consolidated tangible net worth.

The MTF Agreement contains representations, warranties and undertakings which are typical for these types of credit arrangements. The MTF Agreement also contains customary events of default upon occurrence of which the lenders may cancel their lending commitments and demand repayment of the advances made under Facility B.

(e) The short-term revolving credit facilities agreement

On 25 April 2012 (the ''STF Signing Date''), Glencore, Glencore International AG and GSPL entered into a new US$4,435 million revolving credit facilities agreement (the ''STF Agreement'' and the facilities granted thereunder, the ''STF Facilities'') with, among others, ABN AMRO Bank N.V., Citigroup Global Markets Limited, Lloyds TSB Bank plc, Standard Chartered Bank and The Royal Bank of Scotland plc as mandated lead arrangers, Barclays Bank PLC as agent and various financial institutions as lenders. There are two separate facilities under the STF Agreement, namely a US$3,710 million Facility A1 which may be borrowed by Glencore International AG and a US$725 million Facility A2 which may be borrowed by GSPL. The borrowing obligations of Glencore International AG and GSPL are guaranteed by Glencore.

The maturity date of each of the STF Facilities is the day falling 14 months after the STF Signing Date and each has a 10-month extension option exercisable at the relevant borrower's discretion. Each STF Facility includes an option whereby the outstanding revolving loans may be converted into a term loan (each such loan being a ''Term Out Loan'').

The representations, warranties, undertakings and events of default contained in the STF Agreement are substantially the same as those in the MTF Agreement, with the exception that the financial covenants in the STF Agreement are tested at the level of Glencore rather than at the level of Glencore International AG.

Interest is payable on loans under the STF Facilities at the rate which is the aggregate of the applicable margin, LIBOR and the mandatory cost (being the regulatory costs of the lenders which are passed on to the borrowers), if any. The applicable margin for a loan

(other than a Term Out Loan) under each of the STF Facilities is 1.25 per cent. per annum. The applicable margin in respect of a Term Out Loan is 1.75 per cent. per annum.

The STF Facilities, in aggregate with the amount extended under Facility B of the MTF Agreement, provide an increase in committed available liquidity of US$12,465 million.

(f) The backstop revolving credit facility agreement

On 17 April 2012 (the ''Backstop Signing Date''), Glencore International AG and Glencore entered into a US$3.1 billion revolving credit facility agreement (the ''Backstop Facility Agreement'' and the facility granted thereunder, the ''Backstop Facility'') with, among others, Citigroup Global Markets Limited and Morgan Stanley Bank International Limited as mandated lead arrangers, Citibank International plc as facility agent and various financial institutions as lenders. Glencore International AG is the borrower and its borrowing obligations are guaranteed by Glencore.

The maturity date of the Backstop Facility is the day falling 364 days after the date of the Backstop Facility Agreement, subject to a 364-day extension option exercisable at Glencore International AG's discretion.

The representations, warranties, undertakings and events of default contained in the Backstop Facility Agreement are substantially the same as those in the STF Agreement.

Interest is payable on loans under the Backstop Facility at a rate which is the aggregate of the applicable margin, LIBOR and the mandatory cost (being the regulatory costs of the lenders which are passed on to the borrowers), if any. The applicable margin for a loan under the Backstop Facility is 1.5 per cent. per annum prior to the Effective Date, 1.75 per cent. per annum from the Effective Date to the date falling 364 days after the Backstop Signing Date and, for each three-month period thereafter, the margin at the end of the preceding period plus 0.25 per cent. per annum.

(g) Committed secured borrowing base facility agreement

On 9 November 2011 (the ''BBF Signing Date''), Glencore International AG (the ''BBF Borrower'') and Glencore AG (the ''BBF Guarantor'') renewed its US$1.7 billion committed secured borrowing base facility agreement dated 10 November 2010 under the same terms (the ''Base Facility Agreement'', and the facility granted under the Base Facility Agreement being the ''Base Facility'') with, among others, BNP Paribas in each of its capacities as bookrunner and global co-ordinator, as agent, as security agent in respect of inventory and cash collateral, and as security agent in respect of receivables, and various financial institutions as lenders. The BBF Guarantor provides a guarantee for the BBF Borrower's obligations under and in connection with the Base Facility Agreement and the other finance documents.

The Base Facility includes an extension option whereby the maturity date may be extended by a period of 364 days from its BBF Initial Maturity Date (as defined below) (the ''Base Facility Extension Option'').

The Base Facility is to be used towards working capital purposes, being: (i) the financing of the BBF Borrower's physical base metal inventory of aluminium, copper, lead, nickel, zinc and tin; and (ii) the financing of receivables due to the BBF Borrower or the BBF Guarantor by their debtors, arising in the ordinary course of the BBF Borrower's or the BBF Guarantor's business.

The Base Facility is available until the date falling one week prior to the BBF Termination Date (as defined below).

Interest is payable on advances under the Base Facility at the rate which is the aggregate of:

(i) 1.10 per cent. per annum;

(ii) LIBOR; and

(iii) mandatory cost (being regulatory costs of the lenders which are passed on to the borrowers).

The Base Facility matures on:

(i) the day falling 364 days after the BBF Signing Date (the "BBF Initial Maturity Date"); or

(ii) if the BBF Initial Maturity Date has been extended under the Base Facility Extension Option, the day falling 728 days after the BBF Signing Date, such maturity date being the "BBF Termination Date".

The Base Facility Agreement includes mandatory prepayment provisions in the event of certain specified events (including a change of control event).

The Base Facility Agreement includes certain financial covenants that require Glencore to maintain certain financial ratios. Pursuant to these covenants, which are calculated in accordance with IFRS, on the last day of each financial year and on 30 June in each year, the consolidated financial condition of the BBF Borrower and its subsidiaries, as evidenced by its latest consolidated financial statements, shall be such that:

(i) net consolidated working capital shall not be less than US$750 million;

(ii) the ratio of consolidated current assets to consolidated current liabilities shall not fall below 1.10:1; and

(iii) long-term debt shall not be more than 120 per cent. of consolidated tangible net worth.

The Base Facility Agreement contains representations, warranties and undertakings which are typical for these types of credit arrangements. The Base Facility Agreement also contains customary events of default, upon occurrence of which the lenders may cancel their lending commitments and demand repayment of the advances.

(h) US$2.3 billion 5 per cent. guaranteed convertible bonds due 2014

Glencore Finance (Europe) S.A. (the "CB Issuer") issued (i) US$2.2 billion 5 per cent. guaranteed convertible bonds due 2014 (the "Original Convertible Bonds") constituted by a trust deed dated 23 December 2009 between the CB Issuer, Glencore International AG, Glencore AG and Citicorp Trustee Company Limited (the "Original CB Trust Deed") and (ii) a further US$100 million 5 per cent. guaranteed convertible bonds due 2014 (to be consolidated and to form a single series with the Original Convertible Bonds) (together with the Original Convertible Bonds, the "Glencore Convertible Bonds"), constituted by the Original CB Trust Deed as supplemented by a supplemental trust deed dated 10 March 2010 between the CB Issuer, Glencore International AG, Glencore AG (Glencore International AG and Glencore AG together, the "CB Guarantors") and Citicorp Trustee Company Limited (the "CB Trustee"). The Glencore Convertible Bonds constitute direct, general and unconditional obligations of the CB Issuer.

(i) Guarantee agreement

Pursuant to a guarantee agreement dated 23 December 2009, the CB Guarantors have unconditionally (subject, in the case of Glencore AG, to applicable Swiss law) and irrevocably guaranteed on a joint and several basis the due and punctual payment of all sums from time to time payable by the CB Issuer in respect of the Glencore Convertible Bonds.

(ii) Negative pledge

Under the terms of the Glencore Convertible Bonds, none of the CB Issuer and the CB Guarantors will, and the CB Guarantors will not permit any material subsidiary to, directly or indirectly, create, incur, assume or permit to exist any mortgage, charge, pledge, lien or other security interest, except in certain limited circumstances, on or with respect to any property or assets of such entity or any interest therein or any income or profits therefrom to secure any present or future indebtedness 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 recognised over-the-counter or other securities market, and any guarantee or indemnity in respect thereof.

(iii) Redemption

Unless previously redeemed, converted or purchased and cancelled, the Glencore Convertible Bonds will mature on 31 December 2014 (the ''CB Maturity Date'').

The Glencore Convertible Bonds may also be redeemed at the option of the CB Issuer on the occurrence of certain tax events. Bondholders may require the CB Issuer to redeem the Glencore Convertible Bonds in certain limited circumstances.

(iv) Conversion

The Glencore Convertible Bonds are convertible into ordinary shares of Glencore at any time up to the 14th day prior to the CB Maturity Date. The number of shares issued to a bondholder upon conversion shall be equal to the relevant conversion ratio (subject to adjustment in certain circumstances) in effect on the relevant conversion date, as set out in the terms and conditions of the Glencore Convertible Bonds.

In addition, the Glencore Convertible Bonds are convertible into ordinary shares of Glencore at the option of the CB Issuer at the conversion ratio in effect on the relevant conversion date, at any time during the period beginning 18 months after the listing and ending on the 14th day prior to the CB Maturity Date, provided that the share price exceeds 150 per cent. of the conversion ratio for a specified period.

The conversion ratio is subject to adjustment from time to time, for so long as the Glencore Convertible Bonds remain outstanding, as a result of certain corporate actions taken by the CB Issuer, the CB Guarantors and/or Glencore.

(v) Events of default

An event of default under the Glencore Convertible Bonds will occur in certain circumstances, including, but not limited to, in respect of a failure to pay principal or interest in respect of the Glencore Convertible Bonds on the due date for payment thereof and such default continues for a period of 14 days, if the guarantee agreement is not in full force and effect, if any of the CB Issuer, the Guarantor or any material subsidiary fails to pay when due certain financial indebtedness, or such financial indebtedness becomes due and payable, or where there is a failure to pay when due under any applicable grace period amounts owing under the guarantee, in each case in circumstances where the amount of such financial indebtedness and/or the amount payable under such guarantee individually or in the aggregate exceeds US$50 million (or its equivalent in another currency). If any event of default occurs and is continuing, the CB Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the outstanding Glencore Convertible Bonds or if so directed by an extraordinary resolution of the bondholders, shall (subject in certain cases to the CB Trustee having certified in writing that the happening of such events is in its opinion materially prejudicial to the interests of the bondholders) declare the Glencore Convertible Bonds due and payable at their principal amount together with accrued interest.

(i) US$12 billion EMTN Programme (the ''EMTN Programme'')

Glencore Finance (Europe) S.A. (the ''EMTN Issuer'') has established the EMTN Programme under which it may from time to time issue notes (the ''EMTN Notes'') unconditionally and irrevocably guaranteed on a joint and several basis by Glencore and Glencore International AG (together the ''EMTN Guarantors''). Deutsche Trustee Company Limited is appointed as trustee (the ''EMTN Trustee'') of the EMTN Notes pursuant to an amended and restated trust deed dated 8 November 2011. Notes issued under the EMTN Programme prior to the last update of the EMTN Programme on 8 November 2011 are guaranteed by the EMTN Guarantors and Glencore AG.

An event of default under the EMTN Notes will occur in certain circumstances, including, but not limited to, in respect of a failure to pay principal or interest in respect of the EMTN

Notes on the due date for payment thereof and such default continues for a period of 14 days, if the relevant guarantee agreement is not in full force and effect, if any of the EMTN Issuer, the EMTN Guarantors or any material subsidiary fails to pay when due certain financial indebtedness, or such financial indebtedness becomes due and payable, or where there is a failure to pay when due within any applicable grace period amounts owing under any guarantee, in each case in circumstances where the amount of such financial indebtedness and/or the amount payable under such guarantee individually or in the aggregate exceeds US$50 million (or its equivalent in another currency).

If any event of default occurs and is continuing, the EMTN Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the relevant outstanding EMTN Notes or if so directed by an extraordinary resolution of the noteholders, shall (subject in certain cases to the EMTN Trustee having certified in writing that the happening of such events is in its opinion materially prejudicial to the interests of the noteholders) declare the EMTN Notes due and payable at their principal amount together with accrued interest.

(j) Kazzinc share purchase agreements

On 13 April 2011, Glencore International AG entered into two agreements with respect to the 48.73 per cent. interest in Kazzinc currently held indirectly by Verny Investments and Verny Rost:

(i) a share purchase and option agreement between Glencore International AG, Pasar Holdings Incorporated AG (a wholly owned Group company) (''Pasar Holdings'') and Verny Capital, acting in the interests of Verny Investments (the ''Verny Investments SPA''); and

(ii) a share purchase agreement between Glencore International AG, Kazastur Zinc AG (a wholly owned Group company) (''Kazastur'') and Verny Capital, acting in the interests of Verny Rost (the ''Verny Rost SPA'').

Pursuant to the Verny Investments SPA, Pasar Holdings has agreed to purchase a 12.50 per cent. interest in Kazzinc through the acquisition of interests in holding entities from Verny Investments (the ''Kazzinc Tranche 1 Acquisition'').

The consideration for the Kazzinc Tranche 1 Acquisition shall be satisfied on closing under the Verny Investments SPA by the issue of 116,822,428 Glencore Shares to Verny Investments (the ''Kazzinc Consideration Shares''). The Kazzinc Consideration Shares shall, when issued, be subject to a lock-up with a duration of six months from issue. The parties have agreed to work towards completion in Q3 2012.

Pursuant to the Verny Rost SPA, Kazastur has agreed to purchase a 29.82 per cent. interest in Kazzinc, through the acquisition of interests in holding entities from Verny Rost (the ''Kazzinc Tranche 2 Acquisition'').

Closing under the Verny Rost SPA will be staggered such that a 9.94 per cent. interest in Kazzinc will be acquired by Kazastur through the acquisition of interests in holding entities from Verny Rost on three closing dates, the last of which shall not be later than 31 July 2012 or as otherwise agreed by the parties (each a ''Kazzinc Tranche 2 Closing Date''). Closing is expected to occur in Q3 2012.

The consideration for the Kazzinc Tranche 2 Acquisition shall be satisfied by the payment in cash of US$2,200,000,000, which shall be paid in instalments of US$733,333,333.33 on each Kazzinc Tranche 2 Closing Date (the ''Kazzinc Tranche 2 Consideration'').

The Verny Investments SPA further sets out the agreement between Verny Investments and Pasar Holdings with respect to the terms of a possible acquisition by Pasar Holdings of Verny Investments' remaining 6.41 per cent. interest in Kazzinc (held indirectly) (the ''Kazzinc Tranche 3 Acquisition'').

Pasar Holdings and Verny Investments have a call option and a put option, respectively, in relation to the Kazzinc Tranche 3 Acquisition. Closing of the put or call option is conditional upon, amongst other things; (i) receipt of consent and waiver of pre-emption right from the Ministry of Industry and New Technologies of the Republic of Kazakhstan; (ii) subject, in

both cases, to Glencore's commercial decisions on the basis of prevailing market conditions, the hive-down of all of Kazzinc's gold assets (excluding its non-ferrous business) to a new holding company wholly owned by Kazzinc (''Altyntau'') and Pasar Holdings using its reasonable commercial endeavours to ensure Altyntau's listing on the Premium Listing segment of the Official List, subject to eligibility; and (iii) the publication of a pricing statement related to the initial public offering of Altyntau (''Altyntau IPO''). The put or call option may only be exercised after completion of the Kazzinc Tranche 1 Acquisition and before the earlier of: (i) the date falling two months prior to the proposed intention to float date for Altyntau (or such other date as the parties may agree in writing) and (ii) 31 December 2012; and if the put or call option is not exercised on or before 31 December 2012, then they shall lapse.

The consideration payable by Pasar Holdings following exercise of the put or call option shall be:

(i) a cash amount of US$192,000,000; plus

(ii) a cash amount equal to 6.41 per cent. of the issued share capital of Altyntau multiplied by the Altyntau IPO offer price (the ''Altyntau Stake Value''); minus

(iii) a cash amount equal to 6.41 per cent. of the Altyntau Stake Value,

(the ''Option Consideration'').

The parties to the Verny Investments SPA have further agreed that, following the exercise of the put or call option, Verny Investments shall subscribe for such number of shares in Altyntau as is equal to 6.41 per cent. of Altyntau's issued share capital for an amount in cash equal to the Altyntau Stake Value.

Pursuant to the Verny Investments SPA and Verny Rost SPA, Verny Investments and Verny Rost, respectively, have given certain warranties and indemnities to Pasar Holdings and Kazastur, respectively, and Pasar Holdings and Kazastur, respectively, have given certain limited warranties to Verny Investments and Verny Rost, respectively.

In the event of any breach of the Verny Investments SPA by Verny Investments, Pasar Holdings shall have the right to reduce the Option Consideration, to the extent unpaid. In the event of any breach of the Verny Rost SPA by Verny Rost, Kazastur shall have the right to reduce the Kazzinc Tranche 2 Consideration, to the extent unpaid.

Glencore International AG has guaranteed the obligations of Pasar Holdings and Kazastur under the Verny Investments SPA and Verny Rost SPA, respectively.

(k) OAO RussNeft loan agreement

On 21 December 2010, OAO RussNeft and Interseal Limited, a member of the Glencore Group (''Interseal''), entered into an amendment and restatement agreement (the ''Consolidated Loan Agreement'') which amended and consolidated various loans that had been made by Interseal to OAO RussNeft. This amendment was put in place as part of a wider restructuring of OAO RussNeft's indebtedness.

As a result of the amendment and consolidation effected by that agreement, a single loan from Interseal to OAO RussNeft is outstanding in an amount of US$2,080,655,312.12 (the ''Outstanding Principal Amount'').

The Consolidated Loan Agreement provides that:

(i) interest is payable on the Outstanding Principal Amount at a minimum interest rate of 9 per cent. per annum, 3 per cent. of which is payable quarterly in cash, so long as all indebtedness owed by OAO RussNeft to Sberbank of Russia remains outstanding and is current, with the balance of the interest being accrued for future payment. This accrued interest, together with an amount of unpaid interest accrued prior to the execution of the Consolidated Loan Agreement, is payable by OAO RussNeft to Interseal monthly along with the Outstanding Principal Amount in the circumstances described in paragraph (ii) below;

(ii) the Outstanding Principal Amount, together with accrued and unpaid interest, is only to be repaid following the repayment in full of all indebtedness owed by OAO RussNeft to Sberbank of Russia, and then in minimum monthly instalments of US$96,000,000, commencing in the last quarter of 2017;

(iii) in addition to the monthly instalments described in paragraph (ii) above, following the repayment in full of the indebtedness owed by OAO RussNeft to Sberbank of Russia, a quarterly cash sweep will also require OAO RussNeft to reduce further the Outstanding Principal Amount by an amount equal to excess cash flow (i.e. the amount by which cash flow exceeds debt service) generated during the relevant quarter; and

(iv) in any event, OAO RussNeft is required to repay the Outstanding Principal Amount, together with all accrued and unpaid interest, in full to Interseal on or before 31 December 2020.

The Consolidated Loan Agreement also includes representations, warranties and undertakings from OAO RussNeft which are typical for these types of credit arrangements. The Consolidated Loan Agreement also contains customary events of default upon occurrence of which Interseal may demand repayment of the Outstanding Principal Amount.

The amounts outstanding under the Consolidated Loan Agreement are secured by various pledges of shares of members of the OAO RussNeft group, the enforcement of which is to be agreed with Sberbank of Russia whilst all indebtedness owed to it by OAO RussNeft remains outstanding.

(l) Break Fee Agreement

Glencore and Xstrata also entered into a reverse break fee agreement on 7 February 2012 pursuant to which Glencore has agreed to pay to Xstrata by way of compensation a fee in the amount of £298 million (inclusive of irrecoverable value added tax), payable in the event that Glencore's board withdraws, amends, modifies or qualifies its recommendation of the Merger or resolves or agrees to do the same so as to cause the Merger not to proceed, save where such change in recommendation occurs, directly or indirectly, as a result of an event or events outside the control of Glencore.

(m) Viterra arrangement agreement

Glencore, 8115222 Canada Inc. (the ''Purchaser''), a wholly owned subsidiary of Glencore, and Viterra entered into an arrangement agreement dated 20 March 2012 (the ''Arrangement Agreement''), pursuant to which the Purchaser has agreed to acquire all of the outstanding shares (including those shares represented by CHESS Depositary Interests) of Viterra for C$16.25 per share (the ''Purchase Price'') pursuant to a court approved plan of arrangement (the ''Viterra Arrangement'') under the Canada Business Corporations Act. Under the Viterra Arrangement, holders of options under Viterra's management stock option plan will receive a cash payment representing the amount (if any) C$16.25 exceeds the exercise price of such option, net of all taxes required to be withheld, and each restricted share unit, key employee share unit, performance share unit (assuming performance conditions are met) and deferred share unit of Viterra will be redeemed and the holder will receive C$16.25 in cash for each such security, net of all taxes required to be withheld.

The Viterra Arrangement was subject to approval by not less than 66⅔ per cent. of shareholders of Viterra (the ''Viterra Shareholders'') voting in person or by proxy at a special meeting of the Viterra Shareholders. Viterra Shareholders approved the Viterra Arrangement on 29 May 2012. The Viterra Arrangement is also subject to receipt by the Purchaser of certain regulatory approvals and approval of the Ontario Superior Court of Justice (Commercial List).

Viterra is restricted by the Arrangement Agreement, subject to certain limited exceptions, from, (i) directly or indirectly, through any person, soliciting or encouraging any enquiries or proposals relating to any transaction involving Viterra or its subsidiaries representing the sale of 20 per cent. or more of the shares of Viterra or assets which constitute 20 per cent.

or more of the consolidated assets or contributing 20 per cent. or more of consolidated revenue of Viterra (an ''Acquisition Proposal''); (ii) withdrawing or modifying the recommendation of the Viterra Arrangement; (iii) participating in discussions or negotiations with regards to an Acquisition Proposal; (iv) approving or recommending or publicly proposing to approve or recommend any Acquisition Proposal; or (v) accepting or entering or proposing publicly to enter into any arrangement or agreement in respect of an Arrangement Agreement.

The Arrangement Agreement may be terminated by a party (a) if the effective date of the Viterra Arrangement does not occur before 15 October 2012, (b) by written agreement or (c) if the Viterra Shareholders do not approve the Viterra Arrangement. Viterra may terminate the Arrangement Agreement if (d) a condition is not satisfied by the Purchaser or Glencore or (e) Viterra wishes to enter into a binding written agreement with respect to a Superior Proposal. The Purchaser or Glencore may terminate the Arrangement Agreement if (f) a condition is not satisfied by Viterra, (g) Viterra withdraws, qualifies or modifies its recommendation to Viterra Shareholders to approve the Viterra Arrangement, (h) Viterra approves or recommends an Acquisition Proposal or (i) Viterra fails to publicly recommend or reaffirm its approval of the Viterra Arrangement after the Viterra Shareholders receive an Acquisition Proposal.

If the Arrangement Agreement is terminated in the circumstances set out in clauses (e), (g), (h) and (i) in the paragraph above, Viterra shall pay the Purchaser a termination fee equal to C$185 million. If the Arrangement Agreement is terminated as a result of the Purchaser being unable to obtain the required regulatory approvals, the Purchaser shall pay Viterra C$50 million.

The parties have made customary representations and warranties to each other for a transaction of this nature. Additionally, each of the parties agree to perform all obligations required to be performed by it under the Arrangement Agreement, co-operate with each other in connection therewith, and do all such other reasonable acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in the Arrangement Agreement.

Viterra has agreed to, among other things, conduct its business in the ordinary course consistent with past practice, use commercially reasonable efforts to maintain and preserve its business organisation, assets, employees, goodwill and business relationship and not undertake or enter transaction or series of transactions that would prevent Glencore and the Purchaser from obtaining a ''tax cost bump'' pursuant to the Income Tax Act (Canada). Subject to certain conditions, Viterra has agreed, at the request and cost of the Purchaser, to effect such reorganisations of Viterra, its business, operations, assets and the integration of other affiliated businesses of Viterra.

(n) Agrium support and purchase agreement

In connection with the Viterra Arrangement, Glencore, 8115222 Canada Inc. (the ''Purchaser''), 8001979 Canada Inc. and Agrium entered into a support and purchase agreement dated 19 March 2012 (the ''Agrium Agreement'').

Agrium has agreed, on the terms and subject to the conditions of the Agrium Agreement, to acquire the majority of Viterra's worldwide agri-products business, including: (i) certain crop input retail centres, fertiliser and ammonia storage and distribution assets in western Canada, Viterra FinancialTM arrangements related to crop input retail centres and Viterra's interests in Interprovincial Cooperative Limited (collectively, the ''Retail Business''); (ii) Viterra's interests in Canadian Fertilizer Limited and certain associated liabilities (the ''Wholesale Business''); and (iii) at Agrium's option, Viterra's wool business, subject to certain excluded assets and associated liabilities (collectively, the ''Agrium Assets'').

The purchase price for the Agrium Assets is approximately C$1.775 billion, including estimated working capital requirements, (the ''Agrium Consideration'') and is subject to adjustment in certain circumstances, including, among others and subject to certain conditions, upon increases in the consideration under the Viterra Arrangement (the ''Viterra Consideration''). Upon any such increase in the Viterra Consideration and if Agrium does not approve the corresponding increase in the Agrium Consideration, the

Purchaser may elect to maintain Agrium's obligation to acquire the Agrium Assets pursuant to the Agrium Agreement at the Agrium Consideration last agreed to by Agrium, failing which the Agrium Agreement shall automatically terminate. The transfer of the Agrium Assets is subject to the satisfaction of certain conditions and may be completed in a series of separate closings.

Agrium has agreed to lend the Purchaser approximately C$1.775 billion (the ''Agrium Loan'') prior to the date the Viterra Arrangement becomes effective. Glencore and 8001979 Canada Inc. have guaranteed the Purchaser's obligations under the Agrium Loan. The Agrium Loan is repayable by the transfer of the Agrium Assets to Agrium, subject to certain conditions. The Agrium Loan only bears interest if the Purchaser is in default and such interest is payable on the principal amount of the Agrium Loan then outstanding. Agrium does not have any right to acquire shares in Viterra but has been granted a security interest over an amount of shares in Viterra equal to the Agrium Loan divided by the Viterra Consideration paid under the Viterra Arrangement. The funding of the Agrium Loan and Agrium's obligation to acquire the Agrium Assets are conditional upon, among other things, no change, effect, event, circumstance, occurrence or state of facts pending or threatened that has had or would reasonably be expected to have an effect that is or would reasonably be expected to be, material and adverse to Viterra's agri-products business taken as a whole since the date of the Agrium Agreement.

Agrium will be solely responsible for obtaining all regulatory clearances for its acquisition of the Agrium Assets or, alternatively, Agrium may nominate a third party purchaser of such assets. If such regulatory clearances are not obtained within 10 months, in the case of the Retail Business and within 13 months, in the case of the Wholesale Business, and in both cases from the acquisition of Viterra by the Purchaser, the Purchaser may elect to dispose of the Agrium Assets in consultation with Agrium. Agrium accepts the risk that the proceeds of any such sale may be for an amount less than the portion of the Agrium Consideration allocated to such asset. Agrium will not own or operate the applicable Agrium Assets unless and until the completion of the transfer of the respective Agrium Assets. Subject to applicable law, from the date of the acquisition of control of Viterra by the Purchaser to each applicable date of the completion of the transfer of the Agrium Assets, Glencore will cause Viterra to operate the Agrium Assets in Viterra's ordinary course of business and consistent with past practice.

Agrium has also agreed to deal exclusively with the Purchaser and Glencore with respect to the Agrium Assets and the Purchaser and Glencore have agreed to deal exclusively with Agrium with respect to the Agrium Assets, subject to certain conditions.

The Agrium Agreement may be terminated upon two business days' prior written notice by each party thereto if: (a) Glencore and the Purchaser have abandoned the Viterra Arrangement; or (b) the Purchaser has not acquired 66⅔ per cent. of the shares of Viterra within 160 days of the date of the Agrium Agreement.

Glencore and the Purchaser may terminate the Agrium Agreement upon one business day's prior written notice to Agrium if Agrium fails to advance the Agrium Loan as and when required by the Agrium Agreement.

The Viterra Arrangement is not conditional upon completion of the transactions contemplated under the Agrium Agreement.

(o) Richardson purchase agreement

In connection with the Viterra Arrangement, Glencore, 8115222 Canada Inc. (the ''Purchaser''), certain of Glencore's affiliates and Richardson entered into a purchase agreement dated 20 March 2012 (the ''Richardson Agreement'').

Richardson has agreed, on the terms and subject to the conditions of the Richardson Agreement, to acquire the following Viterra assets: (i) certain Canadian grain elevators; (ii) certain agri-centres co-located with certain of the grain elevators; (iii) a 25 per cent. interest in the Cascadia Terminal in Vancouver; (iv) all oat milling assets and shares relating to Viterra's oat milling business in Canada; (v) all assets or shares of the 21st Century Grain Processing business of Viterra in the United States; and (vi) a terminal at Thunder Bay,

Ontario, together with the net working capital with respect to certain of these assets (collectively, the ''Richardson Assets''). The purchase price for the Richardson Assets is approximately C$0.8 billion plus net working capital, subject to adjustment in certain circumstances (the ''Richardson Consideration''), including, among others and subject to certain conditions, upon increases in the consideration under the Viterra Arrangement (the ''Viterra Consideration''). Upon any such increase in the Viterra Consideration and if Richardson does not approve the corresponding increase in the Richardson Consideration, the Purchaser may elect to maintain Richardson's obligation to acquire the Richardson Assets pursuant to the Richardson Agreement at the Richardson Consideration last agreed to by Richardson, failing which the Richardson Agreement shall automatically terminate. The transfer of the Richardson Assets is subject to the satisfaction of certain conditions and may be completed in a series of separate closings.

Richardson has agreed to lend the Purchaser an amount approximately equal to the Richardson Consideration prior to the date the Viterra Arrangement becomes effective (the ''Richardson Loan''). Glencore and certain of its affiliates have guaranteed the Purchaser's obligations under the Richardson Loan. The Richardson Loan is repayable by the transfer of the Richardson Assets to Richardson, subject to certain conditions. Interest shall accrue on the outstanding principal amount of the Richardson Loan from the date it is advanced until the earlier of the date of the completion of the final transfer of the Richardson Assets and the long-stop date provided under the Richardson Agreement for Richardson to obtain regulatory clearances. Richardson does not have any right to acquire shares in Viterra but has been granted a security interest over an amount of shares in Viterra equal to the Richardson Loan outstanding divided by the Viterra Consideration paid under the Viterra Arrangement. The funding of the Richardson Loan is conditional on, among other things, no change, effect, event, circumstance, occurrence or state of facts, pending or threatened, that has had or would reasonably be expected to have an effect that is, or would reasonably be expected to be, material and adverse to the Richardson Assets taken as whole since 24 February 2012. The Richardson Agreement will automatically terminate if Richardson notifies Glencore, prior to the acquisition of the shares in Viterra pursuant to the Viterra Arrangement that it is relying on a funding condition to not advance the Richardson Loan.

Richardson will be solely responsible for obtaining all regulatory clearances for the transfers of the Richardson Assets. Richardson will not own or operate the applicable Richardson Assets unless and until the completion of the respective transfer of the Richardson Assets. Subject to applicable law, from the date of the acquisition of control of Viterra by the Purchaser to the date of the completion of any Richardson Asset transfer, Glencore will cause Viterra to operate the Richardson Assets in Viterra's ordinary course of business and consistent with past practice.

Richardson has agreed, subject to completion of the initial Richardson Asset closing, to share a specified percentage of certain expenses incurred by Richardson and Glencore following the date of the Richardson Agreement up to US$2 million, in the event that Glencore or the Purchaser becomes entitled to a break fee, expense reimbursement fee or other similar fee from Viterra, Richardson shall be entitled to a specified percentage of such fees.

Either Glencore or Richardson may terminate the Richardson Agreement in certain circumstances, including, among others, upon two business days' prior written notice to the other party if: (i) Glencore and the Purchaser have abandoned the Viterra Arrangement; or (ii) the Purchaser has not, among other things, acquired 66⅔ per cent. of the shares of Viterra within 160 days of the date of the Richardson Agreement, subject to extension by Richardson, in its sole judgement, with at least 10 business days' notice to Glencore and the Purchaser.

Glencore and the Purchaser may terminate the Richardson Agreement upon one business day's prior written notice to Richardson if Richardson fails to advance the Richardson Loan as and when required by the Richardson Agreement.

Until any such termination of the Richardson Agreement, Richardson, Glencore and the Purchaser have agreed to deal exclusively with each other with respect to Viterra and the Richardson Assets, subject to Glencore's ability to perform the Agrium Agreement.

The Viterra Arrangement is not conditional upon completion of the transactions contemplated under the Richardson Agreement.

10.2 Xstrata's material contracts

Save as set out in paragraph 10.1 of this Part VI and below, Xstrata and its subsidiaries have not entered into any material contracts, other than contracts entered into in the ordinary course of business, since 2 February 2010 (being the date two years before the commencement of the Offer Period).

(a) Break Fee Agreement

Please see paragraph 10.1(l) of this Part VI, which sets out the details of the Break Fee Agreement.

(b) The US$6 billion multi-currency revolving credit facility

On 24 October 2011, Xstrata (Schweiz) AG, Xstrata Finance (Canada) Limited, Xstrata Canada Financial Corporation, Xstrata Finance (Dubai) Limited as borrowers and guarantors and Xstrata as guarantor and parent entered into a US$6 billion multi-currency revolving credit facility (the ''Club Facility'') with Abbey National Treasury Services plc (trading as Santander Global Banking & Markets), Australia and New Zealand Banking Group Limited, Banco Bilbao Vizcaya Argentaria, S.A., Barclays Capital, Canadian Imperial Bank of Commerce, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Commonwealth Bank of Australia, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Limited, Lloyds TSB Bank plc, Mizuho Corporate Bank, Limited, National Australia Bank Limited, Royal Bank of Canada, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, The Bank of Novia Scotia, The Bank of Tokyo-Mitsubishi UFJ, Limited and The Royal Bank of Scotland plc and the Toronto-Dominion Bank as arrangers and with Abbey National Treasury Services plc (trading as Santander Global Banking & Markets), Barclays Capital, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Limited, Lloyds TSB Bank plc, Mizuho Corporate Bank, Limited, Royal Bank of Canada, The Bank of Tokyo-Mitsubishi UFJ, Limited, The Royal Bank of Scotland plc as bookrunners and with Barclays Bank PLC as facility agent and certain banks as original lenders.

The Xstrata Group have used the Club Facility to refinance existing facilities and for general corporate purposes.

Interest is payable on the loans at the rate which is the aggregate of: (i) LIBOR or, in relation to any loan in euro, EURIBOR; (ii) mandatory costs (being regulatory costs of the lenders which are passed on to the borrowers); and (iii) the relevant margin per annum, which is 0.85 per cent. but subject to adjustment, whereby if the long term credit ratings assigned by Moody's Investors' Service, Inc. / Standard & Poor's Corporation to Xstrata are: (a) A3 / A− or higher, the margin payable will be 0.60 per cent., (b) Baa1 / BBB+, the margin payable will be 0.75 per cent., (c) Baa2 / BBB, the margin payable will be 0.85 per cent., or (d) Baa3 / BBB− or lower, the margin payable will be 1.00 per cent. If such rating is split, the margin shall be calculated on the lower of the two ratings unless the difference is greater than one notch, in which case the margin will be calculated by averaging the margin for the two ratings. If only one rating is assigned to Xstrata, the margin will be such rating. If Xstrata ceases to be rated by such agencies, or an event of default is continuing, the margin payable will be 1.00 per cent. The margin adjustment does not apply to loans then outstanding.

The interest payable on swingline loans is the higher of: (i) the prime commercial lending rate as determined by the facility agent at such time and (ii) 0.5 per cent. per annum plus the federal funds rate at such time. Certain commitment, agency and utilisation fees are also payable.

The Club Facility is available until one month prior to maturity. Maturity is subject to two independent extension options. If no extension option is exercised, maturity, when all amounts must be repaid, will be 24 October 2016. Subject to certain conditions, Xstrata (Schweiz) AG may request an extension of the maturity until 24 October 2017 and/or until 24 October 2018.

The Club Facility contains certain mandatory prepayment events including: (i) illegality; and (ii) a change of control of Xstrata. As the occurrence of the Merger would constitute a change of control under the Club Facility, the Xstrata Group has obtained all lender consent to a waiver of such provision and intends to amend and restate the Club Facility prior to the Effective Date.

The Club Facility contains representations, warranties and undertakings (including financial condition covenants and undertakings) and a guarantee from Xstrata, Xstrata (Schweiz) AG, Xstrata Finance (Canada) Limited, Xstrata Canada Financial Corporation and Xstrata Finance (Dubai) Limited in favour of the lenders of the Club Facility, which are typical for these types of credit agreements. It also contains customary events of default upon occurrence of which the lenders may terminate and demand repayment of the Club Facility.

(c) Option agreement relating to the Agua Rica project

In August 2011, Xstrata Copper, Goldcorp Inc. (''Goldcorp'') and Yamana Gold Inc. (''Yamana'') entered into a definitive agreement providing Minera Alumbrera Limited Sucursal Argentina (''Minera Alumbrera'') the exclusive option to acquire Yamana's 100 per cent. interest in the Agua Rica project. Agua Rica is a feasibility stage project in the province of Catamarca, Argentina, located approximately 35 kilometres from the currently operating Alumbrera mine.

Minera Alumbrera is a joint venture operation between Xstrata Copper (manager and 50 per cent. owner), Goldcorp (37.5 per cent. owner) and Yamana (12.5 per cent. owner) that currently operates the Alumbrera mine. Under the terms of the definitive agreement, Minera Alumbrera holds an exclusive four-year option to acquire Yamana's interest in the Agua Rica project for cumulative payments made by Goldcorp and Xstrata Copper of US$110 million. During the option period Minera Alumbrera will manage the Agua Rica project and fund a feasibility study and all development costs. The respective ownership interests in Minera Alumbrera would remain unchanged and apply to the Agua Rica project.

Goldcorp and Xstrata Copper made a payment of US$20 million to Yamana on execution of the definitive agreement, in addition to the US$10 million paid previously.

Minera Alumbrera can elect to exercise the option at any time during the four-year period. Upon approval to proceed, Yamana would receive US$150 million and a further US$50 million on commencement of commercial production in addition to the remaining option payments. Yamana would also retain the right to a deferred payment related to 65 per cent. of the payable gold production from Agua Rica to a maximum of 2.3 million ounces.

(d) 2011 bond issue

On 4 November 2011, Xstrata announced the launch and pricing of a US$ denominated issue of notes (''the Notes'') in a US$3 billion four-tranche transaction comprising 3 year, 5 year, 10 year and 30 year Notes issued through its subsidiary Xstrata Finance (Canada) Limited. The transaction covers US$800 million 2.85 per cent. guaranteed Notes due November 2014, US$700 million 3.60 per cent. guaranteed Notes due January 2017, US$1,000 million 4.95 per cent. guaranteed Notes due November 2021 and US$500 million 6.00 per cent. guaranteed Notes due November 2041.

The Notes are guaranteed by Xstrata, Xstrata (Schweiz) AG, Xstrata Finance (Dubai) Limited, and Xstrata Canada Financial Corp. The Notes have been offered and sold pursuant to Rule 144A and Regulation S of the US Securities Act.

(e) Sukunka and JX Nippon joint venture

On 13 March 2012, Xstrata Coal and JX Nippon Oil & Energy Corporation ("JX") announced the creation of a joint venture comprising contiguous metallurgical coal assets in the Peace River Coalfields in Western Canada. JX Nippon Oil & Energy (Australia) Pty Ltd ("JX Australia"), a subsidiary of JX, has paid US$435 million in cash to acquire a 25 per cent. interest in Xstrata Coal British Columbia ("XCBC"). XCBC comprises a 100 per cent. interest in the following metallurgical coal assets:

(i) First Coal tenements, acquired by Xstrata Coal in August 2011, representing over 100,000 hectares of contiguous coal licences and applications;

(ii) the Lossan coal deposit acquired by Xstrata Coal in October 2011; and

(iii) the Sukunka coal deposit, the acquisition of which was announced by Xstrata Coal on 8 March 2012 and which completed on 13 March 2012.

Xstrata Coal retains a 75 per cent. interest in XCBC and will develop, operate and manage the assets on behalf of the joint venture. Together with its 25 per cent. interest in XCBC through JX Australia, JX will be the exclusive marketing agent for First Coal and Sukunka coal sold into Japan. Xstrata Coal has combined the project formerly known as Lossan with neighbouring First Coal tenements to create an expanded open-cut coal project of significantly larger scale, now known as the Suska Coal Project ("Suska"). Technical studies indicate that the two most advanced XCBC projects, Sukunka and Suska, have the potential to produce up to approximately 9.5 million tonnes per annum. The majority of this production is expected to comprise hard coking coal with the balance expected to be PCI coal.

Sukunka has an NI 43-101 compliant coal resource of 236 million tonnes in the Measured and Indicated categories. Norwest Corporation has completed a pre-feasibility study for a longwall mine producing hard coking coal. Xstrata Coal's technical studies indicate the potential to realise further value from the resource. Both historical exploration reports and recent studies highlight the prospectivity of the First Coal tenements for significant deposits of export quality metallurgical coals. An exploration programme is on track to commence in 2012 following receipt of approvals.

11. Significant change

11.1 Save as disclosed in this document, the Independent Xstrata Directors are not aware of any significant change in the financial or trading position of Xstrata which has occurred since 31 December 2011, being the date to which the last published audited financial information of Xstrata was prepared.

11.2 Save as disclosed in this document, the Glencore Directors are not aware of any significant change in the financial or trading position of Glencore since 31 December 2011, being the date to which the last published audited financial information of Glencore was prepared.

12. Sources and bases of selected financial information

12.1 Unless otherwise stated, all prices quoted for Xstrata Shares and Glencore Shares are closing mid-market prices and are derived from the Daily Official List.

12.2 The US$/£ exchange rate of US$1.56/£1.00 used in this document is the Bloomberg rate as at 5.00 p.m. London time on 29 May 2012 (being the last practicable date prior to the publication of this document).

12.3 As at 5.00 p.m. London time on 6 February 2012 the US$/£ exchange rate was US$1.58/£1.00 as quoted by Bloomberg.

12.4 As at the close of business on 29 May 2012 there were 6,922,713,511 Glencore Shares in issue.

12.5 As at the close of business on 6 February 2012 the number of Xstrata Shares in issue was 2,964,692,076. (Of this number, 1,010,403,999 Xstrata Shares were owned by the Glencore Group and 32,593,891 Xstrata Shares were owned by certain entities connected with Xstrata that

hold Xstrata Shares for the purpose of satisfying Xstrata Shares to be issued pursuant to the Xstrata Share Schemes).

12.6 As at the close of business on 6 February 2012 the fully diluted number of Xstrata Shares was 3,014,126,232. This comprised:

(a) the number of Xstrata Shares in issue set out in paragraph 12.5 above; plus

(b) 82,028,047 Xstrata Shares to be issued pursuant to the Xstrata Share Schemes; less

(c) 32,593,891 Xstrata Shares held by certain entities connected to Xstrata referred to in paragraph 12.5 above which are intended to be used to satisfy awards pursuant to the Xstrata Share Schemes.

12.7 As at the close of business on 29 May 2012 the number of Xstrata Shares in issue was 3,002,692,076. (Of this number, 1,010,403,999 Xstrata Shares were owned by the Glencore Group and 50,333,196 Xstrata Shares were owned by certain entities connected with Xstrata that hold Xstrata Shares for the purpose of satisfying awards pursuant to the Xstrata Share Schemes).

12.8 As at the close of business on 29 May 2012 the fully diluted number of Xstrata Shares was 3,031,945,806. This comprises:

(a) the number of Xstrata Shares in issue set out in paragraph 12.7 above; plus

(b) 79,586,926 Xstrata Shares to be issued pursuant to the Xstrata Share Schemes; less

(c) 50,333,196 Xstrata Shares held by certain entities connected to Xstrata referred to in 12.7 above which are intended to be used to satisfy awards pursuant to the Xstrata Share Schemes.

12.9 The value of 1,290.10 pence per Xstrata Share implied by the terms of the Merger on 6 February 2012 is calculated based on the exchange ratio of 2.8 New Glencore Shares for each Xstrata Share held and the closing price per Glencore Share of 460.75 pence on 6 February 2012.

12.10 The value of 991.48 pence per Xstrata Share implied by the terms of the Merger on 29 May 2012 is calculated based on the exchange ratio of 2.8 New Glencore Shares for each Xstrata Share held and the closing price per Glencore Share of 354.10 pence on 29 May 2012.

12.11 The value of £38.9 billion for Xstrata's issued and to be issued share capital implied by the terms of the Merger on 6 February 2012 is calculated on the basis of the value placed on each Xstrata Share referred to in paragraph 12.9 above multiplied by the number of Xstrata Shares referred to in paragraph 12.6 above.

12.12 The value of £30.1 billion for Xstrata's issued and to be issued share capital implied by the terms of the Merger on 29 May 2012 is calculated on the basis of the value placed on each Xstrata Share referred to in paragraph 12.10 above multiplied by the number of Xstrata Shares referred to in paragraph 12.8 above.

12.13 The number of Glencore Shares and New Glencore Shares which will be considered to be free float immediately following the Effective Date is 8,930,924,813. This comprises:

(a) the number of New Glencore Shares of 5,427,619,383 to be issued in respect of 1,938,435,494 Scheme Shares not owned by Xstrata Directors or certain entities connected with Xstrata that will hold New Glencore Shares in order to satisfy Xstrata Shares awarded pursuant to any Xstrata Share Schemes as at 29 May 2012; and

(b) the number of Glencore Shares in issue referred to in paragraph 12.4 above less 3,419,408,081 Glencore Shares not considered to be free float as at 29 May 2012.

12.14 The free float of 71.0 per cent. of the Combined Entity immediately following the Effective Date is calculated on the following basis:

(a) the number of Glencore Shares and New Glencore Shares which will be considered to be free float immediately following the Effective Date as set out in paragraph 12.13 above; divided by

(b) the sum of (i) the number of Glencore Shares in issue as at the close of business on 29 May 2012 (as set out in paragraph 12.4 above; and (ii) the number of New Glencore Shares of 5,660,317,060 to be issued in respect of the 2,021,541,807 Scheme Shares.

12.15 The value of the free float of £31.6 billion of the Combined Entity immediately following the Effective Date is calculated on the following basis:

(a) the number of Glencore Shares and New Glencore Shares which will be considered to be free float immediately following the Effective Date as set out in paragraph 12.13 above; multiplied by

(b) the closing price per Glencore Share on 29 May 2012 referred to in paragraph 12.10 above.

12.16 The average exchange ratio of 2.52 implied by the middle market closing prices of Xstrata and Glencore between Glencore's initial public offering on 18 May 2011 and 1 February 2012 (being the last practicable day prior to the announcement by Xstrata that it was in discussions with Glencore) is calculated on the basis of the average of the daily ratios of the closing price per Xstrata Share divided by the closing price per Glencore Share during this period.

12.17 Unless otherwise stated, the financial information concerning Xstrata has been extracted from the audited annual report and accounts for Xstrata for the relevant period.

12.18 Unless otherwise stated, the financial information concerning Glencore has been extracted from the audited annual report and accounts for Glencore for the relevant period.

13. Incorporation by reference

13.1 Parts of other documents are incorporated by reference in, and form part of, this document.

13.2 Part VII (*Financial and Ratings Information*) of this document sets out which sections of such documents are incorporated into this document.

13.3 A person who has received this document may request a copy of such documents incorporated by reference. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested from Xstrata's Registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or by calling the shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0800 279 4113 (free from landlines in the UK), 0800 002 427 (free from landlines in Switzerland), or +44 800 279 4113 (from outside the UK and Switzerland, international rates apply). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Merger. If requested, copies will be provided, free of charge, within two business days of the request.

14. Other information

14.1 Deutsche Bank AG, London Branch has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

14.2 J.P. Morgan Limited has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

14.3 Goldman Sachs International has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

14.4 Nomura International plc has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

14.5 Barclays has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

14.6 No agreement, arrangement or understanding (including any compensation arrangement) exists (save for the Management Incentive Arrangements and as otherwise disclosed in this document)

between Glencore or any person acting in concert with Glencore for the purposes of the Merger and any of the directors, recent directors, shareholders or recent shareholders of Xstrata, or any person interested or recently interested in Xstrata Shares, having any connection with or dependence upon, or which is conditional on the outcome of the Merger.

14.7 There are no arrangements of the kind referred to in Note 11 of the definition of acting in concert in the Code which exist between Glencore, or any person acting in concert with Glencore, and any other person or between Xstrata, or any person acting in concert with Xstrata, and any other person.

14.8 Settlement of the consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which Glencore may otherwise be or claim to be, entitled against any such Scheme Shareholder.

14.9 The aggregate fees and expenses which are expected to be incurred by Glencore in connection with the Merger are estimated to amount to between US$59,591,320 to US$79,591,320 plus applicable VAT. This aggregate number consists of the following categories:

(a) financial and corporate broking advice: between US$30,000,000 and US$50,000,000 plus applicable VAT[(1)];

(b) legal advice: US$18,645,325 plus applicable VAT;

(c) accounting advice: US$2,710,695 plus applicable VAT;

(d) public relations advice: US$791,600 plus applicable VAT;

(e) other professional services: US$6,850,000 plus applicable VAT; and

(f) other costs and expenses: US$593,700 plus applicable VAT.

14.10 The aggregate fees and expenses which are expected to be incurred by Xstrata in connection with the Merger are estimated to amount to between US$101,222,612 to US$116,347,812 plus applicable VAT. This aggregate number consists of the following categories:

(a) financial and corporate broking advice: between US$68,000,000 and US$80,000,000 plus applicable VAT[(2)];

(b) legal advice: £13,019,878 plus applicable VAT;

(c) accounting advice: US$3,000,000 plus applicable VAT;

(d) public relations advice: between £800,000 and £2,800,000 plus applicable VAT[(2)];

(e) other professional services: US$6,500,000 plus applicable VAT; and

(f) other costs and expenses: £1,361,622 plus applicable VAT.

15. Documents available for inspection

Copies of the following documents will be made available on Glencore's website at www.glencore.com and on Xstrata's website at www.xstrata.com during the course of the Merger:

15.1 the Xstrata Articles;

15.2 the Xstrata Articles as proposed to be amended by the resolutions set out in the notice of Xstrata General Meeting set out at Part X (*Notice of Xstrata General Meeting*) of this document;

15.3 the memorandum and articles of association of Glencore;

15.4 the material contracts referred to in paragraphs 10.1(l) and 10.2(a) of this Part VI;

15.5 the irrevocable undertakings referred to in paragraph 6 of this Part VI;

15.6 the written consents referred to in paragraph 14 of this Part VI;

(1) The variable component of these fees comprises a success fee payable by Glencore at its discretion.
(2) The variable component of these fees comprises elements of fees which are payable by Xstrata at its discretion or which are contingent upon completion of the Merger.

15.7 a full list of the dealings aggregated in paragraphs 5 of this Part VI;

15.8 the letters to be sent to participants in the Xstrata Share Schemes in accordance with Rule 15 of the Code, as referred to in paragraph 10 of Part II (*Explanatory Statement*); and

15.9 this document (including any documents incorporated herein by reference) and the Forms of Proxy.

16. Employee Representatives' Opinions

As at 29 May 2012 (being the last practicable date prior to the posting of this document), Xstrata had received the Employee Representatives' Opinions from various Xstrata Group employee representatives, as set out at the Appendix to this document.

PART VII

FINANCIAL AND RATINGS INFORMATION

Part A : Financial information relating to Xstrata

The following sets out financial information in respect of Xstrata as required by Rule 24.3 of the Code. The documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the Code:

- the audited accounts of Xstrata for the financial year ended 31 December 2011 are set out on pages 116 to 194 (both inclusive) in Xstrata's annual report for the financial year ended on 31 December 2011 available from Xstrata's website at www.xstrata.com;
- the audited accounts of Xstrata for the financial year ended 31 December 2010 are set out on pages 132 to 227 (both inclusive) in Xstrata's annual report for the financial year ended 31 December 2010 available from Xstrata's website at www.xstrata.com; and
- copies of any interim statements and preliminary announcements made by Xstrata since the date of its last published audited accounts available from Xstrata's website at www.xstrata.com.

Part B : Xstrata ratings information

Since the Offer Period began, Xstrata has had a long-term corporate issuer rating of BBB+ from Standard and Poor's with a negative outlook and a long-term corporate issuer rating of Baa2 from Moody's. On 7 February 2012 Moody's placed Xstrata on watch for a possible upgrade.

Part C : Financial information relating to Glencore

The following sets out the financial information in respect of Glencore required by Rule 24.3 of the Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Code:

- the audited accounts of Glencore for the financial year ended 31 December 2011 are set out on pages 103 to 155 (both inclusive) of Glencore's annual report for the financial year ended 31 December 2011 available from Glencore's website, www.glencore.com;
- the audited accounts of Glencore for the financial year ended 31 December 2010 are set out on pages 190 to 241 (both inclusive) of the prospectus dated 4 May 2011, published by Glencore in relation to the IPO of Glencore Shares, available from Glencore's website, www.glencore.com; and
- copies of any interim statements and preliminary announcements made by Glencore since the date of its last published audited accounts available from Glencore's website at www.glencore.com.

Part D : Glencore ratings information

Prior to the Offer Period, Glencore had been assigned a rating of BBB (outlook stable) by Standard & Poor's and Baa2 (outlook stable) by Moody's. Since the Offer Period began, Standard & Poor's has placed Glencore's rating on watch positive, on the basis that the rating of the Combined Group will be BBB+ if the Merger goes ahead under the conditions announced on 7 February 2012. Following the announcement, Moody's initially placed Glencore on review for upgrade on the basis of a favourable assessment of the Merger in terms of diversification and synergies. Since 21 March 2012, Glencore's rating has been placed on review with direction uncertain by Moody's following the announcement of the debt-funded acquisition of Viterra on 20 March 2012 and uncertainty as to whether the Merger would complete.

No incorporation of website information

Save as expressly referred to herein, neither the content of Xstrata or Glencore's websites, nor the content of any website accessible from hyperlinks on Xstrata or Glencore's website, is incorporated into, or forms part of, this document.

PART VIII
DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise.

''$'' or ''US$'' or ''US dollars'' or ''cents'' or ''USD''	the lawful currency of the United States
''£'' or ''Sterling'' or ''pounds sterling'' or ''pence''	the lawful currency of the United Kingdom
''€'' or ''Euro''	the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended
''C$''	the lawful currency of Canada
''CHF'' or ''Swiss Franc''	the lawful currency of Switzerland
''HK$''	the lawful currency of Hong Kong
''A Shares''	has the meaning given in Part III (*The Scheme of Arrangement*) of this document
''Admission''	UK Admission and HK Admission
''Agrium''	Agrium Inc., registered under the federal laws of Canada pursuant to the Canada Business Corporations Act with corporation number 2880814 and registered office at 13131 Lake Fraser Drive S.E., Calgary, AB T2J 7E8, Canada
''Australia''	the Commonwealth of Australia, its territories and possessions
''Authorisations''	material authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licenses, permissions and approvals
''B Shares''	has the meaning given in Part III (*The Scheme of Arrangement*) of this document
''Break Fee Agreement''	the reverse break fee agreement entered into by Glencore and Xstrata on 7 February 2012
''business day''	a day (other than a Saturday, Sunday, UK public or bank holiday) on which banks are generally open for the transaction of business in London
''Canada''	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
''CEO''	Chief Executive Officer
''certificated'' or ''certificated form''	in relation to a share or other security, which is not in uncertificated form (that is, not in CREST)
''Code''	the UK City Code on Takeovers and Mergers
''Combined Entity''	the ultimate parent company of the Combined Group, being Glencore, which is proposed to be renamed Glencore Xstrata plc upon the Effective Date, subject to the requisite majority of Glencore Shareholders approving the change of name at the Glencore General Meeting
''Combined Group''	the combined group following the Merger, comprising the Glencore Group and the Xstrata Group
''Combined Group's Board''	the board of directors of the Combined Entity following the Merger
''Companies Act''	the UK Companies Act 2006 (as amended)

"Company" or "Xstrata"	Xstrata plc, incorporated in England and Wales with registered number 04345939
"Company's Registrars"	Computershare Investor Services PLC of the Pavilions, Bridgewater Road, Bristol BS99 6ZY
"Conditions"	the conditions to the implementation of the Merger (including the Scheme) as set out in Part IV (*Conditions and certain further terms of the Scheme and the Merger*) of this document
"Confidentiality Agreement"	the mutual confidentiality agreement entered into by Glencore and Xstrata on 12 December 2011
"Court"	the High Court of Justice of England and Wales
"Court Hearings"	the Scheme Court Hearing and the Reduction Court Hearing
"Court Meeting"	the meeting of the Scheme Voting Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part IX (*Notice of Court Meeting*) of this document, to consider and, if thought fit, approve the Scheme, including any adjournment thereof
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
"CREST Manual"	the CREST manual referred to in agreements entered into by Euroclear
"CREST Proxy Instruction"	the appropriate CREST message properly authenticated in accordance with Euroclear's specifications and which contains the information required for such instructions, as described in the CREST Manual
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) or the Companies (Uncertificated Securities) (Jersey) Order 1999 (as applicable) in each case, as amended from time to time
"Daily Official List"	the daily official list of the London Stock Exchange
"Dealing Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer
"Deferred Shares"	the non-voting deferred shares of £1 each in the capital of Xstrata
"Disclosed"	(i) fairly disclosed in the preliminary results for Xstrata for the year ended 31 December 2011, (ii) Publicly Announced, or (iii) fairly disclosed to Glencore or its financial, legal or accounting advisers (specifically in their capacity as Glencore's advisers in relation to the Merger) by or on behalf of Xstrata prior to 7 February 2012, being the date on which Glencore and Xstrata announced Glencore's firm intention to make an offer for Xstrata in accordance with Rule 2.7 of the Code
"Disclosure and Transparency Rules"	the disclosure and transparency rules of the FSA made in accordance with section 73A of the FSMA, as amended from time to time
"EBIT"	earnings before interest and tax
"EBITDA"	earnings before interest, tax, depreciation and amortisation

''Effective Date''	the date upon which a copy of the Reduction Court Order and the related Statement of Capital have been delivered to the Registrar of Companies and, if the Court so orders for the Reduction of Capital to take effect, registered by the Registrar of Companies, following the prior delivery of the Scheme Court Order to the Registrar of Companies
''Employee Representatives' Opinions''	the opinions received from Xstrata Group employee representatives on the effects of the Merger on employment in accordance with Rule 25.9 of the Code, as set out at (or unofficial translations of such letters into English) the Appendix to this document
''Euroclear''	Euroclear UK & Ireland Limited
''Excluded Shares''	(a) all Xstrata Shares beneficially owned by Glencore or any other member of the Glencore Group, (b) any Xstrata Shares held in treasury by Xstrata, and (c) any other Xstrata Shares which Glencore and Xstrata agree (subject to the consent of the Court) will not be subject to the Scheme, in each case which will be reclassified as A Shares pursuant to Clause 1 of the Scheme as set out in Part III (*The Scheme of Arrangement*) of this document
''FOB''	free on board
''Forms of Proxy''	the form of proxy in connection with each of the Court Meeting and the Xstrata General Meeting, which accompany this document
''FSA'' or ''Financial Services Authority''	the UK Financial Services Authority
''FSMA''	the Financial Services and Markets Act 2000 (as amended)
''FTSE 100''	a group of companies which, according to FTSE International Limited, is a market capitalisation weighted index representing the performance of the 100 largest UK listed blue chip companies, which pass screening for size and liquidity
''Glencore''*	Glencore International plc, incorporated in Jersey with registered number 107710
''Glencore 2012 Interim Dividend''	the Glencore interim dividend in respect of the 2012 financial year
''Glencore Circular''	the circular to be sent to Glencore Shareholders in connection with the Merger
''Glencore Directors''	the board of directors of Glencore at the date of this document
''Glencore General Meeting''	the general meeting of Glencore to be convened in connection with the Merger, notice of which will be set out in the Glencore Circular, including any adjournment thereof
''Glencore Group''	Glencore and its subsidiaries and subsidiary undertakings
''Glencore Nominee Directors''	Messrs Glasenberg, Mistakidis and Peterson, the Xstrata Directors nominated by Glencore
''Glencore Performance Share Plan''	the Glencore employee share plan.
''Glencore Prospectus''	the document to be published by Glencore on 31 May 2012 in connection with the issue of the New Glencore Shares
''Glencore Shareholders''	holders of Glencore Shares
''Glencore Shares''	the ordinary shares of US$0.01 each in the capital of Glencore

* Proposed to be renamed Glencore Xstrata plc upon the Effective Date, subject to the requisite majority of Glencore Shareholders approving the change of name at the Glencore General Meeting.

"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK Admission"	the conditional approval of the Listing Committee of the Hong Kong Stock Exchange for the listing of and dealing in the New Glencore Shares on the Main Board of the Hong Kong Stock Exchange
"Independent Non-Executive Xstrata Directors"	the Independent Xstrata Directors other than the Xstrata Executive Directors
"Independent Xstrata Directors"	the directors of Xstrata other than the Glencore Nominee Directors
"Independent Xstrata Shareholders"	those Xstrata Shareholders who are permitted under Rule 16.2 of the Code to vote on the Management Incentive Arrangements Resolution
"International Financial Reporting Standards" or "IFRS"	the international financial reporting standards issued by the International Accounting Standards Board
"IPO"	initial public offering
"Japan"	Japan, its cities, prefectures, territories and possessions
"Jersey"	the Bailiwick of Jersey
"Listing Rules"	the listing rules of the FSA made in accordance with section 73A of the FSMA, as amended from time to time
"LME"	The London Metal Exchange Limited
"London Stock Exchange"	London Stock Exchange plc
"Long Stop Date"	11.59 p.m. London time on 31 October 2012 or such later date (if any) as Glencore and Xstrata may, with the consent of the Panel, agree and (if required) the Court may allow
"Management Incentive Arrangements"	those elements of the retention and incentive arrangements set out in paragraph 9 of Part II (*Explanatory Statement*) of this document, proposed to be put in place for (a) the members of Xstrata's Management, and (b) each of the Xstrata Senior Employees, which will be voted on by the Independent Xstrata Shareholders at the Xstrata General Meeting
"Management Incentive Arrangements Resolution"	resolution number 2 set out in the notice of the Xstrata General Meeting in Part X (*Notice of Xstrata General Meeting*) of this document to be voted on by the Independent Xstrata Shareholders
"Merger"	the direct or indirect acquisition of the entire issued and to be issued share capital of Xstrata by Glencore (other than any Xstrata Shares already held by any member of the Glencore Group) to be implemented by way of the Scheme or (should Glencore so elect, subject to the consent of the Panel (where necessary) and with Xstrata's prior written consent) by way of a Merger Offer
"Merger Offer"	the implementation of the Merger by means of a takeover offer under section 974 of the Companies Act, rather than by means of a scheme of arrangement under Part 26 of the Companies Act
"New Glencore Shares"	the new Glencore Shares to be allotted and issued to Scheme Shareholders pursuant to the Scheme
"New Xstrata Shares"	the new Xstrata Shares to be allotted and issued to Glencore and/or its nominees pursuant to the Scheme

"Offer Period"	means the period commencing on 2 February 2012
"Official List"	the Official List of the FSA
"Opening Position Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of certain persons' interests in relevant securities of a party to an offer
"Panel"	the UK Panel on Takeovers and Mergers
"Principal Shareholders"	Daniel Francisco Maté Badenes, Aristotelis Mistakidis, Tor Peterson and Alex Beard
"Proposed Glencore Directors"	Messrs Davis, Bond, Fauconnier, Hooley, Robson and Strachan who will be appointed to the board of directors of Glencore subject to and upon the Merger becoming effective
"Publicly Announced"	fairly disclosed in any public announcement by Xstrata to any Regulatory Information Service on or prior to 7 February 2012, being the date on which Glencore and Xstrata announced Glencore's firm intention to make an offer for Xstrata in accordance with Rule 2.7 of the Code
"Qualifying Reserves"	means capital contribution reserves in terms of Swiss tax law and according to the Swiss GAAP financial statements as included in the notes to the annual financial statements. These are reserves from capital contributions made by shareholders to the Company after 31 December 1996, which can be repaid free of Swiss Withholding Tax
"Reduction of Capital"	the proposed reduction of Xstrata's share capital under Chapter 10 of Part 17 of the Companies Act, to be effected as part of the Scheme
"Reduction Court Hearing"	the hearing by the Court of the claim form to confirm the Reduction of Capital under section 648 of the Companies Act at which the Reduction Court Order will be sought
"Reduction Court Order"	the order of the Court confirming the Reduction of Capital
"Registrars" or "Xstrata's Registrars"	Computershare Investor Services PLC
"Registrar of Companies"	the Registrar of Companies in England and Wales
"Regulation"	Council Regulation (EC) No. 139/2004
"Relationship Agreement"	the agreement entered into by Glencore and Xstrata on 20 March 2002
"Reorganisation Record Time"	6.00 p.m. (London time) on the business day following the date of the Scheme Court Hearing
"Resolutions"	the resolutions set out in the notice of the Court Meeting and the notice of the Xstrata General Meeting in Part IX (*Notice of Court Meeting*) and Part X (*Notice of Xstrata General Meeting*) of this document respectively
"Richardson"	Richardson International Limited, registered under the federal laws of Canada pursuant to the Canada Business Corporations Act with corporation number 4135253 and registered office at 2800 One Lombard Place, Winnipeg, MB R3B 0X8, Canada
"RIS or "Regulatory Information Service"	an information service that is approved by the FSA and on the FSA's list of Registered Information Services
"Scheme" or "Scheme of Arrangement"	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Xstrata and the Scheme Shareholders, with or subject to any modification, addition or

	condition approved or imposed by the Court and agreed to by Xstrata and Glencore
"Scheme Court Hearing"	the hearing by the Court of the claim form to sanction the Scheme under section 899 of the Companies Act at which the Scheme Court Order will be sought
"Scheme Court Order"	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
"Scheme Record Time"	6.00 p.m. (London time) on the date of the Reduction Court Hearing
"Scheme Shareholders"	registered holders of Scheme Shares
"Scheme Shares"	all Xstrata Shares which have been reclassified as B Shares pursuant to Clause 1 of the Scheme as set out in Part III (*The Scheme of Arrangement*) of this document
"Scheme Voting Record Time"	6.00 p.m. (London time) on the day which is two business days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. (London time) on the day which is two business days before the date set for the adjourned Court Meeting
"Scheme Voting Shareholders"	holders of Scheme Voting Shares
"Scheme Voting Shares"	all Xstrata Shares: (a) in issue as at the date of this document; and (b) (if any) issued after the date of this document and prior to the Scheme Voting Record Time, but in each case other than the Excluded Shares
"Shareholder Meetings"	the Court Meeting and the Xstrata General Meeting, and "Shareholder Meeting" means either one of them
"SIX"	SIX Swiss Exchange AG
"Special Resolution"	the special resolution (which will be taken on a poll) to be proposed by Xstrata at the Xstrata General Meeting in connection with, among other things, the approval of the Scheme and confirmation of the Reduction of Capital, the alteration of the Xstrata Articles and such other matters as may be necessary to implement the Scheme
"Special Voting Share"	the special voting share of US$0.50 in the capital of Xstrata
"Statement of Capital"	the statement of capital (approved by the Court) showing, with respect to Xstrata's share capital, as altered by the Reduction Court Order, the information required by section 649 of the Companies Act
"Third Party"	a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, professional association, institution, employee representative body or any other such body or person whatsoever in any jurisdiction
"treasury shares"	Xstrata Shares held by Xstrata as treasury shares (if any)
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Admission"	admission of the New Glencore Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities

''UK Listing Authority''	the FSA acting in its capacity as the competent authority for listing under the FSMA
''uncertificated'' or ''in uncertificated form''	in relation to a share or other security, recorded on the relevant register of the share or other security concerned as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations may be transferred by means of CREST
''United States of America'', ''United States'' or ''US''	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
''US Exchange Act''	the United States Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder (as amended)
''US GAAP''	US generally accepted accounting policies
''US Securities Act''	the United States Securities Act of 1933 and the rules and regulations promulgated thereunder (as amended)
''Viterra''	Viterra Inc., registered under the federal laws of Canada pursuant to the Canada Business Corporations Act with corporation number 7501960 and registered office at 2625 Victoria Avenue, Regina, SK S4T 7T9, Canada
''Wider Glencore Group''	Glencore, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Glencore and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent
''Wider Xstrata Group''	Xstrata, its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Xstrata and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent
''Xstrata 2011 Final Dividend''	the Xstrata final dividend in respect of the 2011 financial year of US$0.27 per Xstrata Share announced by Xstrata's Board on 7 February 2012 and paid on 23 May 2012
''Xstrata Added Value Incentive Plan'' or ''Xstrata AVP''	the Xstrata plc 2005 Added Value Incentive Plan
''Xstrata Annual Bonus Plan''	the Xstrata plc 2002 Executive Committee Annual Bonus Plan
''Xstrata Articles''	the articles of association of Xstrata from time to time
''Xstrata Directors''	the directors of Xstrata
''Xstrata Executive Directors''	Messrs. Davis, Reid and Zaldumbide
''Xstrata Financial Advisers''	Deutsche Bank AG, London Branch, J.P. Morgan Limited, Goldman Sachs International and Nomura International plc
''Xstrata General Meeting''	the extraordinary general meeting of Xstrata to be convened in connection with the Scheme, the Reduction of Capital and the Management Incentive Arrangements, notice of which is set out in Part X (*Notice of Xstrata General Meeting*) of this document, including any adjournment thereof
''Xstrata General Meeting Resolutions''	the resolutions set out in the notice of the Xstrata General Meeting in Part X of this document
''Xstrata Group''	Xstrata and its subsidiaries and subsidiary undertakings
''Xstrata LTIP''	the Xstrata plc 2002 Long Term Incentive Plan

''Xstrata Non-Executive Directors''	Messrs. Bond, Fauconnier, Glasenberg, Hooley, Lamoureux, Mistakidis, Peterson, Robson, Rough and Strachan
''Xstrata Senior Employees''	the 64 senior employees of the Xstrata Group who it is proposed will benefit from those elements of the Management Incentive Arrangements described in paragraph 9 of Part II (*Explanatory Statement*) of this document, which will be voted on by the Independent Xstrata Shareholders at the Xstrata General Meeting
''Xstrata Shareholders''	holders of Xstrata Shares
''Xstrata Shares''	the ordinary shares of US$0.50 each in the capital of Xstrata
''Xstrata Share Schemes''	the Xstrata plc 2002 Long Term Incentive Plan, the Xstrata plc 2002 Executive Committee Annual Bonus Plan and the Xstrata plc 2005 Added Value Incentive Plan, each as amended from time to time
''Xstrata's Management''	the members of senior management of the Xstrata Group, being the Xstrata Executive Directors and Peter Freyberg, Benny Levene, Thras Moraitis, Peet Nienaber, Ian Pearce and Charlie Sartain

For the purposes of this document, ''subsidiary'', ''subsidiary undertaking'', ''undertaking'', ''associated undertaking'' have the meanings given by the Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this document. All references to time in this document are to London time unless otherwise stated.

PART IX

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

REGISTRAR DERRETT **No. 4168 of 2012**

IN THE MATTER OF XSTRATA PLC

– and –

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an Order dated 28 May 2012 made in the above matters, the Court has directed a meeting to be convened of the holders of the Scheme Voting Shares (as defined in the scheme of arrangement hereinafter mentioned) for the purpose of considering and, if thought fit, approving (with or without modification and subject to the passing of the resolutions to be proposed at the Xstrata General Meeting (as defined in the circular (the ''Circular'') sent to Xstrata Shareholders in relation to the Scheme, as defined below)), a scheme of arrangement (the ''Scheme'') proposed to be made between Xstrata plc (the ''Company'') and Scheme Shareholders (as defined in the Scheme), and that such meeting shall be held at Theater-Casino Zug, Artherstrasse 2-4, Zug, Switzerland on 12 July 2012 at 11.00 a.m. Central European Summer Time with a concurrent satellite meeting linked by video conference to the Court Meeting in Zug held at Holborn Bars, 138-142 Holborn, London EC1N 2NQ at 10.00 a.m. London time (the ''Court Meeting'') at which places and time all holders of Scheme Voting Shares (as defined in the Scheme) are requested to attend either in person or by proxy.

A copy of the said Scheme and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part. Terms defined in the said Scheme have the same meanings in this notice and/or the Circular.

Scheme Voting Shareholders entitled to attend and vote at the meeting may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A BLUE form of proxy for use at the meeting is enclosed with this notice.

Scheme Voting Shareholders are entitled to appoint a proxy in respect of some or all of their shares. Scheme Voting Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. A space has been included in the BLUE form of proxy to allow Scheme Voting Shareholders to specify the number of shares in respect of which that proxy is appointed. Scheme Voting Shareholders who return the BLUE form of proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all their Scheme Voting Shares.

Scheme Voting Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company's Registrars, Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS99 6ZY (the "Company's Registrars") for further BLUE forms of proxy or photocopy the form of proxy as required. Such holders should also read the "Explanatory Notes" set out in the BLUE form of proxy, and note the principles that shall be applied in relation to multiple proxies.

It is requested that BLUE forms of proxy (together with any power of attorney or authority under which they are signed, or a duly certificated copy of such power of attorney or other authority) be lodged with the Company's Registrars at The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to be received by no later than 10.00 a.m. London time on 10 July 2012, or in the case of an adjourned meeting, by no later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the said meeting, but if forms are not so lodged they may be handed to the Company's Registrars or the Chairman at the meeting.

Scheme Voting Shareholders entitled to attend and vote at the meeting may appoint a proxy electronically by logging on to the website of the Company's Registrars at www.eproxyappointment.com

and entering the voting ID, task ID and shareholder reference number shown on their form of proxy. Full details of the procedure to be followed to appoint a proxy electronically are given on the website. Information is also included in the instructions included on the Form of Proxy.

Scheme Voting Shareholders who hold Scheme Voting Shares in uncertificated form (that is, in CREST) and who wish to appoint a proxy or proxies for the Court Meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC (ID 3RA50) by no later than 48 hours (excluding any part of a day that is not a working day) prior to the Court Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Xstrata may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

Completion of the BLUE form of proxy or the appointment of a proxy or proxies electronically or through CREST shall not prevent a holder of Scheme Voting Shares from attending and voting at the meeting or any adjournment thereof.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

As an alternative to appointing a proxy, any Scheme Voting Shareholder which is a corporation may vote by a corporate representative in accordance with the Companies Act 2006.

Entitlement to attend and vote at the meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6.00 p.m. London time on the day which is two business days before the date of the meeting or adjourned meeting (as the case may be). In each case, changes to the register of members of the Company after such time shall be disregarded.

By the said order, the Court has appointed Sir John Bond or, failing him, David Rough, Sir Steve Robson CB or Ian Strachan, to act as chairman of the said meeting and has directed the chairman to report the result thereof to the Court.

The Scheme will be subject to the subsequent sanction of the Court.

Dated 31 May 2012.

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS
United Kingdom

Solicitors for the Company

Notes:

1. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a ''Nominated Person'') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

2. The statement of the rights of shareholders in relation to the appointment of proxies in this notice does not apply to Nominated Persons. The rights described in this notice can only be exercised by shareholders of the Company.

PART X

NOTICE OF XSTRATA GENERAL MEETING

XSTRATA PLC

(Registered in England and Wales No. 04345939)

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING (''General Meeting'') of Xstrata plc (the ''Company'') shall be held at Theater-Casino Zug, Artherstrasse 2-4, Zug, Switzerland on 12 July 2012 at 11.30 a.m. Central European Summer Time (''Central European Summer Time'') with a concurrent satellite meeting linked by video conference to the General Meeting in Zug being held at Holborn Bars, 138-142 Holborn, London EC1N 2NQ at 10.30 a.m. London time (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part, being the ''Scheme Document'') convened for 11.00 a.m. Central European Summer Time (10.00 a.m. London time) on the same day and at the same places has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, of which resolution 1 will be proposed as a special resolution and resolution 2 will be proposed as an ordinary resolution and each will be taken on a poll. Defined terms in this notice, unless otherwise defined, shall have the meaning given to them in the Scheme Document.

SPECIAL RESOLUTION

1. **THAT** subject to and conditional upon the passing of resolution 2 set out in this notice of General Meeting, for the purpose of giving effect to the scheme of arrangement dated 31 May 2012 between the Company and Scheme Shareholders (as defined in the said scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman thereof, in its original form or subject to any modification, addition or condition agreed by the Company and Glencore International plc (''Glencore'') and approved or imposed by the Court (the ''Scheme''):

1.1 the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into full effect;

1.2 at the Reorganisation Record Time (as defined in the Scheme) the Excluded Shares (as defined in the Scheme) shall be reclassified into A ordinary shares of US$0.50 each (the ''A Shares'');

1.3 at the Reorganisation Record Time all Xstrata Shares other than the Excluded Shares (as defined in the Scheme) shall be reclassified into B ordinary shares of US$0.50 each (the ''B Shares''); and

1.4 with effect from the Reorganisation Record Time the Articles of Association of the Company (the ''Articles'') shall be amended by the insertion into the Articles of a new Article 7A:

> ''The A ordinary Shares of US$0.50 each and the B ordinary Shares of US$0.50 each shall rank equally as if they were the same class of shares in all respects and the rights attaching to such shares shall be identical, save that upon implementation of the Scheme, each B Share shall confer upon the holder thereof the right to receive 2.8 ordinary shares of US$0.01 in the capital of Glencore International plc (''New Glencore Shares''), in accordance with and subject to the terms of the Scheme.'',

PROVIDED THAT if the reduction of share capital referred to in paragraph 1.5 below does not become effective by 6.00 p.m. (London time) on the tenth business day following the Reorganisation Record Time, or such earlier or later time and date as the Company and Glencore may agree and the Company may announce through a Regulatory Information Service, the reclassification referred to in paragraphs 1.2 and 1.3 above shall be reversed and the A Shares and the B Shares shall revert to and be classified as ordinary shares of US$0.50 each in the capital of the Company, and the new Article 7A adopted and included pursuant to this paragraph 1.4 shall be deleted from the Articles;

1.5 contingent upon the reclassifications of the Excluded Shares and all Xstrata Shares other than the Excluded Shares (as defined in the Scheme) referred to in paragraphs 1.2 and 1.3 pursuant to the Scheme taking effect and the requisite entries having been made in the register of members of the Company, the share capital of the Company be reduced by cancelling and extinguishing all of the B Shares;

1.6 subject to and forthwith upon the reduction of capital referred to in paragraph 1.5 above taking effect and notwithstanding anything to the contrary in the Articles:

(a) the reserve arising in the books of account of the Company as a result of the said reduction of capital be capitalised and applied in paying up in full at par such number of new ordinary shares of US$0.50 each in the capital of the Company (the ''New Xstrata Shares'') each as shall be equal to the number of B Shares cancelled pursuant to paragraph 1.5 above, such New Xstrata Shares to be allotted and issued credited as fully paid to Glencore and/or its nominee(s) in accordance with the Scheme; and

(b) the directors of the Company be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to allot the New Xstrata Shares referred to in paragraph (a) above, provided that (1) the maximum aggregate nominal amount of the shares which may be allotted under this authority shall be the aggregate nominal amount of the said New Xstrata Shares created pursuant to paragraph (a) above, (2) this authority shall expire on the fifth anniversary of the date of this resolution, and (3) this authority shall be in addition and without prejudice to any other authority under the said section 551 previously granted and in force on the date on which this resolution is passed;

1.7 one business day following the reduction of capital referred to in paragraph 1.5 above taking effect and notwithstanding anything to the contrary in the Articles:

(a) the A Shares shall revert to and be reclassified as ordinary shares of US$0.50 each in the capital of the Company; and

(b) the Articles shall be amended by the deletion of new Article 7A;

1.8 with effect from the passing of this resolution, the Articles be altered as follows by the adoption and inclusion of the following definitions in Article 2:

immediately before the definition of ''seal'': ''Scheme'' means the scheme of arrangement dated 31 May 2012 between the Company and the Scheme Shareholders (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or subject to any modification, addition or condition agreed by the Company and Glencore International plc (''Glencore'') and approved or imposed by the Court;

immediately before the definition of ''Act'': ''A Shares'' means A ordinary shares of US$0.50 each and

immediately before the definition of ''the board'': ''B Shares'' means B ordinary shares of US$0.50 each; and

1.9 with effect from, and conditional upon, the amendment of the Articles to remove all of the Entrenched Rights (as defined in Article 2 of the Articles), the following new Article 238 shall be adopted and included in these Articles:

''**SCHEME OF ARRANGEMENT**

238.1 Expressions defined in the Scheme shall have the same meanings in this Article 238 (save as expressly defined in these Articles).

238.2 Subject to the implementation of the Scheme, if any shares in the Company are issued to any person or his nominee (each a ''New Member'') after the time at which the adoption and inclusion of this Article 238 becomes effective (the ''Post Scheme Shares'') (subject to paragraph (a) below), they shall be immediately transferred to Glencore (or as it may direct) in consideration of the Relevant Consideration (as defined below), provided that:

(a) any New Member may, prior to the issue of any Post-Scheme Shares to him or her pursuant to the exercise of an option or satisfaction of an award under any of the Xstrata Share Schemes, give not less than five business days' written notice to the Company in such manner as the directors of the Company shall prescribe of his or her intention to transfer some or all of such Post-Scheme Shares to his or her spouse or civil partner. Where a transfer of Post-Scheme Shares to a New Member's spouse or civil partner takes place in accordance with this paragraph (a) of this Article 238.2, references to ''New Member'' in

the preceding paragraphs of this Article shall be taken as referring to the spouse or civil partner of the New Member. Any such New Member may, if such notice has been validly given, on such Post-Scheme Shares being issued to him or her, immediately transfer to his or her spouse or civil partner any such Post-Scheme Shares, provided that such Post-Scheme Shares shall then be transferred from that spouse or civil partner to Glencore (or as it may direct) pursuant to this Article as if the spouse or civil partner were a New Member. If notice has been validly given pursuant to this Article but the New Member does not immediately transfer to his or her spouse or civil partner the Post-Scheme Shares in respect of which notice was given, such shares shall be transferred to Glencore (or as it may direct) pursuant to this Article;

(b) the Relevant Consideration per share to be allotted or transferred (as the case may be) to a New Member pursuant to this Article 238.2 may be adjusted by the directors of the Company, in such manner as the auditors of the Company may determine, on any reorganisation of or material alteration to the share capital of the Company (including, without limitation, any subdivision and/or consolidation) effected after the close of business on the date on which the adoption and inclusion of this Articles 238 becomes effective. References in this Article to ordinary shares shall, following such adjustment, be construed accordingly; and

(c) to give effect to any transfer of Post-Scheme Shares, the Company may appoint any person as attorney for the New Member to transfer the Post-Scheme Shares to Glencore and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Post-Scheme Shares in Glencore or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as Glencore may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney failed to act in accordance with the directions of Glencore) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by Glencore. The attorney shall be empowered to execute and deliver as transferor a form of transfer or other such instrument or instruction of transfer on behalf of the New Member (or any subsequent holder) in favour of Glencore and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register Glencore as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member in respect of any Post-Scheme Shares.

238.3 Glencore shall settle or procure the settlement of the consideration due under Article 238.2 by such date as Glencore shall agree with the Company and in any event within ten business days of the issue of the Post-Scheme Shares to the New Member.

238.4 In this Article 238, ''Relevant Consideration'' means such number of New Glencore Shares for each Post-Scheme Share as the relevant New Member would have been entitled to (ignoring, for the purpose of calculating the Relevant Consideration, any fraction of a New Glencore Share to which the relevant New Member would otherwise have been entitled, which will not be allotted or issued pursuant to this Article 238 and will be disregarded) under the Scheme for the relevant Post-Scheme Shares had they been Scheme Shares (as defined in the Scheme).''

ORDINARY RESOLUTION

2. **THAT**, subject to and conditional upon (i) the passing of resolution 1 set out in this notice of General Meeting, and (ii) the passing of the resolution set out in the notice of the Court Meeting, the Management Incentive Arrangements (as defined in the Scheme and which are summarised in paragraph 9 of Part II (*Explanatory Statement*) of the Scheme Document) be and are hereby approved and the directors of the Company be and they are hereby authorised to do or procure to be done all such acts and things on behalf of the Company as they consider necessary or expedient for the purpose of giving effect to such arrangements.

By order of the Board

31 May 2012

Richard Elliston
Company Secretary
Xstrata plc

Registered office:

Xstrata plc
4th Floor Panton House
25/27 Haymarket
London
SW1Y 4EN

NOTES TO THE NOTICE OF XSTRATA GENERAL MEETING

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 6.00 p.m. on 10 July 2012 or if this meeting is adjourned, at 6.00 p.m. two business days before the date of the adjourned meeting, shall be entitled to attend and, subject to paragraph 2, vote at the meeting. Changes to the register of members after the aforementioned deadline shall be disregarded in determining the rights of any person to vote at the meeting.

2. In order to comply with the requirements of the Panel and Rule 16.2 of the Takeover Code, the Management Incentive Arrangements Resolution (as defined in the Scheme Document and proposed as resolution 2 in this notice) will be taken on a poll and only Independent Xstrata Shareholders are permitted to vote thereon. Any vote cast by an Xstrata Shareholder who is not an Independent Xstrata Shareholder, either in person or by proxy, shall not be counted. If you are in any doubt as to whether or not you are permitted to vote on such resolution, please call the shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0800 279 4113 (free from landlines in the UK), 0800 002 427 (free from landlines in Switzerland), or +44 800 279 4113 (from outside the UK and Switzerland, international rates apply). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Merger.

Website giving information regarding the meeting

2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.xstrata.com.

Attending in person

3. Shareholders who wish to attend the meeting in person should note that the meeting will be held at 11.30 a.m. Central European Summer Time (10.30 a.m. London time on 12 July 2012 (or as soon thereafter as the Court Meeting (as defined in the document of which this Notice forms part) has concluded or been adjourned) at Theater-Casino Zug, Artherstrasse 2-4, Zug, Switzerland with a concurrent satellite meeting linked by video conference to the General Meeting in Zug held at Holborn Bars, 138-142 Holborn, London EC1N 2NQ at 10.30 a.m. London time (or as soon thereafter as the Court Meeting has concluded or been adjourned. Shareholders who wish to attend in person are asked to please detach and bring with them the attendance card attached to the WHITE Form of Proxy to assist in admission to the meeting.

Appointment of proxies

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend and to speak and vote on your behalf at the meeting and you should have received a WHITE proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the WHITE proxy form.

5. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights, "Nominated persons".

- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (***Relevant Member***) to be appointed or to have someone else appointed as a proxy for the meeting;
- If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights; and
- Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, where applicable, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

6. A proxy need not be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the WHITE proxy form are set out in the notes to the WHITE proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

7. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to a different share or shares held by you. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, each different proxy appointment form must be received by the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 48 hours (excluding any part of a day that is not a working day) prior to the time appointed for the meeting.

8. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If either you select the 'Discretionary' option or no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy using hard copy proxy form

9. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to the Company's Registrar; and
- received by the Company's Registrar no later than 48 hours (excluding any part of a day that is not a working day) prior to the time appointed for the meeting.

In the case of a member which is a Company, the WHITE proxy form must be executed under its common seal or signed on its behalf by an officer of that Company or an attorney for that Company.

Any power of attorney or any other authority under which the WHITE proxy form is signed (or a duly certified copy of such power or authority) must be included with the WHITE proxy form.

Electronic appointment of proxies

10. As an alternative to completing the hard copy WHITE proxy form, you can appoint a proxy electronically by using the share portal service at www.eproxyappointment.com. For an electronic proxy to be valid, your appointment must be received by Computershare Investor Services PLC no later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for holding the Xstrata General Meeting.

Appointment of proxies through CREST

11. Xstrata Shareholders who hold Xstrata Shares in uncertificated form (that is, in CREST) and who wish to appoint a proxy or proxies for the Xstrata General Meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using CREST to be valid, the appropriate CREST message (a ''CREST Proxy Instruction'') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC (ID 3RA50) by no later than 48 hours (excluding any part of a day that is not a working day) prior to the Xstrata General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Xstrata may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

Appointment of proxy by joint members

12. In the case of joint holders, the signature of any one holder is sufficient to appoint a proxy. If more than one holder lodges a Form of Proxy only that of the holder first named on the Company's Register of Members will be regarded as valid.

Changing proxy instructions

13. Where you have appointed a proxy using the hard WHITE proxy form and would like to change the instructions using another hard copy WHITE proxy form, please contact the Company's Registrar.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

14. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's Registrar. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Computershare Investor Services PLC by no later than three hours before the time appointed for holding the meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

15. As at 29 May 2012, the Company's issued share capital comprised £50,000 plus US$1,501,346,038.50 divided into 50,000 deferred shares of £1 each, 3,002,692,076 ordinary shares of US$0.50 each and 1 Special Share of US$0.50 each, all of which were credited as fully paid. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 29 May 2012 is 3,002,692,076.

Questions at the meeting

16. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless:

- answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

APPENDIX
EMPLOYEE REPRESENTATIVES' OPINIONS ON THE EFFECTS OF THE MERGER ON EMPLOYMENT

[HEADED PAPER OF UNITED STEELWORKERS MÉTALLOS]

"March 21, 2012

Employee Opinion Letter
Xstrata unionized employees
United Steelworkers—Canada

As representatives of more than 2,000 employees in Xstrata mines, smelters, refineries and offices in New Brunswick, Quebec and Ontario, Canada, the United Steelworkers union is submitting this opinion on the effects of the proposed merger on employment, to be appended to the offeree board circular as required under Section 25.9 of the City Code on Takeovers and Mergers. The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW) represents about 225,000 workers in a wide variety of industries in Canada, with a historic base in mining, manufacturing and steelmaking.

Our union and its members have had extensive and difficult experiences with the consequences of intensified global consolidation in these industries, including but not limited to Xstrata's 2006 hostile takeover of Falconbridge, the former owner of the majority of Xstrata's Canadian properties. We have found that this concentration of power in ever-larger transnational corporations has been detrimental to employees and their communities, through unjustified closures of facilities and pressure to drive down wages and benefits, despite record-setting profits during a worldwide mining boom.

In particular, Xstrata promised to maintain employment levels for three years after its acquisition of Falconbridge, but proceeded to break that promise, cutting hundreds of jobs in Sudbury, Ontario, in February 2009. Then soon after the three-year commitment's expiry, Xstrata shuttered the Kidd Metallurgical Site in Timmins, Ontario, eliminating several hundred more jobs and causing economic damage to a community of about 40,000.

Since the Brazilian multinational Vale acquired Inco, a Canadian mining company, also in 2006, it has forced lengthy labour disputes at its Canadian operations. Similarly, the Australian-British giant Rio Tinto has locked out our members at the Alma, Quebec, aluminium smelter it acquired in the purchase of Alcan, as it insists on the right to convert jobs to precarious contract employment.

We have no direct information about how the proposed merger with Glencore might affect Xstrata's plans for the communities where it operates in Canada, but we are concerned that the increased concentration could have the same effects we have seen elsewhere. Unfortunately, the provisions of the Investment Canada Act do not appear to provide the Canadian government with authority to review the proposed merger or to solicit undertakings to ensure a net benefit to Canada.

Labour relations law in the provinces where Xstrata operates in Canada, however, provides substantial protection for the interests of USW members who work for Xstrata.

The Ontario Labour Relations Act has for more than fifty years contained a "sale of business" provision (see s. 69 of the Ontario Labour Relations Act). The purpose of this section of the Act is to preserve and ensure the continuity of bargaining rights and collective agreements when a business is sold. A "successor employer" declaration made under the Act confirms that the purchaser is bound to any collective agreement to which the vendor may be party. It protects the terms and conditions of employment, including accrued rights (such as seniority) under the collective agreement.

Typically, a sale of business occurs where assets associated with a business are transferred or otherwise disposed of by a vendor to a purchaser. If there has been no disposition of the business, it is not necessary to apply the sale of business provisions in order to ensure continuity of the collective agreement and protect employee rights. It may be the case in a share transaction that there is no disposition which engages the Act. In any case, whether or not the Act is triggered will depend upon the nature of the share transaction.

The provisions of the New Brunswick Industrial Relations Act are similar to Ontario's.

In Quebec, ss. 39 and 45 of the Quebec Labour Code ensure that a share transaction of this kind—or a change of name for the undertaking would not invalidate a collective agreement or the certification of a bargaining unit.

Whether the share transaction between Xstrata and Glencore is a sale of business within the meaning of labour relations law, or whether it is not, the United Steelworkers will take the necessary steps to ensure that our members' rights are protected and the union's bargaining rights remain intact.

Sincerely yours,

[*Signature*]	[*Signature*]	[*Signature*]
Daniel Roy, Director Director, District 5 Quebec	Wayne Fraser Director, District 6 Ontario and the Atlantic Provinces	Ken Neumann National Director for Canada''

[UNOFFICIAL TRANSLATION OF LETTER INTO ENGLISH]

[Xstrata Letterhead]

''Management
Xstrata Zink GmbH
Johannstrasse 1
D-26954 Nordenham
Germany

7 March 2012

Re: Opinion in accordance with the guidelines for company takeovers and mergers

Dear Mr van Dyken:

We are hereby informing you of our opinion as follows:

The two companies originally had Swiss parent companies, whereby Xstrata is organized in Great Britain. There is legislature there (similar to the German *Wertpapiererwerbs- and Übernahmegesetz* (the Securities Acquisition and Takeover Act)) governing the general conditions of mergers and takeovers (the City Code on Takeovers and Mergers). In this piece of legislature, there is obviously a clause regarding the opinion rights employee representatives have. German legislature does not provide for such; even the *Betriebsverfassungsgesetz* (the Works Constitution Act) explicitly precludes mergers regarding the topic of operational changes.

Unfortunately, we cannot say anything more regarding the specifics of this matter, as we are not in possession of any information on the basis of which we can form a judgment concerning the effects the merger shall have on employees. This merger shall, however, possibly create the requisite basis for forming committees at the company level in Germany.

Since we are not familiar with British law constituting the basis of the claim for an opinion on this matter, we can, at the present time, not provide you with a concrete estimation regarding any of the possible effects on the employees. The Workers' Council shall, however, demand that it be involved with any and all decisions affecting employees and work conditions. Here it would be helpful if we had the opportunity to meet and discuss this matter with the employee representatives in the other German and European locations of both companies. At present, there is no EWC at Xstrata; nevertheless, we shall be demanding that one or several informal meetings be held in order to advise the employee representatives of the possible effects this merger may have. To view this merger only from a national perspective shall not bring us any farther.

The Workers' Council shall continue to qualify its position, shall seek outside council, and is assuming that you shall not deny us qualification claims, as you have in the not so distant past.

Very truly yours,

[*Signature*]

Bodo Baer
Workers' Council''

[HEADED PAPER OF NATIONAL UNION OF MINEWORKERS]

''7 Rissik Street
Cnr- Frederick
Johannesburg
2000

PO. Box 2424
Johannesburg, 2000
Tel: (011) 377 2000/1
Fax: (011) 836 9615

HEAD OFFICE

12 March 2012

Murray Houston
Chief Operating Officer
Xstrata Coal South Africa
Suite No 19 Private Bag X1
Melrose Arch, 2076

RE: OPINION—PROPOSED [XSTRATA] AND GLENCORE MERGER

1. This letter serves as an acknowledgement of receipt of your communications, regarding the above matter.

2. We thank you for the opportunity to address our concerns as the largest employee representative in XSTRATA. As stated in our communications of 14th of February 2012 our position has been and remains that of safeguarding any unnecessary job loss and challenging any intervention that might compromise this job security.

3. In a statement issued by both Xstrata and Glencore, the two have said ''*The parties expect the merger between Glencore and Xstrata not to result in any negative impact on competition in the commodity markets in which the two companies operate…in fact, the merged firm is expected to be able to offer customers a wide range of products and services and provide improved security of supply to satisfy customer demand*''.

4. We are concerned at the impact that this potential merger will have on pricing in the South African coal sector which is currently dominated by a few players (Vale, Rio Tinto, Exxaro, Xstrata and BHP Billiton) which has a direct impact on energy costs and could potentially have a negative correlation on the cost of doing business.

5. What we are proposing is that further analyses is required to ascertain the impact this merger will have on job losses and competition in both the commodity and mining markets.

6. We would not like to see a situation where anti-competitive behaviour from giants that dominates the industry results in other players who are important for building sustainable economies and creating jobs, losing their footing in the market.

7. The NUM has noted the statement issued on the 7 February 2012 stating ''…Glencore has given assurances to the Independent Xstrata Directors that following completion of the merger, the pre-existing monetary rights of all Xstrata employees including employee share scheme, bonus scheme and pension rights will be fully safeguarded.''

8. We further note the assurance to safeguard employee benefits and would welcome the same assurance for the continued protection of employee's jobs.

Sincerely,

[*Signature*]

Frans Baleni
General Secretary''

[UNOFFICIAL TRANSLATION OF LETTER INTO ENGLISH]

SOLE WORKERS' SYNDICATE OF XSTRATA TINTAYA-ANTAPACCAY
Constituted on 5-12-97
Approved by Resolution No. 001-98 SDNCRGP-CUS
Registration No. 003-2006-GR-CUS/DRTPE-SDNCRG
Reg. 8918-2011
ESPINAR-CUSCO

''Tintaya, 14th April, 2012

Mr NEAL O'CONNOR
Secretary of the Company Holdings Limited

Dear Sir,

We refer to your kind communication dated 28th February 2012, informing the union that Xstrata and Glencore International plc are studying a potential merger between equals, solely in shares, and asking us to issue an opinion on the consequences of the merger for the employment of our members.

Firstly, we apologise for the delay in replying to your letter, which has been for reasons beyond our control, and secondly, on behalf of all member and non-member workers who are currently rendering services to Xstrata Tintaya, we thank you for taking into account our valuable opinion with regard to the potential positive or negative consequences that could result from the announced merger. We are pleased to comply with your request and are giving our views as follows:

1. Firstly, operations at the Tintaya mine commenced in 1982 with the State company ''Empresa Minera Especial Tintaya''. Once the privatisation process started, this mining deposit was sold to the American company Magma Tintaya, and subsequently it was sold to the company BHP Tintaya, which merged and took the name BHP Billiton Tintaya, and since 2006 we have had Xstrata Tintaya S.A.

2. As you will appreciate, the workers at this mine have lived with several transnational companies and acquired considerable working experience in subjects such as: **employment policies, labour practices, working integrity and good faith and, above all, the quality of life afforded to all the staff.**

3. In the year 1996, we, the union, and the mining company Magma Tintaya, signed the first long-term (5-year) collective bargaining agreement, and for the first time in Peru, in mutual agreement, an atypical working day of 14 × 7 (currently 10 × 5) was implemented. This new conventional model and the implementation of a working system differing from the 8-hour working day model was strongly criticised by the national unions, because it was considered that constitutional rights were being infringed, such as the right to the one-year term of the bargaining agreement and the 8-hour working day.

4. However, this working model (the long-term collective bargaining agreement and the atypical working day) was copied and followed by all the leading mining companies such as Minera Yanacocha, Minera Antamina, Shorthern Perú, Minera Barrick, Minera Cerro Verde, etc., and later its implementation commenced at medium and small mining companies. Now, as we know, long-term collective bargaining agreements and atypical working days constitute common practice in almost all the mining centres in our country, as this is what is required by the current world globalisation model.

We wish to point out to you that during all the years working at Tintaya, all the companies we have lived with have respected our legal and conventional rights, and this has been possible because since the signing of the first collective-bargaining agreement (in the year 1996), a working debate known as ''**Union-Management Joint Committee**'' has been developing in mutual agreement, by means of which we have been fortunate enough to resolve all our labour disputes, and it is a true reflection of the efficacy of this labour dialogue that at our work centre the workers have had no need to take any union action such as stoppages, strikes, etc. from 1996 to date.

5. Now a business merger between Xstrata and Glencore Internacional plc has been announced. The workers, represented by their union, have always observed the international policies

governing this kind of international business, and at no time have we protested against any company that has decided to work with us; rather on the contrary, we have always given our support and trust, in the belief that our working rights, such as job stability, would be respected. We have been lucky enough not to be wrong in this, because to date all the commitments have been fulfilled and we are absolutely certain that they will continue to be in the future.

6. We are certain of this because your letter states as follows: "**Glencore and Xstrata assign great importance to the skills and experience of the current management and staff at Xstrata and maintain that they will benefit from the greater opportunities to arise from the merged group....**"

7. We believe that these words sum up the fact that the commercial merger between **Xstrata and Glencore International plc** will provide greater opportunities to all the workers as regards continuity in our employment, improved benefits and, above all, strict observance of our legal and conventional rights. If this is so, then **WE WELCOME THE MERGER.**

Mr Neal O'Connor, with these statements we seek to assure future investors, through you, that they have our support in continuing to work together for the Tintaya family and cooperating with the social integration policies in our country, Peru. Trusting that you will grant us a meeting so that we can confirm the above personally, we convey in advance our appreciation and institutional esteem.

Yours sincerely,

[*Signed and stamped by*]

Walter Saire Quiñones
General Secretary"

"Xstrata Glencore all-share merger of equals

I have spoken with the personnel with whom I represent, we do not know whether the merger will be good or detrimental to BRM employees.

There is no factual evidence to base an opinion on therefore we do not know what effect the merger may have on BRM employees if and when it takes place.

Overall the opinion is that we do not know enough about the merger but think there will be changes in the administration areas of the business.

From what has been read in the media & intranet the merger of equals is a good thing providing the following are unchanged:

Xstrata ethics are maintained
Terms & Conditions of employment
Employee's salaries are maintained
Employee's pension is unchanged
Bonus scheme in maintained

[*Signature*]

Carol Simpson
ICF Representative"

Merrill Corporation Ltd, London
12ZBM47801