Kapil Reddy Kunta
Nickel Trader – Glencore Head Office, Switzerland

Kapil joined Glencore in 2011 and quickly noticed the company was different; he could walk into the head of department’s office and talk like any other colleague.

“For a 26-year-old who had just joined, being able to access the boss – and for them to give me their time – was a huge positive. Your responsibilities grow, and it’s very entrepreneurial.

“If you have the ambition to learn, grow and deliver, you’ll be really successful.”

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In this Annual Report the Board has sought to ensure that our reporting reflects our mission to ensure that the Group fulfils its purpose and that it has the culture and strategy to do so.

Although there are difficult challenges ahead, your Board is determined to guide this remarkable Company to the next stage of its journey.
We continue the process of Board renewal and the Board was very pleased to welcome Kalidas Madhavpeddi as a new Independent Non-Executive Director. We will seek to make further appointments, particularly of a new Audit Committee Chair and a further female Director, later this year.

Effective corporate governance
It is an important pillar of corporate governance that the chairman manages the Board and the CEO and senior executives manage the business. However, the Board must also ensure that it has a genuine oversight of all material aspects of the Group and its operations.

In my introduction to this Annual Report on page 1, I highlight the importance of our purpose. Obviously, the Board needs to understand and ensure appropriate leadership of the Group’s business and implementation of its strategy. As well as through consideration of Board materials and discussions with and questions of the CEO, CFO and Head of Industrial Assets, the Board regularly meets other senior leaders of the Group’s business.

The Group’s corporate functions are also vital. The General Counsel is a contributor to every Board and ECC meeting. He also attends every Audit Committee meeting, during which the Directors also have an opportunity to question the Chief Risk Officer, who is responsible for market and credit risk, the Head of Internal Audit and the Financial Controller.

At ECC and Remuneration Committee meetings we also engage with the Head of Human Resources.

At HSEC meetings we have discussions with the Head of HSEC, the Head of Sustainable Development and the Head of HSEC Assurance. At these meetings there is also a management presentation whenever there is a fatality. This is another opportunity for the Directors to hold management to account and to carefully scrutinise our management teams in action.

This is not just about the prevention of future fatalities – fundamental as that is – but it is also about the Directors clearly and forcefully engaging with the business managers to assess their qualities and strengths and to determine whether they are genuinely agents for change.

As a Board, we strongly support our Raising Concerns programme, which is a channel for employees to raise concerns. We review the procedures in place to ensure that all concerns are appropriately investigated and addressed and review individually the high risk concerns which are required to be brought to the Board’s attention.

Realising our purpose
At the beginning of this report, I explained the material nature of the changes to the Code and why they are important.

The constant yet varied interaction with the business and function leaders is a crucial part of our governance. As well as providing direct and real interaction, it also provides another insight into the Group’s culture and allows the Directors to assess whether our purpose and strategy are being realised.

In this Annual Report the Board has sought to ensure that our reporting reflects our mission to ensure that the Group fulfils its purpose and that it has the culture and strategy to do so. This is an ongoing matter and as well as assessing our own performance we will carefully consider what other major UK listed companies, particularly in the global resources space, have done and are doing to fulfil these objectives and clearly report on their progress.

I sign off this report at a time of considerable uncertainty for the markets in which the Group operates. Although there are difficult challenges ahead, your Board is determined to guide this remarkable Company through the next stage of its journey.

Tony Hayward
Chairman
4 March 2020
Directors and officers

Directors

**Anthony Hayward**
Chairman [62]
Chairman since May 2013; he joined the Board in 2011 as the Senior Independent Director.
Chair of Nomination Committee during 2019.

**Ivan Glasenberg**
Chief Executive Officer [63]
Joined Glencore in April 1984; Chief Executive Officer since January 2002.

**Peter Coates AO**
Non-Executive Director [74]
Non-Executive Director since January 2014; previously Executive Director from June to December 2013 and Non-Executive Director from April 2011 to May 2013.

**Leonhard Fischer**
Non-Executive Director [57]
Appointed in April 2011. Member of Nomination and Remuneration Committees during 2019.

**Martin Gilbert**
Senior Independent Director [64]
Senior Independent Director since May 2018, appointed in May 2017.

**John Mack**
Non-Executive Director [75]
Appointed in June 2013.

Experience
Dr Hayward is managing partner of St. James's Asset Management, a partner and member of the European advisory Board of AEA Capital and has other private equity interests.
He was CEO of BP plc from 2007–10, having joined BP in 1982. He became group treasurer in 2000, chief executive for BP upstream activities and a member of the main board of BP in 2003.
From 2011–15 he was CEO of Genel Energy plc and chairman from 2015–17.
Dr Hayward studied geology at Aston University in Birmingham and completed a Ph.D at Edinburgh University. He is a fellow of the Royal Society of Edinburgh.

Experience
Mr Gilbert is vice chairman of Standard Life Aberdeen plc (LON:SLA) and chairman of Revolut Limited.
Mr. Gilbert was formerly co-CEO of Standard Life Aberdeen and co-founder of Aberdeen Asset Management, which was established in 1985.
Mr Gilbert is a member of the international advisory panel of the Monetary Authority of Singapore and the international advisory board of British American Business.
Mr Gilbert was educated in Aberdeen. He has an LLB, an MA in Accountancy and is a Chartered Accountant.

Experience
Mr Coates is founder and chairman of the investment committee of DFG Deutsche Fondsgesellschaft SE Invest.
He was CEO of BHF Kleinwort Benson group S.A. from 2009–16, before that CEO of Winterthur group from 2003–06, and a member of the executive board of Credit Suisse group from 2004–07. He joined Credit Suisse from Allianz, where he had been a member of the management board.
Mr Fischer holds an M.A. in Finance from the University of Georgia.

Experience
Mr Fischer is founder and chairman of a range of resource companies before joining Glencore’s coal unit as a senior executive in 1994. When Glencore sold its Australian and South African coal assets to Xstrata in 2002 he became CEO of Xstrata’s coal business, stepping down in December 2007.
Mr Coates holds a Bachelor of Science degree in Mining Engineering from the University of New South Wales. He was appointed to the Office of the Order of Australia in June 2009 and awarded the Australasian Institute of Mining and Metallurgy Medal for 2010.

Experience
Mr Mack previously served as CEO of Morgan Stanley from 2006–09. He retired as chairman in 2011. Mr Mack first joined Morgan Stanley in May 1972, becoming a board director in 1987 and president in 1993.
From 2001 to 2005, Mr Mack served as co-CEO of Credit Suisse. Mr Mack is a graduate of Duke University.
**Officers**

**Steven Kalmin**  
**Chief Financial Officer (49)**  
Appointed as Chief Financial Officer in June 2005.

**Experience**  
Mr Kalmin joined Glencore in September 1999 as general manager of finance and treasury functions at Glencore’s coal industrial unit. He moved to Glencore’s head office in 2003 to oversee Glencore’s accounting functions, becoming CFO in June 2005. In November 2017 he was appointed as a director of Katanga Mining Limited (TSX: KAT). Mr Kalmin holds a Bachelor of Business (with distinction) from the University of Technology, Sydney and is a member of Chartered Accountants Australia and New Zealand and the Financial Services Institute of Australasia. Before joining Glencore, Mr Kalmin worked for nine years at Horwath Chartered Accountants.

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**Gill Marcus**  
**Non-Executive Director (70)**  
Appointed in January 2018. Member of Nomination Committee during 2019.

**Experience**  
Ms Marcus was Governor of the South African Reserve Bank from 2009–14. She worked in exile for the African National Congress from 1970 before returning to South Africa in 1990. In 1994 she was elected to the South African Parliament. In 1996 she was appointed as the deputy minister of finance and from 1999 to 2004 was deputy governor of the Reserve Bank. Ms Marcus was the non-executive chair of the Absa Group from 2007–09 and has been a non-executive director of Gold Fields Ltd and Bidvest. She has acted as chair of a number of South African regulatory bodies. In 2018, she was appointed to the Judicial Commission of Inquiry into allegations of impropriety at the Public Investment Corporation. Ms Marcus is a graduate of the University of South Africa.

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**Kalidas Madhavpeddi**  
**Non-Executive Director (64)**  
Appointed in February 2020.

**Experience**  
Mr Madhavpeddi has over 30 years of experience in the international mining industry, including being CEO of China Molybdenum International (China Moly) from 2008 to 2018. He started his career at Phelps Dodge, where he worked from 1980 to 2006, ultimately becoming senior vice president responsible for the company’s global business development, acquisitions and divestments, as well as its global exploration programs.

Mr Madhavpeddi is currently a director of Novagold Resources (TSX: NG) and Trilogy Metals (TSX:TMQ). He was formerly director and chair of the governance committee of Capstone Mining (TSX:CS). He has degrees from the Indian Institute of Technology, Madras, India and the University of Technology, Sydney and has completed the Advanced Management Program at Harvard Business School.

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**Patrice Merrin**  
**Non-Executive Director (71)**  
Appointed in June 2014. Chair of Nomination Committee from 2020.

**Experience**  
Following initial roles with Molson and Canadian Pacific, Ms Merrin worked at Sherritt for ten years until 2004, latterly as COO. She then became CEO of Luscar, Canada’s largest thermal coal producer. She is currently a non-executive director of Samuel, Son & Co. Limited. She has been a non-executive chair of Detour Gold Corporation (TSX:DCC) from June 2019 to January 2020, chairman of CML Healthcare, of Essoulsions, NB Power, and Arconic. Ms Merrin was a non-executive director of Kev Media Group Inc. (TSX:KEW), and a director of the Alberta Climate Change and Emissions Management Corporation from 2009 to 2014. Ms Merrin is a graduate of Queen’s University, Ontario and completed the Advanced Management Programme at INSEAD.

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**John Burton**  
**Company Secretary (55)**  
Appointed Company Secretary in September 2011.

**Experience**  
From 2006 to 2011, Mr Burton was company secretary and general counsel of Informa plc, where he established the group legal function and a new company secretarial team. Before that he had been a partner of CMS in London for 8 years, advising on a broad range of corporate and securities laws matters.

Mr Burton holds a B.A. degree in Law from Durham University. He was admitted as a Solicitor in England and Wales in 1990.

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**Notes**

All the Directors are non-executive apart from Mr Glasenberg. The Non-Executive Directors are designated as independent apart from Mr Coates and Dr Hayward. Committee membership is as follows:

- **Audit**
- **Ethics, Compliance and Culture (ECC)**
- **Health, Safety, Environment and Communities (HSEC)**
- **Investigations**
- **Nomination**
- **Remuneration**

* denotes Committee chair
Corporate Governance report

This report should be read in conjunction with the Directors’ report and the remainder of the Governance section

Board governance and structure

This Governance report, along with the Strategic report and the Directors’ report, sets out how Glencore has applied the principles of the new 2018 UK Corporate Governance Code (the Code) in a manner which enables shareholders to evaluate how these principles have been applied. The Board believes that the Company has throughout the year complied with all relevant provisions contained in the Code.

This new Code brought in material changes, including a strong emphasis on a company’s purpose, strategy, values and culture. The Board welcomed these changes and has sought to embrace them in its work and that of its committees. In particular in response to the new requirements, at the beginning of the year we established the new ECC committee in order to focus, along with ethical and compliance matters, on culture and stakeholder engagement.

Directors

During 2019 the Board comprised seven Non-Executive Directors (including the Chairman) and one Executive Director. On 4 February 2020 Mr Kalidas Madhavpeddi was appointed as Non-Executive Director.

For 2020, the composition of the Nomination and Remuneration Committees have been changed (see pages 94 and 95).

A list of the current Directors, with their brief biographical details and other significant commitments, is provided in the previous pages.

We have consulted with major shareholders on the following arrangements:

1. Dr Hayward will this year have served on the Board for nine years. However, due to the management succession taking place and the ongoing investigations, the Board has recommended to shareholders that he remains as Chairman, with the position to be reconsidered in one year’s time

2. The Company has not appointed a new director to be chairman of the Audit Committee. In the circumstances the Board has asked Mr Fischer to remain in place, until his successor is appointed. This extension shall expire by year-end. Also the audit tender process (see page 108) will not commence until his successor is appointed. This position to be reconsidered in one year’s time.

The Chief Financial Officer attends all meetings of the Board and Audit Committee. The Company Secretary attends all meetings of the Board and its Committees.

Board attendance throughout the year

Attendance during the year for all scheduled full agenda Board and all Board Committee meetings is set out in the table below:

<table>
<thead>
<tr>
<th>Board of 6</th>
<th>HSEC of 5</th>
<th>ECC of 5</th>
<th>Audit of 4</th>
<th>Remuneration of 3</th>
<th>Nomination of 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthony Hayward</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Peter Coates</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Leonhard Fischer</td>
<td>6</td>
<td>–</td>
<td>–</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Martin Gilbert</td>
<td>6</td>
<td>–</td>
<td>–</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Ivan Glasenberg</td>
<td>6</td>
<td>5</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>John Mack</td>
<td>5</td>
<td>–</td>
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<td>3</td>
</tr>
<tr>
<td>Gill Marcus</td>
<td>5</td>
<td>–</td>
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<td>–</td>
</tr>
<tr>
<td>Patrice Merrin</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

In addition, there were another four limited agenda meetings of the Board. Most Directors also attend by invitation the meetings of the Committees of which they are not members.

Roles and responsibilities

Chairman

- Leading the Board
- Shaping the culture in the boardroom
- Promoting sound and effective Board governance
- Ensuring effective communication with shareholders
- Leading the annual performance evaluation of the Board

Senior Independent Director

- Acting as confidant of the Chairman and, when appropriate, as an intermediary for other independent Directors
- Acting as Chair of the Board if the Chairman is unable to attend
- Leading the Chairman’s performance appraisal along with other independent Directors
- Answering shareholders’ queries when usual channels of communication are unavailable

Chief Executive Officer

- Leading the management team
- Developing the Group’s strategy in conjunction with the Board
- Implementing the decisions of the Board and its Committees
- Achieving the Group’s commercial objectives
- Developing Group policies and ensuring effective implementation

Other Non-Executive Directors

- Challenging the Chief Executive Officer and senior management constructively
- Bringing an independent mindset and a variety of backgrounds and experience around the Board table
- Providing leadership and challenge as chairs or members of the Board Committees, which (except HSEC) comprise only Non-Executive Directors
- Assisting the Senior Independent Director in assessing the Chairman’s performance and leadership

Company Secretary

- Ensuring that Board procedures are complied with and that papers are provided in sufficient detail and on time
- Informing and advising the Board on all governance matters
- Informing the Board on all matters reserved to it
- Assisting the Chairman and the Board regarding the annual performance evaluation process
**Division of responsibilities**

As a Jersey incorporated company, Glencore has a unitary Board, meaning all Directors share equal responsibility for decisions taken. Glencore has established a clear division between the respective responsibilities of the Non-Executive Chairman and the Chief Executive Officer, which are set out in a schedule of responsibilities approved by the Board and reviewed annually. While the Non-Executive Chairman is responsible for leading the Board’s discussions and decision-making, the CEO is responsible for implementing and executing strategy and for leading Glencore’s operating performance and day-to-day management. The CEO, CFO and General Counsel have line of sight across the Group.

The Company Secretary is responsible for ensuring that there is clear and effective information flow to the Non-Executive Directors. Further details of these responsibilities are set out opposite.

From 2019, the new position of Head of Industrial Assets was created with Mr Peter Freyberg appointed to the role, reporting to the CEO. Internal reporting lines and organisational structures were amended such that Glencore’s industrial activities report to the Head of Industrial Assets and all of its marketing activities report to the Head of Marketing (being the CEO). The CEO, the Head of Industrial Assets, the CFO and General Counsel lead our management team supported by the heads of each department for marketing and industrial business and the heads of corporate functions.

**Senior Independent Director**

Mr Gilbert is the Senior Independent Non-Executive Director. He is available to meet with shareholders and acts as an intermediary between the Chairman and other independent Directors when required. This division of responsibilities, coupled with the schedule of reserved matters for the Board, ensures that no individual has unfettered powers of decision.

**Non-Executive Directors**

The Company’s Non-Executive Directors provide a broad range of skills and experience to the Board (see table above), which assists in their roles in formulating the Company’s strategy and in providing constructive challenge to executive management.

Glencore regularly assesses its Non-Executive Directors’ independence. Except for Mr Peter Coates, due to his employment by the Group during 2013 and the Chairman, all are regarded by the Board as Independent Non-Executive Directors within the meaning of “independent” as defined in the Code and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. However, as noted on page 96, from May this year Mr Fischer shall, if re-elected, exceed nine year terms. In line with Provision 10 of the Code, the Board considered the independence of Mr Fischer against the different circumstances and factors included in the Code and the FRC’s Guidance on Board Effectiveness, concluding that in absence of any other circumstance or factor but that of the slight excess of his tenure, he remained fully capable of demonstrating objective judgement and promoting constructive challenge for the Board and management. Therefore the Board considers Mr Fischer as an independent director.

**Management of conflicts of interest**

All Directors endeavour to avoid any situation of conflict of interest with the Company. Potential conflicts can arise and therefore processes and procedures are in place requiring Directors to identify and declare any actual or potential conflict of interest. Any notifications are required to be made by the Directors prior to, or at, a Board meeting and all Directors have a duty to update the whole Board of any changes in...
circumstances. Glencore’s Articles of Association and Jersey law allow for the Board to authorise potential conflicts and the potentially conflicted Director must abstain from any vote accordingly. During 2019, no abstention procedures for conflicts had to be activated.

Related Party Transactions
In the course of its business, the Group enters into transactions with organisations which may constitute related parties. All material related party transactions are required to be reviewed and approved by the Board. In the event that a conflict exists for a Director, he or she will not be allowed to vote on the resolution approving the transaction, as noted above. Additionally, the Board seeks advice whenever an assessment is to be made as to whether any material transaction may be a related party transaction under the terms of FCA Listing Rule 11.

Related Party Transactions
In the course of its business, the Group enters into transactions with organisations which may constitute related parties. All material related party transactions are required to be reviewed and approved by the Board. In the event that a conflict exists for a Director, he or she will not be allowed to vote on the resolution approving the transaction, as noted above. Additionally, the Board seeks advice whenever an assessment is to be made as to whether any material transaction may be a related party transaction under the terms of FCA Listing Rule 11.

Transactions between the Group and its significant joint ventures and associates are summarised in note 32 to the Financial Statements.

Acquisition and disposal of assets
The Board reviews and approves all material proposed transactions, including acquisitions and disposals of assets. Additionally, there is an assessment as to whether material transactions comply with FCA Listing Rule 10 requirements. If required, the Board may engage an independent third party as consultant to review the proposed transaction and provide an independent opinion for the Board to consider before making a decision.

Board Committees
The following permanent Committees are in place to assist the Board in exercising its functions: Audit, Nomination, Remuneration, HSEC and ECC. The Board is provided with technical and commercial updates as appropriate during the year, including as to compliance and our Raising Concerns programme. The Board may also establish temporary Committees for specific purposes, such as the Investigations Committee. As each Committee reports to the Board, meetings are held prior to Board meetings, during which the Chair of each Committee leads a discussion concerning the Committee’s activities since the previous Board meeting.

A report for 2019 from each Chair of the permanent Committees is set out later in this Corporate Governance report.

All permanent Committees’ terms of reference are available at: glencore.com/who-we-are/governance

Each Committee reports to, and has its terms of reference approved by, the Board and the minutes of the Committee meetings are circulated to the Board. Each Committee regularly reviews its terms of reference to ensure they reflect the Board’s expectations as to the Committee’s role as well as the latest corporate governance requirements and recommended practices.

In July 2018, following receipt of a subpoena from the US Department of Justice (DOJ), the Board reconstituted the ad-hoc Investigations Committee to direct the Company’s response. The Investigations Committee’s mandate continued throughout 2019 and includes oversight of the Company’s response to the CFTC, Brazilian and SFO investigations.

Board meetings
The Board has approved a schedule that sets out the matters solely reserved for its approval, including Group strategy, financial statements and annual budget, risk appetite, material acquisitions and disposals. Meetings are usually held at the Company’s headquarters in Baar, Switzerland. Details of the Board and Committee meetings held during the year are detailed on page 96.

The Board and its Committees have standing agenda items to cover their proposed business at their scheduled meetings. The Chairman
Board activities during 2019

Below are details of the main topics which were reviewed, discussed, and when required, approved by the Board during 2019:

**Regular updates**
- Chairman’s report
- Reports from Committee Chairs
- Reports from CEO, CFO, Company Secretary, General Counsel and senior management
- Group performance report
- Customer performance dashboard

**Financial & Risk**
- Finance reports, forecasts and capital position updates
- 2020 budget/2021–23 business plan
- Dividend & buyback programmes
- Financial statements
- Group risk appetite
- Group risk management framework

**Governance & Stakeholders**
- Annual report
- AGM and voting results
- Investor relations reports
- Analysts updates
- Corporate governance framework
- Stakeholder engagement

**Legal, Regulatory & Compliance**
- Group policies
- Legal matters updates and investigations
- Regulatory & Compliance updates
- Group Compliance Programme
- Raising Concerns reports

**Health, Safety & Environment**
- Fatalities, major incidents and other safety issues
- Environmental incidents reports
- Human Rights and Communities reports
- Carbon/Climate reports
- Tailings Storage Facilities reviews
- Supply chain traceability

**Other activities**
- Board and Directors’ evaluation
- Chairman’s performance
- Succession planning for Board and senior management
- Senior management remuneration

seeks to ensure that the very significant work of the Committees feeds into, and benefits as to feedback from, the full Board. The Board and Committee meetings receive support from senior management through reports and presentations, which among others vary from operational, financial, audit, risk, legal and compliance, governance, and investor relations to cover all aspects of the Group. These reports and presentations allow Directors to further their understanding of the business and provide the insights necessary for defining the Company’s strategy and objectives, in turn contributing to a more effective Board. A summary of the Board’s main activities during 2019 is set out on the next page.

**Appointment and re-election of Directors**
All Directors will be offering themselves for re-election at the 2020 AGM, see previous page.

All of the Non-Executive Directors have letters of appointment and the details of their terms are set out in the Directors’ remuneration report. No other contract with the Company or any subsidiary undertaking of the Company in which any Director was materially interested existed during or at the end of the financial year.

**Information, management meetings, site visits and professional development**
It is considered of great importance that the Non-Executive Directors attain a good knowledge of the Company and its business and allocate sufficient time to Glencore to discharge their responsibilities effectively. The Board calendar is planned to ensure that Directors are briefed on a wide range of topics.

During 2019, Directors have visited Group operations and offices to discuss aspects of the business with employees and executives. It is intended that a greater number of visits will take place in 2020, reflecting more employee engagement. Directors have also participated in internal events, such as the HSEC and Compliance summits, giving them the opportunity to engage directly with those who deal with some of the key challenges the Group faces. For further details of these, please refer to sections on stakeholder engagement and ethics and compliance (pages 26–29 and 42–44). Directors also attend appropriate external seminars and briefings.

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring the Board procedures are complied with, and have access to independent and professional advice at the Company’s expense, where they judge this to be necessary to discharge their responsibilities as Directors.

**Director induction and information**
New Directors receive a full, formal and tailored induction on joining the Board, including meetings with senior management.

The induction process of Mr Madhavapeddi has commenced and will continue throughout 2020, including a comprehensive introduction to the main aspects
Risk – Board leadership

The Board provides leadership and oversight on risk management. Specifically it:

1. Provides a robust assessment of the emerging and principal risks facing the Group
   The Board has carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This assessment is essential in enabling the Board to determine the Group’s risk appetite, which is one of the critical factors used when setting the Group’s strategy and objectives. The Directors’ description of those risks and how they are being managed or mitigated is set out on pages 74–89.

2. Reassesses the Group’s long-term viability
   Taking account of the Group’s financial position and principal risks, the Directors assess the prospects of the Group and conclude whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. Their conclusions are set out on page 75.

3. Monitors the Group’s risk management and internal control systems
   The Board monitors the soundness of the Group’s risk management and internal control systems and carries out reviews of their effectiveness, including reviewing the Group’s internal financial controls. This monitoring and review covers all material controls relative to financial, operational and compliance functions. Further details on pages 101–104.

4. Promotes a risk aware culture
   The Board sets the tone on the Group’s overall culture, including the risk management culture by giving clear mandate related to risk and reward to Management, aiming to ensure that there is an appropriate balance between the level of risk assumed, the quality of internal controls and the expected return. Further details on page 102.

of the Group, its business and functions, the roles and responsibilities of a UK premium listed company director, and the Company’s Code of Conduct.

The Directors receive training on legal and compliance matters and regular updates on relevant business and governance matters.

Board performance and effectiveness

Since an external evaluation was carried out during 2018 and no material governance issue arose during 2019, a performance evaluation was conducted internally. As part of this process, each Director completed questionnaires that covered various key indicators of Board and Committee performance and effectiveness, including the findings from the 2018 external evaluation (summarised in the 2018 Annual Report). Results were provided to the Chairman and the Senior Independent Director by the Company Secretary.

Additionally, the Chairman conducted an individual session with each Director to discuss individual performance. The Senior Independent Director conducted the Chairman’s individual assessment.

Final results were presented to the Board collectively for discussion. The Board was assessed as performing well, with confidence also in the effectiveness of its HSEC, ECC and Audit Committees (its main risk and oversight committees).

Particular issues of focus raised for the Board included:
- health and safety, especially fatalities reduction
- pursuing the investigations
- ensuring stability during the senior management changes
- seeking strong resource industry experience on the Board
- greater diversity on the Board
- risk management, compliance and the role of internal audit continuing to be an area of focus

Remuneration

Remuneration is covered in the Directors’ remuneration report which follows this section and includes a description of the work of the Remuneration Committee.

Diversity

The diversity policy which is applied to appointments to our administrative, management and supervisory bodies with regard to aspects such as, for instance, age, gender, or education and professional backgrounds is the same as for all Group employees.

The Board is very cognisant of the ongoing desire from stakeholders for greater diversity in senior management and boards. In particular, leading UK institutional shareholders have set a target for women to comprise 33% of senior management and boards of FTSE 100 companies by the end of 2020. For the Board we are confident that we will achieve this target. For senior management, while we support the aims of diversity, we do not believe that a one size fits all policy is appropriate or currently achievable. Still today we find it challenging to fill senior positions in remote mining locations and for the marketing of commodities, by women.
Accountability and audit

Financial reporting
The Group has in place a comprehensive financial review cycle, which includes a detailed annual planning/budgeting process where business units prepare budgets for overall consolidation and approval by the Board. The Group uses a large number of performance indicators to measure both operational and financial activity in the business. Depending on the measure, these are reported and reviewed on a daily, weekly or monthly basis. In addition, management in the business receives weekly and monthly reports of indicators which are the basis of regular operational meetings, where corrective action is taken if necessary. At a Group level, a well-developed management accounts pack, including income statement, balance sheet, cash flow statement as well as key ratios is prepared and reviewed monthly by management. As part of the monthly reporting process, a reforecast of the current year projections is performed. To ensure consistency of reporting, the Group has a global consolidation system as well as a common accounting policies and procedures manual. Management monitors the publication of new reporting standards and works closely with our external auditors in evaluating their impact, if any.

Risk management and internal control
The Board has applied provisions 28 to 31 of the Code by establishing a continuous process for identifying, evaluating and managing the risks that are considered significant by the Group in accordance with the revised Guidance on Internal Control published by the Financial Reporting Council. This process has been in place for the period under review and up to the date of approval of the Annual Report and financial statements. The process is designed to manage and mitigate rather than eliminate risk, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Group and have reviewed the effectiveness of the risk management and internal control systems. This review excludes associates of the Group as Glencore does not have the ability to dictate or modify the internal controls of these entities. This report describes how the effectiveness of the Group’s structure of internal controls including financial, operational and compliance controls and risk management systems is reviewed.

Investigations
The Group is subject to the investigations listed on page 81 which are overseen by the Investigations Committee. It operates entirely separately from the Group’s executives, who have no decision-making power concerning the investigations. The Investigations Committee also monitors the Group’s exposure arising from investigations by regulatory and enforcement authorities, and conclude on the appropriate disclosure in the financial statements: see note 31 for further details.

Approach to risk management
Effective risk management is crucial in helping the Group achieve its objectives of preserving its overall financial strength for the benefit of all stakeholders, and safeguarding its ability to continue as a going concern, while generating sustainable long-term profitability. Spanning the organisational structure, Glencore’s disciplined approach to risk management and control originates with strategic responsibility in the hands of the Board, which also retains operational authority on matters exceeding agreed thresholds of materiality.

The Board retains the authority for assessing and approving the Group’s overall risk appetite and sets overall limits which are reviewed annually.
It is assisted by the work of the Audit Committee for oversight, by the Internal Audit function and by senior management for day-to-day operational matters, in order to maintain an effective risk management governance apparatus for the Group.

Additionally, the General Counsel reports at each scheduled meeting of the ECC Committee on all material compliance risks and matters.

**Risk culture**

Glencore recognises the critical importance of the development and maintenance of an appropriate institutional risk culture. The effectiveness of risk management and internal control ultimately depends on the individuals responsible for operating the systems that are put in place and Glencore’s risk culture is built around 4 key pillars recognising this:

- **Competence** – relying on management capability and experience
- **Motivation** – aligning the interest of shareholders and management
- **Communication** – clear direction from the top permeating all layers of the business
- **Organisation** – flat organisational structure for more effective monitoring and reporting

Risk is an essential part of our business, from individual trader decisions to the most fundamental investment choices – risk is constantly analysed and considered.

Our organisational culture promotes risk awareness, encouraging proactive risk management behaviours. The risk management framework enables a high level of ownership by management and employees.

**Risk Management Framework**

**Management engagement**

The Company’s senior management reviews the major risks facing the Group and decides if the level of risk fits within the appetite approved by the Board or whether further steps need to be taken to mitigate these risks.

Together, central and business management risk culture aims to strike an appropriate balance between the level of risk assumed and the expected return.

**Board committees**

The Audit Committee is responsible for reviewing the risk management framework and internal controls. Mandated by the Board, the Audit, ECC and HSEC Committees were responsible in 2019 for ensuring that the significant risks identified are properly managed. See our Principal Risks and Uncertainties section pages 74-89 for more details.

**Group functions**

Group functions (Risk Management, Compliance, Legal, HSEC and Sustainable Development) support the business risk owners and senior management in mitigating risk across the Group.

**Internal Audit**

Internal Audit, as an independent assurance provider, reviews the risk management process and internal controls established by management. A risk-based audit approach is applied in order to focus on high-risk areas during the audit process. It involves discussions with management on key risk areas identified in the Group’s budgeting process, emerging risks, operational changes, new investments and capital projects.

The key results from this process assist in forming the audit plan and scope, which are reported to the Audit Committee for their review and ratification.

**Industrial risk management**

We believe that every employee should be accountable for the risks related to their role. As a result, we encourage our employees to escalate risks (not limited to hazards), whether potential or realised, to their immediate supervisors. This enables risks to be tackled and mitigated at an early stage by the team with the relevant level of expertise.

Led by the Head of Industrial Assets and Industrial Leads, management teams at each industrial operation are responsible for implementing processes that identify, assess and manage risk.

Any significant risks are reported to the relevant Industrial Lead and escalated to the Head of Industrial Assets, who in turn reports to the Audit, ECC or HSEC Committees as appropriate. A Corporate Risk Management Framework is implemented on a Group-wide basis to ensure consistency in the assessment and reporting of risks.

The risks that may impact on business objectives and plans are maintained in a business risk register. They include strategic, compliance, operational and reporting risks.

**HSEC risk management**

These risk management processes are managed at asset level, with the support and guidance from the central sustainability and HSEC teams, and subject to the leadership and oversight of the HSEC Committee.

The Group’s internal assurance programme assesses compliance with leading practices in health and safety, environment and communities, but mainly focuses on catastrophic risks.

Further information is provided in the report from the HSEC Committee on page 106 and will be published in the Group’s sustainability report for 2019.

**Marketing risk management**

Glencore’s marketing activities are exposed to a variety of risks, such as commodity price, basis, volatility, foreign exchange, interest rate, credit and performance, liquidity and regulatory. Glencore devotes significant resources to developing and implementing policies and procedures to identify, monitor and manage these risks.

Glencore has a disciplined and conservative approach to Marketing Risk (MR) management supported by its flat organisational structure. Glencore continues to update and implement policies that are intended to mitigate and manage commodity price, credit and other related risks.

Glencore’s MR is managed at an individual, business and central level. Initial responsibility for risk management is provided by the businesses in accordance with and complementing their commercial
The CEO, as the central figure of commercial leadership and control, drives functional risk management policy, supported by the CFO and the CRO, with data and reporting from the central risk team and the other key functional units. In turn the CEO reports to, and seeks authority limits from, the Board. The main oversight role is performed by the Audit Committee which receives a report from the CRO at each of its scheduled meetings. It also approves the Group-wide risk profile, and any exceptions to agreed positional thresholds.

At the heart of the risk management regime is the process of continuous challenge that takes place between the CEO, the CRO and the business heads which sets risk appetite in accordance with Group requirements and market conditions for each commodity, subject to the Audit Committee’s oversight. The objective is to ensure that an appropriate balance is maintained between the levels of risk assumed and expected return, which relies on the commodity-specific expert knowledge provided by business heads. This is then subject to challenge from the CEO based on his overall Group knowledge and experience. This healthy tension is designed to manage risk effectively while facilitating the fast, commercial decision-making that is required in a dynamic commodity marketing company.

Another important consideration of the MR team is the challenge of dealing with the impact of large transactional flows across many locations. The function seeks to ensure effective supervision by its timely and comprehensive transaction recording, ongoing monitoring of the transactions and resultant exposures, providing all encompassing positional reporting, and continually assessing universal counterparty credit exposure.

**Key focus points**

**Market Risk limits and reporting**

The MR team provides a wide array of daily and weekly reporting. For example, daily risk reports showing Group Value at Risk (VaR) as shown on page 104 and various other stress tests and analysis are distributed to the CEO, CFO and CRO. Additionally, business risk summaries showing positional exposure and other relevant metrics, together with potential margin call requirements, are also circulated daily. The MR function strives to enhance its stress and scenario testing as well as improving measures to capture risk exposure within the specific areas of the business, e.g. within metals, concentrate treatment and refining charges are analysed.

**Credit Risk Management**

The Group continues to make extensive use of credit enhancement tools, seeking letters of credit, insurance cover, discounting and other means of reducing credit risk from counterparties. In addition, mark-to-market exposures in relation to hedging contracts are regularly and substantially collateralised (primarily with cash) pursuant to margining agreements in place with such hedge counterparties.

The Group-wide Credit Risk Policy governs higher levels of credit risk exposure, with an established threshold for referral of credit decisions by business heads to the CFO and the CEO (relating to unsecured amounts in excess of $75 million with BBB (or equivalent) or lower rated counterparties). At lower levels of materiality, decisions may be taken by the business heads where key strategic transactions or established relationships, together with credit analysis, suggest that some level of open account exposure may be warranted.

**Legal and compliance Risk**

The Group has dedicated legal and compliance resources to assist Group businesses in complying with regulatory obligations and internal policies, procedures and guidelines. For further details see pages 43–45.

**Systems and reporting**

The Group has not yet identified a single trading system able to manage the broad range of requirements that its different business profiles operate within. Therefore, interfacing with multiple source systems and transferring data from one system to another heightens risks relative to data integrity, granularity, consistency and timeliness.

Glencore also regularly reviews its requirements and systems in the light of changes to applicable regulations.

The impact new regulations to commodity market participants is potentially considerable. The impact on our marketing business will largely be in the form of compliance requirements (with associated costs), rather than meaningful commercial limitations. Glencore’s compliance, finance, IT and risk teams continue to work together in monitoring and advising management on these developments.

**Internal Audit**

Glencore has a dedicated Internal Audit Function reporting directly to the Audit Committee. The role of Internal Audit is to evaluate and improve the effectiveness of risk management, control, and business governance processes, and thus enhance and protect organisational value.

Internal Audit reviews areas of potential risk within the business and suggests control solutions to mitigate exposures identified. The Audit Committee considers and approves the risk-based audit plan, areas of audit focus and resources and is regularly updated on audits performed and relevant findings, as well as the progress on implementing the actions arising. In particular, the Committee considered Internal Audit’s main conclusions, its KPIs and the effectiveness and timeliness of management’s responses to its findings.

The Audit Committee has concluded that the Internal Audit function remains effective, taking into account the successful review undertaken in 2017 by KPMG. As part of this work, it considered the function’s management framework and its improvement programme.

**Interactions with shareholders**

The Board aims to present a balanced and clear view of the Group in communications with shareholders and believes that being transparent in describing how we see the market and the prospects for the business is extremely important.

We communicate with shareholders in a number of different ways. The formal reporting of our full- and half-year results and quarterly production reports is achieved through a combination of releases, presentations, group calls and individual meetings. The full- and half-year reporting is followed by investor meetings in a variety
of locations where we have institutional shareholders. We also regularly meet with existing and prospective shareholders to update or to introduce them to the Company and periodically arrange visits to parts of the business to give analysts and major shareholders a better understanding of how we manage our operations. These visits and meetings are principally undertaken by the CEO, CFO, Head of Industrial Assets and senior members of the Investor Relations team.

In addition, many major shareholders have meetings with the Chairman and appropriate senior personnel of the Group, including other Non-Executive Directors, the Company Secretary and senior Sustainability managers. The matters covered by meetings with the Chairman and Company Secretary included the work of each of the Board’s committees.

**AGM**

The Company’s next AGM is due to be held in Zug on 6 May 2020. Full details of the meeting will be set out in the AGM notice of meeting, which will be sent to shareholders in April. Shareholders unable to attend are encouraged to vote by proxy as detailed in the notice.

All documents relating to the AGM will be available on the Company’s website at: glencore.com/agm

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**Value at risk**

The Group monitors its commodity price risk exposure by using a VaR computation assessing “open” commodity positions which are subject to price risks. VaR is one of the risk measurement techniques the Group uses to monitor and limit its primary market exposure related to its physical marketing exposures and related derivative positions. VaR estimates the potential loss in value of open positions that could occur as a result of adverse market movements over a defined time horizon, given a specific level of confidence. The methodology is a statistically defined, probability based approach that takes into account market volatilities, as well as risk diversification benefits by recognising offsetting positions and correlations between commodities and markets. In this way, risks can be compared across all markets and commodities and risk exposures can be aggregated to derive a single risk value.

Last year, the Board approved the Audit Committee’s recommendation of a one day, 95% VaR limit of $100 million for 2019, consistent with the previous year. This limit is subject to review and approval on an annual basis. The purpose of this Group limit is to assist senior management in controlling the Group’s overall risk profile, within this tolerance threshold. During 2019 Glencore’s reported average daily VaR was approximately $27 million, with an observed high of $43 million and a low of $18 million.

There were no breaches in the limit during the year.

The Group remains aware of the extent of coverage of risk exposures and their limitations. In addition, VaR does not purport to represent actual gains or losses in fair value on earnings to be incurred by the Group, nor are these VaR results considered indicative of future market movements or representative of any actual impact on its future results. VaR remains viewed in the context of its limitations; notably, the use of historical data as a proxy for estimating future events, market illiquidity risks and risks associated with longer time horizons as well as tail risks. Recognising these limitations the Group complements and refines this risk analysis through the use of stress and scenario analysis. The Group regularly back-tests its VaR to establish adequacy of accuracy and to facilitate analysis of significant differences, if any.

The Board has again approved the Audit Committee’s recommendation of a one day, 95% VaR limit of $100 million for 2020.

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**Glencore**

**Value at risk**

![Value at risk chart](chart.png)

- **Metals and minerals**
- **Energy products**
The Committee met five times during the year. Each Committee member served throughout the year and attended all of the meetings. Every scheduled meeting had an agenda which reflected the Committee’s objective of overseeing key ethics and compliance matters and the Group’s culture. Nicola Leigh is the secretary of this Committee.

Responsibilities
The main responsibilities of the Committee are:

- Overseeing the implementation of the Group Ethics and Compliance Programme including Group policies, procedures, systems and controls for the prevention of unethical business practices and misconduct
- Reviewing reports and the activities of the following management committees: business ethics committee and business approval committee (see page 43 for further information)
- Assessing and monitoring culture to ensure alignment with the Company’s purpose and values
- Monitoring the Group’s stakeholder engagement

Main activities
During the year, the Committee:

- Provided oversight on the implementation of the key compliance policies and procedures relating to anti-corruption, sanctions, anti-money laundering, market abuse, the prevention of the facilitation of tax evasion, competition law, data protection and conflicts of interest
- Reviewed the compliance structure and resourcing to assess whether it is sufficient for the Group
- Considered a variety of other material ethics and compliance issues arising from risk assessments, internal monitoring and reviews conducted by third party specialists
- Considered the matters set out in section 172 of the UK Companies Act 2006 which involved reviewing and discussing the Company’s key stakeholder groups (see page 26)
- Reviewed workforce engagement and provided guidance for culture surveys and focus groups in the Australian industrial operations and in all of the marketing offices

Workforce engagement
During the year, a key task for this Committee has been to assess and monitor company culture. The Board designated three Non-Executive Directors (NEDs) as workforce engagement NEDs who were appointed to engage with our workforce based on geographic location.

- Peter Coates – Australia
- Patrice Merrin – North America
- Gill Marcus – Africa

I am also participating in this work and will assist them in helping to ensure that workers’ views and concerns are brought to the Board and, where appropriate, taken into account in Board decision-making.

Additionally, and in order to ensure there was effective engagement with, and encourage participation and feedback from, our workforce, culture surveys were launched. The purpose of the surveys was, amongst others, to gauge our compliance culture, determine how our workforce perceives management’s commitment to ethics and compliance, test alignment with our values and measure feedback on key cultural elements. Participation rates and results were positive, with areas for improvement being highlighted to this Committee, the Board and management.

For further information on the culture survey results see Our people section on page 32.

Mr Coates began the NED engagement process with visits to certain coal, copper and zinc operations in Australia. At these industrial assets, the survey responses were supplemented by face-to-face focus group discussions. Focus groups included a cross section of the workforce, frontline workers, supervisors and managers. Mr Coates led these focus groups and reported that workers were engaged and spoke openly regarding the topics in the survey and related matters. Similar engagement site visits are planned for 2020 at other major industrial assets in Canada, Kazakhstan, South America and Africa.

Tony Hayward
Chair of the ECC Committee
4 March 2020
The Committee met five times during the year. Each Committee member served throughout the year and attended all of the meetings. Every scheduled meeting had a substantial agenda, reflecting the Committee’s objective of monitoring the achievement by management of ongoing improvements in HSEC performance.

John Burton is the Secretary of this Committee.

Responsibilities
The main responsibilities of the Committee are:

- Ensuring that appropriate Group policies are developed in line with our Values and Code of Conduct for the identification and management of current and emerging health, safety, environmental, community and human rights risks
- Ensuring that the policies are effectively communicated throughout the Company and that appropriate processes and procedures are developed at an operational level to comply and evaluate the effectiveness of these policies through:
  - assessment of operational performance
  - review of updated internal and external reports
- independent audits and reviews of performance with regard to HSEC matters, and action plans developed by management in response to issues raised
- Evaluate and oversee the quality and integrity of any reporting to external stakeholders concerning HSEC matters
- Reporting to the Board

Main activities
During the year, the Committee:

- Reviewed and approved the Group’s HSEC strategy
- Supported an enhanced Fatality Reduction Programme (FRP) which consisted of major interventions (Mopani and Kazzinc) and deep dive SafeWork reviews (see page 39 for further details). The FRP will roll into 2020 and will involve enhanced leadership development programmes
- Provided leadership for catastrophic hazard management which is amongst the most important non-financial risk management issues for the Group Continued oversight of the SafeWork programme implementation, focusing on identification of fatal hazards and an appropriate safety culture
- Oversaw the operation of the Group’s assurance programme for sustainability matters with an emphasis on catastrophic hazards and approved the assurance plan for 2020
- Monitored the Group’s tailings storage facilities assurance processes, including participation in the comprehensive disclosure initiative led by the Church of England
- Provided ongoing support for management’s carbon/climate policies. This included reviewing the work of the climate change working group, chaired by Dr Hayward
- Considered engagement with communities and NGOs on sustainability matters
- Reviewed and oversaw the Group’s sustainability report
- Held an investor roadshow to inform and receive feedback on the Company’s sustainable development strategy and approach to HSEC management
- Advised on the programme and hosted the internal HSEC Summit for the year
- Considered a variety of other material HSEC issues such as resettlement programmes, incident reporting and health strategy

Peter Coates
Chair of the HSEC Committee
4 March 2020
The Committee met four times during the year. Each Committee member served throughout the year and attended all of the meetings. All Committee members are considered by the Board to be Independent Non-Executive Directors and to be financially literate by virtue of their relevant financial experience and competence in accounting. As a whole, the Committee has the skills and experience relevant to the sector.

John Burton is Secretary to the Committee.

The Committee usually invites the CEO, CFO, General Counsel, Group Financial Controller, CRO and Head of Internal Audit and the lead partner from the external auditor to attend each meeting. Other members of management and the external auditor may attend as and when required. Other Directors also usually attend its meetings. The Committee also holds closed sessions with the external auditors and the Head of Internal Audit without members of management being present. The Committee has adopted guidelines allowing non-audit services to be contracted with the external auditors on the basis set out below.

Role and responsibilities
The primary function of the Committee is to assist the Board in fulfilling its responsibilities with regard to financial reporting, external and internal audit, financial risk management and controls.

During the year, the Committee’s principal work included the following:

- Reviewing the full-year (audited) and half-year (unaudited), financial statements with management and the external auditor
- Considering the scope and methodologies to determine the Company’s going concern and longer-term viability statements
- Reviewing and agreeing the preparation and scope of the year-end reporting process
- Considering applicable regulatory changes to reporting obligations
- Evaluating the Group’s procedures for ensuring that the Annual Report and accounts, taken as a whole, are fair, balanced and understandable
- Reviewing the Group’s financial and accounting policies and practices including discussing material issues with management and the external auditors, especially matters that influence or could affect the presentation of accounts and key figures
- Reviewing the Group’s internal financial controls and financial risk management systems
- Considering the output from the Group-wide processes used to identify, evaluate and mitigate financial risks, including credit and performance risks, across the industrial and marketing activities
- Monitoring and reviewing the effectiveness of Glencore’s internal controls for which there were no significant failings or weaknesses noted
- Reviewing the global audit plan, scope and fees of the audit work to be undertaken by the external auditor
- Recommending to the Board a resolution to be put to the shareholders for their approval on the appointment of the external auditor and to authorise the Board to fix the remuneration and terms of engagement of the external auditor
- Monitoring the independence of the external auditor and reviewing the operation of the Company’s policy for the provision of non-audit services by it
- Considering and approving two assignments above the approval threshold with the external auditors in respect of non-audit services
- Evaluating the effectiveness of the external auditor
- Reviewing the Internal Audit department’s annual audit plan and reviewing the effectiveness of the Internal Audit function

Risk analysis
The Committee receives reports and presentations at each meeting on management of marketing and other risks (excluding operational and sustainability risks which are reviewed by the HSEC Committee and compliance risks reviewed by the ECC) and at least once a year considers an in-depth study of the perceived main risks and uncertainties and the Group’s risk management framework as a whole.

Significant issues
The Committee assesses whether suitable accounting policies including the implementation of new accounting standards, primarily IFRS 16 Leases, have been adopted and whether management has made appropriate estimates and judgements. It also reviews the external auditor’s reports outlining audit work performed and conclusions reached in respect of key judgements, as well as identifying any issues in respect of these.

During the year, the Committee has focused in particular on these key matters:

1. Acquisitions and disposals
   Accounting for acquisitions involve significant management judgements and estimates. In 2019, the Committee analysed the accounting treatment for the acquisitions of Astron Energy and Polymet.

2. Impairment
   The Committee considered whether the carrying value of goodwill, industrial assets, physical trade positions and material loans and advances may be impaired as a result of commodity price volatility and some asset specific factors including...
the impact of climate change. The Committee reviewed management’s reports, outlining the basis for the key assumptions used in calculating the recoverable value for the Group’s assets. Future performance assumptions used are derived from the Board approved business plan. As part of the process for approval of this plan, the Committee considered the feasibility of strategic plans underpinning future performance expectations, and whether they remain achievable. Considerable focus was applied to management’s commodity price and exchange rate assumptions and their sensitivities within the models. Assets based in Colombia, Chad, DRC, New Caledonia, Peru, South Africa and Zambia were subject to particular scrutiny. The Committee discussed with the external auditor their work in respect of the impairment review, which was a key area of focus for them.

3. Taxation
Due to its global reach, including operating in high-risk jurisdictions, the Group is subject to enhanced complexity and uncertainty in accounting for income taxes, particularly the evaluation of tax exposures and recoverability of deferred tax assets. The Committee has engaged with management to understand the potential tax exposures globally and the key estimates taken in determining the positions recorded, including the status of communications with local tax authorities and the carrying values of deferred tax assets. The African copper assets and tax risk exposures in the UK have been particular areas of focus.

4. Counterparty exposures
The Group’s global operations expose it to credit and performance risk, which result in the requirement to make estimates around recoverability of receivables, loans, trade advances and contractual non-performance. As part of an ongoing review, the Committee considered material continuing exposures, the robustness of processes followed to evaluate recoverability and whether the amounts recorded in the financial statements are reasonable.

Following its analysis of these matters, the Committee satisfied itself that the estimates made by management are reasonable and that financial statements disclosures included in the accounts are appropriate.

5. Other material issues
These have included in 2019, the segment disclosure change, going concern and long-term viability assessments and analysis of the internal control environment.

Internal and external audit
The Committee monitored the internal audit function as described under Internal Audit on page 103.

The Committee has evaluated the effectiveness of the external auditor and as part of this assessment, has considered:

- The steps taken by the auditor to ensure their objectivity and independence
- The deep knowledge of the Company which enhances Deloitte’s ability to perform as external auditor
- Competence when handling key accounting and audit judgements and ability to communicate these to the Committee and management
- The extent of the auditor’s resources and technical capability to deliver a robust and timely audit, including consideration of the qualifications and expertise of the team
- Auditor’s performance and progress against the agreed audit plan, including communication of changes to the plan and identified risks and the proven stability that is gained from the continued engagement of Deloitte as external auditor

The Committee assesses the quality and effectiveness of the external audit process on an annual basis in conjunction with the senior management team. Key areas of focus include consideration of the quality and robustness of the audit, identification of and response to areas of risk and the experience and expertise of the audit team, including the lead audit partner.

The Group’s policy on non-audit services provided by the external auditor is designed to ensure the external auditor independence and objectivity is safeguarded. A specified wide range of services may not be provided as they have the potential to impair the external auditor’s independence (Excluded Services). The Audit Committee’s approval is required for (i) any Excluded Service (2) any other engagement where either (i) the fee is contingent, (ii) the fee may exceed $500,000, or (iii) the fees for all non-audit work may exceed $15 million in a particular year.

Subject to these restrictions and other safeguards in the policy, the external auditor may be permitted to provide certain non-audit services when it is concluded that they are the most appropriate supplier due to efficiency and status as a leading firm for those specific services. For 2019, fees paid to the external auditor were $30 million, the total non-audit fees of which were $6 million; further details are contained in note 29 to the financial statements.

A new policy will be adopted next year to reflect regulatory changes which will considerably restrict the scope of non-audit services from 2021.

Deloitte has been the auditor of the listed entity since its IPO in 2011. In 2018, a lead audit engagement partner rotation occurred.

The Committee has determined that it is satisfied that the work of Deloitte LLP is effective, the scope is appropriate and significant judgements have been challenged robustly by the lead partner and team. Additionally, there are no contractual restrictions on the Company’s choice of external auditor. The Committee has therefore recommended to the Board that a proposal be put to shareholders at the forthcoming AGM for the reappointment of Deloitte LLP as external auditor.

A search for my successor as Chair of the committee is underway (see page 96). As stated last year, following this appointment, the Committee will operate a tender process for the appointment of the Company’s external auditor for a period up to ten years. This process will be implemented next year and the appointment will be with effect from the audit of the financial statements for the following year.

Leonhard Fischer
Chair of the Audit Committee
4 March 2020
Nomination Committee report

Chair
Patrice Merrin

Other members
John Mack
Kalidas Madhavpeddi

During 2019, the committee comprised Anthony Hayward (Chair), John Mack, Leonhard Fischer and Gill Marcus.

The Committee met three times during the year. Each Committee member served throughout the year and attended all of the meetings. In addition, some of the discussions and deliberations in respect of the matters summarised below were carried out at Board meetings.

John Burton is the Secretary of this Committee.

Roles and responsibilities

The main responsibilities of the Nomination Committee are to assist the Board with succession planning and with the selection process for the appointment of new Directors, both Executive and Non-Executive, including the Chairman, and senior management.

This involves:

- Evaluating the balance and skills, knowledge and experience of the Board and identifying the capabilities required for a particular appointment
- Overseeing the search process
- Evaluating the need for Board refreshment and succession planning generally
- Overseeing planning for CEO and CFO succession planning
- Monitoring the CEO's planning for senior management succession to seek to ensure that the Company has a suitable pipeline of candidates
- Considering diversity in appointments

Main activities

The Committee focused on three main tasks during this year.

The most important has been senior management succession, as described on page 92.

Secondly, prior to the notice of 2019 AGM being compiled, the Committee considered the performance of each Director. It concluded that each Director is effective in their role and continues to demonstrate the commitment required to remain on the Board. Accordingly, it recommended to the Board that re-election resolutions be put for each Director at the 2019 AGM.

Thirdly, the Committee considered the composition of the Board and refreshment. The Committee continued its work on succession planning. This has led to the appointment of Kalidas Madhavpeddi who brings extensive mining experience and further diversity to the Board table. Further refreshment is planned in respect of a new Audit committee Chair and another female director.

The Committee notes the recommendations of the Hampton Alexander Review on gender and the Parker Review on ethnic diversity. It is part of the Committee’s policy when making new Board appointments to consider the importance of diversity on the Board, including gender and ethnicity. This is considered in conjunction with experience and qualifications.

Following the appointment of Mr Madhavpeddi, the Board meets the ethnic diversity target of the Parker Review. We also expect that one third of our Directors will be female by the end of 2020, which will therefore satisfy the Board target of the Hampton Alexander Review.

Patrice Merrin
Chair of the Nomination Committee
4 March 2020
Directors’ remuneration report
For the year ended 31 December 2019

Chairman
John Mack
Other members
Kalidas
Madhaypeddi
Martin Gilbert

Introduction
On behalf of the Remuneration Committee, I am pleased to present our Directors’ remuneration report for the year ended 31 December 2019. As ever, we have sought to make this report as short, simple and straightforward as possible.

During 2019, the Committee comprised Leonhard Fischer, Martin Gilbert and myself.

As a Jersey registered company headquartered in Switzerland, Glencore is not subject to the UK’s reporting regime although as we consider it to be reflective of good practice, this report is prepared in compliance with the regime, unless stated otherwise. Accordingly, over the following pages, we have set out:

- The Group’s forward-looking Directors’ Remuneration Policy will be proposed to shareholders at the 2020 AGM as it was last approved in 2017 and practice is to renew the policy every third year. The changes to the Directors’ Remuneration Policy reflect increasing the salary cap to the current maximum market level and developments in best practice guidance since it was last renewed. The increase in the salary cap is simply to provide suitable future flexibility as Mr Glasenberg has confirmed that he would not accept any salary increase over the life of the policy.
- Details of the implementation of our reward policy in 2019 including:
  - the governance surrounding pay decisions in 2019, members of the Committee and its advisers in 2019
  - details of what was paid to Directors in respect of their service on the Board during the financial year ended 31 December 2019.

Accordingly, we have presented this report to reflect the reporting requirements on remuneration matters for companies with a UK governance profile, particularly the UK’s Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the “UK Remuneration Regulations”). The Company aims to comply in all material respects with the reporting obligations within these regulations as a matter of good practice. The report also describes how the Board has complied with the provisions set out in the UK Corporate Governance Code relating to remuneration matters.

Our auditors have reported on certain parts of the Directors’ remuneration report and stated whether, in their opinion, those parts of the report have been properly prepared. Those sections of the report which have been subject to audit are clearly indicated.

The Committee also notes that it has been following with interest the wider discussion relating to the design of long-term incentives in UK listed companies and can see considerable merit in the use of restricted stock in a cyclical sector such as resources, particularly if such shares are held over longer periods to be aligned with the cycle. It also notes that the policy level of 2x salary is considerably below the market level both relative to resources companies and to the FTSE 30 more generally. Rather than seek to address these issues in the 2020 policy renewal, the Committee considers it appropriate to defer such design issues until succession occurs and any replacement CEO can, therefore, make an appropriate contribution to this planning. Accordingly, it is highly likely that a new policy will be required as and when succession occurs. The Committee would undertake appropriate consultation at the time before submitting a further policy to shareholders.

As at the 2014 and 2017 AGMs, to reflect best practice, we shall be seeking shareholder approval of our remuneration arrangements through two votes, one on the Directors’ remuneration report (excluding the Directors’ Remuneration Policy) and a separate vote on our Directors’ Remuneration Policy. Both will technically be advisory only as the Company is not subject to the UK statutory regime to make the latter binding although, clearly, the Committee will take any voting outcome very seriously.

The Committee continues to ensure that the Directors’ Remuneration Policy and its implementation are attractive to shareholders in reflecting good governance, simplicity and reasonable terms.

John Mack
Chair of Remuneration Committee
4 March 2020
Part A–Directors’ Remuneration Policy

The Directors’ Remuneration Policy as set out in this section of the report will take effect for all payments made to Directors from the date of the 2020 AGM. Whilst it does not differ materially from that approved at the 2017 AGM, the Policy approved by shareholders at the 2017 AGM will apply until approval is obtained for the new Policy. Any changes to the policy are highlighted where relevant.

UK legislation and related investor guidance encourages companies to disclose a cap within which each element of remuneration policy will operate. Although not subject to this legislation, the Committee has set an annual cap for each element of remuneration under the maximum opportunity column which will apply until a revised policy is approved by shareholders.

The General Policy table must be read alongside the notes set out on page 114 which together set out and explain our Remuneration Policy. The Policy for the Executive Directors currently only applies to Mr Glasenberg as he is the only Executive Director.

General Policy

Elements of the package

Remuneration Policy for the Directors is summarised in the table below:

General Policy for Executive Directors

(this section does not technically form part of the Directors’ Remuneration Policy and is for information only)

We have the same philosophy as any other Remuneration Committee, namely to set the Company’s remuneration policies and practices so that they promote the long-term success of the Company and support the implementation of the Group’s strategy while aligning the interests of the Executive Directors and executives with those of shareholders generally. This policy has consistently underpinned our entire approach to executive remuneration.

The Committee is satisfied that the remuneration policy is in the best interests of shareholders and does not raise any environmental, social or governance issues and does not promote excessive risk taking.

One exceptional aspect of our CEO’s remuneration is that, at his instigation and reflecting his status as a major shareholder, he does not participate in bonus or LTI arrangements, a policy which will continue into 2020. As a result, we are currently able to set overall remuneration for our CEO at significantly lower levels than in comparable companies. The Committee believes that his significant personal shareholding creates sufficient alignment of interest with shareholders in the absence of participation in a bonus or LTI arrangement. However, the Committee accepts that any successor would require participation in variable pay plans on market competitive terms which would necessitate further changes to this policy.
Elements of the package

### Base salary
- Provides market competitive fixed remuneration that rewards relevant skills, responsibilities and contribution

### Benefits
- To provide appropriate supporting non-monetary benefits

#### Policy and operation
- Salaries are positioned within a market competitive range for companies of a similar size and complexity.
- The Committee does not slavishly follow data but uses it as a reference point in considering, in its judgement, the appropriate level having regard to other relevant factors, including corporate and individual performance and any changes in an individual’s role and responsibilities. Base salary is paid monthly in cash.

#### Maximum opportunity
- Base salaries are reviewed annually with the next review due to take place in December 2020.
- The Committee has not increased Executive Director salary levels since the Company’s IPO in May 2011, reflecting his status as a significant shareholder.
- Mr Glasenberg, the CEO, is the only Executive Director on the Board. A base salary cap of $2 million p.a. has been set. This cap will increase in line with UK RPI from 24 May 2020 being the date at which the cap is proposed to be approved.
- This is simply a cap and, in practice, we would expect actual increases to be limited to the average level of increase awarded to staff at the Company’s headquarters in Baar, Switzerland (except where there is a meaningful increase in the scope of the role or an appointment is initially at a below market level).

#### Performance measures
- Not applicable (n/a)

#### Key changes to last approved policy
- Increase salary cap to $2 million and include an RPI uplift to the salary cap

### Pension
- Provides basic retirement benefits which reflects local market practice

#### Policy and operation
- Mr Glasenberg participates in the defined contribution scheme for all Baar-based employees.

#### Maximum opportunity
- An annual cap on the cost of provision of retirement benefits of $150,000 per Executive Director has been set.
- Any Executive Director’s benefit will be aligned with the average percentage contribution or entitlement available to staff in the relevant market.

#### Performance measures
- n/a

#### Key changes to last approved policy
- None

### Significant Personal Shareholdings
- Aligns the interests of executives and shareholders

#### Policy and operation
- The Committee has set a formal shareholding requirement for Executive Directors of 500% of salary.
- Usually to be achieved within 5 years of Board appointment.
- An Executive Director will normally be required to retain the lower of the actual holding on stepping down from the Board and such shares as then represents the policy level of 500% of salary for 2 years after stepping down (although the Board may relax this requirement in appropriate cases) with such policy enforceable through a requirement to lodge such shares at the Company’s request.

#### Maximum opportunity
- n/a

#### Performance measures
- n/a

#### Key changes to last approved policy
- Increased the headline level to 5x salary. Added post-cessation guidelines.
**Elements of the package continued**

<table>
<thead>
<tr>
<th>Annual Bonus Plan</th>
<th>Long-Term Incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supports delivery of short-term operational, financial and strategic goals</td>
<td>Glencore Performance Share Plan incentivises the creation of shareholder value over the longer term</td>
</tr>
</tbody>
</table>

**Policy and operation**
Annual Bonus plan levels and the appropriateness of measures are reviewed annually to ensure they continue to support the strategy.

50% of any Annual Bonus plan outcome to be deferred into shares for a period of up to three years although the Committee reserves discretion to alter the current practice of deferral (whether by altering the portion deferred, the period of deferral or whether amounts are deferred into cash or shares).

The Committee to reserve discretion to reduce any formulaic outcome if it is not considered appropriate in all the circumstances.

Cash element paid in one tranche following the year-end.

Malus provisions apply to any amounts deferred.

**Maximum opportunity**
The Committee has set a maximum annual bonus level of 200% of base salary p.a.

**Performance measures**
The performance measures applied may be financial, non-financial and corporate, divisional or individual and in such proportions as the Committee considers appropriate.

Additionally, the Committee will consider the outcomes against pre-set targets following their calculation and may moderate these outcomes to take account of a range of factors including the Committee’s view of overall Company performance in the year and the Committee specifically reserves the ability to reduce payments if not satisfied that any formulaic outcome is appropriate in all the circumstances.

**Key changes to last approved policy**
Consistent with developments in best practice, deferral to apply to at least 50% of the bonus and broad discretion to reduce payment as required by the UK’s Corporate Governance Code introduced.

**Policy and operation**
No Executive Director has, to date, participated, although this will be kept under review to ensure it remains appropriate.

Awards will be subject to a performance period of at least 3 years followed by a further holding period of at least 2 years during which shares may not ordinarily be sold (other than to meet any tax liabilities arising).

Malus clauses apply.

The Company will honour the vesting of all awards granted under previous policies in accordance with the terms of such awards.

**Maximum opportunity**
Overall annual Executive Directors' limit of 200% of salary for LTI grants (recognising that this is less than the formal limit in the plan).

**Performance measures**
Executive Directors do not at present participate in the plan reflecting, in the case of the CEO, the significant alignment achieved through his personal shareholding.

Accordingly, no performance conditions have been established for Executive Directors. On any future participation, the Committee may set such performance conditions on LTI awards as it considers appropriate (whether financial or non-financial and whether corporate, divisional or individual).

The Committee specifically reserves the ability to reduce payments if not satisfied that any formulaic outcome is appropriate in all the circumstances.

**Key changes to last approved policy**
Clarify that awards will be subject to a holding period.
Elements of the package continued

Chairman and Non-Executive Director fees

Reflects time commitment, experience, global nature and size of the Company

Policy and operation

The objective in setting the fees paid to the Chairman and the other Non-Executive Directors is to be competitive with other listed companies of equivalent size and complexity. Fee levels are periodically reviewed by the Board (for Non-Executives) and the Committee (for the Chairman). In both cases, the Company does not adopt a quantitative approach to pay positioning and exercises judgement as to what it considers to be reasonable in all the circumstances as regards quantum.

Non-Executive Directors and the Senior Independent Director receive a base fee.

Additional fees are paid for chairing or membership of a Board committee.

Chairman receives a single inclusive fee.

Reasonable business related expenses are reimbursed (including any tax thereon).

Non-Executive Directors are not eligible for any other remuneration or benefits of any nature.

Reviewed every year with the next review due to take place in December 2020.

Maximum opportunity

Fees are paid monthly in cash.

Aggregate fees for all Non-Executive Directors (including the Chairman) are subject to the cap set in the Articles of Association. This is currently set at $5,000,000.

Performance measures

n/a

Key changes to last approved policy

None

Notes to the Policy table

1. Mr Glasenberg, the only Executive Director, has received no salary increase since it was set in May 2011, although the currency of payment for all Directors was changed to the US dollar, the Company’s functional currency, on 1 January 2014.

2. Differences between the policy on remuneration for Directors from the policy on remuneration of other employees: the only Executive Director has waived any entitlement to participate in the variable pay arrangements. Arrangements also differ from its pay policies for Group employees as necessary to reflect the appropriate market rate position for the relevant roles. In particular, Mr Glasenberg’s pension benefits are in accordance with those provided to other Swiss-based employees and do not include any enhancement.

3. For 2019, all remuneration and fees were paid in US Dollars except for pension contributions and the provision of benefits which were provided in Swiss Francs.
Recruitment Remuneration Policy

The Company’s Recruitment Remuneration Policy aims to give the Committee sufficient flexibility to secure the appointment and promotion of high-calibre executives to strengthen the management team and secure the skill sets to deliver our strategic aims.

- The starting point for the Committee will be to look to the General Policy for Executive Directors as set out above and structure a package in accordance with that Policy. However, the Policy was developed having regard to the specific circumstances of the current Executive Director and therefore (consistent with the UK regulations) for a newly appointed Executive Director the Committee is not constrained by the caps on fixed pay within the Policy on a recruitment or at any subsequent annual review within the life of this Policy as approved by shareholders. The Committee will not pay more than it considers to be necessary to secure the recruitment having regards to appropriate market rates and evolving best practice.
- For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.
- For external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses as they consider appropriate and/or to make a contribution towards legal fees in connection with agreeing employment terms. Such costs will be outside the formal caps and will be limited to two years.
- The Committee reserves the right to make awards of incentive pay that are necessary to secure a candidate, which may include either awards to compensate for the forfeiture of incentive awards in a previous employer or to provide appropriate incentives for a new recruit to the Group. Details of any such awards will be appropriately disclosed.
- Where it is necessary to make a recruitment related pay award to an external candidate, the Company will not pay more than is, in the view of the Committee, necessary and will in all cases seek, in the first instance, to deliver any such awards under the terms of the existing incentive pay structure. It may, however, be necessary in some cases to make such awards on terms that are more bespoke than the existing annual and equity-based pay structures in the Group in order to secure a candidate.
- All such awards for external appointments, whether under the Annual Bonus plan, Performance Share Plan or otherwise, to compensate for awards forfeited on leaving a previous employer will take account of the nature, time-horizons and performance requirements on those awards. In particular, the Committee’s starting point will be to ensure that any awards being forfeited which remain subject to outstanding performance requirements (other than where these are substantially complete) are bought-out with replacement requirements and any awards with service requirements are bought out with similar terms. However, exceptionally the Committee may relax those obligations where it considers it to be in the interests of shareholders and those factors are, in the view of the Committee, equally reflected in some other way, for example through a significant discount to the face value of the awards forfeited. It will only include guaranteed sums where the Committee considers that it is necessary to secure the recruitment.
- For the avoidance of doubt, where recruitment related awards are intended to replace existing awards held by a candidate in an existing employer, the maximum amounts for incentive pay as stated in the general policies will not apply to such awards. The Committee has not placed a maximum limit on any such awards which it may be necessary to make as it is not considered to be in shareholders’ interests to set any expectations for prospective candidates regarding such awards. Any recruitment-related awards which do not replace awards with a previous employer will be subject to the limits on incentive awards as detailed in the general policy.

The elements of any package for a new recruit and the approach taken by the Committee in relation to setting each element of the package will be consistent with the Executive Directors’ Remuneration Policy described in this report, as modified by the above statement of principles where appropriate.

A new Non-Executive Director would be recruited on the terms explained above in respect of the main Policy for such Directors.
Termination Policy Summary

In practice, the facts surrounding any termination do not always fit neatly into defined categories for good or bad leavers. Therefore, it is appropriate for the Committee to consider the suitable treatment on a termination having regard to all of the relevant facts and circumstances available at that time. Further, in practice no Executive Director has, to date, participated in the PSP so the Policy remains to be tested. This Policy applies both to any negotiations linked to notice periods on a termination and any treatment which the Committee may choose to apply under the discretions available to it under the terms of the annual bonus and LTI arrangements. The potential treatments on termination under these plans are summarised below.

<table>
<thead>
<tr>
<th>Incentives</th>
<th>Good leaver</th>
<th>Bad leaver</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Bonus</strong></td>
<td>If a leaver is deemed to be a “good leaver”; i.e. leaving through, serious ill health or death or otherwise at the discretion of the Committee</td>
<td>If a leaver is deemed to be a “bad leaver”; typically voluntary resignation or leaving for disciplinary reasons</td>
</tr>
<tr>
<td><strong>Deferred element of bonus</strong></td>
<td>Typically retained for the balance of the deferral period (although the Committee may exceptionally approve early release)</td>
<td>May be retained or forfeited at Committee discretion</td>
</tr>
<tr>
<td><strong>LTIP</strong></td>
<td>Will receive a pro-rated award (if applicable, subject to the application of the performance conditions at the normal measurement date.)</td>
<td>Committee discretion to disapply pro-rating</td>
</tr>
</tbody>
</table>

The UK legislation does not require the inclusion of a cap or limit in relation to payments for loss of office. The Committee will take all relevant factors into account in deciding whether any discretion should be exercised in an individual’s favour in these circumstances, and the Committee will aim to ensure that any payments made are, in its view, appropriate having regard to prevailing best practice guidelines. The Committee may also, after taking appropriate legal advice, sanction the payment of additional sums in the settlement of potential legal claims.

Potential rewards under various scenarios

Under the formal policy, consistent with other large FTSE companies, the total available variable pay (i.e. the maximum amount payable in respect of bonus and long-term incentives) available to Mr Glasenberg would be approximately $5,790,000 (being four times base salary). As Mr Glasenberg has waived entitlement to all variable elements for 2019, including both bonus and long-term incentives, his base salary and all benefits are set at less than 25% of the aggregate remuneration which would potentially have been available to him had he not waived participation in these aspects. These waivers are considered appropriate as the level of his personal shareholding is sufficient to provide a keen alignment of interest between him and of shareholders more generally without the need to add additional aspects to his package (and cost to other shareholders). His fixed remuneration is set at a moderately below market level so the waivers do not reflect any element of an excessive bias to fixed pay in the traditional sense. Consistent with UK legislation, it has been prepared using the following assumptions.

In 2019, Mr Glasenberg’s base salary was paid in US dollars and his benefits and pension contributions were paid in Swiss francs, as described above and in the following single figure table.

<table>
<thead>
<tr>
<th>Incentives</th>
<th>Ivan Glasenberg</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed</strong></td>
<td>Base Salary $’000</td>
<td>Benefits $’000</td>
<td>Pension $’000</td>
<td>Total Fixed $’000</td>
</tr>
<tr>
<td><strong>On-target and Maximum</strong></td>
<td>1,447</td>
<td>4</td>
<td>52</td>
<td>1,503</td>
</tr>
</tbody>
</table>

Directors’ service contracts

Executive Director’s Contract

The table below summarises the key features of the service contract for Mr Glasenberg, the only person who served as an Executive Director during 2019.

All Directors’ contracts and letters of appointment will be available for inspection on the terms to be specified in the Notice of 2020 AGM.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Service contract terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice period</td>
<td>Twelve months’ notice by either party</td>
</tr>
<tr>
<td>Contract date</td>
<td>28 April 2011 (as amended on 30 October 2013)</td>
</tr>
<tr>
<td>Expiry date</td>
<td>Rolling service contract</td>
</tr>
<tr>
<td>Termination payment</td>
<td>No special arrangements or entitlements on termination. Any compensation would be limited to base salary only for any unexpired notice period (plus any accrued leave)</td>
</tr>
<tr>
<td>Change in control</td>
<td>On a change of control of the Company, no provision for any enhanced payments, nor for any liquidated damages</td>
</tr>
</tbody>
</table>
External appointments
None currently although Mr Glasenberg was for part of 2019 a non-executive director of Rosneft.
He assigned to the Group the compensation received in relation to that appointment.
The appropriateness of any future appointment is considered as part of the annual review of Directors’ interests/potential conflicts.

Non-Executive Directors’ Letters of appointment and re-election
All Non-Executive Directors have letters of appointment with the Company for an initial period of three years from their date of appointment, subject to reappointment at each AGM. The Company may terminate each appointment by immediate notice and there are no special arrangements or entitlements on termination except that the Chairman is entitled to three months’ notice.
The annual fees are paid in accordance with a Non-Executive Director’s role and responsibilities. The Chairman’s fee is inclusive of all his committee responsibilities. The fees payable for 2019, which were unchanged from 2018 except for the addition of fees for membership of the ECC Committee, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>US$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td></td>
</tr>
<tr>
<td>Chairman</td>
<td>1,150</td>
</tr>
<tr>
<td>Senior Independent Director</td>
<td>200</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td>135</td>
</tr>
<tr>
<td>Committee Fees:</td>
<td></td>
</tr>
<tr>
<td>ECC</td>
<td></td>
</tr>
<tr>
<td>Member</td>
<td>50</td>
</tr>
<tr>
<td>Remuneration</td>
<td></td>
</tr>
<tr>
<td>Chair</td>
<td>45</td>
</tr>
<tr>
<td>Member</td>
<td>25</td>
</tr>
<tr>
<td>Audit</td>
<td></td>
</tr>
<tr>
<td>Chair</td>
<td>60</td>
</tr>
<tr>
<td>Member</td>
<td>35</td>
</tr>
<tr>
<td>Nomination</td>
<td></td>
</tr>
<tr>
<td>Chair</td>
<td>40</td>
</tr>
<tr>
<td>Member</td>
<td>20</td>
</tr>
<tr>
<td>HSEC</td>
<td></td>
</tr>
<tr>
<td>Chair</td>
<td>125</td>
</tr>
<tr>
<td>Member</td>
<td>40</td>
</tr>
<tr>
<td>Investigations</td>
<td></td>
</tr>
<tr>
<td>Member</td>
<td>40</td>
</tr>
</tbody>
</table>

Remuneration Committee – Unaudited Information
Membership and experience of the Remuneration Committee
The members of the Committee provide a useful balance of skills, experience and perspectives to provide the critical analysis required in carrying out the Committee’s function. Each of Messrs John Mack, Martin Gilbert, and Leonhard Fischer (until 2019), and Kalidas Madhavpeddi (from 2020) has had a long career in the management of large organisations and therefore provides considerable experience of remuneration analysis and implementation. All members of the Remuneration Committee are considered to be independent. Further details concerning independence of the Non-Executive Directors are contained on page 97.

Role of the Remuneration Committee
The terms of reference of the Committee set out its role. They are available on the Company’s website at: glencore.com/who-we-are/governance

Its principal responsibilities are, on behalf of the Board, to:
• Determine and agree with the Board the framework for the remuneration of the Company’s Chairman, the Chief Executive and the Executive Directors
• Regularly review the appropriateness and relevance of the Remuneration Policy
• Establish the remuneration package for the Executive Directors including the scope of pension benefits
• Determine the remuneration package for the Chairman, in consultation with the Chief Executive
• Oversee schemes of performance related remuneration (including share incentive plans), and determine awards for the Executive Directors (as appropriate)
• Ensure that the contractual terms on termination for the Executive Directors are fair and not excessive
• Monitor senior management remuneration

The Committee considers corporate performance on HSEC and governance issues when setting remuneration for the Executive Director. Additionally, the Committee seeks to ensure that the incentive structure for the Group’s senior management does not raise HSEC or governance risks by inadvertently promoting and/or rewarding behaviours that are not aligned with the Group policies, values and culture.

Remuneration Committee meetings
The Committee met two times during the year and considered, amongst other matters, the Remuneration Policy and the packages applicable to the Chairman, the CEO and senior management, and the content and approval of the remuneration report.
The Chairman, CEO and CFO are usually invited to attend some or all of the proceedings of Remuneration Committee meetings; however, they do not participate in any decisions concerning their own remuneration.
Advisers to the Remuneration Committee
The Committee appointed and received independent remuneration advice during the year from its external adviser, FIT Remuneration Consultants LLP (FIT). FIT is a member of the Remuneration Consultants Group (the UK professional body for these consultants) and adheres to its code of conduct. The Committee was satisfied that the advice provided by FIT was objective and independent.

FIT’s fees for this advice in respect of 2019 were $58,491 (2018: $13,921). FIT’s fees were charged on the basis of the firm’s standard terms of business for advice provided. FIT also provided advice to Glencore Agriculture Limited, in which Glencore owns a 49.9% interest, on the development of a remuneration policy, for which it charged $36,900.

The Committee also receives advice from the Company Secretary.

Relative importance of remuneration spend
The table below illustrates the change in total remuneration, distributions paid and net profit from 2018 to 2019.

<table>
<thead>
<tr>
<th></th>
<th>2019 US$m</th>
<th>2018 US$m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributions and buy-backs attributable to equity holders</td>
<td>5,028</td>
<td>4,841</td>
</tr>
<tr>
<td>Net income/(loss) attributable to equity holders</td>
<td>(404)</td>
<td>3,408</td>
</tr>
<tr>
<td>Total remuneration</td>
<td>5,231</td>
<td>5,063</td>
</tr>
</tbody>
</table>

The figures presented have been calculated on the following bases:

- **Distributions and buy-backs** – distributions paid and shares bought back during the year.
- **Net income/(loss) attributable to equity holders** – our reported net loss in respect of the financial year.
- **Total remuneration** – represents total personnel costs as disclosed in note 23 to the financial statements which includes salaries, wages, social security, other personnel costs and share-based payments.

Performance graph and table
This graph shows the value to 31 December 2019, on a total shareholder return (TSR) basis, of £100 invested in Glencore plc on 24 May 2011 (our IPO date) compared with the value of £100 invested in the FTSE 350 Mining Index. The FTSE 350 Mining Index is considered to be an appropriate comparator for this purpose as it is an equity index consisting of companies listed in London in the same sector as Glencore.

The UK reporting regulations also require that a TSR performance graph is supported by a table summarising aspects of CEO remuneration, as shown below for the same period as the TSR performance graph:

<table>
<thead>
<tr>
<th>Year</th>
<th>Ivan Glasenberg</th>
<th>2019 Annual variable element award rates against maximum opportunity</th>
<th>2019 Long-term incentive vesting rates against maximum opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1,503</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2018</td>
<td>Ivan Glasenberg</td>
<td>1,503</td>
<td>—</td>
</tr>
<tr>
<td>2017</td>
<td>Ivan Glasenberg</td>
<td>1,513</td>
<td>—</td>
</tr>
<tr>
<td>2016</td>
<td>Ivan Glasenberg</td>
<td>1,509</td>
<td>—</td>
</tr>
<tr>
<td>2015</td>
<td>Ivan Glasenberg</td>
<td>1,510</td>
<td>—</td>
</tr>
<tr>
<td>2014</td>
<td>Ivan Glasenberg</td>
<td>1,513</td>
<td>—</td>
</tr>
<tr>
<td>2013</td>
<td>Ivan Glasenberg</td>
<td>1,509</td>
<td>—</td>
</tr>
<tr>
<td>2012</td>
<td>Ivan Glasenberg</td>
<td>1,533</td>
<td>—</td>
</tr>
<tr>
<td>2011</td>
<td>Ivan Glasenberg</td>
<td>1,483</td>
<td>—</td>
</tr>
</tbody>
</table>

1 The value of benefits and pension provision in the single figure vary as a result of the application of exchange rates although in the relevant local currency these parts of Mr Glasenberg’s remuneration have not altered since May 2011. In this table the figures are reported in US dollars, the currency in which Mr Glasenberg received his salary in 2019. The salary was payable in pounds sterling prior to 2014. Therefore those figures have been translated into US dollars at the exchange rates used for the preparation of the financial statements in those years.

2 Mr Glasenberg’s pension and other benefits are charged to the Group in Swiss francs and these amounts are translated into US dollars on the same basis.

The CEO has requested not to be considered for these potential awards.

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**Directors’ remuneration report**
**For the year ended 31 December 2019 continued**
CEO pay ratio

The table below shows the ratio of CEO single figure remuneration for 2019 to the comparable, indicative, full-time equivalent total remuneration for employees globally, whose pay is ranked at the 25th percentile, median and 75th percentile. As we are a global group, which is not headquartered in the UK and whose UK employees represents less than one per cent. of all our employees worldwide, we have decided to amend this comparison to all employees. Our methodology is fully compliant with the UK Remuneration Regulations except that we have substituted all of our employees for just the UK employees as specified in the Regulations.

<table>
<thead>
<tr>
<th>Year</th>
<th>Method</th>
<th>25th percentile pay ratio</th>
<th>Median pay ratio</th>
<th>75th percentile pay ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>A</td>
<td>176 : 1</td>
<td>71 : 1</td>
<td>23 : 1</td>
</tr>
</tbody>
</table>

Percentage change in pay of Chief Executive Officer

The UK Remuneration Regulations provide for disclosure of percentage changes of the CEO’s remuneration against the average percentage change for employees generally or an appropriate group of employees. Given that the CEO has, since May 2011, waived any entitlement to any increase in salary (and given that his only other unwaived benefits are those provided to all employees at the Company’s head office in Baar) no such comparison has been made.

Most recent shareholder voting outcomes

The votes cast to approve the Directors’ remuneration report, for the year ended 31 December 2018 at the 2019 AGM were:

<table>
<thead>
<tr>
<th>Votes “For”</th>
<th>Votes “Against”</th>
<th>Votes “Withheld”</th>
</tr>
</thead>
<tbody>
<tr>
<td>97.16%</td>
<td>2.84%</td>
<td></td>
</tr>
<tr>
<td>(10,432,283,849)</td>
<td>(305,386,249)</td>
<td>(85,133,166)</td>
</tr>
</tbody>
</table>

1 A vote withheld is not counted in the calculation of the proportion of votes for and against the resolution.

The Committee continues to seek a productive and ongoing dialogue with investors on the Directors’ Remuneration Policy, remuneration aspects of corporate governance, any changes to the Company’s executive pay arrangements and developments as to executive remuneration issues in general.

Implementation Report – Audited Information

Non-Executive fees

The emoluments of the Non-Executive Directors for 2019 were as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Total 2019</th>
<th>Total 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Executive Chairman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anthony Hayward</td>
<td>1,150</td>
<td>1,150</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peter Coates</td>
<td>310</td>
<td>260</td>
</tr>
<tr>
<td>Leonhard Fischer</td>
<td>280</td>
<td>280</td>
</tr>
<tr>
<td>Martin Gilbert</td>
<td>300</td>
<td>157</td>
</tr>
<tr>
<td>Peter Grauer</td>
<td>n/a</td>
<td>48</td>
</tr>
<tr>
<td>John Mack</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Patrice Merrin</td>
<td>265</td>
<td>224</td>
</tr>
<tr>
<td>Gill Marcus</td>
<td>240</td>
<td>190</td>
</tr>
</tbody>
</table>

1 Retired on 6 March 2018.

Single figure table

Ivan Glasenberg

<table>
<thead>
<tr>
<th>US$’000</th>
<th>US$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Salary</td>
<td>1,447</td>
</tr>
<tr>
<td>Benefits</td>
<td>4</td>
</tr>
<tr>
<td>Annual Bonus</td>
<td>–</td>
</tr>
<tr>
<td>Long-term incentives</td>
<td>–</td>
</tr>
<tr>
<td>Pension</td>
<td>52</td>
</tr>
<tr>
<td>Total</td>
<td>1,503</td>
</tr>
</tbody>
</table>

The notes to the performance table above also apply in relation to the compilation of this table. As no bonuses or long-term incentives have been granted to Mr Glasenberg, there are no relevant performance measures to be disclosed although the first page of this report notes the alignment of his position with that of other shareholders.

The aggregate fees for all Non-Executive Directors for 2019 were $2,745,000 (2018: $2,509,000).

The total emoluments of all Directors for 2019 (including pension contributions for Mr Glasenberg) were $4,248,000 (2018: $4,012,000).

Directors’ interests

The Directors’ interests in shares are set out in the Directors’ report which is set out after this report. Mr Glasenberg’s holding is considerably in excess of the proposed formal share ownership guideline for Executive Directors of 500% of salary.

Approval

This report in its entirety has been approved by the Committee and the Board of Directors and signed on its behalf by:

John Mack
Chair of Remuneration Committee
4 March 2020

Glencore Annual Report 2019 119
Corporate structure
Glencore plc is a public company limited by shares, incorporated in Jersey and domiciled in Baar, Switzerland. Its shares are listed on the London and Johannesburg Stock Exchanges.

Financial results and distributions
The Group’s financial results are set out in the financial statements section of this Annual Report.

A total capital distribution of US$0.20 per share was paid in two instalments in 2019 in respect of the 2018 financial year.

The Board is recommending to shareholders an aggregate capital distribution of US$0.20 per share in respect of the 2019 financial year as further detailed on page 51.

Review of business, future developments and post balance sheet events
A review of the business and the future developments of the Group is presented in the Strategic Report.

A description of acquisitions, disposals, and material changes to Group companies undertaken during the year is included in the Financial review and in note 25 to the financial statements.

Financial instruments
Descriptions of the use of financial instruments and financial risk management objectives and policies, including hedging activities and exposure to price risk, credit risk, liquidity risk and cash flow risk are included in notes 26 and 27 to the financial statements.

Corporate governance
A report on corporate governance and compliance with the UK Corporate Governance Code is set out in the Corporate Governance report and forms part of this report by reference.

Health, safety, environment & communities (HSEC)
An overview of health, safety and environmental performance and community participation is provided in the Sustainable Development section of the Strategic report. The work of the HSEC Board committee is contained in the Corporate Governance report.

Greenhouse gas emissions
A summary of the Group’s greenhouse gas emissions is included on pages 16–23.

Taxation policy
Our Tax Policy: glencore.com/group-tax-policy and our most recent Payments to Governments report: glencore.com/payments-to-governments-report set out the Company’s approach to tax and transparency and disclose the payments made by the Group on a country-by-country and project-by-project basis.
**Exploration and research and development**
The Group’s business units carry out exploration and research and development activities that are necessary to support and expand their operations.

**Employee policies and involvement**
Glencore has a diversity and recruitment policies that aim to treat individuals fairly and not to discriminate on the basis of gender, race, ethnicity, disability, religion or beliefs, or on any other basis. Applications for employment and promotion are fully considered on their merits, and employees are given appropriate training and equal opportunities for career development and promotion.

If disability occurs during employment, the Group seeks to accommodate that disability where reasonably possible, including with appropriate training.

The Group’s Code of Conduct and other policies support and protect the interests of employees in a number of ways such as requiring open, fair and respectful communication, zero tolerance for human rights violations, fair remuneration and, above all, a safe working environment.

Employee communication is mainly provided by the Group’s intranet, corporate website and via emails. A range of information is made available to employees, including all policies and procedures applicable to them as well as information on the Group’s financial performance and the main drivers of its business. Employee consultation depends upon the type and location of operation or office. Further information on our people is set out on pages 30-33.

**Directors’ conflicts of interest**
Under Jersey law and the Company’s Articles of Association (which mirror section 175 of the UK Companies Act 2006), a Director must avoid a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. The duty is not infringed if the matter has been authorised by the Directors. Under the Articles, the Board has the power to authorise potential or actual conflict situations. The Board maintains effective procedures to enable the Directors to notify the Company of any actual or potential conflict situations and for those situations to be reviewed and, if appropriate, to be authorised by the Board. Directors’ conflict situations are reviewed annually. A register of authorisations is maintained.

**Directors’ liabilities and indemnities**
The Company has granted third party indemnities to each of its Directors against any liability that attaches to them in defending proceedings brought against them, to the extent permitted by Jersey law. In addition, Directors and Officers of the Company and its subsidiaries are covered by directors & officers liability insurance.

**Directors and Officers**
The names of the Company’s Directors and Officers who were in office at the end of 2019, together with their biographical details and other information, are shown on pages 94–95.

**Directors’ interests**
Details of interests in the ordinary shares of the Company of those Directors who held office during 2019 are given below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Glencore Shares</th>
<th>Percentage of Total Voting Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ivan Glasenberg</td>
<td>1,211,957,850</td>
<td>9.09</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anthony Hayward</td>
<td>244,907</td>
<td>0.00</td>
</tr>
<tr>
<td>Peter Coates</td>
<td>1,585,150</td>
<td>0.01</td>
</tr>
<tr>
<td>Leonhard Fischer</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Martin Gilbert</td>
<td>50,000</td>
<td>0.00</td>
</tr>
<tr>
<td>John Mack</td>
<td>750,000</td>
<td>0.00</td>
</tr>
<tr>
<td>Gill Marcus</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Patrice Merrin</td>
<td>43,997</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Share capital and shareholder rights**
As at 31 January 2020, the issued ordinary share capital of the Company was $145,862,001 represented by 14,586,200,066 ordinary shares of $0.01 each, of which 1,261,887,525 shares are held in treasury and 108,374,217 shares are held by Group employee benefit trusts.

**Major interests in shares**
Taking into account the information available to Glencore as at 31 January 2020, the table below shows the Company’s understanding of the interests in 3% or more of the total voting rights attaching to its issued ordinary share capital:

<table>
<thead>
<tr>
<th>Name of holder</th>
<th>Number of shares</th>
<th>Percentage of Total Voting Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qatar Holding</td>
<td>1,221,497,099</td>
<td>9.16</td>
</tr>
<tr>
<td>Ivan Glasenberg</td>
<td>1,211,957,850</td>
<td>9.09</td>
</tr>
<tr>
<td>BlackRock Inc</td>
<td>759,873,369</td>
<td>5.70</td>
</tr>
<tr>
<td>Harris Associates</td>
<td>727,656,874</td>
<td>5.46</td>
</tr>
<tr>
<td>Daniel Maté</td>
<td>454,136,143</td>
<td>3.41</td>
</tr>
<tr>
<td>Aristotelis Mistakidis</td>
<td>450,175,134</td>
<td>3.38</td>
</tr>
</tbody>
</table>

**Share capital**
The rights attaching to the Company’s ordinary shares, being the only share class of the Company, are set out in the Company’s Articles of Association (the “Articles”), which can be found at glencore.com/who-we-are/governance/. Subject to Jersey law, any share may be issued with or have attached to it such preferred, deferred or other special rights and restrictions as the Company may by special resolution decide or, if no such resolution is in effect, or so far as the resolution does not make specific provision, as the Board may decide.

No such resolution is currently in effect. Subject to the recommendation of the Board, holders of ordinary shares may receive a distribution. On liquidation, holders of ordinary shares may share in the assets of the Company. Holders of ordinary shares are also entitled to receive the Company’s Annual Report and Accounts (or a summarised version) and, subject to certain thresholds being met, may requisition the Board to convene a general meeting (GM) or submit resolutions for proposal at AGMs. None of the ordinary shares carry any special rights with regard to control of the Company.
Holders of ordinary shares are entitled to attend and speak at GMs of the Company and to appoint one or more proxies or, if the holder of shares is a corporation, a corporate representative. On a show of hands, each holder of ordinary shares who (being an individual) is present in person or (being a corporation) is present by a duly appointed corporate representative, not being himself a member, shall have one vote. On a poll, every holder of ordinary shares present in person or by proxy shall have one vote for every share of which he or she is the holder. Electronic and paper proxy appointments and voting instructions must be received not later than 48 hours before a GM. A holder of ordinary shares can lose the entitlement to vote at GMs where that holder has been served with a disclosure notice and has failed to provide the Company with information concerning interests held in those shares. Except as (1) set out above and (2) permitted under applicable statutes, there are no limitations on voting rights of holders of a given percentage, number of votes or deadlines for exercising voting rights.

The Directors may refuse to register a transfer of a certificated share which is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis or where the Company has a lien over that share.

The Directors may also refuse to register a transfer of a certificated share unless the instrument of transfer is:

(i) lodged, duly stamped (if necessary), at the registered office of the Company or any other place as the Board may decide accompanied by the certificate for the share(s) to be transferred and/or such other evidence as the Directors may reasonably require as proof of title; or

(ii) in respect of only one class of shares.

Transfers of uncertificated shares must be carried out using CREST and the Directors can refuse to register a transfer of an uncertificated share in accordance with the regulations governing the operation of CREST.

The Directors may decide to suspend the registration of transfers, for up to 30 days a year, by closing the register of shareholders. The Directors cannot suspend the registration of transfers of any uncertificated shares without obtaining consent from CREST.

There are no other restrictions on the transfer of ordinary shares in the Company except: (i) certain restrictions may from time to time be imposed by laws and regulations (for example insider trading laws); (2) pursuant to the Company’s share dealing code whereby the Directors and certain employees of the Company require approval to deal in the Company’s shares; and (3) where a shareholder with at least a 0.25% interest in the Company’s issued share capital has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares. There are no agreements between holders of ordinary shares that are known to the Company, which may result in restrictions on the transfer of securities or on voting rights.

The rules for appointment and replacement of the Directors are set out in the Articles. Directors can be appointed by the Company by ordinary resolution at a GM or by the Board upon the recommendation of the Nomination Committee. The Company can remove a Director from office, including by passing an ordinary resolution or by notice being given by all the other Directors. The Company may amend its Articles by special resolution approved at a GM.

The powers of the Directors are set out in the Articles and provide that the Board may exercise all the powers of the Company including to borrow money. The Company may by ordinary resolution authorise the Board to issue shares, and increase, consolidate, sub-divide and cancel shares in accordance with its Articles and Jersey law.

**Purchase of own shares**

In February 2019, the Company renewed its buyback programme, which had started in July 2018.

In 2019, the Company purchased 678,315,262 of its own ordinary shares. The authority to purchase own shares was approved by the shareholders on 9 May 2019. The Directors will seek a similar authority at the Company’s AGM to be held in 2020.

**Going concern**

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Strategic Report. Furthermore, notes 26 and 27 to the financial statements include the Group’s objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to credit and liquidity risk. Significant financing activities that took place during the year are detailed in the Financial review section, which starts on page 46.

The results of the Group, principally pertaining to its industrial asset base, are exposed to fluctuations in both commodity prices and currency exchange rates whereas the performance of marketing activities is primarily physical volume driven with commodity price risk substantially hedged.

The Directors have a reasonable expectation, having made appropriate enquiries, that the Group has adequate resources to continue its operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The Directors have made this assessment after consideration of the Group’s budgeted cash flows and related assumptions including appropriate stress testing of the identified uncertainties (being primarily commodity prices and currency exchange rates) and undrawn credit facilities, monitoring of debt maturities, and after review of the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting 2014 as published by the UK Financial Reporting Council.
Longer-term viability
In accordance with provision 31 of the Code, the Directors have assessed the prospects of the Group’s viability over a longer period than the 12 months required by the going concern assessment above. A summary of the assessment made is set out on page 75 in the Principal risks and uncertainties section.

Based on the results of the related analysis, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the four-year period of this assessment. They also believe that the review period of four years is appropriate having regard to the Group’s business model, strategy, principal risks and uncertainties, and viability.

Auditor
Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

a. so far as the Director is aware, there is no relevant audit information of which the Company’s auditor is unaware; and
b. the Director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming AGM.

Statement of Directors’ responsibilities
The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for the Company for each financial year. The financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards as adopted for use in the European Union (together “IFRS”). The financial statements are required by law to be properly prepared in accordance with the Companies (Jersey) Law 1991. International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company’s financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board’s Framework for the preparation and presentation of financial statements.

In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

The Directors confirm that the Annual Report and accounts taken, as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the performance, strategy and business model of the Company.

However, the Directors are also required to:

• Properly select and apply accounting policies
• Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
• Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity’s financial position and financial performance
• Make an assessment of the Company’s ability to continue as a going concern

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. The legislation governing the preparation and dissemination of the Company’s financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board

John Burton
Company Secretary
4 March 2020
Information required by Listing Rule LR 9.8.4C
In compliance with UK Listing Rule 9.8.4C the Company discloses the following information:

<table>
<thead>
<tr>
<th>Listing Rule</th>
<th>Information required</th>
<th>Relevant disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.8.4(1)</td>
<td>Interest capitalised by the Group</td>
<td>See note 8 to the financial statements</td>
</tr>
<tr>
<td>9.8.4(2)</td>
<td>Unaudited financial information as required (LR 9.2.18)</td>
<td>See Chief Executive Officer’s review</td>
</tr>
<tr>
<td>9.8.4(5)</td>
<td>Director waivers of emoluments</td>
<td>See Directors’ remuneration report</td>
</tr>
<tr>
<td>9.8.4(6)</td>
<td>Director waivers of future emoluments</td>
<td>See Directors’ remuneration report</td>
</tr>
<tr>
<td>9.8.4(12)</td>
<td>Waivers of dividends</td>
<td>See note 18 to the financial statements</td>
</tr>
<tr>
<td>9.8.4(13)</td>
<td>Waivers of future dividends</td>
<td>See note 18 to the financial statements</td>
</tr>
<tr>
<td>9.8.4(14)</td>
<td>Agreement with a controlling shareholder (LR 9.2.2A)</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

There are no disclosures to be made in respect of the other numbered parts of LR 9.8.4.

Confirmation of Directors’ responsibilities
We confirm that to the best of our knowledge:

- the consolidated financial statements, prepared in accordance with International Financial Reporting Standards and interpretations as adopted by the European Union, International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board and the Companies (Jersey) Law 1991, give a true and fair view of the assets, liabilities, financial position and income of the Group and the undertakings included in the consolidation taken as a whole
- the management report, which is incorporated in the Strategic Report, includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face
- the Annual Report and consolidated financial statements, taken as a whole, are fair and balanced and understandable and provide the information necessary for shareholders to assess the performance, position, strategy and business model of the Company

The consolidated financial statements of the Group for the year ended 31 December 2019 were approved on the date below by the Board of Directors.

Signed on behalf of the Board:

Anthony Hayward
Chairman
4 March 2020

Ivan Glasenberg
Chief Executive Officer