

# GlencoreXstrata

## Glencore Xstrata plc

(formerly **Glencore International plc**, incorporated in Jersey  
under the Companies (Jersey) Law 1991 with registered number 107710)

### PRE-LISTING STATEMENT

#### Introduction of the Shares to trading on the main board of the JSE

The definitions set out in Part X: “Definitions and Glossary of Technical Terms” of this Pre-Listing Statement apply *mutatis mutandis* to this page.

This Pre-Listing Statement is neither an invitation to the public to subscribe for, nor an offer to purchase, the Shares, but is issued in compliance with the JSE Listing Requirements, for the purpose of providing information to the public with regard to the secondary listing of the Shares on the main board of the JSE.

The Shares are listed on the premium segment of the Official List and traded on the London Stock Exchange’s main market for listed securities. In addition, the Shares are the subject of a secondary listing on the Hong Kong Stock Exchange. On the London Stock Exchange, the ISIN number for the Shares is JE00B4T3BW64.

The JSE has granted a secondary listing by way of an introduction of all the issued Shares in the general mining sector of the main board of the JSE under the abbreviated name Glencore and share code GLN, with effect from the commencement of trading on the JSE on 13 November 2013. On the commencement of the Listing, the issued share capital of the Company will be U.S.\$132,634,054.66 divided into 13,263,405,466 ordinary shares of U.S.\$0.01 each (none of which are treasury shares), all shares ranking *pari passu*, and which had a share premium of approximately U.S.\$55,406 million as at 20 June 2013.

The Directors, whose names are given in paragraph 1.1 of Part IV: “Directors and Senior Management of the Group” on page 73 of this Pre-Listing Statement collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-Listing Statement contains all information required by the JSE.

The Shares will only be traded and settled on the JSE through Strate in electronic form. Accordingly, any person who acquires Shares in certificated form at any time will be required to dematerialise their interest in such certificated Shares in order to be able to trade such Shares on the JSE.

This Pre-Listing Statement is only available in English and copies hereof may be obtained during normal business hours from the date of this Pre-Listing Statement until 14 November from Werksmans and ABSA Bank Limited at their physical addresses which appear on page 1 of this Pre-Listing Statement.

#### SPONSOR



#### JOINT FINANCIAL ADVISER



#### ENGLISH LEGAL ADVISERS

Linklaters

#### CORPORATE BROKER AND JOINT FINANCIAL ADVISER



#### JOINT FINANCIAL ADVISER



#### SOUTH AFRICAN LEGAL ADVISERS





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## **CORPORATE INFORMATION AND ADVISERS**

### **DIRECTORS**

Anthony Hayward (Interim Independent Non-Executive Chairman)  
Ivan Glasenberg (Chief Executive Officer)  
Peter Coates AO (Executive Director)  
Leonhard Fischer (Independent Non-Executive Director)  
Peter Grauer (Independent Non-Executive Director)  
William Macaulay (Independent Non-Executive Director)  
John Mack (Independent Non-Executive Director)

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

### **COMPANY SECRETARY**

John Burton

The business address of the Company Secretary is Baarerstattstrasse 3, CH-6340, Baar, Switzerland.

### **REGISTERED OFFICE**

Queensway House  
Hilgrove Street  
St Helier  
Jersey JE1 1ES

### **INCORPORATION**

Incorporated in Jersey on 14 March 2011  
as a public limited company  
with registration number 107710

### **LEGAL ADVISERS**

#### ***As to English law***

**Linklaters LLP**  
One Silk Street  
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#### ***As to South African law***

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### **AUDITORS**

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### **SPONSOR**

**ABSA Bank Limited**  
**(acting through its Corporate and Investment  
Banking Division)**  
15 Alice Lane Sandton  
Johannesburg  
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South Africa

### **CORPORATE BROKER AND JOINT FINANCIAL ADVISER**

**Citigroup Global Markets Limited**  
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### **JOINT FINANCIAL ADVISER**

**ABSA Bank Limited**  
**(acting through its Corporate and Investment  
Banking Division)**  
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### **JOINT FINANCIAL ADVISER**

**Barclays Bank Plc**  
5 The North Collonade  
Canary Wharf  
London  
E14 4BB  
United Kingdom

### **REGISTRARS**

#### **Computershare Investor Services (Jersey) Limited**

Queensway House  
Hilgrove Street  
St Helier, Jersey  
JE1 1ES  
Channel Islands

#### **Computershare Hong Kong Investor Services Limited**

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46<sup>th</sup> Floor  
183 Queen's Road East  
Wan Chai  
Hong Kong

#### **Computershare Investor Services**

**(Proprietary) Limited**  
70 Marshall Street  
Johannesburg 2001  
PO Box 61051  
Marshalltown  
2107  
South Africa

## FORWARD LOOKING STATEMENTS

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

Such forward looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Important factors that could cause actual results, performance or achievements of the Group to differ materially from the expectations of the Group include, among other things, general business and economic conditions globally, commodity price volatility, industry trends, competition, changes in government and other regulations, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, changes in political and economic stability, disruptions in business operations due to reorganisation activities, interest rate and currency fluctuations, the Group’s ability to integrate new businesses and recover its reserves or develop new reserves and changes in business strategy or development plans and other risks, including those described in Part III: “Risk Factors” of this Pre-Listing Statement. Such forward looking statements should, therefore, be construed in light of such factors.

Neither the Company nor any of its associates or Directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur. These forward looking statements speak only as at the date of this document.

Investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Such risks, uncertainties and other factors are set out more fully in Part III: “Risk Factors” of this Pre-Listing Statement. To the extent required by applicable law, the Company will update or revise the information in this document. Otherwise, the Company expressly disclaims any obligations or undertakings to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in the expectations of the Group with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No statement in this document or incorporated by reference into this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the preceding financial periods.

## IMPORTANT INFORMATION

### General

The contents of this Pre-Listing Statement are not to be construed as legal, business or tax advice. Each prospective investor should consult his or her own lawyer, financial adviser or tax adviser for legal, financial or tax advice.

The contents of the Glencore Xstrata's website ([www.glencorexstrata.com](http://www.glencorexstrata.com)) do not, unless such contents are specifically incorporated by reference herein, form part of this Pre-Listing Statement and prospective investors should not rely on them. Furthermore, Glencore Xstrata does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, or the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Listing or Glencore Xstrata. Glencore Xstrata makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Without prejudice to any obligation of Glencore Xstrata to publish a supplementary pre-listing statement under the JSE Listing Requirements, neither the publication of this Pre-Listing Statement nor the Listing shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group taken as a whole since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

### Presentation of financial information

On 2 May 2013, Glencore International plc (together, with its subsidiaries, but not including Xstrata, "Glencore"), known as Glencore Xstrata plc after 3 May 2013, and Xstrata plc, now Xstrata Limited (together, with its subsidiaries, "Xstrata") completed the Merger. The terms of the Merger provided 3.05 Glencore Xstrata shares for each Xstrata plc share not already owned by Glencore.

Except for the Glencore Xstrata Interim Results, all financial information contained in this Pre-Listing Statement is historical and based upon the individual financial statements of Glencore and Xstrata.

### Non-IFRS measure—headline earnings per share

The financial information presented in this Pre-Listing Statements includes references to "headline earnings per Share" of the Company, which is not an IFRS measure. The headline earnings per Share for the six months ended 30 June 2013 are based on the figures in the Glencore Xstrata Interim Results and the headline earnings per Share for the year ended 31 December 2012 are based on the figures from the Glencore 2012 Audited Financial Statements.

"Headline earnings per Share" is an earnings per Share number that is required to be reported by the JSE Listings Requirements and is unaudited. Headline earnings is defined in Circular 2/2013 issued by the South African Institute of Chartered Accountants at the request of the JSE. It is calculated by starting with the basic earnings number in terms of IAS33 and then excluding certain re-measurements such as impairments/subsequent reversal of impairments and disposal gains/losses on property, plant and equipment.

### Historical financial information—Glencore

Unless otherwise indicated, financial information presented in this Pre-Listing Statement relating to Glencore as of and for the years ended 31 December 2012, 2011 and 2010 is presented in U.S. dollars, has been prepared in accordance with EU IFRS, and has been extracted without material adjustment from the Glencore Audited Financial Statements.

### Non-IFRS measures

In this Pre-Listing Statement, certain financial measures are presented, including Adjusted EBIT, Adjusted EBIT pre-significant items, Adjusted EBITDA, Adjusted EBITDA pre-significant items and net debt, that are not presented in accordance with EU IFRS and which are not IFRS measures.

### Adjusted EBIT

Adjusted EBIT consists of revenue less cost of goods sold and selling and administrative expenses plus share of income from associates and jointly controlled entities and dividends as disclosed on the face of

the consolidated statements of income (“Adjusted EBIT”). Although Adjusted EBIT is not typically a measure of operating income, operating performance or liquidity under EU IFRS, it is presented in this Pre-Listing Statement because the Group believes it is used by some investors to determine a company’s ability to service indebtedness and fund on-going capital expenditure and dividends. Adjusted EBIT should not, however, be considered in isolation or as a substitute for income from operations as determined in accordance with EU IFRS, or for cash flows from operating activities as determined in accordance with EU IFRS, or as an indicator of operating performance.

### **Adjusted EBITDA**

Adjusted EBITDA consists of Adjusted EBIT (see above) plus depreciation and amortisation (“Adjusted EBITDA”). Although Adjusted EBITDA is not typically a measure of operating income, operating performance or liquidity under EU IFRS, it is presented in this Pre-Listing Statement because the Group believes that it is used by some investors to determine a company’s ability to service indebtedness and fund on-going capital expenditure and dividends.

Adjusted EBITDA has limitations as an analytical tool, and an investor should not consider these measures in isolation from, or as a substitute for, analysis of Glencore’s results of operations. Some of the limitations of Adjusted EBITDA are that:

- it does not reflect Glencore’s cash expenditures or future requirements for capital expenditure or contractual commitments;
- it does not reflect changes in, or cash requirements for, Glencore’s working capital needs (as applicable);
- it does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments in respect of any borrowings;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies in Glencore’s industry may calculate these measures differently from how Glencore does, limiting their usefulness as a comparative measure.

Adjusted EBIT and Adjusted EBITDA may not be indicative of Glencore’s historical operating results, nor are they meant to be a projection or forecast of its future results.

### **Adjusted EBITDA pre-significant items, Adjusted EBIT pre-significant items and Income before attribution pre-significant items**

Adjusted EBITDA pre-significant items, Adjusted EBIT pre-significant items and income before attribution pre-significant items are Adjusted EBITDA, Adjusted EBIT and Income before attribution, respectively, excluding significant items. Significant items represent items of income and expense which, due to their financial impacts, nature or the expected infrequency of the events giving rise to them, are separated for internal reporting and analysis of Glencore’s results. Significant items mainly include impairment charges.

These measures are intended to provide additional information to investors and analysts, do not have any standardised meaning prescribed by EU IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with EU IFRS. These measures are not necessarily indicative of income from operations or cash flow from operations as determined under EU IFRS. Other companies may calculate these measures differently.

The following table reconciles the key line items on the face of the consolidated statement of income that comprise Adjusted EBIT and reconciles Adjusted EBIT, Adjusted EBIT pre-significant items, Adjusted



EBITDA and Adjusted EBITDA pre-significant items to income before attribution for the periods indicated:

	Year ended 31 December		
	2010	2011	2012
	(U.S.\$ millions)		
Revenue . . . . .	144,978	186,152	214,436
Cost of goods sold . . . . .	(140,467)	(181,938)	(210,435)
Selling and administrative expenses . . . . .	(1,063)	(857)	(997)
Share of income from associates and jointly controlled entities . . .	1,829	1,972	367
Dividend income . . . . .	13	24	17
Adjusted EBIT . . . . .	5,290	5,353	3,388
Add back significant items <sup>(1)</sup> . . . . .	0	45	1,082
Adjusted EBIT pre-significant items . . . . .	5,290	5,398	4,470
Add back depreciation and amortisation . . . . .	911	1,066	1,473
Adjusted EBITDA pre-significant items . . . . .	6,201	6,464	5,943
Deduct significant items excluded above . . . . .	0	(45)	(1,082)
Adjusted EBITDA . . . . .	6,201	6,419	4,861
Deduct depreciation excluded above . . . . .	(911)	(1,066)	(1,473)
Interest expense—net . . . . .	(936)	(847)	(970)
Gain/(loss) on sale of investments—net . . . . .	(6)	9	(128)
Other (expense)/income—net . . . . .	(8)	(511)	(1,214)
Income tax credit/(expense) . . . . .	(234)	264	76
Income before attribution . . . . .	4,106	4,268	1,152

Note:

(1) Significant items represent:

	Year ended 31 December		
	2010	2011	2012
	(U.S.\$ millions)		
Share of associates' exceptional items . . . . .	—	45	875
Mark-to-market valuation of certain natural gas forward contracts . . . . .	—	—	123
Unrealised intergroup profit elimination adjustments . . . . .	—	—	84

### Net debt

Glencore defines net debt as total current and non-current borrowings less cash and cash equivalents, marketable securities and readily marketable inventory. Glencore includes marketable securities and readily marketable inventory in its internal definition of cash equivalents. Readily marketable inventory comprises inventory that is readily convertible into cash due to its liquid nature, widely available markets and the fact that any associated price risk is covered. This includes, for example, LME approved inventory (such as copper or aluminium) held at LME warehouses. Given the liquid nature of these inventories and associated funding, which represents a significant share of current assets and liabilities, the Group believes it is appropriate to consider them as cash equivalents.

The Group believes this non-EU IFRS measure is a valuable tool in analysing its net debt levels and computing certain debt coverage ratios. This measure is intended to provide additional information to investors and analysts, does not have any standardised meaning prescribed by EU IFRS and should not be considered in isolation or a substitute for measures of performance prepared in accordance with EU IFRS.

### Historical financial information—Xstrata

Unless otherwise indicated, financial information presented in this Pre-Listing Statement relating to Xstrata as of and for the years ended 31 December 2012, 2011 and 2010 is presented in U.S. dollars, has been prepared in accordance with EU IFRS, and has been extracted without material adjustment from the Xstrata Audited Financial Statements.

## **EBITDA and EBIT**

Although EU IFRS neither recognises nor defines the measures EBITDA and EBIT, they are measures that are widely used in the natural resources sector to evaluate a company's operating performance. Nevertheless, EBITDA and EBIT should not be considered in isolation from or as a substitute for operating profit, cash flows from operating activities or any other measure for determining Xstrata's operating performance or liquidity that is calculated in accordance with EU IFRS. As EBITDA and EBIT are not measures of performance defined by EU IFRS, these measures may not be comparable to similarly titled measures employed by other companies.

Unless otherwise indicated, EBITDA represents, when used in this Pre-Listing Statement in relation to Xstrata, operating profit before interest, taxation, depreciation and amortisation. Unless otherwise indicated, EBIT represents profit before interest and taxation.

"EBITDA (before exceptional items)" and "EBIT (before exceptional items)" in relation to Xstrata are EBITDA and EBIT, respectively, before material items of income and expense which have been presented separately due to their nature or expected infrequency of the events giving rise to them.

The following table sets forth a reconciliation from profit/(loss) for the year to EBIT and EBITDA based on information extracted without material adjustment from Xstrata's historical financial statements:

	Year ended 31 December		
	2010	2011	2012
	(U.S.\$ millions)		
Profit/(loss) for the year . . . . .	4,955	5,933	1,372
Add back:			
Income tax charge/(credit) . . . . .	1,653	2,215	635
Finance costs . . . . .	655	471	409
Share of results from associates . . . . .	(9)	(41)	944
Less:			
Finance income . . . . .	(152)	(137)	(184)
Other exceptional items . . . . .	(7)	(16)	636
<b>EBIT before exceptional items . . . . .</b>	<b>7,095</b>	<b>8,425</b>	<b>3,812</b>
Add back:			
Depreciation and amortisation . . . . .	2,732	3,217	3,332
Impairment of assets . . . . .	559	6	978
<b>EBITDA before exceptional items . . . . .</b>	<b>10,386</b>	<b>11,648</b>	<b>8,122</b>

## **Non-financial operating data**

The 2012 production data in this Pre-Listing Statement has been extracted without material adjustment from the pro forma Glencore Xstrata statement of net assets, income statement and cashflow statement for 2012 and related segmental disclosures published on 3 May 2013.

## **Rounding**

Percentages and certain amounts included in this Pre-Listing Statement have been rounded for ease of presentation. Accordingly, figures shown as totals in certain tables may not be the precise sum of the figures that precede them.

## **Currencies**

In this Pre-Listing Statement: references to "pounds sterling", "£" or "GBP" are to the lawful currency of the United Kingdom; references to "U.S. dollars", "U.S.\$" or "USD" are to the lawful currency of the United States; references to "Hong Kong dollars" or "HKD" are to the lawful currency of Hong Kong; references to "Euros" or "EUR" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended; references to "Swiss Francs" or "CHF" are to the lawful currency of Switzerland; references to "South African Rand" or "ZAR" are to the lawful currency of South Africa; references to "Argentine Pesos" or "ARS" are to the lawful currency of Argentina; references to "Australian dollars" "AUD" are to the lawful currency of Australia; references to "Canadian dollars", "C\$" or "CAD" are to the lawful

currency of Canada; references to “Chilean Pesos” or “CLP” are to the lawful currency of Chile; references to “Colombian Pesos” or “COP” are to the lawful currency of Colombia; references to “JPY” are to the lawful currency of Japan; references to “Norwegian Kroner” or “NOK” are to the lawful currency of Norway; references to “Peruvian Sol” or “PEN” are to the lawful currency of Peru; references to “BOB” are to the lawful currency of Bolivia; references to “CDF” are to the lawful currency of the DRC; references to “Kazakhstani Tenge” or “KZT” are to the lawful currency of Kazakhstan; references to “PHP” are to the lawful currency of the Philippines; and references to “ZMK” are to the lawful currency of Zambia.

Glencore and Xstrata prepare their financial statements in U.S. dollars. The basis of translation of foreign currency for the purpose of inclusion of the financial information is set out in the notes to the financial statements of each of Glencore and Xstrata. Information derived from such financial statements has been translated on the same basis.

Unless otherwise indicated, the financial information relating to Glencore contained in this document has been expressed in U.S. dollars and indicative exchange rates comprising the average rate used for income statement information and the period end rate used for balance sheet information are shown below:

	Year ended 31 December 2010		Year ended 31 December 2011		Year ended 31 December 2012	
	Average rate	Period end rate	Average rate	Period end rate	Average rate	Period end rate
<b>Currencies</b>						
USD:ARS	3.91	3.98	4.13	4.30	4.55	4.92
AUD:USD	0.92	1.02	1.03	1.02	1.04	1.04
USD:BOB	7.02	6.99	6.95	6.96	6.91	6.91
USD:CAD	1.03	1.00	0.99	1.02	1.00	0.99
USD:CDF	906	915	919	911	919	915
USD:CHF	1.04	0.94	0.89	0.94	0.94	0.91
USD:CLP	510	468	484	520	486	479
USD:COP	1,897	1,908	1,848	1,939	1,797	1,767
EUR:USD	1.33	1.34	1.39	1.30	1.29	1.32
GBP:USD	1.55	1.56	1.60	1.55	1.59	1.62
USD:HKD	7.77	7.77	7.78	7.77	7.76	7.75
USD:JPY	87.70	81.10	79.70	76.90	79.82	86.62
USD:KZT	147	147	147	148	149	150
USD:NOK	6.04	5.82	5.61	5.98	5.82	5.56
USD:PEN	2.82	2.81	2.75	2.70	2.64	2.55
USD:PHP	45.10	43.80	43.30	43.80	42.20	41.06
USD:ZAR	7.32	6.63	7.26	8.09	8.21	8.48
USD:ZMK	4,799	4,800	4,862	5,125	5,143	5,190

Unless otherwise indicated, the financial information relating to Xstrata contained in this document has been expressed in U.S. dollars and indicative exchange rates comprising the average rate used for income statement information and the period end rate used for balance sheet information are shown below:

Average	Year ended 31 December		
	2010	2011	2012
USD:ARS	3.91	4.13	4.55
AUD:USD	0.92	1.03	1.04
USD:CAD	1.03	0.99	1.00
USD:CHF	1.04	0.89	0.94
USD:CLP	510	484	486
USD:COP	1,898	1,848	1,797
USD:PEN	2.82	2.75	2.64
EUR:USD	1.33	1.39	1.29
GBP:USD	1.55	1.60	1.59
USD:ZAR	7.32	7.26	8.21

### **Metric/Imperial conversion table**

The imperial equivalents of the metric units of measurement used in this Pre-Listing Statement are as follows:

<u>Metric unit</u>	<u>Metric symbol</u>	<u>Imperial equivalent</u>	<u>Imperial symbol</u>
Tonne . . . . .	MT	1.102311 tons	ton
Kilogram . . . . .	kg	2.20462 pounds	lbs
Gram . . . . .	g	0.032151 troy ounces	oz
Metre . . . . .	m	3.2808 feet	ft
Cubic metre . . . . .	m <sup>3</sup>	35.315 cubic feet	ft <sup>3</sup>
Kilometre . . . . .	km	0.6214 miles	—
Hectare . . . . .	ha	2.4711 acres	—

### **No profit forecast**

No statement in this Pre-Listing Statement is intended as a profit forecast or a profit estimate, and no statement in this Pre-Listing Statement should be interpreted to mean that earnings per Share for the current or future financial years will necessarily match or exceed the historical published earnings per Share.

### **Definitions**

Certain terms used in this Pre-Listing Statement, including capitalised terms, are defined and explained in Part X: “Definitions and Glossary of Technical Terms” of this Pre-Listing Statement.

## **PART I: INTRODUCTION**

### **1 Introduction**

The Shares are listed on the premium segment of the Official List and traded on the London Stock Exchange's main market for listed securities with a secondary listing on the Hong Kong Stock Exchange.

In accordance with the Company's announcement on 10 September 2013, the Company has applied to the JSE for a secondary listing of the Shares on the main board of the JSE in order to gain access to the strong institutional investor base in South Africa and in recognition of the Company's increased profile in Africa.

### **2 Listing and Trading**

The JSE has granted a secondary listing by way of an introduction of all the issued Shares in the general mining sector of the main board of the JSE under the abbreviated name Glencore and share code GLN, with effect from the commencement of trading on the JSE on 13 November 2013.

The Shares will only be traded and settled on the JSE through Strate in electronic form. Accordingly, any person who acquires Shares in certificated form at any time will be required to dematerialise their interest in such certificated Shares in order to be able to trade such Shares on the JSE. More details on settlement and trading are set out in Part VII: "Taxation, Exchange Control and Settlement" of this Pre-Listing Statement.

## PART II: BUSINESS OVERVIEW

### Overview

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

The Group's long experience as a commodity merchant has allowed it to develop and build upon its expertise in the commodities which it markets and to cultivate long-term relationships with a broad supplier and customer base across diverse industries and in multiple geographic regions. The Group has an extensive industrial asset portfolio operating in its core commodities. The Group's representation of high-quality, low-cost assets and industrial, geographical, commodity, supplier and customer diversity has enabled it to operate profitably even during periods in which a particular commodity, industry, customer or geographic region may be experiencing some weakness. In addition, the Group's marketing operations tend to be less correlated to commodity prices than its industrial operations, which generally make the Group's earnings less volatile than those of producers of metals and mining products and energy products that do not also have marketing and logistics operations.

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

On 2 May 2013, Glencore and Xstrata completed their all-share merger. The Merger was effected by way of a scheme of arrangement of Xstrata under Part 26 of the UK Companies Act, pursuant to which Glencore acquired the entire issued and to be issued ordinary share capital of Xstrata not already owned by Glencore. The Group continues to evaluate a number of opportunities in relation to its business, whether mergers and acquisitions, joint ventures, off-take arrangements or otherwise.

Glencore's consolidated revenues for the financial years ended 31 December 2012, 31 December 2011 and 31 December 2010 were U.S.\$214,436 million, U.S.\$186,152 million and U.S.\$144,978 million, respectively, and Income before attribution for the financial years ended 31 December 2012, 31 December 2011 and 31 December 2010 was U.S.\$1,152 million, U.S.\$4,268 million and U.S.\$4,106 million, respectively. As of 31 December 2012, Glencore's total assets amounted to U.S.\$105,537 million.

Xstrata's consolidated revenues for the financial years ended 31 December 2012, 31 December 2011 and 31 December 2010 were U.S.\$31,618 million, U.S.\$33,877 million and U.S.\$30,499 million, respectively, and Income for the financial years ended 31 December 2012, 31 December 2011 and 31 December 2010 was U.S.\$1,372 million, U.S.\$5,933 million and U.S.\$4,955 million, respectively. As of 31 December 2012, Xstrata's total assets amounted to U.S.\$83,113 million.

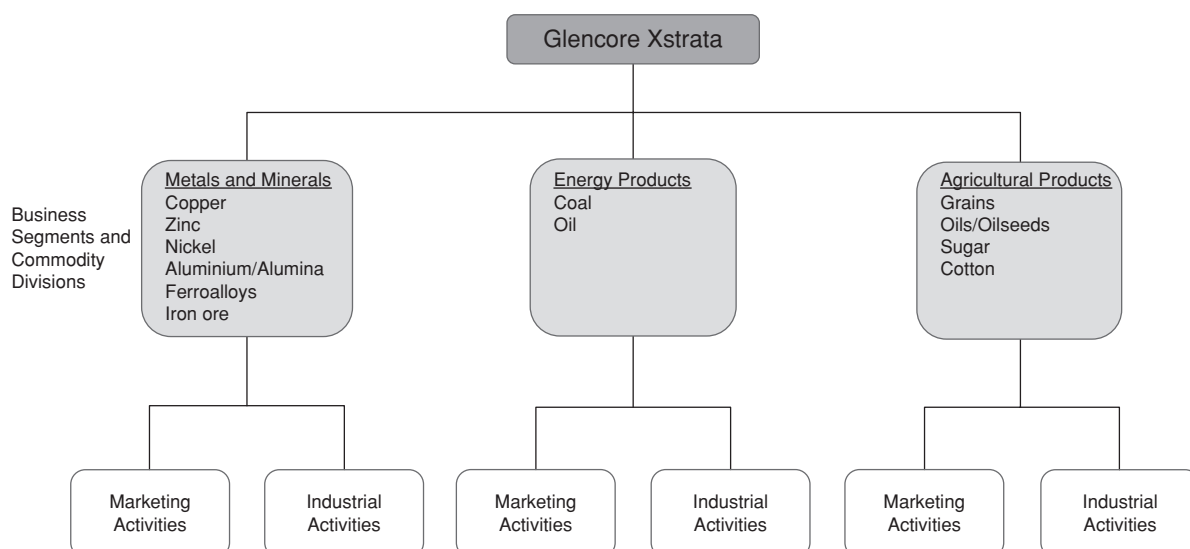
Glencore Xstrata's consolidated revenues for the six months ended 30 June 2013 were U.S.\$ 112,475 million and on a pro-forma basis, assuming the Merger with Xstrata completed on 1 January 2013, were U.S.\$121,393 million. As of 30 June 2013, Glencore Xstrata's total assets amounted to U.S.\$155,922 million.

The Company's ordinary shares are traded on the London Stock Exchange and the Hong Kong Stock Exchange. As of market close on 28 October 2013, being the latest practicable date prior to the publication of this Pre-Listing Statement, the market capitalisation of the Company was approximately £45.2 billion (approximately U.S.\$73.0 billion). The Company is a member of the FTSE 100.

The Group's industrial and marketing investment activities are supported by a global network of more than 90 offices located in over 50 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. The Group's main offices include Baar (Switzerland), Stamford (Connecticut), London, Rotterdam, Beijing, Moscow, Toronto, Johannesburg, Sydney and

Singapore. This network provides the Group with significant worldwide investment origination and sourcing and distribution capabilities.

The following chart summarises the Group's business structure:



The Group's three business segments focus on the following commodities:

- The Metals and Minerals business segment focuses on the following commodity divisions: copper, zinc, nickel, aluminium/alumina, ferroalloys and iron ore. The activities of the Group's Metals and Minerals business segment are underpinned by ownership interests in controlled and non-controlled industrial assets such as mining, smelting, refining and warehousing operations.
- The Energy Products business segment focuses on coal and oil. The activities of the Group's Energy Products business segment include extensive ownership interests in controlled and non-controlled coal mining and oil production operations, as well as investments in strategic handling, storage and freight equipment and facilities.
- The Agricultural Products business segment focuses on grains, oils/oilseeds, sugar and cotton. The activities of the Group's Agricultural Products business segment are supported by investments in controlled and non-controlled storage, handling and processing facilities in strategic locations.

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

## History

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

Starting in 1987, Glencore developed from a purely commodity marketing company into a diversified natural resources group through key acquisitions in mining, smelting, refining and processing in the three principal business segments. Glencore made its first equity investment in an industrial asset in 1987, when it acquired 27 per cent. of the Mt. Holly aluminium smelter in the United States and acquired its first controlling interest in an industrial asset in 1988, when it acquired a 66.7 per cent. interest in a zinc/lead mine in Peru. In 1994, the founder of Glencore sold his stake by way of a management buyout. The shares of Glencore International plc were listed on the Official List of the FCA, admitted to trading on the London Stock Exchange's market for listed securities and admitted to listing on the Hong Kong Stock Exchanges in May 2011.

The roots of Xstrata date back to 1926 when Swiss infrastructure investment company Südelektra AG was established. Beginning in 1990, the company (which was renamed Xstrata AG in 1999) built a portfolio of businesses operating in the natural resources sector. On 25 March 2002, Xstrata plc was

created through an initial public offering on the London Stock Exchange and the shares of Xstrata plc were listed on the Official List of the FCA, admitted to trading on the London Stock Exchange's market for listed securities and admitted to listing on the SIX. Simultaneously, Xstrata acquired the Australian and South African coal assets of Glencore, the largest shareholder in Xstrata at the time.

The merger of Glencore and Xstrata was completed on 2 May 2013 (the "Merger"), following which Glencore International plc was renamed "Glencore Xstrata plc".

Save as disclosed in this Part II, there have been no material changes in the nature of the business or any trading objects of the Group in the past five years.

### **Subsidiaries and associates**

The Company is the ultimate holding company of the Group. The Group's operations in the jurisdictions in which it operates are conducted through a number of subsidiaries and associates. Details of the principal subsidiaries, associates and joint ventures of the Company are set out in Annex 1: "Principal Subsidiaries, Associates and Joint Ventures" to this Pre-Listing Statement.

### **Significant acquisitions/disposals**

Since the Company listed on the London Stock Exchange in May 2011, the Group has made the following significant acquisitions and disposals:

- On 2 May 2013, Glencore completed the Merger with Xstrata (See "The Merger" section below); and
- On 17 December 2012, Glencore completed the acquisition of a 100 per cent. interest in Viterra, a leading global agricultural business, for a net consideration of U.S.\$3.6 billion. In connection with this acquisition, Glencore has sold certain Viterra assets to Richardson and has agreed to sell certain Viterra assets to Agrium. Further details of the Viterra acquisition and the arrangement with Richardson and Agrium, as well as other disposals of Viterra assets are set out under the heading "Viterra" in this Part II.

### **Competitive strengths**

The Group believes that its success has been built upon a unique combination of competitive strengths that have enabled it to grow into one of the world's largest diversified and vertically-integrated producers, processors and marketers of natural resources. The Merger of Glencore and Xstrata was the logical next step for two highly complementary businesses, and combining the industrial mining and metal assets of Xstrata with the marketing skills and asset base of Glencore, enhances the Group's key competitive strengths, which include:

#### ***Scale and commodity diversity***

The Group benefits from scale and diversity. It is, at 28 October 2013, being the latest practicable date prior to the publication of this Pre-Listing Statement, the fourth largest global diversified mining company by market capitalisation and a major producer and marketer of over 90 commodities.

The Group's presence at each stage of the commodity chain provides it with superior market insight and access to opportunities. These factors, along with the established footprint in emerging markets for natural resource investment, including Africa, Kazakhstan and South America, as both an operator and provider of marketing and logistic services to new producers, provide the Group with substantial optionality and strategic flexibility.

#### ***A unique business model, fully-integrated along the supply chain to capture value in an evolving competitive landscape***

As a leading integrated producer and marketer of commodities with a sizeable portfolio of industrial mining and other production and processing assets, the Group is able to capture value at each stage of the commodity chain, including extraction, processing, freight, logistics, technology, storage, marketing, risk management and financing. The marketing operations of the Group now benefit from having full access to what were Xstrata's mining and metal assets.

In addition, the Group continues to buy commodities from thousands of third party producers worldwide, which relationships enable the Group to identify opportunities to grow its asset base. The



Group sees its ownership of industrial assets not solely as sources of self-produced commodities, but also as tools for increasing flexibility, access to strategic markets, optionality, security of supply and for gaining valuable operating, technical and market knowledge and know-how.

### ***Ability to respond to changing industry dynamics***

Commodity trade flows are shifting as demand growth is centered on emerging Asian economies and the supply of commodities is increasingly sought from more remote, challenging and often logistically-constrained locations, with a range of new industry participants. The Group benefits from:

- access to new sources of volume growth and prospective geographies at multiple points along the value chain;
- optimisation of product and marketing interfaces;
- excellent industry insight through global network and market intelligence;
- entrepreneurial culture and strong momentum;
- operational excellence and proven cost improvement track record;
- scale and diversity with growth options;
- clear financial strategy, with established relationships providing strong access to equity and debt markets;
- access to large fleet of vessels and strategically located logistical infrastructure;
- expanded product flow to provide customers with a greater range of qualities, specifications and commodities from a more flexible geographic operational base, including access to third party supply; and
- improved ability to compete for access to resources, with enhanced financial flexibility and an established sustainability and governance framework.

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

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

### ***Leading industrial asset portfolio of diversified operations with strong growth prospects***

The Group has a portfolio of diversified industrial assets spread across the Group's three business segments, comprising over 150 mining and metallurgical facilities, offshore oil production facilities, farms and agricultural facilities. The Group has a leading portfolio of industrial mining and metals assets and owns or has interests in many high-quality assets (for example Prodeco and Cerrejón, which produce high-grade thermal coal, and Katanga and Collahuasi, which have significant high-grade copper reserves). Production is expected to expand materially at several of the Group's mining and processing assets and projects. The Group is also, together with its partners, investing in the development of oil assets, such as the Aseng field (Block I) in Equatorial Guinea, which achieved first production in November 2011. The acquisition of Viterra in December 2012 was a significant addition to the Group's global agricultural operations comprising interests in controlled and non-controlled storage, handling, processing and port facilities in strategic locations. Viterra brings to the Group immediate critical mass in the key grain markets of North America through Viterra's substantial Canadian operations, as well as expanding the Group's existing operations in Australia. Growth prospects for the Group are underpinned by volume growth in the industrial asset base, which in turn will enhance opportunities for growth in marketing.

### ***Diversified across multiple commodities, suppliers and customers***

The Group markets a broad range of commodities from a diverse supply base to a diverse customer base. The Group's three business segments are involved in the sourcing and marketing of more than 90 distinct commodities, including various grades, blends and products within such categories. The Group has, for a long time, developed and built upon its expertise in these commodities, cultivating long-term relationships with a broad supplier and customer base across diverse industries in geographic regions. Part of the Group's geographic diversity is built on its willingness to invest in geographies and markets in which some of its competitors have historically avoided or been slower to enter into.

### ***World-class management, entrepreneurial culture and track record of value creation***

The Group's management team, led by Ivan Glasenberg (Chief Executive Officer), has more than 200 years' experience working with the Group and a proven track record of developing and growing the business across industry cycles. The Group has been consistently profitable since the completion of the management buyout in 1994. Following the Company's initial public offering on the London Stock Exchange and the Hong Kong Stock Exchange in May 2011 and the recent Merger, employees continue to own a sizeable share of the Group's issued share capital. The Group has long had a strong entrepreneurial culture and this is reinforced through the strong equity participation many of these employees continue to have in the Group.

### ***Resilient financial performance and marketing***

The Group believes that the financial performance of its marketing operations is less correlated to commodity prices than its industrial operations, as the Group uses hedging strategies, meaning that marketing profitability is primarily determined by volume activity and associated value added supply chain margins and other marketing conditions rather than the absolute flat price itself. This was once again demonstrated by Glencore's results for the year ended 31 December 2012.

Furthermore, because the marketing operations' funding requirements are highly linked to commodity prices, during periods of falling commodity prices, the marketing operations tend to require less working capital, which helps mitigate the generally negative effects of falling commodity prices on the Group's industrial assets.

### **Strategy**

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

#### ***Capitalise on strategic investments in industrial assets***

The Group is a fully integrated natural resource group with its extensive industrial asset base being an important component of its physical sourcing strategy for its marketing activities. Being fully integrated provides a competitive advantage over most of its marketing peers which are substantially less vertically integrated (both upstream and downstream) and are less able to establish the strong supply relationships that the Group enjoys. The Group's presence at each stage of the commodity chain also provides it with market insight and access to opportunities as well as with other advantages such as information, technical expertise and local presence. The Group will continue to identify investment opportunities in which value can be created through the application of its market knowledge and operational and technical know-how. Similarly, the Group evaluates disposals of certain investments from time to time, particularly when they are no longer deemed to support core business and/or when attractive selling opportunities arise.

#### ***Continue to leverage geographic scope and diversification of operations***

The Group's operations are extremely diverse, covering a wide range of commodities, industries, suppliers and customers. The Group intends to build upon its position as one of the world's largest physical commodity suppliers and its track record of extending product and geographical range by continuing to target opportunities in geographies in which it currently operates and by further expansion in emerging markets. Furthermore, the Group's geographic scope and diversification of operations have allowed it to develop a reliable track record of supply performance. The Group's established footprint in emerging regions for natural resources investment, including Africa, the CIS and South America, as both

an operator and a provider of marketing and logistic services to new producers, provides the Group with substantial optionality and flexibility.

***Use capital and liquidity to grow the business, as appropriate opportunities arise***

As at 28 October 2013, being the latest practicable date prior to the publication of this Pre-Listing Statement, the Company has a market capitalisation of approximately £45.2 billion (approximately U.S.\$73.0 billion) and is the 10th largest company in the FTSE 100. The Group has the scale, size and potential resources to grow the business and seize appropriate opportunities as they arise.

***Focus on cost management and further enhancing logistical capabilities***

The Group intends to continue its focus on cost control and operational efficiencies at its controlled industrial assets and maintain a focus on the sourcing of competitively priced physical commodities from reliable third party suppliers. In addition, following the Merger, the Group will look to deliver synergies, a sizeable portion of which is expected to be derived from enhanced marketing integration, with the Group having full access to Xstrata's production volumes, enhanced product mix and ability to blend products for customers, with the remaining synergies expected to come from a mix of operational, financing and corporate cost reduction sources. As announced by the Group on 10 September 2013, the Group believes it will be able to deliver estimated annual synergies of at least U.S.\$2 billion in 2014 as a result of the Merger with Xstrata, of which U.S.\$450 million is to come from marketing synergies, U.S.\$175 million from financing synergies and U.S.\$1.4 billion through cost savings.

***Maintain conservative financial profile and investment grade ratings***

The Group intends to continue to manage its financial position around maintaining its investment grade credit ratings and healthy levels of liquidity, which should enable it to continue accessing bank and international debt capital markets on competitive terms.

***Disciplined risk management***

The Group will continue its focus on a disciplined approach to risk management supported by its flat organisational structure, centralised risk management resource and information systems and will continue to adopt and follow policies which are intended to mitigate and manage, among others, commodity price, credit and political risks.

***Place highest priority on employees, the environment and local communities***

The Group places the highest priority on its employees, the environment and local communities where it operates. The Group takes a broad approach to employee welfare and seeks to build on its improving health and safety record, with substantial resources and focus committed to this area. Regarding the environment, the Group demands high environmental performance and standards from its controlled operations and, while executing marketing logistic activities, works with its partners and suppliers to ensure similar standards are targeted within the supply chain, as well as expected from its non-controlled operations. Regarding local communities, the Group consults with and invests in the local communities where it operates.

***The Merger***

The Merger brought together two highly complementary businesses with a long-standing relationship. The combination has created a fully integrated natural resources group able to capture value at each stage of the commodities chain from extraction, processing, freight, logistics, technology and storage to marketing.

Following the Merger, the Group benefits from enhanced scale and diversity. It is, at 28 October 2013, being the latest practicable date prior to the publication of this Pre-Listing Statement, the fourth largest global diversified mining company by market capitalisation and a major producer and marketer of over 90 commodities. Specifically, the Group is:

- a global leader in export thermal coal, ferrochrome and integrated zinc production;
- a leading producer of copper, aiming to substantially grow production over the next few years; and
- a leading producer of nickel.

## **Industrial activities—Group level**

The Group's ownership of controlled and non-controlled industrial assets is an important source of stand-alone financial returns contributing to overall business diversification, as well as a very useful source of physical commodities for the Group's marketing arm. In addition, these assets provide the Group with access to market insight and technical know-how. The Group believes that its corresponding reduced reliance on third parties helps to ensure that suppliers and customers alike see the Group as a reliable, and therefore desirable, counterparty, given its integrated business model.

### ***Investments in industrial assets***

The Group capitalises on investment opportunities created by, among other things, (i) the privatisation of natural resources producers primarily in emerging markets, (ii) the rebalancing of asset portfolios by other players in the natural resources industry and (iii) further industry consolidation as smaller producers sell out and/or seek capital to fund growth. Any decision to acquire or dispose of an industrial asset is based on the stand-alone potential of the asset and its potential contribution to the Group's marketing activities and requires the appropriate level of approval. Once acquired, an asset is held within one of the business segments. In the current business structure, many of the business divisions manage their controlled and non-controlled industrial assets via hands-on "asset controllers" to interface between the asset and the Group in respect of day-to-day operating, financial and commercial matters. The Group encourages the industrial assets to focus primarily on operating performance—costs, project delivery and health, safety and environmental performance, which those businesses can largely control and influence, leaving the marketing arm to handle marketing and distribution activities as part of an integrated global system.

### ***Projects***

Following the Merger, the Board is reviewing the Group's project pipeline and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

## **Marketing activities—Group level**

### ***Functions of the marketing activities***

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

### ***Types of arbitrage strategies***

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

- **Geographic:** where the Group leverages its relationships and production, processing and logistical capabilities in order to source physical commodities from one location and deliver them to another

location where such commodities can command a higher price (net of transport and/or other transaction costs);

- Product-related: where it is possible to exploit the blending or multi-use characteristics of the particular commodities being marketed, such as the various crude oil products, coal or concentrates, in order to supply products which attract higher prices than their base constituents, or exploit existing and/or expected price differentials; and
- Time-related: where it is possible to exploit a difference between the price of a commodity to be delivered at a future date and the price of a commodity to be delivered immediately, where the available storage, financing and other related costs until the future date are less than the forward pricing difference.

The Group uses market information made available by its industrial and marketing teams across its many locations to identify arbitrage opportunities. The Group's marketing and investment activities and relationships with producers and consumers of raw materials are supported by a global network of more than 90 offices providing sourcing and distribution capabilities located in over 50 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. This network provides the Group with visibility over shifting supply and demand dynamics in respect of significant volumes of physical commodities across the globe. The detailed information from the Group's widespread operations and close relationships with producers, consumers and logistics providers is available to the Group's marketing operations and often enables them to identify opportunities, taking into account the Group's extensive logistics capabilities, to source and supply physical commodities at attractive margins.

### **Logistics**

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

### **Competitors**

The Group believes that physical commodity marketing is a volume-driven business requiring highly professional risk management, substantial financial resources, market knowledge and product and logistical expertise. The Group believes that it is one of the most diversified and globally active physical commodity sourcing and marketing companies. The Group believes that the majority of its competitors tend to focus on a specific commodity group or geographic area, or concentrate more heavily on commodity-related industrial activities such as mining, drilling, smelting, processing and refining. There are generally three types of companies active in physical commodity marketing, which compete with the Group indirectly or directly in certain markets. These include:

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

### **Metals and Minerals**

The Metals and Minerals business segment focuses on the following commodity divisions: copper, zinc, nickel, aluminium/alumina, ferroalloys and iron ore. The activities of the Metals and Minerals business segment are underpinned by ownership interests in controlled and non-controlled industrial assets such as mining, smelting, refining and warehousing operations. The marketing of metals and minerals commodities is co-ordinated primarily through the Group's Baar office.

## Industrial activities

### Copper

The table below shows the copper commodity division's principal investments in industrial assets, with production data as of 31 December 2012, unless indicated otherwise:

Operation	Location	Commodity	2012 production <sup>(1)</sup>	Group ownership interest	Remaining ownership interest
<b>Africa</b>					
Katanga . . . . .	DRC	Copper metal <sup>(2)</sup> Cobalt	93.0k MT 2.1k MT	75.3%	24.7% publicly traded on Toronto Stock Exchange
Mutanda <sup>(3)</sup> . . . . .	DRC	Copper metal <sup>(2)</sup> Cobalt <sup>(4)</sup>	87.0k MT 8.5k MT	54.5% <sup>(5)</sup>	45.5% privately held
Mopani . . . . .	Zambia	Copper metal Cobalt	187.1k MT 0.3k MT	73.1%	16.9% First Quantum Minerals Ltd. 10% ZCCM Investment Holdings Plc
Other (Sable) . . . . .	Zambia	Copper metal Cobalt <sup>(4)</sup>	8.8k MT 0.7k MT	100%	—
Total Africa . . . . .		Copper metal <sup>(2)</sup> Cobalt <sup>(4)</sup>	375.9k MT 11.6k MT		
<b>Collahuasi (Chile)<sup>(6)</sup></b>					
Collahuasi . . . . .	Chile	Copper metal Copper in concentrates Silver in concentrates	16.2k MT 107.9k MT 1,334k toz	44%	44% Anglo American 12% Japanese consortium headed by Mitsui & Co. Ltd.
<b>Antamina (Peru)<sup>(7)</sup></b>					
Antamina . . . . .	Peru	Copper in concentrates Silver in concentrates Zinc in concentrates	150.8k MT 4,203k toz 73.9k MT	33.75%	33.75% BHP Billiton 22.5% Teck Resources Ltd. 10% Mitsubishi Corporation
<b>Other South America</b>					
Alumbrera . . . . .	Argentina	Copper in concentrates Gold in concentrates and in doré Silver in concentrates and in doré	135.7k MT 364k toz 1,487k toz	50.0%	37.5% Goldcorp Inc. 12.5% Yamana Gold Inc.
Lomas Bayas . . . . .	Chile	Copper metal	73.3k MT	100%	—
Altonorte . . . . .	Chile	Copper anode <sup>(8)</sup>	270.2k MT	100%	—
Antapaccay/Tintaya <sup>(9)</sup> . . . . .	Peru	Copper metal Copper in concentrates Gold in concentrates Silver in concentrates	8.8k MT 43.0k MT 17k toz 501k toz	100%	—
Punitaqui . . . . .	Chile	Copper in concentrates Silver in concentrates	11.9k MT 179k toz	100%	—
Las Bambas <sup>(10)</sup> . . . . .	Peru	Copper	N/A <sup>(11)</sup>	100%	—
Total Other South America . . . . .		Copper metal Copper anode Copper in concentrates Gold in concentrates and in doré Silver in concentrates and in doré	82.1k MT 157.2k MT <sup>(8)</sup> 190.6k MT 381k toz 2,167k toz		
<b>Australia and Asia</b>					
Ernest Henry . . . . .	North Queensland, Australia	Copper in concentrates Gold in concentrates Silver in concentrates	34.1k MT 40k toz 194k toz	100%	—
Mount Isa . . . . .	North Queensland, Australia	Copper metal Copper in concentrates Silver in concentrates	266.8k MT 6.4k MT 724k toz	100%	—
<b>Other</b>					
Cobar . . . . .	Australia	Copper in concentrates		100%	—
Pasar . . . . .	Philippines	Copper metal Copper concentrates		78.2%	21.8% local investors
Total Other . . . . .		Copper metal Copper in concentrates Silver in concentrates	89.6k MT 34.5k MT 360k toz		

<u>Operation</u>	<u>Location</u>	<u>Commodity</u>	<u>2012 production<sup>(1)</sup></u>	<u>Group ownership interest</u>	<u>Remaining ownership interest</u>
Total Australia and Asia . . . . .		Copper metal	356.4k MT		
		Copper in concentrates	75.0k MT		
		Gold in concentrates	40k toz		
		Silver in concentrates	1,278k toz		
<b>North America</b>					
CCR/Horne . . . . .	Ontario, Canada	Copper metal	265.5k MT	100%	—
Total North America . . . . .		Copper metal	265.5k MT		

Notes:

- (1) Controlled industrial assets and joint ventures only, except as stated. Production is on a 100 per cent. basis, except as stated.
- (2) Unless otherwise stated, copper metal includes copper contained in copper concentrates and blister copper.
- (3) On 25 July 2013, the Group announced the completion of the merger of the Mutanda and Kansuki operations.
- (4) Cobalt contained in concentrates and hydroxides.
- (5) As at 31 December 2012, the Group had a 60 per cent. interest in Mutanda and a 37.5 per cent. interest in Kansuki. Following the merger of the Mutanda and Kansuki operations referred to in note (3) above, the Group has an indirect equity interest of 54.5 per cent. in Mutanda.
- (6) The Group's pro rata share of Collahuasi production (44 per cent.).
- (7) The Group's pro rata share of Antamina production (33.75 per cent.).
- (8) 113,000 tonnes of copper anode produced at Altonorte is refined to produce copper cathode at either Mount Isa or CCR and hence is excluded from the totals.
- (9) Tintaya operations will close during 2013, as the Antapaccay mine ramps up production which commenced in November 2012.
- (10) On 16 July 2013, in accordance with the Merger Remedy Commitments, the Group announced the commencement of a process to sell its entire interest in Las Bambas.
- (11) Development project.

**Africa**

*Katanga*

The Group owns 75.3 per cent. of Katanga, a company listed on the Toronto Stock Exchange, which is developing and operating high-grade copper and cobalt mines with integrated metallurgical facilities in the Kolwezi region of the DRC through its 75 per cent. shareholding in Kamoto Copper Company SARL ("KCC"). Substantial high-grade resources indicate a potential mine life for KCC in excess of 25 years.

KCC's integrated mine complex includes both underground and open pit mines, providing both sulphide and oxide ores. The metallurgical plants enable the production of refined copper and cobalt metal on-site. KCC has commenced construction of the updated phase 4 expansion, which includes a 300,000 tonnes per annum solvent extraction ("SX") plant, the conversion of the existing electro refinery at the Luilu refinery to a 200,000 tonnes per annum copper electrowinning ("EW") facility and an in-pit crusher at KOV Open Pit Mine (the "Phase 4 Expansion"). The Phase 4 Expansion is expected to increase copper production to 270,000 tonnes per annum of LME Grade A copper and thereafter the expansion of copper production to 310,000 tonnes per annum utilising anticipated cash flows from operating activities, with commissioning expected by the end of 2014. Katanga produced its first copper cathode from the new SX-EW plants during December 2012.

*Mutanda*

Mutanda is a high-grade copper and cobalt producer, with its operations located in the Katanga province of the DRC. Following the merger of Mutanda and Kansuki Sarl ("Kansuki") in July 2013, Mutanda's operations now include both the original Mutanda concession and an adjacent 185 square kilometre copper and cobalt pre-development project bordering the Mutanda concession, which together are expected to result in an annualised production capacity of 200,000 tonnes per annum of copper cathodes and 23,000 tonnes per annum of cobalt in hydroxide. Mutanda has recently completed a feasibility study for the construction of a 100,000 tonnes per annum of copper contained sulphide concentrator and is assessing the next steps.

The Group has an indirect equity interest of 54.5 per cent. in Mutanda, with the remainder of the business being owned by High Grade Minerals S.A. ("HGM") (with an indirect interest of 14.5 per cent.) and

Rowny Assets Limited (“Rowny”), a subsidiary of Fleurette Properties Limited (with an interest of 31 per cent.).

The Group has the right, subject to the terms of a put and call option agreement, to acquire in the period between 15 December 2013 and 31 December 2013 the 14.5 per cent. equity interest in Mutanda indirectly held by HGM for a total cash consideration of U.S.\$430 million. The Group also has the right to acquire from Rowny, and Rowny has the right to sell to the Group, 50 per cent. of Rowny’s interest in Mutanda in July 2016 and the remainder of Rowny’s interest in Mutanda in July 2018, in each case at fair market value at the relevant time.

#### *Mopani*

The Group owns 73.1 per cent. of Mopani, with the remainder of the business owned by First Quantum Minerals Ltd. (16.9 per cent.) and Zambia Consolidated Copper Mines Investment Holdings Plc (10 per cent.). Mopani is an integrated mining and processing operation in the Copperbelt region of Zambia producing copper and cobalt metal.

Significant projects include the Synclinorium project, a major new shaft development, which should provide access to 121 million tonnes of copper ore and is expected to come online during 2015. In metallurgy, the Smelter Phase III project is currently under way, which includes the installation of three new converters, gas cleaning equipment and a second acid plant, which will improve sulphur dioxide emissions capture to above 97 per cent. This project is expected to be completed by December 2013, 18 months ahead of the schedule initially agreed with the Zambian government.

#### *Sable*

The Group owns 100 per cent. of Sable Zinc Kabwe Limited (“Sable”), a Zambian processing plant, which has a current production capacity of 15,000 tonnes of copper cathode per annum and 900 tonnes of cobalt contained in carbonate.

#### **Collahuasi (Chile)**

##### *Collahuasi*

The Group has a 44 per cent. interest in the Collahuasi open pit operation, which is located on the Andean plateau of northern Chile’s Tarapacá region. The mine is operated by a joint venture company, Compañía Minera Dona Inés de Collahuasi SCM (“Collahuasi SCM”). The other joint venture partners are Anglo American (44 per cent.) and a group of Japanese companies headed by Mitsui & Co. Ltd (12 per cent.). The Group is represented on the board of directors and executive committee of Collahuasi SCM.

The operation is located at an elevation of 4,000 to 4,600 metres and consists of two major porphyry copper deposits (Ujina and Rosario) and the smaller Huiniquintipa deposit containing a mixture of sulphide and oxide copper mineralisation. The sulphide ore is processed in the concentrator plant to produce copper-in- concentrates and the oxide ore is leached and processed in the SX-EW plant to produce copper cathodes. Collahuasi also has a molybdenum plant at its port facilities in Punta Patache.

#### **Antamina (Peru)**

##### *Antamina*

The Group has a 33.75 per cent. interest in Antamina, which is located in the Andes in northern Peru’s Ancash region at an elevation of 4,300 metres. It is operated by a joint venture company, Compañía Minera Antamina S.A. The other joint venture partners are BHP Billiton (33.75 per cent.), Teck Resources Limited (22.5 per cent.) and Mitsubishi Corporation (10 per cent.). The Group is represented on the board of directors and advisory committee of the Compañía Minera Antamina S.A.

The operation’s concentrator is considered to be one of the world’s largest polymetallic processing plants treating ores containing copper, zinc, molybdenum, silver and lead. These concentrates are transported via a 300 kilometre slurry pipeline to port facilities at Huarney.

Construction on an expansion project designed to increase Antamina’s milling capacity by around 40 per cent. to 130,000 tonnes per day was successfully commissioned in the first quarter of 2012 and



reached nameplate capacity in March 2012. The total revised capital cost for the project (on a 100 per cent. basis) was U.S.\$1.55 billion.

### **Other South America**

#### *Alumbra*

The Group has a 50.0 per cent. controlling interest in Minera Alumbra Limited, which has the right to mine the Bajo de la Alumbra copper/gold deposit by agreement with Yacimientos Mineros de Agua de Dionisio, which has the title to such deposit. The operation is located at an altitude of 2,600 metres in the Catamarca province in north-west Argentina and is managed by the Group. Please see “—Copper development projects—South America—Las Bambas”, in relation to the commitments given in connection with the Merger.

#### *Lomas Bayas*

The Group owns 100 per cent. of the Lomas Bayas open pit mine, which is located in the Atacama Desert, 120 kilometres north-east of the port of Antofagasta, Chile. The low grade soluble and oxide copper ores are processed at an SX-EW facility to produce copper cathode, which is then trucked to Antofagasta for shipping to end customers.

A project that involves the commissioning of a nearby satellite mine and installation of additional heap leach infrastructure, sustaining production at the Lomas Bayas mine by at least 16 years to 2028, was commissioned on schedule in December 2012.

#### *Altonorte*

The Group owns 100 per cent. of the Altonorte metallurgical facility, which is located near the port of Antofagasta, Chile. The operation is supplied with copper concentrates from the Group's own operations as well as from third parties.

#### *Antapaccay and Tintaya*

The Group owns 100 per cent. of the Antapaccay copper mine, which is located in the Yauri district of Espinar province in southern Peru's Cuzco region, 9 kilometres from the Group's Tintaya open pit mine. The Group's Tintaya mine is being replaced by the Antapaccay copper operation and will close during 2013. The Antapaccay operation consists of a new mine and associated concentrator facilities.

Mining activities commenced in March 2012 and the commissioning of the concentrator facilities commenced in August 2012. Antapaccay commenced production on schedule at the beginning of November 2012 and plant-commissioning activities continue as Antapaccay has achieved a processing capacity of 70,000 tonnes per day in the first half of 2013. The mine is expected to produce an average of approximately 160,000 tonnes of copper in concentrates per annum (first 10 years of production), plus gold and silver by-products.

#### *Punitaqui*

The Group owns 100 per cent. of Punitaqui, a copper mine and concentrator in Chile. Commercial production commenced in late 2010, with the operation now producing around 12,000 MT of copper in concentrates per annum.

### **Australia and Asia**

The Group's wholly-owned North Queensland operations comprise the Ernest Henry mining operation, the Mount Isa copper mining and processing operations, and the Townsville copper refinery and port operations. These integrated operations have the capacity to produce 300,000 tonnes of refined copper per annum.

#### *Ernest Henry*

Ernest Henry comprises a copper/gold underground mine and concentrator and is located near Cloncurry in north-west Queensland. The mine transitioned from an open pit operation to an underground development and operation during the final quarter of 2011, with initial underground ore production from a decline mine commencing in December 2011.

During 2012, Ernest Henry's new underground decline mine continued to ramp-up to a mining rate of 3 million tonnes per annum, whilst the satellite Mount Margaret open pit mine commenced production in September 2012. Construction continues on the shaft hoisting system which is scheduled to start commissioning at the end of 2013. The associated base plant magnetite facility was commissioned in February 2011. The high-grade magnetite product is being sold to international steel mills, with exports having commenced from Townsville port in June 2011.

#### *Mount Isa*

The Mount Isa underground copper mining and processing operation is located at Mount Isa in north-west Queensland and comprises an underground copper mine, a concentrator and a smelter. The copper concentrate produced at Mount Isa is fed, together with concentrate from the Ernest Henry mine, into the smelter to produce copper anodes which are then transported by rail to the Townsville refinery.

#### *Townsville refinery*

The Townsville copper refinery is one of the world's leading electrolytic copper refineries and the largest in Australia. It produces copper cathode from copper anode produced at the Mount Isa smelter and other smelters, such as the Altonorte facility in Chile. The refinery uses the Isa Process technology.

#### *Cobar*

The Group owns 100 per cent. of Cobar, based in Australia, comprising a high-grade underground copper mine and a concentrate plant. The plant throughput is approximately 1.1 million tonnes of ore per annum and its production capacity is approximately 60,000 MT of copper in concentrate per annum. Construction of a new shaft that was expected to be completed in 2015 has been suspended. Studies are currently being undertaken to determine how best to take the project forward.

#### *Pasar*

The Group owns 78.2 per cent. of Pasar, the sole copper smelter and refinery in the Philippines, with the remaining 21.8 per cent. owned by local investors. Pasar is located on the coast of Leyte Island, and owns its own port, which can accommodate vessels with a displacement of up to 50,000 dead weight tonnage, from which production is shipped mainly to Asian markets. In addition, the assets also include an auxiliary sulphuric acid plant and a doré plant which produces an alloy of gold and silver.

Pasar's current smelter production capacity is approximately 700,000 tonnes per annum of concentrate and its current refinery production capacity is approximately 215,000 tonnes per annum of cathodes.

#### **North America**

The Group's copper operations in Canada comprise the CCR refinery and the Horne smelter, both of which are wholly owned.

#### *CCR refinery/Horne smelter*

The CCR refinery is located in Montreal, Quebec and processes anodes from two principal suppliers: the Horne smelter and Vale Inco NL's Sudbury operations. The plant is equipped to process anodes that are high in bismuth, antimony, lead and nickel. The CCR refinery's products include copper cathodes, gold, silver and other speciality metals and chemicals, including selenium, tellurium, nickel sulphate and a concentrate of platinum group metals.

The Horne smelter is located in Rouyn-Noranda, Quebec. As well as processing concentrate from the Kidd mine, it processes a wide range of feeds, including copper and precious metal-bearing end-of-life electronic equipment provided by worldwide clients to produce a 99.1 per cent. copper anode. Copper anodes from the Horne smelter are sent to the CCR refinery in Montreal to be converted into copper cathodes.

#### **Copper development projects**

The Group also has a portfolio of copper development projects in Africa, South America, Canada, Australia and Asia. Following the Merger, the Group has reviewed its projects and planned capital

expenditure and will continue to do so in light of all relevant factors, including market conditions and the Group's overall financial targets.

## Africa

### Katanga, Mutanda and Kansuki Power Project

Katanga along with Mutanda and Kansuki entered into an agreement with Société Nationale d'Électricité ("SNEL"), the DRC's national electricity company, to refurbish DRC power generating, transmission and distribution systems that will progressively increase power for the operations up to a total of 450 MW by the end of 2015. Mutanda, Katanga and Kansuki are collectively undertaking a project to secure power for all three operations via the refurbishment of two turbines at the Inga dam. The project has started and is being executed in partnership with SNEL and Forrest Group (the project contractor).

## South America

### Las Bambas

The Group owns 100 per cent. of the Las Bambas greenfield copper project, located in the provinces of Cotabambas and Grau in the Apurimac region, 72 kilometres south-west of the city of Cuzco in Peru. The construction of the low-cost, long-life Las Bambas greenfield copper project was approved by Xstrata in August 2010. The Peruvian authorities approved the project's Environmental Impact Study in March 2011 and full-scale construction commenced in June 2012. Las Bambas is expected to be commissioned in 2015, with initial production of 400,000 tonnes per annum of copper in concentrates, including significant gold, silver and molybdenum by-products.

As announced on 16 April 2013, the Ministry of Commerce of the People's Republic of China ("MOFCOM") cleared the Merger subject to certain commitments by the Company (the "Merger Remedy Commitments"), including the sale of all of its post-Merger ownership interest in Las Bambas to a purchaser approved by MOFCOM before 30 September 2014 for not less than the pre-determined price (unless otherwise agreed by the Company) with completion to occur by 30 June 2015. The pre-determined price shall be the higher of (i) the fair market price of the Company's ownership interest in Las Bambas as evaluated according to industry practice by two independent investment banks chosen by the Company and confirmed by the monitoring trustee and (ii) the total of all of the costs actually incurred by both the Company and Xstrata in Las Bambas, as audited and confirmed by the monitoring trustee. If the Company fails to enter into a binding sale and purchase agreement or fails to complete the transfer of its ownership interest by those times then, unless otherwise agreed by MOFCOM, the Company must appoint a divestiture trustee to sell by way of auction its ownership interest in one of Tampakan (a copper-gold project located in Philippines), Frieda River (a copper-gold project located in Papua New Guinea), El Pachón (a bi-national copper project located in Argentina, five kilometres from the Chilean border) or Alumbrera, as designated by MOFCOM at no minimum price within three months from 1 October 2014 or 1 July 2015, as the case may be. On 16 July 2013 the Company announced the commencement of the process to sell its entire interest in Las Bambas.

## Zinc

The table below shows the zinc commodity division's principal investments in industrial assets, with production data as of 31 December 2012, unless indicated otherwise:

Operation	Location	Commodity	2012 production <sup>(1)</sup>	Group ownership interest	Remaining ownership interest
<b>Kazzinc (Kazakhstan)</b>					
Kazzinc . . . . .	Kazakhstan	Zinc metal	301.3k MT	69.7% <sup>(2)</sup>	30.3% privately held
		Lead metal	82.5k MT		
		Copper metal	52.6k MT		
		Gold	561k toz		
		Silver	19,808k toz		
<b>Australia</b>					
Mount Isa . . . . .	Queensland, Australia	Zinc in concentrates	390.4k MT	100%	—
		Lead in concentrates	153.1k MT		
		Silver in lead bullion	6,878k toz		
McArthur River . . . . .	Northern Territory, Australia	Zinc in concentrates	202.1k MT	100%	—
		Lead in concentrates	40.4k MT		
		Silver in concentrates	1,820k toz		

<u>Operation</u>	<u>Location</u>	<u>Commodity</u>	<u>2012 production<sup>(1)</sup></u>	<u>Group ownership interest</u>	<u>Remaining ownership interest</u>
Total Australia . . . . .		Zinc in concentrates Lead in concentrates Silver in lead bullion Silver in concentrates	592.5k MT 193.5k MT 6,878k toz 1,820k toz		
<b>Europe</b>					
Portovesme . . . . .	Italy	Zinc metal Lead metal		100%	—
San Juan de Nieva . . . . .	Spain	Zinc metal		100%	—
Nordenham . . . . .	Germany	Zinc metal		100%	—
Northfleet . . . . .	United Kingdom	Refined lead		100%	—
Total Europe . . . . .		Zinc metal Zinc in oxide Lead metal Silver	759.0k MT 35.9k MT 156.9k MT 7,249k toz		
<b>North America</b>					
Brunswick <sup>(3)</sup> . . . . .	New Brunswick, Canada	Zinc in concentrates Lead in concentrates Copper in concentrates Silver in concentrates	190.4k MT 51.8k MT 8.1k MT 2,751k toz	100%	—
Brunswick Smelting . . . . .	New Brunswick, Canada	Lead metal Silver	74.5k MT 12,359k toz	100%	—
CEZ Refinery . . . . .	Quebec, Canada	Zinc metal	72.6k MT <sup>(4)</sup>	25%	75% non-controlling shareholders in Noranda Income Fund
Matagami/Persévérance <sup>(5)</sup> . . . . .	Quebec, Canada	Zinc in concentrates Copper in concentrates	125.2k MT 10.9k MT	100%	—
Kidd . . . . .	Ontario, Canada	Zinc in concentrates Copper in concentrates Silver in concentrates	78.1k MT 34.4k MT 2,877k toz	100%	—
Total North America . . . . .		Zinc metal Zinc in concentrates Lead metal Lead in concentrates Copper in concentrates Silver	72.6k MT 393.7k MT 74.5k MT 51.8k MT 53.4k MT 17,987k toz		
<b>Other Zinc</b>					
Los Quenuales . . . . .	Peru	Zinc in concentrates Lead in concentrates Copper in concentrates Silver in concentrates		97.6%	2.4% indirectly listed on Lima Stock Exchange
Sinchi Wayra . . . . .	Bolivia	Zinc in concentrates Lead in concentrates Silver in concentrates Tin in concentrates		100%	—
AR Zinc . . . . .	Argentina	Zinc metal Lead in metal and in concentrates Silver metal		100%	—
Rosh Pinah . . . . .	Namibia	Zinc in concentrates Lead in concentrates		80.1%	19.9% privately held
Perkoa . . . . .	Burkina Faso	Zinc in concentrates	N/A <sup>(6)</sup>	62.7% <sup>(7)</sup>	27.3% Blackthorn 10% Burkina Faso government
Total Other Zinc . . . . .		Zinc metal Zinc in concentrates Lead in metal Lead in concentrates Copper in concentrates Silver in metal Silver in concentrates Tin in concentrates	37.5k MT 218.3k MT 11.8k MT 37.6k MT 1.7k MT 783k toz 7,681k toz 1.1k MT		

Notes:

(1) Controlled industrial assets and joint ventures only, except as stated. Production is on a 100 per cent. basis, except as stated.

(2) Interest as at 30 April 2013.

- (3) The Brunswick mine ceased operations on 1 May 2013.
- (4) The Group's pro rata share of CEZ production (25 per cent.).
- (5) The Persévérance mine ceased operations in June 2013.
- (6) Production commenced in 2013.
- (7) As announced by Blackthorn on 13 March 2013, the Group has provided additional equity funding to the Perkoa project during the course of 2013, resulting in the Group's ownership interest in the Perkoa project rising from 50 to 62.7 per cent. The Burkina Faso government's ownership interest in the Perkoa project remains at 10 per cent. The Group also holds 14.3 per cent. in Blackthorn Resources.

## **Kazzinc (Kazakhstan)**

### *Kazzinc*

The Group owns 69.7 per cent. of Kazzinc, a fully integrated zinc producer with significant copper, precious metals and lead resources in Kazakhstan. Kazzinc owns three major polymetallic facilities, Zyrianovsk, Ridder and Ust-Kamenogorsk, as well as a gold mining operation (Vasilkovskoye in Kokshetau). Kazzinc's major operations are located primarily in Eastern Kazakhstan, spread over six towns. In total, Kazzinc operates six mines and an ore stockpile, two concentrators, two zinc smelters, a gold recovery plant, a recently completed copper smelter, a recently upgraded lead smelter and a precious metals refinery. Kazzinc also owns and operates a variety of auxiliary units which support its mining, smelting and refining operations.

Kazzinc's gold assets include its 100 per cent. ownership interest in Ridder-Sokolny and Vasilkovskoye. Vasilkovskoye is located in the Akmola region, 17 kilometres to the north of the city of Kokshetau, and is the largest gold mining and processing operation in Kazakhstan.

Kazzinc's new copper smelter, commissioned in August 2011, is in ramp-up phase and operating at 80 per cent. of design capacity. It is expected to reach design capacity in 2013. The IsaSmelt lead smelter was successfully commissioned in August 2012. Kazzinc is also currently finalizing the feasibility study for its Dolinnoye-Obruchevskoye gold deposit.

On 11 October 2012, the Group announced completion of the acquisition of an 18.91 per cent. ownership interest in Kazzinc from Vergy Investments in consideration of the issue of 176,742,520 new shares and cash payment of U.S.\$400 million. On 19 February 2013, Kazzinc acquired gold producer Orion Minerals at a cost of U.S.\$179 million, with resources of approximately 70 tonnes.

## **Australia**

### *Mount Isa*

The Group owns 100 per cent. of the Mount Isa operations, which are located in north-west Queensland and consist of the Black Star and Handlebar Hill open cut zinc/lead/silver mines and the George Fisher and Lady Loretta underground mines, a zinc/lead concentrator and a lead smelter. Ore from these mines is concentrated at Mount Isa, producing separate zinc and lead concentrates. The zinc concentrate produced at Mount Isa is either transported to the Group's zinc smelters for further processing or sold to third parties, while the lead concentrate is smelted on site at the Mount Isa lead smelter, with the lead bullion being shipped to the Northfleet lead refinery in the United Kingdom for processing.

The George Fisher underground mine expansion project was scheduled to increase production by 28 per cent. by 2013 and the expected run rate was achieved in June 2013 for the first time. First ore was delivered six months ahead of schedule at the 1 million tonnes per annum mine expansion at George Fisher.

The Black Star Open Cut Deeps development commissioned at the end of 2011 will extend the life of the open cut by four years to 2015 at current production rates. The project is expected to add 15 million tonnes of ore to the production profile at a rate of 4.5 million tonnes per annum.

In 2011, the Group approved the construction of the greenfield Lady Loretta zinc/lead/silver mine in north-west Queensland at a capital cost of AUD246 million to produce an annual average of 126,000 tonnes of zinc in concentrate and 40,000 tonnes of lead in concentrate over 10 years. In 2012, the Group revised Lady Loretta's mining plan to commence extracting ore one year earlier than planned, in late 2012, and increased planned annual ore production from 1 million to 1.6 million tonnes from 2015. Full-scale commercial mining began in mid-2013.

### *McArthur River*

The Group owns 100 per cent. of the McArthur River mine, which is located in the Northern Territory and produces a bulk zinc/lead/silver concentrate and a separate zinc concentrate. The McArthur River operation consists of an open pit mine using conventional drilling, blasting, loading and hauling methods; processing using crushing, grinding and flotation to produce a bulk zinc and lead concentrate; and a loading facility at Bing Bong, where the concentrate is transferred to barges and then loaded onto ships offshore.

In August 2012, the Group approved a U.S.\$360 million investment to more than double capacity at the McArthur River mine from 2.5 million tonnes of ore to over 5.0 million tonnes per annum from 2015. The McArthur River mine Phase 3 Development Project is expected to increase annual zinc production to 380,000 tonnes and lead production to 93,000 tonnes. Advanced processing technology on site is expected to enable McArthur River mine to produce a separate zinc concentrate generally acceptable to conventional smelters from its bulk zinc/lead concentrate, with commissioning expected in 2014. The expansion has now been approved by the Australian government.

### **Europe**

#### *Portovesme*

The Group owns 100 per cent. of Portovesme, a zinc and lead smelter located in Sardinia, Italy, which is Italy's only primary zinc and lead smelter. Portovesme is an integrated metallurgical smelting complex with both primary and secondary smelting activities, including an electrolytic zinc plant, a lead smelter, Waelz kilns and a lead and precious metals refinery. The plant has a production capacity of approximately 140,000 tonnes per annum of zinc metal and approximately 80,000 tonnes per annum of lead metal, including a solvent extraction circuit, started in December 2012, which enables it to process its zinc oxide production into zinc metal.

#### *San Juan de Nieva*

The San Juan de Nieva smelter is 100 per cent. owned by the Group and is located in Asturias on the northern coast of Spain, adjacent to the port of Avilés. It is one of the largest and most efficient electrolytic zinc smelters in the world. The smelter produces special high grade zinc and a range of casting and galvanising alloys as well as sulphuric acid, copper cements and lead/silver concentrates.

The Arnao plant is located five kilometres from the San Juan de Nieva smelter and produces zinc oxide by distillation, using as raw material the melting and casting drosses produced at the San Juan de Nieva smelter. The Arnao plant also manufactures lead anodes for the San Juan smelter.

The Hinojedo plant is located in Cantabria on the northern coast of Spain, 180 kilometres from the San Juan de Nieva smelter. The Hinojedo plant is a roasting plant that produces liquid sulphur dioxide and impure zinc oxide, so-called calcine, that is either transported to the San Juan de Nieva smelter or the Nordenham smelter in Germany.

#### *Nordenham*

The 100 per cent. owned Nordenham electrolytic zinc smelter, designed in 1972 with a capacity of 150,000 tonnes, is located on the north-west coast of Germany. It receives zinc concentrates from Australia, Canada, Peru and Europe to produce refined zinc that is sold to third party customers. Approximately 75 per cent. of the products are sold in Germany, and 25 per cent. are sold in neighbouring countries.

At Nordenham, the construction of the Group's proprietary hydrometallurgy technology demonstration plant was completed in early January 2011. The plant is an alternative route for processing bulk concentrate from McArthur River. This development enables the Group to substitute zinc/calcine feed from Spain with McArthur River bulk concentrate.

#### *Northfleet*

The Northfleet lead refinery is 100 per cent. owned by the Group and is located at Gravesend in the United Kingdom. It processes lead bullion from the Mount Isa operation to produce 99.99 grade refined lead and lead alloys together with 99.9 grade silver.

## **North America**

### *Brunswick and Brunswick Smelting*

The Brunswick operations are 100 per cent. owned by the Group and are located in New Brunswick, Canada. The operations comprise the Brunswick zinc/lead mine and the Brunswick lead smelter-refinery. The Group produces lead concentrates at the Brunswick mine and procures and processes lead/silver concentrates, residues and recycled materials at the Brunswick smelter. Zinc concentrates are shipped to the Canadian Electrolyte Zinc Limited (“CEZ”) refinery and to the Group’s smelters in Europe. The Brunswick mine ceased operations on 1 May 2013 after almost 50 years of operation.

### *CEZ refinery*

The CEZ electrolytic zinc refinery, located in Quebec, is owned by Noranda Income Fund (“NIF”) in which the Group owns a 25 per cent. interest. Through its interest in NIF, the Group’s effective ownership in the CEZ refinery is 25 per cent. The Group procures and processes zinc concentrate at the CEZ refinery. The raw material feed stream for the CEZ refinery is managed through a combination of third party purchases and the integrated mine production of the Group. This allows the Group to take advantage of transport cost differentials and the treatment capabilities of its refineries. Concentrate purchases originate from local mines and, subject to market conditions, offshore mines. The Group has an agreement to supply NIF between 520,000 and 550,000 dry tonnes of zinc concentrates per annum until May 2017.

### *Matagami/Persévérance*

The Group owns 100 per cent. of the Bracemack-McLeod mine, located in the Matagami mining camp in Quebec, Canada. The mine commenced production during the first half of 2013, with a current production rate of approximately 90,000 tonnes per annum of zinc concentrates and 15,000 tonnes per annum of copper concentrates. The Group ceased operations at the 100 per cent. owned Persévérance zinc/copper mine located in Quebec, Canada in June 2013 as the deposit was depleted. The Group will continue operating the concentrator with the nearby Bracemack-McLeod mine.

### *Kidd*

The Kidd mine is located in Timmins, Ontario and comprises an underground copper/zinc mine and a concentrator.

The Group also operates two recycling facilities in the United States, one in San Jose, California and the other in Rhode Island.

## **Other Zinc**

### *Los Quenuales*

The Group owns 97.6 per cent. of Los Quenuales, a zinc and lead producer in Peru with mining operations at Iscaycruz and Yauliyacu. The remaining 2.4 per cent. is indirectly listed on the Lima Stock Exchange. Both operations consist of underground and open pit mines and concentrators, producing zinc, lead and copper concentrates.

Los Quenuales received community approval to develop a new ore area at Iscaycruz (Santa Este), which has estimated ore resources of 5 to 7 million tonnes. The mine is expected to be operational in the last quarter of 2013 and will reach an annual production of 20,000 tonnes of zinc contained in concentrates in 2014.

### *Sinchi Wayra*

The Group owns 100 per cent. of Sinchi Wayra, a company which operates four mining units and concentrating facilities in the Oruro and Potosi regions of Bolivia. Collectively, the mines have a current production capacity of approximately 100,000 tonnes of zinc in concentrate and approximately 10,000 tonnes of lead in concentrate per annum.

On 22 June 2012, the Group announced that it had received a signed Supreme Decree from the Government of Bolivia, nationalising the Colquiri mine in the Bolivian province of La Paz with immediate effect. The Group strongly protested the action taken by the Government of Bolivia and reserved its right

to seek fair compensation pursuant to all available domestic and international remedies. Negotiations with the Bolivian government to amend Sinchi Wayra's mining contracts in accordance with the new constitution are on-going.

#### *AR Zinc*

The Group owns 100 per cent. of AR Zinc, an integrated zinc and lead mining operation in Argentina. AR Zinc's operations are at three locations and comprise the Aguilar underground and open pit mine and concentrator plant, the Palpala lead smelter (both located in Jujuy province), and the AR Zinc smelter, located in Rosario, Argentina. The current smelting capacities are approximately 40,000 tonnes per annum of zinc metal and approximately 15,000 tonnes per annum of lead metal.

#### *Rosh Pinah*

In June 2012, the Group, through a subsidiary, completed the acquisition of an 80.1 per cent. interest in Rosh Pinah, a zinc mining business in Namibia, for total consideration of approximately U.S.\$150 million. Rosh Pinah operates an underground zinc/lead mine in south-western Namibia. The mine has a current production capacity of approximately 50,000 tonnes per annum of zinc in concentrate and approximately 10,000 tonnes per annum of lead in concentrate.

#### *Perkoa*

The Group currently owns 62.7 per cent. of the Perkoa project, a zinc mine in Burkina Faso. Blackthorn Resources is its joint venture partner with a 27.3 per cent. interest in Perkoa, with the remaining interest held by the Government of Burkina Faso. The Group also holds a 14.3 per cent. interest in Blackthorn Resources. The Group is the operator and manager of the Perkoa mine. Production commenced at the mine in 2013 and is expected to produce approximately 80,000 tonnes of zinc contained in concentrate following a period of production ramp up.

### **Zinc development projects**

The Group also has a portfolio of zinc development projects in Australia, Europe and Canada. Following the Merger, the Group has reviewed its projects and planned capital expenditure and will continue to do so in light of all relevant factors, including market conditions and the Group's overall financial targets.

### **Nickel**

The table below shows the nickel commodity division's principal investments in industrial assets, with production data as of 31 December 2012, unless indicated otherwise:

<b>Operation<sup>(1)</sup></b>	<b>Location</b>	<b>Commodity</b>	<b>2012 production<sup>(2)</sup></b>	<b>Group ownership interest</b>	<b>Remaining ownership interest</b>
<b>Integrated Nickel Operations</b>					
Sudbury . . . . .	Canada	Nickel in concentrates	26.6k MT	100%	—
		Copper in concentrates	57.8k MT		
		Cobalt in concentrates	0.5k MT		
Raglan . . . . .	Canada	Nickel in concentrates	28.6k MT	100%	—
		Copper in concentrates	7.1k MT		
		Cobalt in concentrates	0.6k MT		
Nikkelverk . . . . .	Norway	Nickel metal	91.7k MT	100%	—
		Copper metal	37.9k MT		
		Cobalt metal	3k MT		
Total Integrated Nickel Operations . . . . .		Nickel metal	91.7k MT		
		Nickel in concentrates	55.2k MT		
		Copper metal	37.9k MT		
		Copper in concentrates	64.9k MT		
		Cobalt metal	3.0k MT		
		Cobalt in concentrates	1.1k MT		



Operation <sup>(1)</sup>	Location	Commodity	2012 production <sup>(2)</sup>	Group ownership interest	Remaining ownership interest
<b>Falcondo</b>					
Falcondo . . . . .	Dominican Republic	Nickel in ferronickel	15.2k MT <sup>(3)</sup>	85.3%	10% Government of Dominican Republic 4.1% Franco-Nevada Corporation 0.6% Others
<b>Australia</b>					
XNA <sup>(4)</sup> . . . . .	Australia	Nickel in concentrates	11.7k MT	100%	—
		Copper in concentrates	0.6k MT		
		Cobalt in concentrates	0.3k MT		
Murrin Murrin . . . . .	Australia	Nickel metal	36.4k MT	100%	—
		Cobalt metal	2.5k MT		
Total Australia . . . . .		Nickel metal	36.4k MT		
		Nickel in concentrates	11.7k MT		
		Copper in concentrates	0.6k MT		
		Cobalt metal	2.5k MT		
		Cobalt in concentrates	0.3k MT		
<b>Koniambo</b>					
Koniambo . . . . .	New Caledonia	Ferronickel	N/A <sup>(5)</sup>	49% <sup>(6)</sup>	51% Société Minière du Sud Pacifique (SMSP)

Notes:

- (1) In addition to the operations in the table, the Group has a 50 per cent. investment in PT Stargate Pasific Resources (accounted for as an investment).
- (2) Controlled industrial assets and joint ventures only, except as stated. Production is on a 100 per cent. basis, except as stated.
- (3) Currently operating at 50 per cent. of capacity since its restart in February 2011.
- (4) The Cosmos and Sinclair operations were placed on care and maintenance in September 2012 and May 2013 respectively.
- (5) Greenfield project under commissioning. Ramp-up to full production expected by the end of 2014.
- (6) Economic interest is approximately 90 per cent.

### **Integrated Nickel Operations**

#### *Sudbury*

The Group owns and operates the Sudbury mines and milling operations in Canada, including Nickel Rim South (commissioned in April 2010), the Fraser Mine Complex (restarted in 2010) and the Strathcona mill which processes ores from the owned Sudbury mines and those from third party custom sources.

A partnership to extend the Fraser Mine Complex to enable mining of Vale-owned, mainly copper ore bodies was announced in late 2011. The Group has also approved the U.S.\$119 million Fraser Morgan project in Sudbury to add 6,000 tonnes and 2,000 tonnes per year of nickel and copper, respectively, while extending the life-of-mine of the Fraser Mine Complex by five years to 2025. The Fraser Morgan project delivered on schedule first ore in the second quarter of 2013, with bulk mining scheduled to commence in the third quarter of 2013.

#### *Sudbury Smelter*

In Canada, the wholly-owned Sudbury Smelter treats nickel concentrate from the Strathcona mill along with Raglan and Australian concentrates and custom feed from other sources. The Sudbury Smelter has the capacity to produce approximately 75,000 tonnes per annum of nickel in matte and 24,000 tonnes per annum of copper in matte. The matte produced is transported to the Nikkelverk refinery in Norway for further processing.

#### *Raglan*

The Group owns and operates the Raglan mine and milling operations in the far north region of Quebec, Canada.

In 2011, the Group approved a significant expansion to mining operations and infrastructure to increase Raglan's nickel output capacity by approximately 40 per cent. to 40,000 tonnes per annum at a capital cost of C\$432 million (U.S.\$420 million). The project entails the development of two high-grade ore zones and an associated upgrade of Raglan's concentrator. Production is expected to commence from the new mining zones in 2014.

#### *Nikkelverk*

In Norway, the Group's operations center on the wholly-owned Nikkelverk refinery and a sulphuric acid plant. The facilities process matte from the Sudbury Smelter and custom feed from third party smelters. The refinery has an annual capacity of approximately 92,000 tonnes of nickel, 39,000 tonnes of copper and 5,200 tonnes of cobalt. The sulphuric acid plant's capacity is approximately 115,000 tonnes per annum of sulphuric acid. Debottlenecking of nickel production at the Nikkelverk operation was achieved through a series of process and productivity improvements which enabled increased capacity in the leach and purification sections and in the tankhouse.

#### **Falcondo**

In the Dominican Republic, the Group owns 85.3 per cent. of Falcondo, which holds a mining concession and owns mining and mineral processing facilities for the production of ferronickel. The other shareholders of Falcondo are the Government of the Dominican Republic (10 per cent.), Franco-Nevada Corporation (approximately 4.1 per cent.) and various individuals (approximately 0.6 per cent.).

The Falcondo operation was placed on care and maintenance in October 2013 due to adverse market conditions. Falcondo has traditionally been a swing producer as oil prices comprised the majority of the operation's costs for self-generation of power, but recently it converted to procured electricity.

#### **Australia**

##### *XNA*

In Australia, the Group owns and operates XNA, which consists of the Cosmos nickel mine in the Mt. Keith-Leinster region of Western Australia and the Sinclair nickel mine located 100 kilometres to the south. To date, six nickel sulphide deposits have been discovered within the vicinity of the Cosmos operation: the Cosmos, Cosmos Deeps, Alec Mairs, Prospero, Tapinos and Odysseus deposits. The Cosmos and Sinclair operations were placed on care and maintenance in September 2012 and in May 2013, respectively due to adverse market conditions.

##### *Murrin Murrin*

The Group owns 100 per cent. of the Murrin Murrin operation which is one of Australia's largest nickel producers and is one of the top 10 producers of nickel in the world. The plant has a current annual production capacity of 40,000 tonnes of nickel and 3,500 tonnes of cobalt.

#### **Nickel development projects**

The Group also has a portfolio of nickel development projects in New Caledonia, Brazil and Tanzania. Following the Merger, the Group has reviewed its projects and planned capital expenditure and will continue to do so in light of all relevant factors, including market conditions and the Group's overall financial targets.

##### *Koniambo*

Construction of the Line 1 metallurgical plant is complete and commissioning continues with Koniambo beginning to produce small lots of nickel in ferronickel during the second quarter of 2013. Construction of Line 2 is expected to be completed by the end of 2013 and commence ramp-up in the first quarter of 2014. The Line 1 power station has completed construction and is expected to be fully certified in November 2013, with construction of the Line 2 power station expected to be completed by the end of 2013. Following the Line 1 Furnace heat-up during February 2013 and the successful testing of all components of the mining and smelting process, the Group generated commercial-grade ferronickel during April 2013, in line with its commissioning and ramp-up plans. Ramp-up to full production is targeted to complete by the end of 2014. The initial mine life of 25 years with an annual production of 60,000 tonnes of nickel in ferronickel can be extended to more than 50 years of economic operation, with

the potential for brownfield limonite and saprolite expansions concurrent to or beyond the current 25-year plan.

## Aluminium/Alumina

The table below shows the aluminium/alumina commodity division's principal investments in industrial assets, with production data as of 31 December 2012, unless indicated otherwise:

<u>Operation</u>	<u>Location</u>	<u>Commodity</u>	<u>2012 production</u>	<u>Group ownership interest</u>	<u>Remaining ownership interest</u>
Sherwin Alumina . . . . .	U.S.	Alumina	1,379k MT	100%	—

### *Sherwin Alumina*

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

### *Century Aluminum*

The Group has an interest in 46.6 per cent. (representing the Group's economic interest, comprising 41.8 per cent. voting interest and 4.8 per cent. non-voting interest) of Century Aluminum, a company listed on the NASDAQ with aluminium smelting and refining operations in the U.S. and Iceland and interests in other production facilities in China and the Netherlands. Century Aluminum's primary aluminium assets include three wholly-owned smelters: Nordural in Iceland; Hawesville in Kentucky, U.S.; and Ravenswood in West Virginia, U.S., which have production capacities of approximately 260,000 tonnes, 244,000 tonnes and 170,000 tonnes per annum, respectively. Century Aluminum also owns a 49.67 per cent. ownership interest in the Mount Holly smelter in South Carolina, U.S., which has a production capacity of approximately 224,000 tonnes per annum. Century Aluminum produced approximately 647,000 tonnes of primary aluminium in 2012. Century Aluminum is also working towards possible construction of a primary aluminium facility in Helguvik, Iceland, which is currently contemplated to have a rated capacity of up to 360,000 tonnes per annum.

The Group entered into two cash-settled total return swaps over 10.3 per cent. of Century Aluminum's common shares. The swaps provide the Group with additional economic exposure (over and above its 46.6 per cent. interest) to changes in Century Aluminum's share price.

### *UC Rusal*

The Group owns 8.8 per cent. of UC Rusal, a vertically integrated upstream aluminium company listed on the HKSE, Euronext Paris and the Russian stock exchanges MICEX and RTS. In addition to its mining and refining operations, UC Rusal also holds a 25 per cent. stake in Norilsk Nickel (to be increased to 27.8 per cent. following redemption of Norilsk Nickel treasury shares and sale of certain shares by UC Rusal to Millhouse Capital). The Group has agreed to purchase alumina and aluminium from UC Rusal under multi-year contracts for substantial tonnages. These contracts are the subject of an arbitration, which is under way.

## Ferroalloys

The Group is one of the world's largest and among the world's lowest cost integrated ferrochrome producers, one of the largest producers of primary vanadium and a growing producer of platinum group metals. The Group also owns carbon operations which supply key raw materials to its ferrochrome production operations.

The table below shows the ferroalloys commodity division's principal investments in industrial assets, with production data as of 31 December 2012, unless indicated otherwise:

Operation	Location	Commodity	2012 production	Group ownership interest	Remaining ownership interest
<b>Ferro Manganese operations</b>	France, Norway	Ferro manganese	145.9k MT <sup>(1)</sup>	100%	—
<b>Silicon Manganese operations</b>	Norway	Silicon manganese	98.3k MT <sup>(1)</sup>	100%	—
<b>Ferrochrome</b>					
Chrome mines	South Africa	Chrome		79.5%	20.5% Merafe Resources Limited <sup>(2)</sup>
Ferrochrome smelters and refineries	South Africa	Ferrochrome		79.5%	20.5% Merafe Resources Limited <sup>(2)</sup>
Total Ferrochrome		Ferrochrome	938k MT <sup>(3)</sup>		
<b>Platinum Group Metals</b>					
Mototolo joint venture	South Africa	Platinum group metals		37%	50% Anglo American Platinum Limited; 13% Kagiso Platinum Venture Pty Ltd
Eland platinum	South Africa	Platinum group metals		74%	26% Ngazana consortium
Total Platinum Group Metals		Platinum group metals	140k toz <sup>(4)(5)</sup>		

Notes:

- (1) Full annual production, including period prior to Group ownership.
- (2) Merafe Resources Limited (as defined below) has an option to increase its participation interest to 26 per cent., including through the disproportionate funding of future expansion projects.
- (3) Reflects the Group's 79.5 per cent. attributable interest in the PSV (as defined below). The Group's ownership interest in the ferrochrome smelters and refineries are the same as the PSV with Merafe, except the Lydenburg plant in which it has a 69.6 per cent. interest, with Mitsui Minerals Development South Africa holding a 12.5 per cent. interest. The ownership interests of the Group and Merafe in the Lydenburg plant reflect the contribution of an 87.5 per cent. interest in such plant to the PSV.
- (4) Consolidated 100 per cent. of Eland Platinum and 50 per cent. of Mototolo.
- (5) This includes platinum, palladium, rhodium and gold.

### **Ferro Manganese and Silicon Manganese Operations**

In November 2012, the Group completed the acquisition of Vale's European manganese ferroalloy operations for a cash consideration of U.S.\$190 million. Located in Dunkirk, France and Mo I Rana, Norway, the operations currently have the capacity to produce approximately 150,000 tonnes and 110,000 tonnes of manganese ferroalloys per annum, respectively.

### **Ferrochrome**

#### *Chrome mines*

The Group has a Pooling and Sharing Venture (the "PSV") with Merafe Resources Limited ("Merafe") in South Africa. The Group's chrome operations consist of seven operating chrome mines and 20 ferrochrome furnaces, all of which are managed through the PSV with Merafe. The assets are managed along with all of the other PSV assets by the joint board of the PSV. The Group's attributable interest in the PSV is 79.5 per cent. In line with the BEE requirements of the MPRDA, Merafe has the option to increase its participation interest in the PSV to 26 per cent., including through the disproportionate funding of future expansion projects.

The Merafe PSV approved the construction of a new 600,000 tonne per annum pelletising and sintering plant at its Rustenburg operations. Construction of Project Tswelopele completed on time, in October

2012, within its capital budget of U.S.\$114 million, and successful commissioning and ramp-up took place by the end of March 2013. The plant will agglomerate some of the additional UG2 from the Lonmin operations, significantly improving operational efficiencies and costs and delivering environmental improvements.

#### *Ferrochrome smelters*

The Group also owns the following ferrochrome smelters in South Africa as part of the PSV arrangement: Lion I and II; Rustenburg; Wonderkop; Lydenburg; and Boshhoek.

### **PGM**

#### *Mototolo joint venture*

The Mototolo platinum mine is a 50:50 joint venture between Anglo American Platinum Limited and XK Platinum Partnership (74 per cent. of which is held by the Group and 26 per cent. of which is held by the Kagiso Tiso Platinum Venture Pty Ltd), situated both within and adjacent to the Group's Thorncliffe Chrome Mine on the Eastern Limb of the Bushveld Complex. The Group manages the mining operations, while Anglo American Platinum Limited manages the concentrator operations. Mototolo produces approximately 200,000 (4E) troy ounces of platinum group metals in concentrate per annum, of which the Group's attributable share of production is 37 per cent.

#### *Eland platinum*

Through its ownership of Eland, the Group owns a 74.0 per cent. interest in the Eland platinum mine and concentrator (with the remaining 26.0 per cent. interest held by its BEE partner, the Ngazana consortium). The Eland platinum mine is currently in the process of decline shaft sinking and ore reserve development and is projected to produce approximately 427,000 (4E) troy ounces of platinum group metals in concentrate per annum at steady state production levels. The underground operations at the Eland platinum mine have commenced their ramp-up process, with ore reserve development and initial production having started on the initial mining levels, whilst full capacity of 5.4 million tonnes per annum is planned to be reached during 2018. The Eland platinum mine also holds further exploration rights in close proximity to the current operations, namely Zilkaatsnek and Schietfontein, as well as two additional exploration properties: the first property being contiguous to Elandsfontein (*Madibeng*), with the second property located near Anglo American Platinum Limited's Rustenburg Mine (*Beestkraal*). Both properties provide future platinum group metals project development potential.

#### *Lonmin*

The Group currently owns a 24.5 per cent. interest in Lonmin. Lonmin, which is listed on the LSE and JSE, is one of the world's largest primary producers of PGMs. Lonmin's operations are situated in the Bushveld Complex in South Africa, where nearly 80 per cent. of known global PGM resources are found. Lonmin's operations span mining, processing and marketing. Xstrata initially acquired a 24.9 per cent. interest in 2008 and maintained this through participating in Lonmin's rights issue and placing in 2009, 2010 and 2012.

### **Vanadium**

#### *Rhovan*

The Group's vanadium operations consist of its Rhovan plant, which is an integrated mining and vanadium processing plant that produces vanadium pentoxide ( $V_2O_5$ ) and ferrovandium (FeV). In 2009, transaction agreements were concluded with the Bakwena-Ba-Mogopa traditional community giving them a 26 per cent. participation in the vanadium business through a PSV, similar to the Merafe PSV.

The Group is currently reducing its electricity usage across both the ferrochrome and vanadium operations due to power supply restrictions applied by South Africa's electricity utility Eskom. While the Group anticipates that power shortages will continue to limit ferrochrome supply in South Africa over the next five years until new generating capacity comes online, it believes it is relatively well positioned with its energy efficient and proprietary Premus smelter technology (which is a substantial modification of the highly efficient closed-furnace and pelletising technology) and the flexibility afforded through its 20 furnace operations spanning five sites.

## Ferroalloys development projects

The Group also has a portfolio of ferroalloys and PGM development projects in South Africa. Following the Merger, the Group has reviewed its projects and planned capital expenditure and will continue to do so in light of all relevant factors, including market conditions and the Group's overall financial targets.

## Iron Ore

The table below shows the iron ore commodity division's principal investments in development assets, with production data as of 31 December 2012, unless indicated otherwise:

Operation	Location	Commodity	2012 production	Group ownership interest	Remaining ownership interest
El Aouj . . . . .	Mauritania	Iron ore	N/A <sup>(1)</sup>	44.1% <sup>(2)</sup>	50% Société Nationale Industrielle et Minière de Mauritanie  5.9% non-controlling shareholders in Sphere Minerals Limited
Askaf . . . . .	Mauritania	Iron ore	N/A <sup>(1)</sup>	79.3% <sup>(2)</sup>	10% Société Nationale Industrielle et Minière  10.7% non-controlling shareholders in Sphere Minerals Limited
Lebtheinia . . . . .	Mauritania	Iron ore	N/A <sup>(1)</sup>	88.2% <sup>(2)</sup>	11.8% Non-controlling shareholders in Sphere Minerals Limited
Zanaga . . . . .	Republic of Congo	Iron ore	N/A <sup>(1)</sup>	50% (plus one share)	50% (less one share) Zanaga Iron Ore Company

Notes:

(1) Development project.

(2) Represents the Group's ownership interest through its 88.2 per cent. ownership interest in Sphere Minerals Limited.

## Iron ore development projects

Significant progress was made in 2012 on upgrading the ore resource and reserves in both Mauritania and the Republic of Congo. Following the Merger, the Group has reviewed its projects and planned capital expenditure and will continue to do so in light of all relevant factors, including market conditions and the Group's overall financial targets.

### *El Aouj, Askaf and Lebtheinia*

In November 2010, the Group took control of Sphere, which has interests in three iron ore projects in Mauritania in West Africa. Following an equity raising in July 2011, the Group now owns 88.2 per cent. in Sphere. The large-scale Guelb el Aouj ("El Aouj") project is a 50:50 joint venture with Société Nationale Industrielle et Minière ("SNIM"), Mauritania's majority state-owned iron ore producer. This project is currently in the pre-feasibility study phase following an agreement being reached with SNIM on the project development pathway. The Lebtheinia resource, located 145 kilometres from the port of Nouadhibou, is in the concept study phase, while the Askaf project, located 35 kilometres south of El Aouj, is in the final stages of feasibility and the exploitation licence for the project was granted in the third quarter of 2012.

### *Zanaga*

In February 2011, the Group elected to exercise its option to acquire 50 per cent. plus one share in Jumelles Limited with respect to the Zanaga iron ore project in the Republic of Congo (Brazzaville). The pre-feasibility study for this project was completed in 2012 and the feasibility study to support the mining licence application is commencing.

## **Marketing activities**

Each commodity division in the Metals and Minerals business segment has a global presence, sources commodities from key producing regions and has relationships with consumers in the key consuming countries. The Metals and Minerals business segment is involved in the marketing and processing of zinc, copper, lead, bauxite, nickel, cobalt, alumina, primary aluminium, bulk ferroalloys (including ferrochrome and chrome ore, ferromanganese, silicon manganese, manganese ore and ferrosilicon), noble ferroalloys (vanadium and molybdenum products) and iron ore. The business segment also markets some gold, silver, tin and other by-products such as sulphuric acid.

The business segment benefits via supply from an extensive and geographically diverse portfolio of industrial assets. Supply agreements with third parties, combined with supply from industrial assets, enhance the Group's reputation as a reliable supplier, which is important for customers who are reliant on both timeliness and quality of supply for the continuation of their operations.

Across the Metals and Minerals business segment, there is a diversified and geographically dispersed customer base. For the copper and zinc commodity divisions, this includes galvanizers, alloy producers, steel and brass mills, rod and wire producers and other fabricators. The customer base for the aluminium/alumina commodity division includes many of the world's major alumina consumers and aluminium consuming industrial groups in the construction, packaging, transport and electronics industries. For the nickel, ferroalloys and iron ore commodity divisions, large multinational European, American and Asian businesses across the transportation and carbon, stainless steel and other special steel industries make up a large part of the customer base. The main end uses for cobalt are currently rechargeable batteries and super-alloys. The concentrate markets for the commodities marketed by the Metals and Minerals business segment has fewer customers (smelters) than the refined metals market. Diversification is larger for customers than for suppliers, reflecting a greater number of end users for metals and concentrates relative to the number of mines, smelters and refineries which produce them.

Contracts for the commodities marketed by the Metals and Minerals business segment are both spot and long-term, with prices negotiated based on prevailing market prices. Long-term contracts are usually one to three years in duration, with pricing terms either linked to industry publication or LME prices or negotiated on a periodic basis having regard to prevailing market conditions.

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

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

Primary aluminium is mainly traded on the LME, allowing paper and physical marketing contracts to be entered into with reference to a market price. Aluminium is also traded on the SHFE. This allows positions to be hedged and marked to market, as well as providing a purchaser of last resort. The LME provides information on forward curves, as well as a standardised contract that determines purity levels, delivery dates, weights and forms of the metal. Almost all of the Group's physical aluminium transactions are priced based on the LME price plus/minus a premium/discount. These are usually hedged when originated or priced. The existence of the LME allows the Group to enter into immediate and effective price risk hedges against its positions in physical aluminium. The existence and use of LME approved

warehouses allow marketers to manage supply and store the metal while they lock in future prices on the LME. If desired, and subject to Group risk limits and policies, it also allows the Group to gain exposure to price risk and spread positions through the use of long and short paper transactions.

Marketing operations for cobalt, ferroalloys and iron ore principally involve marketing these commodities through physical, as opposed to paper, transactions. Whilst the LME launched trading platforms for cobalt and molybdenum in February 2010, volumes are currently low, and these exchanges are therefore still relatively illiquid and, as a result, there is limited possibility of achieving effective paper hedging through a metals exchange. However, the Group has developed and offers financial products, such as cash-settled swaps, for cobalt and molybdenum as a means of managing the risk in respect of its physical exposures in these commodities.

In 2008, the LME and Singapore Exchange Ltd. each launched an exchange for iron ore. Volumes traded on these exchanges are currently relatively low but rapidly increasing and, as such, these exchanges are still relatively illiquid, but are increasingly sufficiently useful for Group risk management purposes.

The marketing teams for the different commodities in the Metals and Minerals business segment are supported by corresponding traffic teams which are responsible for executing transactions following the negotiation of the key contractual terms and for managing metals along the supply chain through inventory, financing and transportation from source to end customers. The traffic teams are also responsible for producing information to enable the marketers to make informed transactions.

Although important, the freight component of final price is not as critical for metals as for bulk dry cargoes (e.g. coal, grains and iron ore) and oil. Freight relating to the commodities marketed is generally chartered through third party freight brokers on competitive terms, taking into account the Group's scale of activities, both on the spot market and through the longer-term contracts of affreightment.

The Group's competitors for copper, zinc and lead marketing include Trafigura and certain large financial institutions, which trade zinc, copper and lead as part of their core businesses but do not have significant production assets. The Group's competitors for alumina and aluminium marketing transact significant volumes of their own production. Production utilised by the aluminium smelters and downstream facilities of integrated companies such as Rio Tinto plc, Alcoa Inc. and Norsk Hydro ASA are significant. The majority of the Group's competitors for bulk products, ferroalloys, nickel and cobalt marketing compete primarily in upstream production, although some also have significant end product capabilities.

As announced on 16 April 2013 as part of the Merger Remedy Commitments, the Company has committed to continue to supply Chinese customers with a minimum volume of copper concentrate annually under long-term contracts. In addition, the Company has committed for the same period to continue to offer to supply Chinese customers with zinc concentrate and lead concentrate through long-term contracts and spot contracts.

## **Energy Products**

The Group's Energy Products business segment produces and markets coal, coke, crude oil and oil products (such as fuel oil, heating oil, gasoline, naphtha, jet fuel, diesel and liquefied petroleum gas).

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



## Coal

### Industrial activities

The table below shows the coal commodity division's principal investments in industrial assets, with production data as of 31 December 2012, unless indicated otherwise:

<u>Operation</u>	<u>Location</u>	<u>Commodity</u>	<u>2012 production<sup>(1)</sup></u>	<u>Group ownership interest</u>	<u>Remaining ownership interest</u>
<b>Australia coking coal</b>					
Tahmoor complex . . . . .	New South Wales, Australia	Coking coal		100%	—
Oaky Creek . . . . .	Queensland, Australia	Coking coal		55%	25% Sumitomo 20% Itochu
Newlands . . . . .	Queensland, Australia	Coking coal		55%	35% Itochu 10% Sumitomo
Collinsville . . . . .	Queensland, Australia	Coking coal		55%	35% Itochu 10% Sumitomo
Total Australia coking coal . . . . .		Coking coal	6.9 million MT		
<b>Australia thermal coal and semi-soft coal</b>					
Bulga complex . . . . .	New South Wales, Australia	Thermal coal & semi-soft coal		68.3%	13.3% JX Nippon Oil 4.4% Toyota 1.6% JFE Shoji 12.5% Nippon Steel Corporation
Baal Bone . . . . .	New South Wales, Australia	Thermal coal	N/A <sup>(2)</sup>	74.1%	5% Sumitomo 14.4% JX Nippon Oil 4.8% Toyota 1.7% JFE Shoji
Macquarie Coal Joint Venture . . . . .	New South Wales, Australia	Thermal coal & semi-soft coal		80%	17% Marubeni 3% JFE Minerals
Liddell . . . . .	New South Wales, Australia	Thermal coal		67.5%	32.5% Mitsui Matsushima
Mount Owen complex . . . . .	New South Wales, Australia	Thermal coal & semi-soft coal		100%	—
Ulan <sup>(3)</sup> . . . . .	New South Wales, Australia	Thermal coal		90%	10% Mitsubishi
Ravensworth Operations . . . . .	New South Wales, Australia	Thermal coal		100%	—
Ravensworth UG . . . . .	New South Wales, Australia	Semi-soft coal		70%	20% Marubeni 10% Posco
Ravensworth North <sup>(4)</sup> . . . . .	New South Wales, Australia	Thermal & semi-soft coal		90.0%	10% Itochu
Mangoola . . . . .	New South Wales, Australia	Thermal coal		100%	—
Newlands . . . . .	Queensland, Australia	Thermal coal		55%	35% Itochu 10% Sumitomo
Collinsville . . . . .	Queensland, Australia	Thermal coal		55%	35% Itochu 10% Sumitomo
Rolleston <sup>(5)</sup> . . . . .	Queensland, Australia	Thermal coal		75%	12.5% Itochu 12.5% Sumitomo

<u>Operation</u>	<u>Location</u>	<u>Commodity</u>	<u>2012 production<sup>(1)</sup></u>	<u>Group ownership interest</u>	<u>Remaining ownership interest</u>
Total Australia thermal coal and semi-soft coal . . .		Thermal coal (Export)	43.8 million MT		
		Thermal coal (Domestic)	5.1 million MT		
		Semi-soft coal	4.3 million MT		
<b>South Africa thermal coal</b>					
Shanduka Coal . . .	South Africa	Coal		49.9%	50.1% Shanduka Resources (Pty) Limited
Umcebo <sup>(6)</sup> . . . . .	South Africa	Coal		43.7% <sup>(7)</sup>	56.3% privately held
Optimum Coal . . .	South Africa	Coal		67.6%	32.4% privately held
Tweefontein complex . . . . .	South Africa	Thermal coal		79.8% <sup>(8)</sup>	20.2% African Rainbow Minerals
iMpunzi complex . .	South Africa	Thermal coal		79.8% <sup>(8)</sup>	20.2% African Rainbow Minerals
Goedgevonden . . .	South Africa	Thermal coal		74%	26% African Rainbow Minerals
Total South Africa thermal coal . . .		Thermal coal (Export)	21.1 million MT		
		Thermal coal (Domestic)	24.7 million MT		
<b>Prodeco (Colombia) thermal coal</b>					
Prodeco . . . . .	Colombia	Coal	14.8 million MT <sup>(9)</sup>	100%	—
<b>Cerrejón (Colombia) thermal coal</b>					
Cerrejón . . . . .	Colombia	Thermal coal	11.6 million MT <sup>(10)</sup>	33.3%	33.3% BHP Billiton 33.3% Anglo American
<b>Total coal . . . . .</b>		Coal	132.3 million MT		

Notes:

- (1) Controlled industrial assets and joint ventures only, except as stated. Production is on a 100 per cent. basis, except for joint ventures, where the Group's attributable share of production is included.
- (2) The Baal Bone mine has ceased production and is now a training mine.
- (3) Includes Ulan West, which is currently in project execution.
- (4) Ravensworth North is currently in project execution.
- (5) Rolleston expansion phase one is currently in execution.
- (6) The Wonderfontein mine commenced production in December 2012.
- (7) Although the Group holds less than 50 per cent. of the voting rights, it has the ability to exercise control over Umcebo as a result of shareholder agreements.
- (8) African Rainbow Minerals, the local BEE partner, holds a 30 per cent. interest through ARM Ltd (10 per cent.) and ARM Coal (Pty) Ltd. (20 per cent.), where ARM Coal (Pty) Ltd is owned 51 per cent. by ARM Ltd and 49 per cent. by the Group. Therefore, the overall interest of the Group in the Tweefontein and iMpunzi complexes is 79.8 per cent.
- (9) Planned expansion to annualised production of 20 million MT by 2014.
- (10) The Group's pro rata share of Cerrejón production (33.3 per cent.). Phase one expansion currently in execution.

### **Australia coking coal**

The Group's coking coal operations are located in Australia. The Tahmoor complex in New South Wales is 100 per cent. owned by the Group. The other mines are located in Queensland: Oaky Creek; Newlands; and Collinsville. The Group manages the Oaky Creek project, comprising the Oaky Creek No. 1 and Oaky Creek North underground mine. Oaky Creek is 55 per cent. owned by the Group, the other shareholders being Sumitomo (25 per cent.) and Itochu (20 per cent.). The Group also manages the Newlands-Collinsville-Abbot Point joint venture with Itochu (35 per cent.) and Sumitomo (10 per cent.), which produces coking coal as well as thermal coal.

### **Australia thermal coal and semi-soft coking coal**

#### *New South Wales operations*

The Group owns interests in 14 operating thermal coal mines and a number of development projects, most of which are located in or close to the Hunter Valley of New South Wales. Of these 14 mines, 13 are predominantly export mines, while the other mine primarily services domestic power generators. Expansions currently under way at a number of these mines will increase managed production beyond 60 million tonnes per annum. The Group has an attributable interest of 14 per cent. in the operator of the Port Waratah Coal Terminal, located at the port of Newcastle in New South Wales, and a consolidated interest of 33.4 per cent. in the Port Kembla Coal Terminal, located at the port of Wollongong in New South Wales.

Two major brownfield expansion projects are currently under way at Ravensworth North and Ulan West. When complete, these projects are expected to increase annual production by 8 million tonnes and 7 million tonnes, respectively. Both projects are on time and on budget and are expected to be completed during 2013 and 2014, respectively.

The Group's principal operating thermal coal mines in New South Wales are:

- the Bulga complex comprising the Bulga open cut mine and the Blakefield South underground mine, the latter where operations were suspended in January 2011 following an underground fire, but since resumed at the end of May 2012;
- the Baal Bone mine, which has ceased production and has been converted into a training mine;
- the Macquarie coal joint venture comprising the West Wallsend underground mine and the recently closed (in 2012) Westside mine;
- the Liddell open cut mine;
- the Mount Owen complex, comprising the North and West pits and the Glendell mine;
- the Ulan underground mine and the brownfield expansion project Ulan West;
- the Ulan open cut mine;
- the Ravensworth North operations, comprising Ravensworth operations and the brownfield expansion project Ravensworth North open cut mine;
- the Ravensworth underground mine; and
- the Mangoola open cut mine.

#### *Queensland operations*

The Group manages the Oaky Creek, Newlands-Collinsville-Abbot Point and Rolleston joint ventures and the Wandoan coal project. All of the operating thermal coal mines and projects of material value are located in the Bowen Basin in Queensland with the exception of the Wandoan coal project, which is located in the Surat Basin. The Group operates through the Abbot Point, Dalrymple Bay and Gladstone ports in Queensland. The Group has a 30 per cent. shareholding in the Wiggins Island Coal Export Terminal, which is currently being constructed near Gladstone.

The Group's principal operating thermal coal mines in Queensland are:

- Newlands, being both an open cut and underground mine;
- the Collinsville open cut mine; and
- the Rolleston open cut mine.

At Rolleston, in Queensland's Bowen basin, phase one of the expansion project to increase annual production from 9 million tonnes to 12 million tonnes commenced in 2012. This project is on track to be completed during the second half of 2013.

On 25 October 2013, the Group and Sumitomo agreed to acquire Rio Tinto's 50.1 per cent. interest in the Clermont thermal coal mine in central Queensland. Clermont is a large scale open cut mine and its current saleable production is 12 million metric tonnes per annum. Upon completion each of the Group and Sumitomo will hold a 25.05% effective economic interest in the mine and the Group will assume operational management and marketing for the joint venture. The acquisition is subject to the terms of the Clermont joint venture documents under which the existing joint venture partners, Mitsubishi Development Pty Ltd, J-Power Australia Pty Ltd and JCD Australia Pty Ltd, hold pre-emptive rights. The acquisition is subject to customary closing conditions, including regulatory approvals, and completion is expected to occur during the first quarter of 2014.

### ***South African thermal coal***

The South African thermal coal business comprises Shanduka Coal, Umcebo and Optimum Coal, as well as the Tweefontein and iMpunzi complexes and the Goedgevonden mine.

#### *Shanduka Coal*

The Group owns 49.9 per cent. of Shanduka. Shanduka Coal owns 100 per cent. of the Graspan Townlands Complex, located near Middelburg, South Africa, as well as the Springlake Colliery located near Newcastle, South Africa. These operating mines have an aggregate annual production capacity of 7 million tonnes of saleable coal. Shanduka Coal also owns 100 per cent. of the Leeuwfontein and Lakeside Collieries located near Kendal, South Africa, which are under care and maintenance pending further exploration, and the Bankfontein Colliery, the reserves of which have been exhausted and which is being prepared for closure.

Shanduka Coal produces both higher quality thermal and anthracite coal suitable for the export market and lower quality thermal coal sold largely to Eskom, the South African parastatal electric utility entity. The Group acts as marketing agent for Shanduka Coal's third party domestic coal sales, including its sales of lower quality coal to Eskom.

The definitive feasibility studies relating to the Springboklaagte and the Argent projects were completed in May 2013.

#### *Umcebo*

The Group owns a 43.7 per cent. stake in Umcebo. Umcebo has three thermal coal mines in operation (Middelkraal, Kleinfontein and Klippan) and a stand-alone wash plant, with an aggregate annual production capacity of approximately 7 million tonnes of saleable coal. Furthermore, the Wonderfontein mine started production in December 2012, with an annual saleable coal production capacity of 2.7 million tonnes at a steady state.

Although the Group holds less than 50 per cent. of the voting rights, it has the ability to exercise control over Umcebo as a result of the shareholder agreements, which gives the Group management control.

#### *Optimum Coal*

The Group has a 67.6 per cent. effective interest in Optimum Coal Holdings Limited ("Optimum Coal"). Optimum Coal consists of two separate operations; the first is the Optimum complex, which consists of four thermal coal mines, Kwagga North (open cast), Pullenshope (open cast and underground), Eikeboom (open cast) and Boschmanspoort (underground) and the second is Koornfontein (underground).

Optimum Coal exports approximately 8 million tonnes per annum of thermal coal through Richards Bay Coal Terminal and also supplies approximately 6 million tonnes to Eskom. Construction is well advanced at the Pullenshope underground brownfield project, with first coal achieved in the first quarter of 2013. The licence for the Koornfontein expansion project was obtained in the second quarter of 2013 and construction has started.

## *Xstrata Coal*

The Group has a 79.8 per cent. effective interest in the Participating Coal Business (“PCB”) of Xstrata Coal and a 74 per cent. effective interest in the Goedgevonden complex. ARM Ltd. and ARM Coal (Pty) Ltd. effectively hold the balance of the interest in the PCB and the Goedgevonden complex. The chairman of ARM Ltd. is Patrice Motsepe, a prominent South African businessman, who is the local BEE partner. The PCB has two significant producing complexes, Tweefontein and iMpunzi, while the Goedgevonden complex is operated in a separate joint venture structure.

- Tweefontein complex

The Tweefontein complex consists of seven thermal coal mines (opencast and underground) and four coal-handling preparation plants at Boschmans, South Witbank, Tavistock and Witcons, which are managed by the Group. Production and planning across these mines are co-ordinated to maximise exports of approximately 5 million tonnes per annum while also supplying approximately 3 million tonnes per annum of coal for domestic use. These operations have demonstrated significant productivity improvements at a number of mines over the last three years through introducing high capacity modern mining equipment and technology, improving mine operating procedures and training employees. The Tweefontein Optimisation Project is currently being executed and, on completion, the complex will have transitioned to largely high capacity, lower cost, open cut operations. The Tweefontein Optimisation Project, which will increase production for the combined complex to over 10 million tonnes per annum, remains on track for completion in 2015.

- iMpunzi complex

The iMpunzi complex consists of the iMpunzi North and East open cast thermal coal mines, a newly expanded coal-handling and preparation plant at the ATCOM mines, and the iMpunzi mini pit open cast and dump reclamation operations feeding to the ATC coal-handling and preparation plant, which produced a combined 6.3 million tonnes per annum, with over 85 per cent. destined for the export market. The Group owns surface rights in freehold in respect of most of the mines falling within the iMpunzi complex.

- Goedgevonden complex

This complex consists of the Goedgevonden mine and associated coal reserve blocks. The complex is a greenfield development which was commissioned in 2009 and is now in steady state production with capacity to produce 7.5 million tonnes per annum, with approximately 50 per cent. destined for export markets and 50 per cent. destined for the domestic Eskom market. Pre-feasibility studies on an expansion project for Goedgevonden commenced in 2012, with completion of these studies expected in late 2014.

Effective 1 January 2012, the Group completed the sale of its Mpumalanga division, comprising the Spitzkop and Tselentis mines and supporting coal assets and coal reserves, to the Imbawula Group. The Zonnebloem project is in the pre-feasibility phase, with feasibility studies expected to complete in 2014.

## *Exports*

The Group also has a 31.7 per cent. interest in the Richards Bay Coal Terminal, which has an annual throughput capacity of 91 million tonnes. The interest in the Richards Bay Coal Terminal provides the Group with the right to use this export coal loading facility.

## ***Prodeco (Colombia) thermal coal***

### *Prodeco*

The Group owns 100 per cent. of Prodeco, which comprises the Group’s wholly-owned Colombian export thermal and metallurgical coal mining operations and associated infrastructure. It is involved in the exploration, production, transportation and shipment of high-grade thermal coal from its mines to markets, principally in Europe. Prodeco consists of two open pit coal mining operations (the Calenturitas mine and the La Jagua complex), export port facilities (Puerto Nuevo, which has recently been commissioned, and Puerto Prodeco, which will be decommissioned now that Puerto Nuevo is operational) and a 39.76 per cent. share in Fenoco, a company which holds the concession to the railway linking Prodeco’s mines to the export ports.

Prodeco has a relatively low-cost structure as it operates open cut mines and benefits from a superior quality coal which requires no washing. Prodeco is currently the third largest producer of export thermal coal in Colombia, behind Cerrejón and Drummond Company, Inc. Prodeco is going through a period of significant expansion, with coal production planned to increase from 14.8 million tonnes per annum in 2012 to an annualised production of 20 million tonnes by 2014. Prodeco has operational advantages in owning all its key operational infrastructure, including a railway (through its part ownership of the rail infrastructure concession and full ownership of rolling stock) and all mining equipment and facilities at its mine sites.

Prodeco has recently commissioned a new direct loading port (Puerto Nuevo), which provides Prodeco with higher annual throughput capacity of 21 million tonnes per annum and a lower cost of operation compared with its previous port (Puerto Prodeco). The project was completed on schedule and to budget, and loading commenced in April 2013.

### ***Cerrejón (Colombia) thermal coal***

#### *Cerrejón*

The Cerrejón mining operation is a privately owned, independently managed joint venture, in which each of BHP Billiton, Anglo American and the Group has a one-third indirect interest.

Cerrejón is one of the largest open pit coal mining operations in the world. The business is involved in the exploration, production, transportation and shipment of high-grade thermal coal, mined at Cerrejón's deposits, to markets principally in Europe and the Americas. Coal produced at Cerrejón benefits from relatively low ash content (approximately 8.2 per cent.), a low sulphur dioxide emissions profile and high calorific value, making it ideal for power generation.

Located in north-eastern Colombia adjacent to the Venezuelan border, Cerrejón is well-positioned to supply the import markets of Europe and the Eastern and Gulf Coasts of the United States. Total current infrastructure capacity is estimated to be approximately 32 million tonnes per annum.

A Phase 1 expansion development costing a total of U.S.\$1.3 billion (100 per cent.) to increase saleable production to 41 million tonnes per annum (100 per cent. basis) is currently under way, with completion expected by the end of 2015.

### **Coal development projects**

The Group also has a portfolio of coal development projects in Australia, South Africa and the Americas. Following the Merger, the Group has reviewed its projects and planned capital expenditure and will continue to do so in light of all relevant factors, including market conditions and the Group's overall financial targets.

### ***Marketing activities***

The coal commodity division is involved in the production and marketing of coal and coking coal products. The marketing activities are supported by the Group's large industrial asset portfolio, which provides access to both supply and market information. The Group markets coal and coking coal, either on a principal basis, where it takes ownership of the coal and coking coal, or on an agency/advisory basis, pursuant to a marketing agreement.

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

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

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

specifications. The Group is able to transact in these markets in order to manage risks in relation to its physical supply of coal and coking coal products.

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

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

The Group's competitors are either producers which largely market their own product and have less geographic market depth and visibility, for example BHP Billiton or Anglo American, or companies that have relatively little production capacity and focus mainly on less integrated trading and/or consumer activities, for example Noble Group or power/utility companies.

## Oil

### Industrial activities

The table below shows the oil commodity division's principal investments in industrial assets, with production data as of 31 December 2012, unless indicated otherwise:

Operation	Location	Commodity	2012 production <sup>(1)</sup>	Group ownership interest	Remaining ownership interest
Block I <sup>(2)</sup> . . . . .	Equatorial Guinea	Oil, condensate and gas	22,570k bbls <sup>(3)</sup>	23.75% <sup>(4)</sup>	38% Noble Energy Inc.; 27.55% Atlas Petroleum International Ltd. 5% GEPetrol; 5.7% Osborne Resources Limited
Block O <sup>(2)</sup> . . . . .	Equatorial Guinea	Oil, condensate and gas	N/A <sup>(5)</sup>	25%	45% Noble Energy Inc.; 30% GE Petrol

Notes:

- (1) On a 100 per cent. basis.
- (2) The Blocks (as defined below) are both part of "The West African Oil Assets" portfolio. These investments are structured as unincorporated joint ventures, in which each partner receives its share of production.
- (3) At an average of approximately 61,700 bbls per day on a 100 per cent. basis.
- (4) The Group is currently entitled to a greater share of oil production than its percentage ownership of the joint venture as it recovers the carried interest/loans in relation to one of its partners.
- (5) First production commenced in the second quarter of 2013.

### Africa exploration and production

#### Equatorial Guinea (Block I and Block O)

The Group has, among other things, equity stakes in two oil and gas production sharing contracts in offshore Equatorial Guinea, West Africa (Block I and Block O (the "Blocks")). Significant oil and gas reserves have been discovered in these Blocks following the initial discovery made in Block O in 2005. First oil production was achieved from the Block I Aseng field on 6 November 2011, ahead of the planned start-up in the first quarter of 2012. During 2012, the Aseng field produced 22.57 million bbls of cumulative gross production. A single day gross production record of 70,000 bbls per day was reached during the second quarter of 2012.

The Block O Alen gas condensate field, which lies adjacent to the Aseng field on Block I, commenced production at the end of the second quarter 2013, under the sanctioned budget cost of U.S.\$1,370 million (gross development cost) and less than two and a half years from time of approval.

In addition to the two development projects, a continued exploration and drilling programme has revealed at least six other discoveries in the Blocks (Carla North, Carmen, Diega (A-sand), Diega (B-sand), Felicita and Yolanda), which are awaiting appraisal and development, and several similar prospects that remain to be drilled.

Block I is operated by Noble Energy EG Ltd. (“Noble Energy”), which is part of the Noble Energy group of companies, a U.S.-based independent energy company, based in Houston and listed on the New York Stock Exchange. The Group has a 23.75 per cent. equity stake in Block I. The remaining equity interests are held by Noble Energy (38 per cent.), Atlas (27.55 per cent.), Osborne Resources Limited (5.7 per cent.) and the National Oil Company of the Republic of Equatorial Guinea (the *Compañía Nacional De Petróleos de Guinea Ecuatorial* or “GEPetrol”) (5 per cent.). The Block I licence area holds 100 per cent. of the Aseng field and 5 per cent. of the Alen gas condensate field, as well as an estimated 40 per cent. of the Diega B discovery and 100 per cent. of the Yolanda and Diega A discoveries.

Block O is also operated by Noble Energy. The Group has a 25 per cent. equity stake in Block O, with the remaining equity being held by Noble Energy (45 per cent.) and GEPetrol (30 per cent.). The Block O licence area holds 95 per cent. of the Alen gas condensate field, as well as an estimated 60 per cent. of the Diega B discovery and 100 per cent. of the Carla North, Felicita and Carmen discoveries.

The Blocks form a key part of the Group’s oil exploration and production portfolio, which also includes operated and non-operated interests in three deepwater licences offshore Equatorial Guinea, which will be the focus for future exploration and drilling campaigns.

### *Cameroon*

The Group has equity stakes in three blocks in Cameroon. The Group’s first operated exploration well on the Oak project in the Bolongo block, offshore Cameroon, was successfully drilled and declared an oil discovery in July 2012. The first exploration/appraisal well in the Matanda block has been drilled, with final results expected by the end of 2013. The Group will be entering into a new phase of operated exploration and appraisal drilling across its Matanda and Bolongo licences in the second half of 2013.

### *Chad*

In June 2013, the Group completed the previously announced Farm-in Agreement (the “FIA”) with Caracal Energy Inc. (“Caracal”, previously Griffiths Energy).

Under the terms of the FIA, the Group acquired a 33.3 per cent. working interest in each of Caracal’s three production sharing contracts in the Republic of Chad (the “PSCs”). In addition, the Group also acquired a 25 per cent. working interest in the Badila and Mangara oil field Exclusive Exploitation Authorizations (the “EXAs”) with Caracal retaining a 50 per cent. working interest. Under the terms of a separate agreement between the Group and Société des Hydrocarbures du Tchad (“SHT”), the Group acquired a further 10 per cent. working interest in the EXAs, with SHT retaining the remaining 15 per cent..

The three PSCs cover an area of 26,103 square kilometres in southern Chad. The Badila oil field covers an area of approximately 29 square kilometres and is located approximately 16 kilometres from an oil export pipeline. The Mangara oil field covers an area of approximately 71 square kilometres and is located approximately 111 kilometres from the same oil export pipeline. On 30 September, first oil production commenced from the Badila field.

### **Other oil**

#### *OAO RussNeft*

The Group has invested in the Russian upstream market with its partner OAO RussNeft, taking ownership interests in a diversified portfolio of oil producing assets. OAO RussNeft owns and operates a number of oil licences stretching from the Volga river in the west to the Siberian plains in the east. The Group has acquired between 40 and 49 per cent. of the equity in a number of oil production subsidiaries of OAO RussNeft. OAO RussNeft is owned as to 49 per cent. by a number of associated companies of



Mikhail Gutseriev, 25 per cent. by companies controlled by Mikail Shishkhanov, 24 per cent. by companies controlled by Felix Dlin and 2 per cent. held by Sberbank of Russia, through its subsidiary.

The current aggregate production capacities of 100 per cent. of OAO RussNef't's operating subsidiaries comprise approximately 267,500 bbls per day, equivalent to 13.4 million tonnes per annum.

The Group also has a renewable one-year off-take agreement, pursuant to which it is entitled to 100 per cent. of the crude oil and oil products produced by these assets destined for export markets.

### **Marketing activities**

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

The Group sources crude oil and oil products from a variety of supplier types. Its diverse supplier base includes the major integrated oil companies, National Oil Companies ("NOCs"), independent oil companies, other marketing companies and refineries. By way of an example, the Group has agreed to purchase up to 46.9 million tonnes of crude oil and oil products from Rosneft pursuant to long-term supply contracts.

There is a high degree of overlap between the crude oil and oil products customer and supplier base, particularly in respect of the major integrated oil companies.

The Group's significant customers are the major integrated oil companies such as Shell, BP and ExxonMobil, as well as NOCs such as Indian Oil Corporation Ltd, Nigerian National Petroleum Company and Petroleos Mexicanos. In addition to the major integrated oil companies and NOCs, crude oil and oil products are sold to a diverse customer base, including utilities and oil refineries. While the percentage of term contracts is relatively small, this is largely consistent with the structure of the oil market, and spot contracts are primarily with customers with whom relationships have been established and developed over a long time and are therefore considered similar in nature to term contracts due to their expected renewal.

The marketing operations principally involve physical sourcing, storage, blending and distribution of oil. Paper transactions are also entered into for the purposes of hedging and/or taking or increasing exposures, within Group limits and policies, where a physically backed position exists. The availability of liquid electronic trading markets, covering the majority of the products marketed by the crude oil and oil products operations, enables marketers to hedge their physical oil activities, as well as provide profit enhancing opportunities in relation to physical marketing strategies.

The Group's crude oil and oil products operations source their freight requirements through arrangements with the Group's internal oil freight desk, as well as from external spot vessel hires.

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

The Group's logistical operations include Chemoil, a leading supplier of marine fuels listed on the Singapore Stock Exchange. Chemoil's primary business is the marketing and supply of bunker fuel and fuel oil and it operates in major shipping ports around the globe and owns or leases key storage terminals.

### **Agricultural Products**

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

## Industrial activities

The table below shows the Agricultural Products business segment's investments in industrial assets, with production data as of 31 December 2012, unless indicated otherwise:

Operation	Location	Commodity	2012 production <sup>(1)</sup>	Group ownership interest	Remaining ownership interest
<b>Farming</b>	CIS, Australia and Paraguay	Farming activities on owned and leased land	674k MT	50-100%	Any minority ownership is privately held
<b>Oilseed crushing</b>					
Viterra operations <sup>(2)</sup>	Canada and China	Oilseed crushing		49-100%	—
Moreno	Argentina	Sunseed/soybean crushing		100%	—
Timbues	Argentina	Soybean crushing		33.33% <sup>(3)</sup>	33.33% Vicentin; 33.33% Molinos
Usti Oilseed Group	Czech Republic	Oilseed crushing		100%	—
ZakladyTluszczone w Bodaczowie	Poland	Oilseed crushing		100%	—
Fokto	Hungary	Oilseed crushing		100%	—
Ponta Pora	Brazil	Oilseed crushing		100%	—
JSCKolos	Ukraine	Oilseed crushing		100%	—
OMEZ/Kharkov	Ukraine	Sunseed crushing		80-100%	20% in OMEZ privately held
Lubmin	Germany	Rapeseed crushing		100%	—
Total oilseed crushing	Oilseed crushing		3,328k MT <sup>(4)</sup>		
<b>Oilseed crushing long-term toll agreement</b>		Long-term toll agreement	876k MT <sup>(5)</sup>		
<b>Biodiesel</b>					
Biopetrol Industries AG	Germany and the Netherlands	Biodiesel production		98.6% <sup>(6)</sup>	Publicly traded on Frankfurt Stock Exchange
Renova	Argentina	Biodiesel production		33.33%	33.33% Vicentin; 33.33% Molinos
Advanced Organic Materials	Argentina	Biodiesel production		50%	50% privately held
Total biodiesel		Biodiesel production	534k MT		
<b>Rice milling</b>					
Mills	Argentina and Uruguay	Rice milling		100%	—
Paso Dragon	Uruguay	Rice parboiled plant		37%	63% privately held
Total rice milling		Rice milling	248k MT	—	—
<b>Wheat milling</b>	Brazil	Wheat milling	1,061k MT	50-100%	Any minority ownership is privately held
<b>Sugarcane processing (Rio Vermelho)</b>					
	Brazil	Sugarcane crushing and ethanol production	1,256k MT	100%	—
<b>Malt (Viterra<sup>(7)</sup> operations)</b>	Australia	Malt	491k MT	100%	—
<b>Pasta (Viterra<sup>(8)</sup> operations)</b>	U.S.	Pasta	283k MT	100%	—
<b>Total Agricultural Products</b>			8,751k MT		

### Notes:

- (1) Controlled industrial assets and joint ventures only. Production is on a 100 per cent. basis except for joint ventures, where the Group's attributable share of production is included.
- (2) Includes Viterra's 49 per cent. share of its Chinese oilseed crushing joint venture.
- (3) The Group has a 33.33 per cent. interest in the joint venture but has a 40 per cent. share of the production.
- (4) Includes production from Viterra's oilseed crushing plants.
- (5) This relates to a long-term toll agreement with Vicentin in Argentina.
- (6) The Group had a 67.5 per cent. as at 31 December 2012.
- (7) On 5 August 2013 the Group announced it had agreed to sell Joe White Maltings in Australia to Cargill, Incorporated.
- (8) On 16 September 2013 the Group announced that it had agreed to sell the Dakota Growers Pasta Company to Post Holdings, Inc.

## **Viterra**

On 17 December 2012, Glencore completed the acquisition of a 100 per cent. interest in Viterra, a leading global agricultural commodity business, for a net cash consideration of U.S.\$3.6 billion. In connection with the Viterra Arrangement, the Group has agreed to sell certain of Viterra's assets to Agrium and Richardson (further details of which are set out below).

Viterra is a vertically integrated global agri-business engaged in the purchasing, storage, handling, processing and marketing of agricultural and food ingredient products and supplies and the provision of related services in Canada and Australia. The acquisition of Viterra brings the Group immediate critical mass in the key grain markets of North America through Viterra's substantial Canadian operations, as well as materially expanding the Group's existing operations in Australia. Viterra has extensive operations across Western Canada and Australia, as well as facilities in the United States, New Zealand and China.

Viterra's business, following completion of the sales to Agrium and Richardson, will be mainly focused on grain handling and marketing. The grain handling and marketing operations accumulate, store, transport and market grains, oilseeds and special crops. This business includes grain storage and handling facilities and processing plants strategically located in prime agricultural growing regions of North America and Australia. It also includes wholly- and partially-owned port export terminals located in Canada and Australia.

The sale of Viterra's minority interest in a nitrogen facility located in Medicine Hat, Alberta, Canada to CF Industries Holdings, Inc. completed on 30 April 2013. Agrium has agreed, subject to certain conditions, to acquire the majority of Viterra's worldwide agri-products business, for which Agrium will pay approximately C\$1.775 billion, including estimated working capital requirements, subject to adjustment in certain circumstances. On 1 October 2013, Agrium completed the acquisition of Viterra's Canadian retail assets. It is expected that the sale of the remaining agri-products business to Agrium will be completed by the end of 2013. On 1 May 2013, Richardson acquired certain of Viterra's Canadian grain handling assets, including grain elevators, certain agri-centres co-located with certain of the grain elevators, all oat milling assets and shares relating to Viterra's oat milling business in Canada, all assets or shares of the 21st Century Grain Processing business of Viterra in the United States and a terminal at Thunder Bay, Ontario, together with the net working capital with respect to certain of these assets. At the time Glencore acquired Viterra, Agrium and Richardson provided funding for their respective assets of the Viterra Arrangement by way of separate loans to the Group, which are repayable by the transfer of the respective assets.

Further details of the Viterra, Agrium and Richardson agreements are set out in Annex 5: "Material Contracts" to this Pre-Listing Statement.

On 5 August 2013, the Group entered into an agreement to sell Joe White Maltings in Australia to Cargill, Incorporated. Joe White Maltings was acquired by the Group as part of the Viterra acquisition. The sale received all regulatory approvals and is expected to close on 1 November 2013.

On 16 September 2013 the Group announced that it had entered into an agreement to sell the Dakota Growers Pasta Company ("Dakota Growers") to Post Holdings, Inc ("Post") for \$370 million in cash to be paid at the time of closing. Dakota Growers was acquired by the Group as part of the Viterra acquisition. The sale is subject to the satisfaction of customary closing conditions, including regulatory approvals, and is expected to close in January 2014.

Other non-core Viterra assets have been identified by the Group for possible sale and, subject to price, these are expected to be completed by the end of 2013.

## **Farming**

The Group's farming assets are mainly concentrated in the CIS, Australia and Paraguay. The Group owns or partly owns the land as full owner or on long-term leases. This enables the division to source its products at local prices, provide valuable information on the expected crop yields and enable the Group to build closer relationships with other farmers in the respective regions.

## **Processing**

Access to or ownership of processing assets enables the Group to take advantage of the various price differentials for agricultural commodities. Processing assets are mainly located in South America and Europe.

## ***Oilseed crushing***

### *Moreno*

The Group owns 100 per cent. of Moreno in Argentina. Moreno's main activity is to produce and export edible oils and meal. Moreno's facilities include three sunseed/soybean crushing plants in Necochea, Daireaux and Villegas with a combined production capacity of 1.8 million tonnes per annum. Moreno also has a biodiesel facility within a joint venture structure, with a current production capacity of 0.5 million tonnes per annum.

### *Timbues*

The Group has a 33.3 per cent. interest in the Timbues soybean crushing plant, a joint venture with Vicentin and Molinos in Argentina, which was commissioned in October 2012 with production capacity of 6 million tonnes per annum.

### *Other oilseed crushing operations*

In addition, the Group owns, or partly owns, other crushing facilities in Argentina, Brazil, Ukraine, Germany, Hungary, the Czech Republic and Poland:

- a 100 per cent. interest in Usti Oilseed Group, a Czech Republic oilseed crushing plant with production capacity of 460,000 tonnes per annum;
- a 100 per cent. interest in ZakladyTluszczowe w Bodaczowie, a Polish oilseed crushing plant with production capacity of 495,000 tonnes per annum;
- a 100 per cent. interest in Fokto, an oilseed crushing facility with production capacity of 580,000 tonnes per annum based in Hungary, which was commissioned in May 2012 and is in operation;
- a 100 per cent. interest in Ponta Pora, a Brazilian oilseed crushing plant with production capacity of 288,000 tonnes per annum;
- a 100 per cent. interest in JSCKolos, a Ukrainian oilseed crushing plant with production capacity of 280,500 tonnes per annum;
- a 80 per cent. interest in OMEZ and a 100 per cent. interest in Kharkov, each a Ukrainian oilseed crushing plant, with production capacity of 240,000 tonnes per annum and 280,000 tonnes per annum, respectively; and
- a 100 per cent. interest in Lubmin, a German oilseed crushing plant with production capacity of 165,000 tonnes per annum.

## ***Biodiesel***

The Group has the following interests in the biodiesel production business:

- a 98.6 per cent. ownership interest in the Swiss company Biopetrol Industries AG owning two operating biodiesel production facilities;
- a 33.3 per cent. ownership interest in Renova, the largest biodiesel producer in Argentina. The facilities are integrated within the industrial complex of Vicentin, the Group's joint venture partner in Renova, resulting in all processing steps from seed, via oil to biodiesel and refined glycerine taking place in the same location, including its own deep sea export terminal; and
- a 50 per cent. interest in two other biodiesel production facilities in Argentina with a combined production capacity of 50,000 tonnes per annum.

## ***Rice milling and wheat milling***

The Group has the following rice and wheat production interests:

- rice/wheat mills with a combined production capacity of 1.75 million tonnes per annum in Argentina, Brazil and Uruguay; and
- a 37 per cent. interest in Paso Dragon, a Uruguayan rice parboiled plant with production capacity of 55,000 tonnes per annum.

## **Sugarcane processing**

### *Rio Vermelho*

The Group also owns Rio Vermelho, a sugarcane mill located in the state of São Paulo. Current sugarcane crushing capacity is 400 tonnes per hour (“TCH”). Rio Vermelho produces hydrous fuel ethanol and very high pol (“VHP”) sugar, following the construction of a VHP sugar plant completed in June 2012. The ongoing expansion plan continues to progress on schedule. During the second half of 2013, crushing capacity will further increase to 500 TCH, reaching 650 TCH in 2014. VHP sugar production capacity was increased from 750 tonnes to 1,000 tonnes per day during the inter-crop season, while a molecular sieve was installed allowing production of 450 cubic metres per day of anhydrous ethanol going forward. The first phase of the co-generation plant, eventually capable of supplying a 55 megawatt surplus to the power grid at maturity of the project in 2015, is expected to become operational during the fourth quarter of 2013.

## **Marketing activities**

The Agricultural Products business segment originates, stores, transports and markets grains (including wheat, barley and corn), oil/oilseeds (including most edible oils, biodiesel and their source seeds/beans), cotton and sugar. The business segment is also expected to benefit from its recent acquisition of Viterra.

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

With respect to grains, the Group typically buys grains from farmers at local spot prices for delivery to silos. Whilst occasionally grain from Australian, Canadian or European farmers is procured pursuant to forward agreements, the business segment does not generally have long-term supply contracts in place with farmers, although it does have long-term relationships with important suppliers. Global markets, particularly on the supply side, are highly fragmented and, in many countries, the Group procures grain directly from the farmer. North Africa, the Middle East and Asia are the prime importers.

The Group processes, handles and markets oils (including most edible oils and biodiesel) and their source seeds/beans, with sourcing primarily from Argentina, Brazil, Australia, the EU and Ukraine.

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

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

The Group’s customers are the processing industry (food, consumer goods and animal feed), local importers, government purchasing entities and competing global marketers. Contracts with customers in the food industry are negotiated bilaterally on a case-by-case basis, whilst contracts with governmental purchase bodies are usually tendered. The Agricultural Products business segment does not enter into long-term contracts with these customers.

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

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

On 1 October 2012, the Group announced that it had, through a wholly-owned subsidiary, entered into a 50:50 joint venture agreement with Kernel Holding S.A. through which it has acquired an interest in a deep sea grain export terminal in Taman port, Russia from the EFKO Group. Located on Russia's Black Sea coast, the port of Taman is in close proximity to Southern Russia's main grain producing region. The grain export terminal has a throughput capacity of 3.0 million MT per annum and will enable Russian grain to be exported throughout the year.

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

Marketing is co-ordinated through the Group's subsidiary offices in Rotterdam and Singapore, while its sugar business activities are co-ordinated through its subsidiary in London.

## **Worldwide office network**

### ***Organisation***

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

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

### ***Office network***

Relationships with producers and consumers of raw materials are the responsibility of senior employees who receive support from the Company's global network of more than 90 offices in more than 50 countries. These offices are located in major American, European, Asian, African and Middle Eastern natural resources producing and consuming markets.

The Company leases its headquarters in Baar, Switzerland, as well as offices in major locations under long-term lease agreements. None of the properties are individually material to the Group.

## ***Employees***

As of 28 October 2013, being the latest practicable date prior to the publication of the Pre-Listing Statement, the Group had over 190,000 employees and contractors worldwide.

## **Health and safety, environment and communities**

The Group is committed to conducting its business activities in a manner that will safeguard the health and safety of all of its employees and protect the environment, and to adding to the wealth of the communities in which it operates. The Group's industrial assets, as well as marketing and logistics activities, are subject to a range of health and safety, environment and communities ("HSEC") laws and regulations. For its operations (industrial assets and marketing/logistics), the Group has HSEC policies and management programmes in place to manage and ensure compliance, as well as to track and improve overall performance with the applicable local and international HSEC laws and regulations. The Group's HSEC policies, management programmes and reporting schemes seek to identify areas of non-compliance or areas for general improvement. These measures are also used to identify deficiencies by providing appropriate information and specialist advice to determine appropriate corrective actions.

The Group's HSEC policies and management systems are embedded into the Glencore Xstrata Corporate Practice programme ("GCP"). The GCP led to the publication of the Glencore Xstrata Code of Conduct and Values document (the "Code"), providing a consistent set of principles that govern the actions, attitudes and decisions of Group employees and emphasising the Glencore Xstrata values of entrepreneurialism, simplicity, safety, responsibility and openness.

The health and safety, environment and communities Board committee formulates and recommends policies on these issues as they affect the Group's operations. This committee is chaired by Peter Coates AO with other members, including Ivan Glasenberg and Anthony Hayward, with Michael Fahrbach, the Company employee currently responsible for the Company's health and safety, environmental and communities matters.

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

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

Where GCP applies, employees are required to understand and comply with the principles of the Code. The Group's managers are responsible for ensuring compliance, carrying out periodic assessments, management reviews and reviews of corrective action plans. The Group applies appropriate controls, scaled for different levels of materiality in different areas of the Group, and regularly benchmarks its achievements against targets and expectations, taking corrective action where necessary.

## ***Environmental impact***

The Group's operations are geographically widespread and extremely diverse in nature, including prospecting, production, reclamation, processing, storage, transportation and marketing of natural resources. This means that the potential environmental impact of the Group's operations is complex and specific to different commodity groups or production sites.

The Group is aware of the increasing regulatory pressure and societal demand for a low emission economy to address the global climate change situation and is working to integrate this into existing resource efficiency programmes at its operations. The Group complies with applicable laws, regulations and other requirements for environmental management. In order to manage and limit the environmental impact of its controlled extractive activities, the Group has environmental management systems which are used to monitor environmental aspects of the operations undertaken by the Group. The Group's controlled extractive assets carry out internal and external environmental audits from time to time.

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

The Group also looks to promote environmental awareness in its non-controlled industrial activities and works in partnership with its customers, suppliers and service providers to limit the overall environmental impact along the entire supply chain.

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

### ***Health and safety***

The Group is committed to the health and safety of its employees and contractors and surrounding communities and believes in the possibility of a zero-harm operation. The Group's aim is to maintain a health and safety culture where everybody proactively supports the Glencore Xstrata health and safety objectives and commitments.

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

### ***Communities***

The Company believes that its global presence and economic strengths have a predominantly positive impact on the communities in which it operates. It seeks out, undertakes and contributes to activities and programmes designed to improve quality of life for the people in these communities. These activities, along with the employment it provides, contribute directly and indirectly to the prosperity and development of host countries in general and local communities in particular.

The Company believes that contributing to, and engaging in, open dialogue with local communities enhances its corporate reputation. This helps it gain access to new resources, maintain a licence to operate, identify and act on business opportunities, and address risk mitigation.

The Group engages with local communities and seeks to understand the social, cultural, environmental and economic implications of its activities. In the Group's relationship with local communities it respects and promotes human rights within its area of influence. This includes respect for the cultural heritage, customs and rights of those communities, including those of indigenous peoples.

The Group works with governments, local authorities, community representatives, inter-governmental and non-governmental organisations and other interested parties to develop and support community investment projects. Community investment projects and donations must be decided on in accordance with the Code.

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



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

## **Insurance**

The Group maintains a number of key insurance policies that it believes are commercially appropriate to cover the risks associated with its business operations. The Group's insurance policies are underwritten through Lloyd's and other major European and international insurance companies. The Group maintains an insurance portfolio that covers both liability exposures and physical assets, some of which are insured through a wholly owned captive insurance company, Harbour Insurance Pte Ltd.

The Group's global insurance policies cover its marketing activities and industrial assets (subject to some local insurance cover), and are either purchased centrally by the Group or locally at subsidiary level (depending on local legal requirements). The Group's principal global insurance policies include property damage and business interruption charterer's legal liability, marine cargo, protection and indemnity, hull and machinery, excess oil pollution liability, political risk (in respect of oil in storage and/or in transit only), offshore liabilities, piracy, general third party liability and directors' and officers' liability insurance.

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

## **Legal and compliance**

The Group has policies and procedures to manage legal risks and address regulatory requirements and other compliance obligations. The Group has a centralised group legal department that sets legal policy for the Group, supervises the Group's overall legal function and provides legal services to all areas of the Group's business activities. In addition, there are some smaller legal teams that support specific business activities and offices, such as the freight and oil legal team in London and the agricultural legal team in Rotterdam. Furthermore, many of the larger Group local operating units have a local legal function.

The Group also has a group compliance department that sets compliance policy for the Group and seeks to supervise the group's overall compliance function. The Group compliance department ensures adherence with relevant laws and regulations through an awareness and review process. In addition, the compliance department has put in place a number of manuals to give the business guidance in a number of areas, including money laundering, conflicts of interest, sanctions, bribery and corrupt payments, and confidentiality. Many of the Group's local operating units also have dedicated compliance personnel to address applicable regulatory requirements and these report to the group compliance department.

The Group's legal and compliance departments assist the Group in monitoring its overall liability profile associated with legal and regulatory matters, including liabilities that may be associated with the Group's historical activities.

The Group is of the view that, in the context of the Group taken as a whole, the Group is not the beneficiary of any material governmental protections, investment encouragement law or incentives which are not of general application.

## **Risk management and financial risk management**

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

by commodity departments. The departments and Group Risk team further engage in a dialogue concerning general aspects of risk management policy and reporting. The internal audit and compliance and business ethics committees also play key roles in managing group operational risk and verifying process controls.

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

### **Current trading, trends and prospects**

Investors are referred to the Glencore Xstrata Interim Results, which are incorporated by reference into, and form part of, this Pre-Listing Statement.

### PART III: RISK FACTORS

*Any investment in the Company and the Shares is subject to a number of risks. Accordingly, investors and prospective investors should consider carefully the risks and uncertainties described below and all of the other information set out in this Pre-Listing Statement and incorporated by reference herein before making an investment decision. The Group's business, results of operations, financial condition and/or prospects could be materially and adversely affected by any of these risks. The market price of the Shares may decline due to any of these risks or other factors, and investors may lose all or part of their investment.*

*The risks described below are not the only ones which the Group faces. The risks described below are those that the Group currently believes may materially affect it and the Shares. These risks should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not currently known to the Group, or those that it currently deems to be immaterial, may become material and adversely affect the Group's business, results of operations, financial condition, prospects and/or the value of the Shares. This Pre-Listing Statement also contains estimates and projections that involve risks and uncertainties. The Group's results may differ significantly from those previously projected as a result of certain factors, including the risks which it faces, as described below and in other sections of this Pre-Listing Statement.*

*The information given is as of the date of this Pre-Listing Statement and, except as required by legal or regulatory obligation, will not be updated. Any forward looking statements are made subject to the reservations specified in the section headed "Forward looking statements".*

#### **Risks relating to the Group**

***The Group is exposed to fluctuations in the expected volumes of supply and demand for commodities.***

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

Fluctuations in the volume of each commodity produced by the Group or marketed by the Group could materially impact the business, results of operations and earnings of the Group. These fluctuations could result in a reduction or increase in the income generated in respect of the volumes handled by the Group's marketing activities, or a reduction or increase in the volume and/or margin in respect of commodities produced by the Group's industrial assets.

***The Group is exposed to fluctuations in commodity prices and to deterioration in economic and financial conditions.***

The revenue and earnings of the Group's industrial asset activities and, to a lesser extent, the Group's marketing activities are dependent upon prevailing commodity prices. Commodity prices are influenced by a number of external factors, including the supply and demand for commodities, speculative activities by market participants, global political and economic conditions and related industry cycles and production costs in major producing countries. Fluctuations in the price of commodities produced or marketed by the Group could materially impact the Group's business, results of operations and earnings.

The impacts that fluctuating commodity prices have on the Group's business differ between its marketing activities and industrial activities.

In a market environment in which prices for a particular commodity are higher on average, the premiums/margins that the Group generates in its physical marketing operations relating to such commodity as a result of geographical, time and quality imbalances tend to be higher. The Group's marketing activities also generally benefit from fluctuating market prices, rather than long periods of stable prices, as it seeks to physically arbitrage such resulting price differentials. As prices of commodities rise, the Group generally has higher working capital financing requirements over the same

quantity of commodities in question. During periods of falling commodity prices, the opposite applies in that the Group will require less working capital financing for its marketing activities.

Higher prices will be particularly favourable to the profitability of the Group in respect of those commodities which the Group produces at its industrial assets or are produced by its associated companies and other investees. Similarly, low prices will negatively impact the Group's industrial activities and could result in such activities incurring losses.

A significant downturn in the price of commodities generally results in a decline in the Group's profitability during such a period and could potentially result in a devaluation of inventories and impairments. Although the impact of a downturn on commodity prices affects industrial and marketing activities differently, the negative impact on its industrial activities is generally greater, as the profitability in the industrial activities is more directly exposed to price risk due to its higher level of fixed costs, while the Group's marketing activities are ordinarily substantially hedged in respect of price risk and principally operate a service-like margin-based model. The Group has not historically engaged in meaningful hedging against declines in commodity prices related to industrial production and, as a result, volatility in commodity prices has directly impacted its results of operations. If the Group does not engage in meaningful hedging against declines in commodity prices, its business and results of operations could also be impacted by volatility in commodity prices.

In addition, a decline in economic and financial conditions globally or in a specific country, region or sector may have a material adverse effect on the business, results of operations or earnings of the Group. For example, although most commodities' fixed pricing periods are relatively short, a significant reduction or increase in commodity prices could result in customers or suppliers, as the case may be, being unwilling or unable to honour their contractual commitments to purchase or sell commodities on pre-agreed pricing terms. In addition, a tightening of available credit may make it more difficult to obtain, or may increase the cost of obtaining, financing for the Group's marketing activities and capital expenditures at the Group's industrial assets. Given the persisting uncertainty about a global economic recovery, the Eurozone crisis and concerns about credit risk (including that of sovereigns), forward planning is difficult. Changing production levels in response to current price levels or estimates of future price levels imposes costs, and, if mistimed, could adversely affect the results of the Group's operations or financial condition. In addition, the default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the markets in which the Group operates and the businesses and economic condition and prospects of its counterparties, customers, suppliers or creditors, directly or indirectly, in ways which it is difficult to predict. The impact of this could be detrimental to the Group and could have a material adverse effect on the business, results of operations or earnings of the Group.

***The Group is exposed to significant geopolitical risk.***

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

Relatively high commodity prices and other factors in recent years have resulted in increased resource nationalism in some countries, with governments repudiating or renegotiating contracts with, and expropriating assets from, companies that are producing in such countries. Many of the commodities that the Group produces and markets are considered strategic resources for particular countries. Governments in these countries may decide not to recognise previous arrangements if they regard them as no longer being in the national interest. Governments may also implement export controls on commodities regarded by them as strategic (such as oil or wheat) or place restrictions on foreign ownership of industrial assets. Renegotiation or nullification of existing agreements, leases, permits or tax rulings, changes in fiscal policies (including new or increased taxes or royalty rates or the implementation of windfall taxes which have recently been seen in several jurisdictions in which the Group has industrial assets) and currency restrictions imposed by the governments of countries in which the Group operates could all have a material adverse effect on the Group.

Following the global financial crisis, some governments have faced increased debt and funding obligations and have sought additional sources of revenue by increasing rates of taxation, royalties or resource rent taxes such as the Minerals Resource Rent Tax (MRRT) and Petroleum Resource Rent Tax (PRRT) extension in Australia. Such taxes may negatively impact the financial results of existing assets and projects and reduce anticipated future returns and overall level of prospective investment in those countries. In addition, there may be uncertainty around changes in and the enforcement of such taxes, which can make planning of future investments challenging.

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

By way of example of increased governmental intervention of the type referred to in this risk factor, Prodeco (which is 100 per cent. owned by the Company) and the Colombian Institute for Geology and Mining (“Ingeominas”) signed the eighth amendment in connection with the proposed Calenturitas mine expansion project in 2010. In reliance upon the commitments agreed with Ingeominas in this eighth amendment, Prodeco has undertaken the Calenturitas mine expansion project, which has resulted in significant investment in the expansion of the Calenturitas mine, generating new jobs in the region. A writ of initiation of proceedings has been served on Prodeco alleging that the eighth amendment is null and void on the grounds that it has harmed the Colombian state’s interest. Prodeco and the Company disagree with Ingeominas’ allegations and claims and Prodeco will vigorously defend itself against these as, having taken legal advice, it believes these are without merit.

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

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

***Liquidity risk and a failure to obtain funds could limit the Group’s ability to engage in desired activities and grow its business.***

Liquidity, or ready access to funds, is essential to the Group’s businesses. A lack of liquidity may mean that the Group will not have funds available to maintain or increase its industrial and marketing activities.

The Group’s marketing activities employ significant amounts of working capital to fund purchases of commodities for future delivery to its end customers, to meet margin requirements under derivative contracts and to fund the acquisition and maintenance of certain transport and storage assets which complement its marketing activities.

The Group’s industrial activities are capital intensive and the continued funding of such activities is critical to maintain its ownership interests in its industrial assets, to maintain production levels in periods when net operating cash flow is negative or insufficient to cover capital expenditures, to increase production levels in the future in accordance with its business plans and to grow its industrial activities through the acquisition of new assets.

While the Group adjusts its minimum internal liquidity targets in response to changes in market conditions, these minimum internal liquidity targets may be breached due to circumstances the Group is unable to control, such as general market disruptions, sharp increases or decreases in the prices of commodities or an operational problem that affects its suppliers or customers or the Group, which may require the Group to take remedial action that may have an adverse effect on business, results of operations or earnings.

***The Group has significant outstanding indebtedness.***

In addition to maintaining a cash position, the Group relies on two other principal sources of liquidity: borrowings under various short-term and long-term bank and asset backed facilities and issuance of notes in the debt capital markets. An inability to refinance or increase existing facilities in the debt markets may mean that the Group will not have funds available to maintain or increase its industrial and marketing activities, which could have a material adverse effect on the Group's earnings and results of operations. The Group's access to debt in amounts adequate to finance its activities could be impaired by factors that affect the Group in particular or the industries or geographies in which it operates. For example, lenders could develop a negative perception of the Group's short-term or long-term financial prospects if the Group incurred large losses, if the level of the Group's marketing activities were to materially decrease due to a market downturn in the demand for commodities, or if its business were otherwise materially adversely affected. Although the Group expects the continued support of financial institutions, there can be no assurance that additional credit or funding will be made available in the future.

The Group has a significant amount of indebtedness, which may impair its operating and financial flexibility and could adversely affect its business and financial position. A high level of indebtedness could potentially cause the Group to dedicate a substantial portion of cash flow from operations to payments to service debt, which could reduce the funds available for working capital, capital expenditure, acquisitions, distributions to Shareholders and other general corporate purposes and could limit its ability to borrow additional funds and its flexibility in planning for, or reacting to, changes in technology, customer demand, competitive pressures and the industries in which it operates, placing the Group at a competitive disadvantage compared to those of its competitors that are less leveraged than it is. In addition, a high level of indebtedness together with future debt financing, if accessible, may increase the Group's vulnerability to both general and industry specific adverse economic conditions.

***A reduction in its credit ratings could adversely affect the Group.***

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

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

***The Group's business depends on its ability to retain and attract key employees.***

The Group's success depends on the continued service and performance of its key employees. The loss of services of certain key employees, whether to go to a competitor, to start their own business, to retire or for other reasons, could have a material adverse effect on the Group's operations or financial condition. If the Group fails to retain or attract the necessary calibre of employees or if it fails to maintain compensation awards at an appropriate level for such employees, the Group's business, results of operations or financial condition could be materially adversely affected.

In addition, the Group has previously operated within a private company structure and as an employee-owned company. Following the Company's initial public offering in May 2011, employees continued to own a sizable share of the issued share capital of the Company. Those employees who acquired Shares in the reorganisation undertaken in connection with the Company's initial public offering were subject to lock-up arrangements with a total duration of between 12 months and five years, in each case from 24 May 2011, such lock-ups not being dependent on continued employment. The first release of locked-up Shares occurred on 24 May 2012, whereafter all Company employee shareholders were, for the first time since the initial public offering, able to sell some or all of the Shares acquired by them in the pre-IPO reorganisation. The Group, as a listed entity, operates as a public company with the added administration this entails. This cultural change from a private company to a listed company, as well as

the recent Merger, and matters relating thereto, could result in certain key employees, whether skilled marketers or otherwise, leaving. There are a number of other reasons why such personnel may leave. The loss of any senior marketer, senior manager or other key personnel, as well as the inability to retain and/or attract new highly skilled personnel, could have a material adverse effect on the Group's business.

***The Group is exposed to fluctuations in currency exchange and interest rates.***

The vast majority of transactions undertaken by the Group's industrial and marketing activities are denominated in U.S. dollars. However, the Group is exposed to fluctuations in currency exchange rates through its industrial activities, because a large proportion of the operating costs of these assets are denominated in the currency of the country in which each asset is located, including the Australian dollar, the Canadian dollar, the Euro, the Kazakhstani Tenge, the Chilean Peso, the Norwegian Kroner, the South African Rand, the Argentine Peso, the Colombian Peso and the Peruvian Sol. The Group is also exposed to fluctuations in currency exchange rates through its global office network which are denominated largely in the currency of the country in which each office is located, the largest of such currency exposures being to the Swiss Franc, the pound sterling and the Euro. The Group is also exposed to fluctuations in currency exchange rates through its marketing activities, although only a small minority of purchase or sale transactions are denominated in currencies other than U.S. dollars.

In respect of commodity purchase and sale transactions denominated in currencies other than U.S. dollars, the Group's policy is to hedge the specific future commitment through a forward exchange contract. From time to time, the Group may hedge a portion of its currency exposures and requirements in an attempt to limit any adverse effect of exchange rate fluctuations on its results of operations, but there can be no assurance that such hedging will eliminate the potential material adverse effect of such fluctuations. In addition, to the extent that any currency exposures are unhedged or unmatched as a consequence of political risk, such exposure could adversely affect the Group's financial results.

Foreign exchange rates have seen significant fluctuation in recent years, and a depreciation in the value of the U.S. dollar against one or more of the currencies in which the Group incurs significant costs will, therefore, to the extent it has not been hedged, result in an increase in the cost of these operations in U.S. dollar terms and could adversely affect the Group's financial results.

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

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

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

The commodities industry is characterised by strong competition. The Group believes that the majority of its competitors tend to focus on a narrower commodity group or geographic area, or concentrate more heavily on industrial activities such as mining, smelting, processing, refining and food processing. Although the Group faces intense competition in each of its business segments, in view of its diversification across different commodity groups and its global geographical presence and scale, the

Group does not believe that there is, or will be, a precisely comparable company or peer group that can be defined as competing directly with the Group across all of its business segments. However, some of these competitors or existing producers may, in the future, use their resources to broaden into all of the markets in which the Group operates and therefore compete further against the Group. These competitors may also expand and diversify their commodity sourcing, processing or marketing operations, or engage in pricing or other financial or operational practices that could increase competitive pressure on the Group across each of its business segments. Increased competition may result in losses of market share for the Group and could materially adversely affect its business, results of operations and financial condition.

### **Risks relating to the Group's industrial activities**

#### ***The Group holds some of its industrial assets through non-controlling stakes or joint ventures and strategic partnership arrangements.***

The Group does not control a number of its significant industrial investments. Although the Group has various structures in place which seek to protect its position where it does not exercise control, the boards of these companies may:

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

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

#### ***The Group is exposed to the risk of delays in or failure to develop planned expansions or new projects.***

The Group has a number of significant expansions planned for its existing operations and plans for certain new projects, the development of which is exposed to a number of risks outside its control, such as technical uncertainties, availability of suitable financing, infrastructure constraints, construction delays, cost overruns, insufficient labour skills or resources and delays in permitting or other regulatory matters.

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

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

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



***The Group is exposed to the risks associated with production curtailment and resumption.***

In an effort to avoid over-supplying markets or building up an inventory of unsold products during periods of depressed commodity prices (including those experienced during the global economic downturn), the Group's policy, in common with many other producers, is to curtail production by closing mines and production facilities, placing other mines and production facilities under care and maintenance and deferring or cancelling previously planned expansionary capital expenditure. While this practice may contribute to the stabilisation of commodity prices and enable the Group to avoid selling products at or below their marginal cost of production, it imposes costs both directly, in the form of redundancy payments, equipment removal, security and other closing costs and the cost of resuming production or a capital expenditure programme when prices justify such renewal, and, indirectly, in the form of revenue foregone, deterioration of assets or the resulting increase in unit costs. These costs can adversely affect the Group's business, results of operations, financial condition or prospects.

Given the lead times required to curtail or resume production levels, periods of higher commodity price volatility (including that experienced during the global economic downturn) have exacerbated and may in the future exacerbate the adverse effects of changes in production levels, which has had and may in the future have an adverse effect on the Group's business, results of operations, financial condition or prospects.

***The Group's industrial activities involve a number of operating risks and hazards, many of which are outside the Group's control.***

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

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

***Title to the land, resource tenure and extraction rights of industrial activities may be challenged.***

The Group has industrial activities investments in certain countries where title to land and rights in respect of land and resources (including indigenous title) has not been and may not always be clear, creating the potential for disputes over resource development. Any dispute relating to a material industrial asset of the Group could disrupt or delay relevant extraction, processing or other projects and/or impede the Group's ability to develop new industrial properties and may have a material adverse effect on the Group's business, results of operations and financial condition.

Title to the Group's mining and hydrocarbon rights may be challenged or impugned, and title insurance may not generally be available. In many cases, the government of the country in which a particular asset is located is the sole authority able to grant such rights and, in some cases, may have limited infrastructure and limited resources which may severely constrain the Group's ability to ensure that it has obtained secure title to individual exploration licences or extraction rights. The Group's title may be affected by, among other things, undetected defects. In addition, the Group may be unable to conduct its activities or operations as permitted or to enforce its rights with respect to its properties. A successful challenge to the Group's mining and/or hydrocarbon extraction rights may result in the Group being unable to proceed with the development or continued operation of a mine or project which, in turn, may have a material adverse effect on the Group's business, results of operations and financial condition.

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

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

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

As commodity prices themselves are outside the Group's control, the competitiveness and sustainable long-term profitability depends significantly on the Group's ability to reduce costs and maintain a broad spectrum of low-cost, efficient operations. Because it is difficult for the Group to pass increases in production costs on to customers, any increases in input costs will adversely affect the business, results of operations and financial condition of the Group.

Costs associated with the operation of the Group's industrial assets can be broadly categorised into labour costs and other on-site expenses, including power and equipment costs. Production costs are heavily influenced by the extent of on-going development required, resource grades, site planning, processing technology, logistics, energy and supply costs and the impact of exchange rate fluctuations on costs of operations. All of the Group's industrial assets are, to varying degrees, affected by increases in costs for labour and fuel. Unit production costs are also significantly affected by production volumes and, therefore, production levels are frequently a key factor in determining the overall cost competitiveness of the Group's industrial activities. In addition, if certain industrial inputs are unavailable at any price, the Group may find its production of certain commodities to be involuntarily curtailed, which would result in lost revenue and profits, which would adversely affect the results of operations and financial condition of the Group.

***The Group's stated mineral, coal and hydrocarbon reserves, resources and mineralised potential are only estimates and the anticipated volumes or grades may not be achieved.***

The estimated reserves and resources of the Group should not be interpreted as a statement of the commercial viability, potential or profitability of any future operations. No assurance can be given that the anticipated quantities and grades will be achieved, that the indicated level of recovery will be realised or that mineral, coal and hydrocarbon reserves, resources and mineralised potential can be extracted or processed profitably. Actual reserves, resources or mineralised potential may not conform to geological, metallurgical or other expectations, and the volume and grade of ore or product recovered may be below the estimated levels. Lower market prices, increased production costs, reduced recovery rates and other factors may render the Group's reserves, resources or mineralised potential uneconomical to exploit and may result in revision of its reserve estimates from time to time. Reserve data are not indicative of future results of operations. The Group's future success depends upon conducting successful exploration and development activities or acquiring properties containing economically recoverable reserves. If the Group's actual mineral, coal and hydrocarbon reserves and resources are less than current estimates, or if the Group fails to develop its resource base through the realisation of identified or new mineral potential, the business, results of operations and financial condition of the Group may be materially and adversely affected.

***The processes and chemicals used in the Group's extraction and production methods, as well as their shipping and storage activities, are subject to environmental hazards.***

Where the Group holds or has interests in industrial activities, these assets are generally subject to environmental hazards as a result of the processes and chemicals used in traditional extraction,

production, storage, disposal and transportation methods. Environmental hazards may exist on the Group's owned or leased properties or at those of the industrial activities in which it holds an interest, or may be encountered while its products are in transit. In addition, the storage of tailings at the Group's industrial assets may present a risk to the environment, property and persons where there remains a risk of leakage from or failure of the Group's tailings dams, as well as theft and vandalism during the operating life of the assets or after closure.

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

***The Group's operations are subject to health, safety and environmental regulations and legislation.***

New or amended environmental, health and safety legislation or regulations may result in increased operating costs or, in the event of non-compliance or accidents or incidents causing personal injury or death or property or environmental damage at or to the Group's mines, smelters, refineries, concentrators, drill rigs, processing plants, silos, agricultural property or related facilities (such as logistics or storage facilities) or surrounding areas, may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences.

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

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

Any accidents or hazardous incidents causing personal injury or death or property or environmental damage at or to the Group's mines, smelters, refineries, concentrators, drill rigs, processing plants, silos, agricultural property or related facilities (such as logistics and storage facilities) or surrounding areas may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. Risks associated with the Group's open pit mining operations include flooding of the open pits, collapses of the open pit walls and accidents or failures in operation of large equipment for open pit mining and material transportation. Risks associated with the Group's underground mining operations include flooding, underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharges of gases or toxic chemicals, sinkhole formation and ground subsidence. Risks associated with the Group's oil exploration and deepwater drilling activities include explosions, spills and potential large-scale environmental pollution. Risks associated with the Group's agricultural operations include food and feed safety (including product handling), transportation, storage and handling of certain hazardous substances, such as crop protection products and fertilisers. Risks associated with the Group's logistics and storage operations may include the risk of: ruptures and spills from crude oil and other product carriers; spillage, leakage or seepage of tailings or other hazardous substances found in storage or disposal facilities; and failure of tailings dams during the operating life of the mines or after closure. Injuries to and deaths of workers and contractors at mines and facilities controlled by the Group have occurred in the past and may occur in the future. If accidents occur in the future, the Group's business and results of operations and financial condition may be adversely impacted.

***Risks relating to the Group's marketing activities***

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

Many of the commodity markets in which the Group operates are fragmented and periodically volatile. As a result, discrepancies generally arise in respect of the prices at which the commodities can be

bought or sold in different forms, geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present the Group with arbitrage opportunities whereby the Group is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities.

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

***The Group's hedging strategy may not always be effective, does not require all risks to be hedged and may leave an exposure to basis risk.***

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

***The Group is subject to counterparty credit and performance risk, in particular via its marketing activities.***

Non-performance by the Group's suppliers, customers and hedging counterparties may occur in a range of situations, such as:

- a significant increase in commodity prices could result in suppliers being unwilling to honour their contractual commitments to sell commodities to the Group at pre-agreed prices;
- a significant reduction in commodity prices could result in customers being unwilling or unable to honour their contractual commitments to purchase commodities from the Group at pre-agreed prices;
- customers may take delivery of commodities from the Group and then find themselves unable to honour their payment obligations due to financial distress or other reasons; and
- hedging counterparties may find themselves unable to honour their contractual commitment due to financial distress or other reasons.

Non-performance by a counterparty could have an adverse impact on the Group's business, results of operations and financial condition, including by creating an unintended, unmatched commodity price exposure.

In addition, financial assets consisting principally of cash and cash equivalents, marketable securities, receivables and advances, derivative instruments and long-term advances and loans could potentially expose the Group to concentrations of credit risk.

The Group seeks to reduce the risk of customer non-performance by requiring credit support from creditworthy financial institutions, including making extensive use of credit enhancement products, such as letters of credit or insurance policies, where appropriate, and by imposing limits on open accounts extended. Whilst these limits are believed appropriate based on current levels of perceived risk, there is a possibility that a protracted difficult economic environment could negatively impact the quality of these exposures. In addition, mark-to-market exposures in relation to hedging contracts are regularly and substantially collateralised (primarily with cash) pursuant to margining arrangements in place with such hedge counterparties. However, no assurance can be given that the Group's attempts to reduce the risk of customer non-performance will be successful in every instance or that its financial results will not be adversely affected by the failure of a counterparty or counterparties to fulfil their contractual obligations in the future. Such failure could have an adverse impact on the Group's business, results of operations and financial condition, including by creating an unintended, unmatched commodity price exposure.

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

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

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

***The Group is reliant on the supply of commodities from third parties.***

The Group purchases a portion of the physical commodities sold by its marketing activities from its controlled industrial operations and associates. The remainder of the commodities sourced by its marketing operations are purchased from third party suppliers and entities in which the Group has a minority stake (excluding associates). The Group expects to continue to source commodities from such third parties in the future. The Group is potentially exposed to both price and supply risks with respect to commodities sourced from third parties and entities in which it holds a minority stake. The Group is reliant on third parties to source the majority of the commodities purchased by its marketing operations. Any disruptions in the supply of product, which may be caused by factors such as weather and other natural disasters, unexpected maintenance problems, collapse or damage to mines or other production facilities, labour disruptions and changes in laws and regulations, could adversely affect the Group's margins. The Group's business, results of operations, financial condition and prospects could be materially adversely impacted if it is unable to continue to source required volumes of commodities from its suppliers on reasonable terms or at all.

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

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

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

The Group's marketing activities entail shipments of commodities in large quantities, often by ocean-going transport. The Group often competes with other producers, purchasers or marketers of commodities or other products for limited storage and berthing facilities at ports and freight terminals, which can result in delays in loading or unloading the Group's products and expose the Group to significant delivery interruptions. Increases in the costs of freight, storage, infrastructure and logistics support or limitations or interruptions in the supply chain which impede the Group's ability to deliver products on time could adversely affect the Group's business, results of operations or financial condition.

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

***The Group's freight operations are affected by fluctuations in freight rates.***

The Group has a large and diversified fleet of vessels. The majority of these vessels service the Group's Energy Products business segment. The Group has significant exposure to the fluctuations in freight spot rates and a change in freight rates could have a material adverse effect on the Group's business, results of operations and financial condition.

**Other risks relating to the Group**

***The Group may fail to integrate acquisitions/mergers effectively, including in connection with the Merger, or fail to realise the anticipated business growth opportunities or other synergies in connection with such acquisitions/mergers.***

Business combinations entail a number of risks, including the ability of the Group to integrate effectively the businesses acquired with its existing operations, such as the realisation of anticipated synergies, significant one-time write-offs or restructuring charges, unanticipated costs, addressing possible differences in business culture, processes, controls, procedures and systems and failing to integrate and motivate key employees and/or retain certain individuals during the integration period.

The Group completed the Merger with Xstrata in May 2013. The Merger was justified in part by the business growth opportunities, margin benefits, cost savings and other synergies the Group expects to achieve having combined the operations of Glencore and Xstrata. However, these expected business growth opportunities, margin benefits, cost savings and other synergies may not develop and other assumptions on which the consideration was determined may prove to be incorrect. The Group may also face challenges with the following: redeploying resources in different areas of operations to improve efficiency; minimising the diversion of management attention from ongoing business concerns; and addressing possible differences in business culture, processes, controls, procedures and systems.

Failure to successfully integrate a business, including in connection with the Merger, could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. All of these may be exacerbated by the diversion of management's attention away from other ongoing business concerns. The Group may also be liable for the past acts, omissions or liabilities of companies or businesses it has acquired, which may be unforeseen or greater than anticipated at the time of the relevant acquisition. In addition, various factors could impact the estimated synergies for potential acquisitions and have a material adverse impact on the Group's business, results of operations and financial condition.

***The Group may fail to make successful acquisitions.***

From time to time, the Group considers the acquisition of complementary businesses or assets where the opportunity is presented to do so at attractive prices. Further acquisitions to be made by the Group may be subject to certain approvals (for example, shareholder or antitrust approvals which may or may not be obtained or may be obtained subject to remedies, including the divestment of assets). Failure to successfully acquire a business could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. All of these may be exacerbated by the diversion of management's attention away from other ongoing business concerns. Business combinations which are completed also carry numerous risks, include adverse regulatory conditions and obligations, conflicts with minority interests, retention of key staff and lower than expected revenues and operational performance. The Group may also be liable for the past acts, omissions or liabilities of companies or businesses it has acquired, which may be unforeseen or greater than anticipated at the time of the relevant acquisition. In addition, various factors could impact the estimated synergies for potential acquisitions, including uncertainty in sales proceeds from planned divestments, and have a material adverse impact on the Group's business, results of operations and financial condition.

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

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

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

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

***The Group is subject to risks relating to the processing, storage and transportation of its commodities.***

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

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

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

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

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

***The Group is subject to risks relating to product safety and dangerous goods regulations.***

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

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

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



***The Group is exposed to and subject to a significant number of laws and regulations.***

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

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

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

In addition, the enactment of new laws and regulations and changes to existing laws and regulations (including, but not restricted to, environmental laws, the imposition of higher licence fees, mining and hydrocarbon royalties or taxes), compliance with which could be expensive or onerous, could also have a material adverse impact on the ability of the Group to operate its businesses and/or the profitability of its industrial investments.

***The Group is subject to emissions and climate change regulations.***

The Group's global presence exposes it to a number of jurisdictions in which regulations or laws have been or are being considered to limit or reduce emissions. The likely effect of these changes will be to increase the cost for fossil fuels, impose levies for emissions in excess of certain permitted levels and increase administrative costs for monitoring and reporting. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets in numerous jurisdictions in which the Group operates, is likely to raise production, transportation and administrative costs. In addition, regulation of greenhouse gas emissions in the jurisdictions of the Group's major customers and in relation to international shipping could also have a material adverse effect on the demand for the Group's products.

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

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

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

***The Group's reputation in the communities in which it operates could deteriorate.***

The continued success of the Group's existing operations and its future projects are in part dependent upon broad support of and a healthy relationship with the respective local communities. If it is perceived that the Group is not respecting or advancing the economic and social progress and safety of the communities in which it operates, its reputation and shareholder value could be damaged, which could have a negative impact on its "social licence to operate", its ability to secure new resources and its financial performance.

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

***The industries in which the Group operates are subject to a wide range of risks as described elsewhere in this section, not all of which can be covered, adequately or at all, by its insurance programmes.***

The Group has broad insurance programmes in place which provide coverage for operations. Although the Group's insurance is intended to cover the majority of the risks to which it is exposed, it cannot account for every potential risk associated with its operations. Adequate coverage at reasonable rates is not always commercially available to cover all potential risks and no assurance can be given that, where available, such coverage would be sufficient to cover all loss and liability to which the Group may be exposed. The occurrence of a significant adverse event not fully or partially covered by insurance could have a material adverse effect on the business, results of operations and financial condition of the Group.

***The maintenance of positive employee and union relations and the ability to attract and retain skilled workers is key to the successful operation of the Group.***

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

The success of the Group's business is also dependent on its ability to attract and retain highly effective marketing and logistics personnel, as well as highly qualified and skilled engineers and other industrial, technical and project experts to operate its industrial activities, including in locations experiencing

political or civil unrest, or in which the Group may be exposed to other hazardous conditions. The Group may not be able to attract and retain such qualified personnel, and this could have a material adverse effect on the Group's business, results of operations and financial condition.

## **Risks and other considerations relating to the Shares**

### ***The price of the Shares is subject to volatility.***

The share prices of publicly traded companies can be highly volatile. The market price of the Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Shares (or securities similar to them), including, in particular, in response to various facts and events, including any regulatory changes affecting the Group's operations, variations in the Group's operating results and/or business developments of the Group and/or its competitors, the operating and share price performance of other companies in the industries and markets in which the Group operates, large sales or purchases of shares, the publication of research analysts' reports regarding the Group, its competitors or the sectors in which the Group operates generally and general economic conditions unrelated to the Group's actual performance or conditions in its key markets. Stock markets have in the past, and particularly in recent times, experienced significant price and volume fluctuations which have affected market prices of publicly traded companies' securities. Furthermore, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Shares. In addition, there is also no guarantee that the Shares will remain listed on the London Stock Exchange, the Hong Kong Stock Exchange or the JSE, and failure to maintain listings on these exchanges could adversely affect the liquidity of the market for Shares.

### ***Future share issues by the Company and/or sales by Shareholders could lower the market price of the Shares and adversely affect the Group's ability to raise capital in the future. Further share issues could also dilute the interests of Shareholders.***

The issue of additional Shares by the Company or the sale or transfer of Shares or the possibility of such issue or sale may cause the market price of Shares to fluctuate or decline or be lower than might otherwise be the case or result in the dilution of the interests of Shareholders. Future share sales, or perceived future share sales, of substantial numbers of Shares could materially and adversely affect the Group's ability to raise capital in the future at a time and price favourable to the Group.

### ***Investors in the Company may suffer a dilution in their interest upon any conversions by the holders of Glencore Convertible Bonds.***

Glencore Finance (Europe) S.A., one of the Company's financing vehicles, has issued U.S.\$2.3 billion guaranteed convertible bonds due 2014. Following the IPO in May 2011, investors in Glencore Convertible Bonds are eligible to convert their bonds into Shares and, as at 28 October 2013, being the latest practicable date prior to publication of this Pre-Listing Statement, Glencore Convertible Bonds still outstanding would in total represent 3.15 per cent. of the total issued share capital of the Company. Any such conversions will have the effect of diluting the interest of Shareholders.

### ***Exchange rate fluctuations may adversely affect the foreign currency value of the Shares and any dividends.***

The Shares are quoted in pounds sterling on the London Stock Exchange, in Hong Kong dollars on the Hong Kong Stock Exchange and will be quoted in South African Rand on the JSE. Dividends in respect of the Shares, if any, will be declared in U.S. dollars. The Group's financial statements are prepared in U.S. dollars. Fluctuations in the exchange rate between the U.S. dollar and each of the pounds sterling, the Hong Kong dollar and the South African Rand will affect, amongst other matters, the pounds sterling, Hong Kong dollar and South African Rand value of the Shares and of any dividends.

### ***The Company and certain of its operating subsidiaries and associates may be subject to restrictions on their ability to pay dividends.***

The Company's results of operations and financial condition are entirely dependent on the financial performance of members and associates of the Group other than the Company. The Company's ability to pay dividends will depend, among other things, on the level of distributions, if any, received from the Company's operating subsidiaries and associates, and their level of cash balances. Certain of the

Company's operating subsidiaries may, from time to time, be subject to restrictions on their ability to make distributions to the Company or return cash to it by other means, and there can be no assurance that such restrictions will not have a material adverse effect on the market price of the Shares.

***As a company listed on the London Stock Exchange and the Hong Kong Stock Exchange, the Group is subject to United Kingdom and Hong Kong laws, regulations and policies, and, as a result of a secondary listing on the JSE, the Group will be subject to the JSE Listing Requirements.***

As a company listed on the London Stock Exchange and the Hong Kong Stock Exchange, the Group is subject to certain United Kingdom and Hong Kong laws, regulations and policies. Hong Kong laws, regulations and policies may differ in some respects from comparable laws, regulations and policies in the United Kingdom, and the differences in compliance requirements may subject the Group to additional regulatory burdens. The Company has been granted waivers and exemptions from certain Hong Kong laws and regulations on the basis of its secondary listing. In the event of any conflict between the applicable laws, regulations and policies in the United Kingdom and those in Hong Kong, or if any of the Company's waivers or exemptions were to be revoked, the Group will have to comply with the more onerous rules and may incur additional costs and require additional resources.

As a result of a secondary listing on the JSE, the Group will be subject to the JSE Listing Requirements, which may differ in some respects from comparable requirements in the United Kingdom and/or, to the extent relevant, Hong Kong. However, the listing requirements of the primary exchange will take precedence. If, in future, there is any conflict between the JSE Listing Requirements and the relevant requirements in the United Kingdom and Hong Kong, the Group may have to comply with the more onerous rules and may incur additional costs and require additional resources.

***There has been no prior public market for the Shares in South Africa and an active public market for the Shares in South Africa may not develop or be sustained.***

Prior to the Listing, there will have been no public trading market for the Shares in South Africa. Although the Company is currently listed on the London Stock Exchange and the Hong Kong Stock Exchange, the Directors can give no assurance that an active trading market for the Shares will develop on the JSE or, if it develops, will be sustained. If an active trading market does not develop or it is not maintained, the liquidity on the JSE and trading price of the Shares could be adversely affected and investors may have difficulty selling their Shares.

***The holding of Shares by certain South African residents and emigrants will be subject to South African exchange control restrictions on the holding and trading of Shares.***

Certain South African residents will be subject to various restrictions on their holding and trading of Shares, which restrictions may affect the price and liquidity of the Shares on the JSE. The details of these restrictions are set out in paragraph 2 of Part VII: "Taxation, Exchange Control and Settlement" of this Pre-Listing Statement. In addition, the South African Government may change these restrictions or impose further restrictions in the future.

***Dividends received by South African resident Shareholders in respect of the Shares may become subject to tax.***

On the basis of current law, foreign dividends received by South African resident Shareholders will be exempt from South African income taxation, provided the dividends are received by the South African resident Shareholder in respect of a share dual-listed on the JSE, and provided further that the distribution does not consist of an asset in specie.

However, foreign dividends declared in respect of shares dual-listed on the JSE, despite being exempt from South African income taxation, will be subject to the dividend withholding tax in South Africa, at the rate of 15 per cent., unless a specific exemption from such dividend withholding tax may be applied. Please refer to paragraphs 1.1 and 1.4 of Part VII: "Taxation, Exchange Control and Settlement" of this Pre-Listing Statement below for a more detailed discussion on the treatment of foreign dividends under the South African tax laws.

## PART IV: DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 1 Details of Directors and Senior Management

#### 1.1 Directors of the Company

The Directors of the Company are as follows and their profiles are set out below.

Name	Age	Role
<b>Executive</b>		
Ivan Glasenberg . . . . .	56	Chief Executive Officer
Peter Coates AO . . . . .	67	Executive Director
<b>Non-Executive</b>		
Anthony Hayward . . . . .	56	Interim Independent Non-Executive Chairman
Leonhard Fischer . . . . .	50	Independent Non-Executive Director
William Macaulay . . . . .	68	Independent Non-Executive Director
John Mack . . . . .	68	Independent Non-Executive Director
Peter Grauer . . . . .	68	Independent Non-Executive Director

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

On completion of the Merger on 2 May 2013, Simon Murray, Peter Coates AO, Steven Kalmin and Li Ning retired as directors of the Company. On the same day, Sir John Bond (Chairman), Con Fauconnier, Peter Hooley, Sir Steve Robson and Ian Strachan were appointed as directors of the Company. On 16 May 2013, Sir Steve Robson resigned as a director of the Company and Sir John Bond, Con Fauconnier, Peter Hooley and Ian Strachan were not elected as directors of the Company at the annual general meeting of the Company held on 16 May 2013. On 12 June 2013, the Company announced the appointment of Peter Coates AO, John Mack and Peter Grauer as directors of the Company.

On 16 May 2013, Anthony Hayward was appointed as Interim Chairman of the Company after Sir John Bond was not elected as a director of the Company. The search process for a new Chairman is on-going.

#### **Executive Directors**

##### **Ivan Glasenberg, aged 56, Swiss (Chief Executive Officer)**

Ivan Glasenberg joined Glencore in April 1984 and has been Chief Executive Officer since January 2002. Mr Glasenberg initially spent three years working in the coal/coke commodity department in South Africa as a marketer, before spending two years in Australia as head of the Asian coal/coke commodity division. Between 1988 and 1989, he was based in Hong Kong as head of Glencore's Hong Kong and Beijing offices, as well as head of coal marketing in Asia, where his responsibilities included overseeing the Asian coal marketing business of Glencore and managing the administrative functions of the Hong Kong and Beijing offices. In January 1990, he was made responsible for the worldwide coal business of Glencore for both marketing and industrial assets, and remained in this role until he became Chief Executive Officer in January 2002. Mr Glasenberg is a member of the health and safety, environment and communities committee.

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

##### **Peter Coates AO, aged 67, Australian (Executive Director)**

Peter Coates AO was appointed an Executive Director of Glencore Xstrata in June 2013. Mr Coates is chairman of the health and safety, environment and communities committee. Prior to joining Glencore in 1994 as a senior executive in the coal department, Mr Coates had occupied many senior positions in a diverse range of resource companies, including those

mining silver, lead, nickel, iron ore, bauxite and coal. He joined Xstrata in 2002 as chief executive of Xstrata's coal business, when Glencore sold its Australian and South African coal assets to Xstrata, stepping down in December 2007. He was non-executive chairman of Xstrata Australia Pty Ltd from January 2008 until August 2009. From April 2008 until April 2011, he was a non-executive director and Chairman of Minara Resources Ltd. He was appointed as an independent non-executive director of the Company in April 2011 and stepped down upon the Merger taking place in May 2013.

Mr Coates is a non-executive director of Santos Limited and Amalgamated Holdings Limited. Mr Coates is a past chairman of the Minerals Council of Australia, the NSW Minerals Council and the Australian Coal Association.

Mr Coates holds a Bachelor of Science degree in Mining Engineering from the University of New South Wales. He was appointed to the Office of the Order of Australia in June 2009 and awarded the Australasian Institute of Mining and Metallurgy Medal for 2010.

### ***Non-Executive Directors***

#### **Anthony Hayward, aged 56, British (Interim Independent Non-Executive Chairman)**

Anthony Hayward was appointed Interim Independent Non-Executive Chairman in May 2013 and was previously the Senior Independent Non-Executive Director of the Company since April 2011. Mr Hayward is Chairman of the nomination committee and a member of the health and safety, environment and communities committee.

Mr Hayward is chief executive officer of Genel Energy plc, a partner and member of the European advisory Board of AEA Capital and chairman of Compact GTL Limited. He was group chief executive of BP plc from 2007 to 2010, having joined BP in 1982 as a rig geologist in the North Sea. Following a series of technical and commercial roles in Europe, Asia and South America, he returned to London in 1997 as a member of the upstream executive committee. He became group treasurer in 2000, chief executive for BP upstream activities and member of the main Board of BP in 2003.

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

#### **Leonhard Fischer, aged 50, German (Independent Non-Executive Director)**

Leonhard Fischer was appointed an Independent Non-Executive Director in April 2011. Mr Fischer is Chairman of the audit committee and a member of the remuneration committee. Mr Fischer was appointed chief executive officer of RHJ International S.A. in January 2009, having been co-chief executive officer from May 2007. He has been a member of the board of directors of RHJ International S.A. since 18 September 2007. He is also chief executive officer of Kleinwort Benson Group and chairman of the board of Directors at Kleinwort Benson Bank Ltd. He is also a member of the board of directors at Julius Baer Gruppe AG (formerly Julius Bär Holding AG).

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

Mr Fischer holds an M.A. in Finance from the University of Georgia.

#### **William Macaulay, aged 68, American (Independent Non-Executive Director)**

William Macaulay was appointed as an Independent Non-Executive Director in April 2011. Mr Macaulay is a member of the audit committee and the remuneration committee. Mr Macaulay is also the chairman and chief executive officer of First Reserve Corporation, a private equity investment firm focused on the energy industry, and has been with the company since its founding in 1983. Prior to joining First Reserve, he was a co-founder of Meridien

Capital Company, a private equity buyout firm. From 1972 to 1982, he was with Oppenheimer & Co., where he served as director of corporate finance with direct responsibility for the firm's buyout business. He also served as president of Oppenheimer Energy Corporation.

Mr Macaulay is chairman of the board of Dresser-Rand and is a director of Weatherford International. He also serves on numerous private energy company Boards. In addition, he is chairman of the advisory Board of the City University of New York.

Mr Macaulay holds a B.B.A. degree (with honours) in Economics from City College of New York, and an MBA from the Wharton School of the University of Pennsylvania. He has also received an Honorary Doctor of Humane Letters degree from Baruch College.

**John Mack, aged 68, American (Independent Non-Executive Director)**

John Mack was appointed an Independent Non-Executive Director in June 2013. Mr Mack is also a senior adviser to Morgan Stanley; where he had previously served as chief executive officer from June 2005 until December 2009. He retired as chairman in 2011. Mr Mack first joined Morgan Stanley in May 1972, becoming a director on the board of directors in 1987 and was named President in 1993. Before rejoining Morgan Stanley as chairman and chief executive officer in June 2005, Mr Mack served as co-chief executive officer of Credit Suisse Group and chief executive officer of Credit Suisse First Boston. Mr Mack is a member of the nomination committee and Chairman of the remuneration committee.

Mr Mack is a graduate from Duke University. He serves on the Advisory Board for China Investment Corporation, is a member of the International Business Council of the World Economic Forum, the NYC Financial Services Advisory Committee and the Shanghai International Financial Advisory Council.

**Peter Grauer, aged 68, American (Independent Non-Executive Director)**

Peter Grauer was appointed as an Independent Non-Executive Director in June 2013. Mr Grauer is also a chairman of Bloomberg Inc., the global financial media company that was founded in 1981. Mr Grauer was chairman and chief executive officer from 2002-2011 and has been a member of Bloomberg's board of directors since 1996. Prior to this, he was managing director of Donaldson, Lufkin & Jenrette from 1992 to 2000 when DLJ was acquired by Credit Suisse First Boston and founder of DLJ Merchant Banking. He served as managing director and senior partner of CSFB Private Equity until 2002. Mr Grauer is a member of the audit committee and the nomination committee.

Mr Grauer graduated from the University of North Carolina and the Harvard University Graduate School of Business, Program for Management Development in 1975. Mr Grauer is a director of Davita Healthcare Partners (NYSE:DVA), a healthcare services company. Mr Grauer is also a member of the International Business Council of the World Economic Forum, the UNC Chapel Hill Board of Trustees and a trustee of Rockefeller University.

**1.2 Senior management**

Steven Kalmin is the Chief Financial Officer of the Group and is a senior manager of the Group. The audit committee has considered the role of the chief financial officer and is satisfied with the appropriateness of the expertise and experience of the chief financial officer.

The business address of Mr Kalmin is Baarermattstrasse 3, CH-6340 Baar, Switzerland.

**Steven Kalmin, aged 42, Australian (Chief Financial Officer)**

Steven Kalmin joined Glencore in September 1999 as general manager of finance and treasury functions at Glencore's coal industrial unit (which became part of Xstrata). Mr Kalmin moved to Glencore's Baar head office in October 2003 to oversee Glencore's accounting and reporting functions, becoming Chief Financial Officer in June 2005.

Mr Kalmin holds a Bachelor of Business (with distinction) from the University of Technology, Sydney and is a member of the Institute of Chartered Accountants of Australia and the Financial Services Institute of Australasia. He is currently a director of Century Aluminum Co. Before

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

### **1.3 Other Directorships and partnerships held by the Directors and senior management**

The names of all other companies and partnerships in which the Directors and senior management have been a Director or a partner in the five years preceding the date of this Pre-Listing Statement are set out in Annex 2: "Other Directorships or Partnerships" to this Pre-Listing Statement, excluding the subsidiaries of a company of which the person is also a Director.

## **2 Other Key Employees**

The other key employees in each of the commodities divisions of the Group are as follows:

### ***Metals & Minerals***

#### **Telis Mistakidis (Director of Copper)**

Telis Mistakidis joined Glencore in March 1993 in the zinc/lead commodity division, which merged with the copper division in February 2002, where he was responsible for, and gained expertise in, price and risk management and zinc and lead marketing. He has been co-director of the zinc/copper/lead commodity division since February 2000, jointly overseeing the marketing business and industrial assets of the division, including strategy and operations. He is also a director of Katanga and Recylex and is chairman of Mopani. Mr Mistakidis holds a BSc in Economics from the London School of Economics. Before Glencore, he worked at Cargill for six years, where he worked in and gained experience in the non-ferrous metals industry.

#### **Daniel Maté (Co-Director of Zinc—Marketing)**

Daniel Maté joined Glencore in October 1988, starting in Glencore's Madrid office, gaining expertise in metals transactions and logistics in Spain and North Africa. After three years in Madrid, he joined the zinc/lead commodity division in Switzerland in August 1991, which merged with the copper division in February 2002, where he was responsible for the zinc and lead concentrates desk for Spain, North Africa and South America, before being appointed in charge of worldwide zinc and lead concentrates marketing. Mr Maté has been co-director of the zinc/copper/lead commodity division since February 2000, jointly overseeing the marketing business and industrial assets of the division, including strategy and operations. He is also a director of Volcan. Mr Maté holds a Bachelors degree in economics from Universidad Comercial de Deusto, Spain and a Bachelors degree in Law from Deusto University of Spain.

#### **Chris Eskdale (Co-Director of Zinc—Industrial)**

Chris Eskdale joined Glencore's Moscow office in 1996. Mr Eskdale then transferred to Baar in 1998 to work within the Zinc division where he has since managed industrial assets across the division. Mr Eskdale is a director of Trevali Mining Corporation and Volcan Compañía Minera in Peru. Prior to joining Glencore, Mr Eskdale worked for Deloitte and its predecessor firms within the audit department both in London and Moscow. Mr Eskdale is a Chartered Accountant and holds a BA in Modern Languages from Oxford University.

#### **Andrew Caplan (Director of Aluminium)**

Andrew Caplan joined Glencore in August 2007. He started as a trader working in the aluminium division and was primarily responsible for Glencore's bauxite and alumina trading activities. In June 2013 he was appointed as director of the aluminium division and he is responsible for overseeing the global marketing business and industrial assets of the division, including strategy and operations. He is also a director of Century Aluminium. Mr Caplan holds a Bachelor degree in Business Administration from Washington University in St. Louis. Before joining Glencore he worked for seven years for Trafigura where he ran the aluminium division, being based in both New York and London.



### **Stuart Cutler (Co-Director of Ferroalloys—Marketing)**

Stuart Cutler joined Glencore in April 1995. He started in the Johannesburg office where he worked on the South African base metals and ferroalloys desk. From January 1997 to July 1999, he managed the Johannesburg office with overall responsibility for managing the South African base metals and ferroalloys marketing desk and the administrative functions of the office. In August 1999, Mr Cutler joined the nickel/cobalt commodity division in Baar, which merged with the ferroalloys division in 2001, gaining expertise in the bulk alloys industry, including chrome and extensive experience in its marketing operations. He became co-director of the division in November 2005. Mr Cutler holds a B. Proc degree from the University of Witwatersrand. Before joining Glencore, Mr Cutler was an attorney and notary public of the Supreme Court of South Africa and a barrister and solicitor of the High Court of New Zealand, and worked as a litigation partner at Werksmans.

### **Gary Nagle (Co-Director of Ferroalloys—Industrial)**

Gary Nagle joined Glencore in 2000 working in the coal division in Switzerland. Since then he has held a variety of appointments within the coal division including more than five years as chief executive officer of Prodeco, Glencore's Colombian coal operation. Mr Nagle holds a Bachelor of Accountancy degree and a Bachelor of Commerce degree from the University of Witwatersrand.

### **Kenny Ives (Co-Director of Nickel—Marketing)**

Kenny Ives joined Glencore in October 1998 working in the copper commodity division as a trader responsible for copper concentrate accounts in various geographies. Mr Ives also spent a year based in China as part of his copper responsibilities. He transferred to the Agricultural Products business segment in 2008 and spent two years originating and marketing grain before moving to the nickel commodity division. He was appointed director of the nickel commodity division in January 2012, overseeing all of Glencore's nickel sourcing, marketing, shipping, logistics, LME activities and investments. Mr Ives holds a BA degree in Geography from Oxford University. Mr Ives joined Glencore directly from university.

### **Peter Johnston (Co-Director of Nickel—Industrial)**

Peter Johnston has been Managing Director and Chief Executive Officer of Minara Resources since November 2001. Mr Johnston is Chairman of the Minerals Council of Australia, an Executive Council member and past President of the Chamber of Minerals & Energy (WA) and a director and past chairman of the Nickel Institute. Mr Johnston is currently a director of Emeco Holdings limited and Silver Lake Resources Limited. Mr Johnston was formerly employed by WMC Ltd from 1993 to 2001. During that period he held the position of Executive General Manager and at various times was responsible for the nickel and gold operations, Olympic Dam Operations, Queensland Fertilizers Ltd and human resources. He has also held senior positions with Lion Nathan Australia and Alcoa of Australia limited.

### **Christian Wolfensberger (Co-Director of Iron Ore—Marketing)**

Christian Wolfensberger joined Glencore in December 1994, starting in the trade finance division in Switzerland, where he was responsible for arranging financing for global trades. In January 1996, Mr Wolfensberger joined the ferroalloys/nickel/cobalt commodity division in its traffic team, responsible for managing marketing data and logistics, before taking charge of the nickel desk, gaining expertise in physical marketing operations. He became co-director of the ferroalloys/nickel/cobalt commodity division in November 2005. Following internal reorganisation of the division, he was appointed as director of the iron ore commodity division in January 2012. He holds an MBA degree from the University of St. Gallen.

### **Mark Eames (Co-Director of Iron Ore—Industrial)**

Mark Eames joined Xstrata in 2004 working in the coal business unit, initially responsible for logistics contracts, then managing development, mergers and acquisitions before taking responsibility for global marketing activities. Since 2010, he has been managing Xstrata's iron ore interests. Before joining Xstrata, Mr Eames spent four years at WMC working in the nickel and gold business and 18 years at Rio Tinto where he worked in operations, commercial and marketing roles,

mainly in the coal and iron ore businesses. Mr Eames holds an MA degree in Natural Sciences (Metallurgy) from Cambridge University in the UK and an MBA from INSEAD in France.

## **Energy**

### **Tor Peterson (Co-Director of Coal—Marketing)**

Tor Peterson joined Glencore in January 1992 as a marketer and has been working in the coal/coke commodity division ever since, gaining expertise in marketing and coal assets, responsible for various regions including Colombia, Russia and Europe. In January 2002, he was appointed as director of the coal/coke commodity division, succeeding Ivan Glasenberg who moved into the Chief Executive Officer role, and he is responsible for overseeing the global marketing business and industrial assets of the division, including strategy and operations. Mr Peterson holds a Bachelor degree in Political Science and French from Duke University. Before joining Glencore, he worked for five years for Phibro-Salomon Inc. as a marketer, being based in New York, London and the Ivory Coast.

### **Peter Freyberg (Co-Director of Coal—Industrial)**

Peter Freyberg joined Duiker Mining in 2000, when it was acquired by Glencore. Since then he has held a number of positions in the coal division. Following his role as chief operating officer at Xstrata Coal South Africa, Mr Freyberg was appointed director of operations for Xstrata Coal and relocated to Sydney in 2006 and was appointed a chief executive Xstrata Coal in 2008, where he oversaw the continued expansion of Xstrata's global coal operations. Mr Freyberg holds a degree in mining engineering from Witwatersrand University. Before joining the Group, he gained international experience working in South Africa, Indonesia, Australia, Brazil and Colombia.

### **Alex Beard (Director of Oil)**

Alex Beard joined Glencore in May 1995 working in the oil commodity department as a marketer, responsible primarily for the CIS region and gaining expertise in high sulphur crudes. He was appointed director of the oil commodity division in February 2007, overseeing all of Glencore's crude oil and oil products marketing, shipping, exploration and production and other oil-related investments, as well as being a director of Chemoil and various other Glencore companies. Mr Beard holds an MA degree in Biochemistry from Oxford University. Before joining Glencore, he worked for five years for BP in its crude oil department.

## **Agriculture**

### **Chris Mahoney (Director of Agriculture)**

Chris Mahoney joined Glencore in September 1998. From September 1998 until November 2002, he was responsible for Glencore's agricultural product activities in the CIS, South Africa and South America. In November 2002, he became director of the Agricultural Products business segment, overseeing all global farming, logistics, processing and marketing businesses, responsible for both strategy and operations. Mr Mahoney holds an MA degree from Oxford University. Before joining Glencore, he spent 17 years with Cargill, being based in the UK, the U.S., Singapore and Switzerland, and held various management positions in sugar and grain, gaining expertise in the agricultural products industry and marketing operations.

## **3 Company Secretary**

### **John Burton (Company Secretary)**

John Burton was appointed Company Secretary in September 2011. He was formerly Company Secretary and General Counsel of Informa plc and before that a partner at CMS Cameron McKenna in London specialising in corporate law. Mr Burton holds a BA degree in Law from Durham University. He was admitted as a Solicitor in England and Wales in 1990.

#### 4 Directors' Service Contracts, Terms of Appointment and Other Details

4.1 Each of the Executive Directors has a service contract with the Company. The terms of the Executive Directors' service contracts are summarised below:

<u>Name</u>	<u>Role</u>	<u>Date of contract</u>	<u>Notice period<sup>(1)</sup></u>	<u>Salary (£)<sup>(2)(3)</sup></u>
Ivan Glasenberg . . . . .	Chief Executive Officer	28 April 2011	12 months	925,000
Peter Coates AO <sup>(4)</sup> . . . . .	Executive Director	12 June 2013	12 months	900,000 <sup>(5)</sup>
Total . . . . .				1,825,000

Notes:

- (1) Other than entitlement to notice and a payment in lieu of notice, the Executive Directors are not entitled to compensation on termination of their contract.
- (2) The Executive Directors are entitled to participate in any benefit (including pension) arrangements which the Company has in place from time to time for categories of employees of which they are members.
- (3) The Executive Directors are entitled, at the Company's discretion, to participate in the Company's bonus arrangements from time to time. The current maximum annual bonus opportunity for each of them is 200 per cent. of annual salary mentioned above. The CEO has waived any right to participate in the annual bonus arrangements since the Company's IPO in May 2011.
- (4) Peter Coates AO was previously a non-executive director of the Company. He ceased to be a director and became a senior executive on completion of the Merger. He was then appointed an Executive Director in June 2013.
- (5) The salary of Peter Coates AO is 1,540,000 Australian Dollars.

4.2 The Non-Executive Directors do not have service contracts, although they have letters of appointment reflecting their responsibilities and commitments. The terms of the Non-Executive Directors' appointment letters are summarised below:

<u>Name</u>	<u>Role</u>	<u>Date of joining the Board</u>	<u>Notice period (months)<sup>(1)</sup></u>	<u>Total fees (£)<sup>(2)(3)</sup></u>
Anthony Hayward . . . . .	Interim Independent Non-Executive Chairman	14 April 2011	Three	675,000 <sup>(4)</sup>
Leonhard Fischer . . . . .	Independent Non-Executive Director	14 April 2011	Three	129,000
William Macaulay . . . . .	Independent Non-Executive Director	14 April 2011	Three	114,000
John Mack . . . . .	Independent Non-Executive Director	11 June 2013	Three	119,000
Peter Grauer . . . . .	Independent Non-Executive Director	11 June 2013	Three	111,000
Total . . . . .				1,148,000

Notes:

- (1) Other than the Interim Chairman's appointment, which is terminable on three months' notice by either party, the Non-Executive Directors are required to give three months' notice and their appointment terminates upon its expiry, but any notice served on the Non-Executive Directors (other than the Interim Chairman) by the Board of the Company is effective immediately.
- (2) Non-Executive Directors are not entitled to compensation on termination of their appointment, subject to note (1) above.
- (3) Total fees vary due to different roles and committees on which the various Non-Executive Directors sit.
- (4) Represents total fees as Interim Chairman. Anthony Hayward was appointed Senior Independent Non-Executive Director in April 2011 and, upon completion of the Merger, was appointed Interim Chairman in May 2013.

4.3 The total emoluments, including contributions made in respect of pensions plans, for the directors of the Company for the financial year ended 31 December 2012 are summarised below:

<u>Name</u>	<u>Base salary/fees</u>	<u>Annual bonus</u>	<u>Pension and other benefits<sup>(1)</sup></u>	<u>2012 Total</u>
		(£)		
<b>Executive directors</b>				
Ivan Glaserberg . . . . .	925,000	–	39,000	964,000
Steven Kalmin <sup>(2)</sup> . . . . .	700,000	1,400,000	30,000	2,130,000
<b>Non-executive directors</b>				
Simon Murray <sup>(2)</sup> . . . . .	675,000	–	–	675,000
Peter Coates AO <sup>(3)</sup> . . . . .	179,000	–	–	179,000
Leonhard Fischer . . . . .	129,000	–	–	129,000
Anthony Hayward <sup>(4)</sup> . . . . .	159,000	–	–	159,000
William Macaulay . . . . .	127,000	–	–	127,000
Li Ning <sup>(2)</sup> . . . . .	91,000	–	–	91,000
Total . . . . .	2,985,000	1,400,000	69,000	4,454,000

Notes:

- (1) This constitutes the cost to the Company of the provision of the benefits. These costs have been borne in Swiss Francs and have been converted to UK Pounds Sterling.
- (2) Each of Steven Kalmin, Simon Murray and Li Ning was a director of the Company for the financial year ended 31 December 2012 and ceased to be a director on completion of the Merger.
- (3) Peter Coates AO was a non-executive director of the Company for the financial year ended 31 December 2012 and became a senior executive of the Company on completion of the Merger. He was appointed an Executive Director in June 2013.
- (4) Anthony Hayward was appointed Senior Independent Non-Executive Director in April 2011 and, upon completion of the Merger, was appointed Interim Chairman in May 2013.

4.4 Under the Articles, all Directors must retire by rotation and seek re-election by Shareholders every three years; however, it is intended that the Directors shall each retire and submit themselves for re-election by Shareholders annually.

4.5 There were no fees paid or accrued as payable to a third party in lieu of Directors' fees during the last financial period of the Company.

4.6 The remuneration of the Directors will not be varied as a consequence of the Listing.

4.7 No payment had been made, either in cash or securities or otherwise, or is proposed to be made, to any Director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director or to any partnership, syndicate or other association of which he is a member, as an inducement for that director to become a Director.

4.8 No business of the Company is managed or is proposed to be managed by a third party under a contract or arrangement.

## 5 Interests of the Directors

5.1 As at 28 October 2013, being the latest practicable date prior to the publication of this Pre-Listing Statement, the interests (all of which are beneficial unless otherwise stated) of the Directors, their immediate families and (so far as is known to them or could with reasonable diligence be ascertained by them) persons connected (within the meaning of Section 252 of the UK Companies Act) with the Directors in the issued ordinary share capital of the Company, including: (i) those arising pursuant to transactions notified to the Company pursuant to

DTR3.1.2R; or (ii) those of persons connected with the Directors, which would, if such connected person were a Director, be required to be disclosed under (i) above.

Name	Interests as at 28 October 2013 (the latest practicable date prior to the publication of this Pre-Listing Document)	
	Number of Glencore Xstrata Shares	Percentage of Issued Share Capital
<b>Executive Directors</b>		
Ivan Glasenberg . . . . .	1,101,848,752	8.31 <sup>(1)</sup>
Peter Coates AO . . . . .	1,441,136 <sup>(2)</sup>	0.01
<b>Non-Executive Directors</b>		
Anthony Hayward . . . . .	131,742 <sup>(3)</sup>	0.00
Leonhard Fischer . . . . .	0.00	0.00
William Macaulay . . . . .	160,909,810 <sup>(4)</sup>	1.21
John Mack . . . . .	150,000	0.00
Peter Grauer . . . . .	0.00	0.00

Notes:

- (1) There has been no change in the number of Shares held by Ivan Glasenberg since 31 December 2012. As at 31 December 2012, this number of Shares equated to 15.52 per cent. of the issued share capital of the Company, whereas post-Merger it now equates to 8.31 per cent.
- (2) Peter Coates AO also has 1,381,118 share options in the Company which are not included in the above table. As at 31 December 2012, Peter Coates AO held 82,700 Shares in the Company. The increase in Peter Coates AO's shareholding is as a result of the Xstrata plc shares he previously held being exchanged for Shares upon the Merger becoming effective.
- (3) On 10 September 2013, Anthony Hayward acquired 131,742 Shares. As at 31 December 2013, Anthony Hayward has no Shares.
- (4) Of these Shares, 149,159,999 are held by FR Galaxy Holdings S.a.r.l. ("FR") and 11,749,811 by ECP Galaxy Holdings S.a.r.l. ("ECP"). The Company has been notified that (a) FR is a connected person of William Macaulay and (b) ECP is an affiliate of FR. As at 31 December 2012, William Macaulay had an interest in 121,996,976 Shares. Of those Shares, 112,497,165 Shares were held by FR Galaxy Holdings S.a.r.l. (FR) and 9,499,811 by ECP Galaxy Holdings S.a.r.l. (ECP). In addition, FR had an economic interest under swap arrangements in 36,662,834 Shares and ECP in 2,250,000 Shares as at 31 December 2012. As previously announced by the Company, such swap arrangements have now been terminated. The Company announced on 19 September 2013 that FR had entered into a financing arrangement with Deutsche Bank AG, London Branch ("Deutsche Bank") pursuant to which FR granted security over 149,159,999 Shares in the Company in favour of Deutsche Bank.

5.2 Other than information disclosed in this document in respect of directorships held, interests in the share capital of the Company, terms of remuneration and share options, no Director has any direct or any indirect material beneficial interest in any transactions effected by the Company.

## 6 Directors' and Senior Manager's Declarations

As at the date of this Pre-Listing Statement, no Director, senior manager or person acting as a senior manager:

- (i) has ever been the subject of a court order that declared them to be a delinquent or placing them under probation in terms of Section 162 of the South African Companies Act and/or Section 47 of the South African Companies Close Corporations Act, 1984 (Act No. 69 of 1984);
- (ii) has ever been disqualified from acting as a director in terms of Section 219 of the South African Companies Act 1973 (Act No. 61 of 1973);
- (iii) has ever been adjudged bankrupt, insolvent or sequestered in any jurisdiction or been party to a scheme of arrangement or other form of compromise with his or her creditors;
- (iv) has ever been found guilty in disciplinary proceedings by an employer or regulatory body due to dishonest activities;
- (v) has ever been barred from entry into any profession or occupation;

- (vi) has been a director with an executive function of a company at the time of or within the 12 months preceding any of the following events in relation to such company: any receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements, rescue plans or any compromise or arrangement with creditors generally or any class of creditors;
- (vii) has been a director with an executive function of a company at the time of or within the 12 months preceding any of the following events in relation to such company: any business rescue plan and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of Section 129(7) of the South African Companies Act, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company;
- (viii) has been a partner in a partnership at the time of or within the 12 months preceding any of the following events in relation to such partnership: compulsory liquidations, administrations or partnership voluntary arrangements;
- (ix) has been involved in a receivership in respect of his assets or in respect of the assets of a partnership in which he or she was a partner at the time of or within the 12 months preceding such event;
- (x) has ever received any official public criticism by any statutory or regulatory authorities, including recognised professional bodies;
- (xi) has ever been disqualified by a court from acting as a Director of a company or from acting in the management or conduct of the affairs of any company;
- (xii) has ever had any convictions in relation to any offence resulting from dishonesty, fraud, theft, perjury, misrepresentation or embezzlement;
- (xiii) has ever been convicted in any jurisdiction of any criminal offence or an offence under legislation relating to the South African Companies Act nor has any company of which he or she was a Director or alternate Director been so convicted;
- (xiv) has been appointed as a director of an Alternative Exchange company; and
- (xv) has ever been removed from an office of trust on grounds of misconduct involving dishonesty.

## **7 Provisions of the Articles Relating to Directors**

The relevant provisions of the Articles relating to Directors are summarised in the IPO Prospectus and such summary is incorporated by reference into, and forms part of, this Pre-Listing Statement.

## **8 Corporate Governance**

### **The Board structure**

As at the date of this document, the Board consists of the Interim Independent Non-Executive Chairman, two Executive Directors and four Non-Executive Directors.

### ***UK Corporate Governance Code***

The Company is committed to high standards of corporate governance. As at the date of this document, the Board is compliant with the UK Corporate Governance Code and will continue to comply with its terms. The UK Corporate Governance Code is the UK equivalent of the King Code on corporate governance in South Africa. The UK Corporate Governance Code may be accessed at <http://www.frc.org.uk/Our-Work/Codes-Standards/Corporate-governance.aspx>.

## **Board committees**

The Board has established the following committees:

### ***Audit committee***

The audit committee meets not less than three times a year and has responsibility for, among other things, monitoring the integrity of the Group's financial statements and reviewing its summary financial statements. It oversees the Group's relationship with its external auditors and reviews the effectiveness of the external audit process. The committee gives due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules. It also has responsibility for reviewing the effectiveness of the Group's system of internal controls and risk management systems. The ultimate responsibility for reviewing and approving the interim and annual financial statements remains with the Directors. The audit committee is also responsible for reviewing, updating and presenting to the Board the Group's policies on risk management in relation to the Group's marketing and operational activities. The current members of the audit committee are Leonhard Fischer (Chair), Peter Grauer and William Macaulay.

### ***Nominations committee***

The nominations committee meets not less than once a year and has responsibility for making recommendations to the Board on the composition of the Board and its committees and on retirements and appointments of additional and replacement Directors and ensuring compliance with the UK Corporate Governance Code. The current members of the nominations committee are Anthony Hayward (Chair), Peter Grauer and John Mack.

### ***Remuneration committee***

The remuneration committee meets not less than once a year and has responsibility for making recommendations to the Board (i) on the Group's policy on the remuneration of management and (ii) for the determination, within agreed terms of reference, of the remuneration of the chairman and of specific remuneration packages for each of the executive Directors and the members of management, including pension rights and any compensation payments. The remuneration committee will also ensure compliance with the UK Corporate Governance Code in this respect. The current members of the remuneration committee are John Mack (Chair), Leonhard Fischer and William Macaulay.

### ***Health and safety, environment and communities committee***

The health and safety, environment and communities committee meets not less than once a year and is responsible for formulating and recommending to the Board the Group's policy on health and safety as well as environmental, security and local community issues as they affect the Group's operations. The current members of the health and safety, environment and communities committee are Peter Coates AO (Chair), Ivan Glasenberg and Anthony Hayward.

## **Board balance and independence**

The Company considers that all of the Non-Executive Directors are "independent", as defined in the UK Corporate Governance Code and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. This view has been taken having regard to all the facts including that:

William Macaulay is chairman and chief executive of First Reserve Corporation ("First Reserve"). First Reserve was, on Mr Macaulay's appointment to the Board, the holder of a tranche of Glencore Convertible Bonds (First Reserve subsequently sold these bonds and now holds 160, 909, 810 Shares, approximately 1.2% of the Company's issued share capital).

John Mack was until 2011 chairman of Morgan Stanley, which provides advisory and financial services to the Group. However, Mr Mack ceased to be CEO of Morgan Stanley in 2009, the services are provided from the UK operations and Mr Mack was not involved in the delivery of these services.

The roles of Chairman and Chief Executive Officer are separate, with each having distinct and clearly defined responsibilities. The Chairman is responsible for leading the Board's discussions and decision making. The Chief Executive is responsible for leading the Company's operating performance and day-to-day management.

The composition of the Board and the division of responsibilities as described above ensures a balance of power and authority, such that no one individual or small group of individuals is able to dominate the Board's decision making.



## PART V: FINANCIAL INFORMATION

### 1 Historical Financial Information

The following table sets forth headline earnings per Share of the Company for the year ended 31 December 2012 and the six months ended 30 June 2013:

<u>Headline earnings</u>	<u>Six months ended 30 June 2013</u>	<u>Year ended 31 December 2012</u>
	(U.S.\$)	
Headline basic earnings per share . . . . .	0.08	0.32
Headline diluted earnings per share . . . . .	0.08	0.32

The following information is incorporated by reference into, and forms part of, this Pre-Listing Statement:

- audited consolidated and non-consolidated financial statements, including the notes thereto, of Glencore as of and for the years ended 31 December 2012, 2011 and 2010, prepared in accordance with EU IFRS and which have been audited by Deloitte LLP, an independent auditor, together with the audit reports in respect of each such year (the “Glencore 2012 Audited Financial Statements”, the “Glencore 2011 Audited Financial Statements” and the “Glencore 2010 Audited Financial Statements”, respectively, and together the “Glencore Audited Financial Statements”);
- audited consolidated and non-consolidated financial statements, including the notes thereto, of Xstrata as of and for the years ended 31 December 2012, 2011 and 2010, prepared in accordance with EU IFRS and which have been audited by Ernst & Young LLP, an independent auditor, together with the audit reports in respect of each such year (the “Xstrata 2012 Audited Financial Statements”, the “Xstrata 2011 Audited Financial Statements” and the “Xstrata 2010 Audited Financial Statements”, respectively, and together the “Xstrata Audited Financial Statements”); and
- the Glencore Xstrata Interim Results.

All of these documents may be accessed at <http://www.glencorexstrata.com/investors/>. The other content of the Company’s website does not form part of this Pre-Listing Statement.

### 2 Dividends and Dividend Policy

The Group intends to maintain a progressive dividend policy with the intention of maintaining or increasing its total ordinary dividend each year, having regard to the availability of reserves and cash, and taking into account the Group’s working capital investment requirements.

It is expected that dividends will be declared semi-annually (with the half-year results and the preliminary full year results). Interim dividends are expected to represent approximately one-third of the total dividend for any year. Dividends are declared and paid in U.S. dollars, although Shareholders can elect to receive their dividend payments in pounds sterling, Euros, Swiss Francs or South African Rand based on the exchange rates in effect at the date of payment. Shareholders on the Hong Kong branch register receive their dividends in Hong Kong dollars and Shareholders on the South African branch register will receive dividends in South African Rand.

The Company announced an interim dividend of U.S.\$0.054 per Share on 20 August 2013 concurrent with publication of the interim results for the six months to 30 June 2013.

The dividends paid in respect of the two financial years ended 31 December 2011 and 31 December 2012, were U.S.\$0.10 and U.S.\$0.1035 per ordinary share, respectively.

The relevant provisions of the Articles relating to dividends are summarised in the IPO Prospectus and such summary is incorporated by reference into, and forms part of, this Pre-Listing Statement. There is no arrangement under which future dividends are waived or agreed to be waived.

### **3 Loans and Borrowing Powers**

Save as set out in Annex 3: “Operating and Financial Review” to this Pre-Listing Statement, the Group has no material borrowings, and has not created any material debentures in terms of a trust deed and there are no material debentures to be issued or agreed to be issued and the Group has not issued any debentures or debenture stock by way of conversion or replacement of debentures previously issued. Details of certain borrowings are set out in the Glencore Audited Financial Statements, the Xstrata Audited Financial Statements and the Glencore Xstrata Interim Results incorporated by reference into, and forming part of this Pre-Listing Statement and set out in Annex 3: “Operating and Financial Review” to this Pre-Listing Statement.

The relevant provisions of the Articles relating to the borrowing powers of the Directors are summarised in the IPO Prospectus and such summary is incorporated by reference into, and forms part of, this Pre-Listing Statement. The borrowing powers of Glencore Xstrata have not been exceeded. There are no material exchange control or other restrictions on the borrowing powers of the Group.

The Group has numerous banking relationships in the jurisdictions in which it operates and is not wholly reliant on any single bank counterparty.

### **4 Material Capital Commitments, Lease Payments and Contingent Liabilities**

The Group has no material capital commitments, lease payments, and contingent liabilities. Details of certain capital commitments and contingent liabilities are set out in the Glencore Audited Financial Statements, Xstrata Audited Financial Statements and the Glencore Xstrata Interim Results incorporated by reference into, and forming part of, this Pre-Listing Statement and set out in Annex 3: “Operating and Financial Review” to this Pre-Listing Statement and/or otherwise disclosed in the financial information presented elsewhere in this Pre-Listing Statement.

### **5 Loans Receivable**

Save as set out in this Pre-Listing Statement, the Group has not made any material loans to third parties which are outstanding at 28 October 2013 (being the latest practicable date prior to the publication of this Pre-Listing Statement) outside the ordinary course of business.

### **6 Related Party Transactions**

Save as set out in: (i) Note 30 to the Glencore 2012 Audited Financial Statements; (ii) Note 28 to the Glencore 2011 Audited Financial Statements; (iii) Note 26 to the Glencore 2010 Audited Financial Statements; (iv) Note 35 of the Xstrata 2012 Audited Financial Statements; (v) Note 35 of the Xstrata 2011 Audited Financial Statements; (vi) Note 36 of the Xstrata 2010 Audited Financial Statements and Note 26 to the Glencore Xstrata Interim Results, which are incorporated by reference into, and form part of, this Pre-Listing Statement, neither the Company, nor Glencore, nor Xstrata have entered into any material related party transactions during the period covered by the historical financial information and up to the date of this Pre-Listing Statement.

### **7 Working Capital Statement**

In the opinion of the Directors, the working capital available to the Group is sufficient for the Group’s present requirements, that is, for at least twelve months following the date of publication of this Pre-Listing Statement.

## PART VI: SHARE CAPITAL

### 1 Share Capital

The Company was incorporated on 14 March 2011 as a public company limited by shares under the Companies (Jersey) Law 1991 with the name “Glencore International Limited”. The Company changed its name to “Glencore International plc” on 12 April 2011 and “Glencore Xstrata plc” on 2 May 2013. The Company was incorporated with an authorised share capital of U.S.\$100 and an issued share capital of U.S.\$0.02 divided into two Shares of U.S.\$0.01 each (the “Subscriber Shares”). The Subscriber Shares were issued on incorporation to each of Computershare Company Secretarial Services (Jersey) Limited and Computershare Nominees (Channel Islands) Limited as nominees for Ivan Glasenberg and Steven Kalmin, respectively.

On 20 April 2011, one Subscriber Share was transferred to each of Ivan Glasenberg and Steven Kalmin. By various written resolutions passed on 12 April 2011 and 3 May 2011, it was resolved by the holders of the Subscriber Shares that the authorised share capital of the Company be increased from U.S.\$100 to U.S.\$500,000,000 by the creation of an additional 49,999,990,000 Shares.

On 23 May 2011, the Company issued 6,000,000,000 Shares, credited as fully paid up, pursuant to the acquisition by the Company of Glencore International AG. The Subscriber Shares were repurchased by the Company on 23 May 2011 at their nominal value and then cancelled.

On 24 May 2011, 922,713,511 Shares were issued in the global offer of Shares of the Company as described in the IPO Prospectus, immediately following which the issued and fully paid share capital of the Company was U.S.\$69,227,135.11.

On 11 October 2012, 176,742,520 Shares were issued in consideration for the Kazzinc transaction as described in Part II: “Business Overview” of this Pre-Listing Statement, immediately following which the issued and fully paid share capital of the Company was U.S.\$70,994,560.31.

On 2 May 2013, 6,163,949,435 Shares were issued pursuant to the Merger, immediately following which the issued and fully paid share capital of the Company was U.S.\$132,634,054.66.

The authorised share capital as at 28 October 2013, being the latest practicable date prior to the publication of this Pre-Listing Statement, is U.S.\$500,000,000 divided into 50,000,000,000 Shares. The following table sets out the issued and fully paid share capital of the Company as at 28 October 2013, being the latest practicable date prior to the publication of this Pre-Listing Statement, which is as follows:

<u>Class of shares</u>	<u>Nominal Value</u>	<u>Number</u>	<u>Amount</u>
Shares . . . . .	U.S.\$0.01	13,263,405,466	U.S.\$132,634,054.66

As at 28 October 2013, being the latest practicable date prior to the publication of this Pre-Listing Statement, the Company held no treasury shares. As at 20 June 2013, the Company had a share premium of approximately U.S.\$55,406 million.

Other than as described in paragraphs 1, 7 and 8 of this Part VI, there have been no consolidations or sub-divisions of Shares during the three years preceding the date of this Pre-Listing Statement.

### 2 Rights Attaching to the Shares and Power to Issue Shares

The Shares rank *pari passu* in the following respects:

- (i) they are in all respects identical;
- (ii) they are of same nominal value and the same amount per Share has been paid up;
- (iii) they carry the same rights as to unrestricted transfer, attendance and voting in general/annual general meetings, and in all other respects; and
- (iv) they are entitled to dividends at the same rate and for the same period, so that at the next ensuing distribution the dividend payable on each Share will be the same amount.

All the Shares are fully paid up and freely transferable.

Subject to the provisions of the Companies (Jersey) Law 1991, the Articles and the Listing Rules, the unissued Shares shall be at the disposal of the Directors, who may allot, grant options over or otherwise dispose of them to such persons and on such terms as the Directors think fit.

### 3 Listing on other Stock Exchanges

The Shares are listed on the premium segment of the Official List and traded on the London Stock Exchange's main market for listed securities. In addition, the Shares are subject to a secondary listing on the Hong Kong Stock Exchange. The ISIN number for the Shares is JE00B4T3BW64.

### 4 Statement as to listing on the main board of the JSE and trading of the Shares

The JSE has granted a secondary listing by way of introduction of all of the issued Shares in the general mining sector of the main board of the JSE under the abbreviated name Glencore and share code GLN, with effect from the commencement of trading on the JSE on 13 November 2013.

Shares will be traded on the JSE in electronic form only. Accordingly, any person who purchases Shares and who receives such Shares in certificated form will be required to dematerialise their interest in such certificated Shares in order to be able to trade such Shares on the JSE. More details on settlement and trading are set out in Part VII: "Taxation, Exchange Control and Settlement" of this Pre-Listing Statement.

In accordance with Section 18 of the JSE Listing Requirements, the LSE (being the primary exchange) will generally take precedence in the enforcement of any listings requirements ahead of the JSE (being the secondary exchange). The Company will comply with the specific requirements of Section 18, including the requirement to ensure that all information released on the LSE will also be released on the JSE and that such release takes place no later than the equivalent release on the LSE, provided that, if the JSE is not open for business, it will ensure that such information is released through SENS at the commencement of business on the next business day.

### 5 Major Shareholders

Other than the interests of Directors disclosed in Part IV: "Directors and Senior Management of the Group" of this Pre-Listing Statement, so far as the Company is aware the following persons beneficially held directly or indirectly 5 per cent. or more of the Group's voting rights as at 30 September 2013:

Shareholder	Number of Shares	Percentage of Group Share Capital
Qatar Holding LLC . . . . .	1,080,779,642 <sup>(1)</sup>	8.15
BlackRock Inc. . . . .	740,286,550 <sup>(2)(3)</sup>	5.58

Notes:

- (1) Qatar Holding LLC, which is wholly owned by Qatar Investment Authority, holds 1,080,779,642 Shares directly.
- (2) BlackRock Inc. holds the 740,286,550 Shares through its subsidiaries, including BlackRock Investment Management (UK) Limited.
- (3) In addition, BlackRock Inc. holds 61,534,557 U.S.\$2,300 million outstanding Glencore Convertible Bonds.

As of 30 September 2013, there is no controlling Shareholder of the Company and there has been no controlling Shareholder of the Company in the past five years.

The Company receives a breakdown of the beneficial ownership of the Shares at the end of each month. Since the latest practicable date prior to the publication of this Pre-Listing Statement does not coincide with the end of a month, the Company has had to rely on the last schedule of beneficial ownership that it received. Accordingly, the table and statement above reflect information available to the Company regarding beneficial ownership of its Shares as at 30 September 2013.

### 6 Issues and Offers of Shares

During the three years preceding the date of this Pre-Listing Statement there have been no issues or offers of Shares, other than as described in paragraphs 1, 7 and 8 of this Part VI.

## 7 Glencore Convertible Bonds

The Glencore Convertible Bonds are U.S.\$2,300 million 5 per cent. convertible bonds due December 2014 and are currently convertible, at the option of the holder, into approximately 430,924,474 Shares. The Glencore Convertible Bonds are the only convertible securities, exchangeable securities or securities with warrants of the Company in issue. Details of the Glencore Convertible Bonds are set out in Annex 5: "Material Contracts" to this Pre-Listing Statement, together with an indication of the governing conditions and the procedure for conversion, exchange or subscription.

## 8 Share Schemes

At the time of the IPO, the Company adopted two employee share plans:

- (a) the Glencore Performance Share Plan (the "PSP"); and
- (b) the Glencore Deferred Bonus Plan (the "DBP", and together with the PSP, the "Share Schemes").

Under the PSP, participants are awarded PSP awards which vest in annual tranches over a specified period, subject to continued employment and forfeiture for malus events (a "PSP Award"). At grant date, each PSP Award is equivalent to one Share.

The PSP Awards may be satisfied, at the Company's option, in shares by the issue of new Shares, by the transfer of Shares held in treasury or by the transfer of Shares purchased in the market or in cash, with a value equal to the market value of the award at vesting, including dividends paid between award and vesting. The Company currently intends to settle these awards in Shares.

Under the DBP, the payment of a portion of a participant's annual bonus is deferred for a period of one to two years as an award of either ordinary shares (a "Bonus Share Award") or cash. The awards are vested at grant date with no further service condition, however they are subject to forfeiture for malus events. The Bonus Share Awards may be satisfied, at the Company's option, in shares by the issue of new Shares, by the transfer of Shares held in treasury or by the transfer of Shares purchased in the market or in cash, with a value equal to the market value of the award at settling, including dividends paid between award and settling. The Company currently intends to settle these awards in Shares.

The principal features of the rules of the PSP and DBP are summarised in the IPO Prospectus and such summaries of the rules of the PSP and DBP are incorporated by reference into, and form part of, this Pre-Listing Statement. Each summary is to be read subject to the updated details given in this paragraph 8.

The IPO Prospectus also summarised the principal features of certain long-service and phantom equity awards made to employees of the Group and such summary is incorporated by reference into, and forms part of, this Pre-Listing Statement. It is not proposed to grant further awards under either of these arrangements.

As at 28 October 2013, being the latest practicable date prior to the publication of this Pre-Listing Statement, the following awards are outstanding under the Share Schemes:

<u>Name of plan</u>	<u>Total number of Shares subject to outstanding awards</u>	<u>Vesting date</u>	<u>Exercise price (U.S.\$)</u>
PSP . . . . .	2,234,790 <sup>(1)</sup>	30 June 2014 and 30 June 2015	Nil
DBP . . . . .	5,395,938 <sup>(2)</sup>	30 June 2014 and 30 June 2015	Nil
Phantom equity awards . . . . .	20,223,911	31 December 2013	Nil

Notes:

(1) 1,117,395 awards will vest on 30 June 2014 and 1,117,395 awards will vest on 30 June 2015.

(2) 1,679,539 awards granted in July 2012 will vest on 30 June 2014 and 3,716,399 awards granted in September 2013 will vest on 30 June 2015.

## 9 Options

Other than pursuant to the Share Schemes, the Glencore Convertible Bonds or as described in this paragraph 9, there are no contracts or arrangements or proposed contracts or arrangements to which the Company is a party, whereby any option or preferential right of any kind was or is proposed to be given to any person(s) to subscribe for any Shares.

At the time of the Merger, certain employees of Xstrata (the “Rolled Option Holders”) held options over ordinary shares of U.S.\$0.50 each in the capital of Xstrata plc under the Xstrata plc 2002 Long Term Incentive Plan (“LTIP”) and the Xstrata plc 2002 Executive Committee Annual Business Plan (“ABP”, and together with LTIP, the “Xstrata Options”).

The Rolled Option Holders elected to accept a proposal by the Company to exchange their Xstrata Options in consideration of the grant of equivalent new options over Shares in the Company on equivalent economic terms as the Xstrata Options. All new options which were granted on completion of the Merger are fully vested.

As at 28 October 2013 (being the latest practicable date prior to the publication of this Pre-Listing Statement), the following options are outstanding:

<u>Name of plan</u>	<u>Date of grant</u>	<u>Expiry date</u>	<u>Number of Shares</u>	<u>Exercise price (£)</u>
LTIP . . . . .	2 May 2013	31 October 2013	46,122	4.4547
LTIP . . . . .	2 May 2013	31 October 2013	27,209	6.5629
LTIP . . . . .	2 May 2013	14 December 2013	12,889	4.4547
LTIP . . . . .	2 May 2013	30 January 2014	16,900	4.4547
LTIP . . . . .	2 May 2013	30 January 2014	8,597	6.5629
LTIP . . . . .	2 May 2013	4 March 2014	412,383	1.2211
LTIP . . . . .	2 May 2013	4 March 2014	62,983	1.2252
LTIP . . . . .	2 May 2013	11 March 2015	3,486,493	1.7610
LTIP . . . . .	2 May 2013	11 March 2015	91,139	1.7669
LTIP . . . . .	2 May 2013	10 March 2016	5,450,192	2.8525
LTIP . . . . .	2 May 2013	10 March 2016	175,367	2.8621
LTIP . . . . .	2 May 2013	15 March 2017	8,682,098	4.4547
LTIP . . . . .	2 May 2013	19 October 2017	26,937	4.4547
LTIP . . . . .	2 May 2013	19 October 2017	28,019	6.5048
LTIP . . . . .	2 May 2013	4 April 2018	8,535,123	6.5629
LTIP . . . . .	2 May 2013	4 April 2018	1,069,730	6.8803
LTIP . . . . .	2 May 2013	12 March 2019	13,671,842	1.0975
LTIP . . . . .	2 May 2013	12 March 2019	2,692,602	1.1012
LTIP . . . . .	2 May 2013	18 February 2020	34,634,918	3.3799
LTIP . . . . .	2 May 2013	18 February 2020	4,596,958	3.4836
LTIP . . . . .	2 May 2013	19 May 2020	41,989	3.4320
LTIP . . . . .	2 May 2013	18 February 2021	27,070,695	4.8141
LTIP . . . . .	2 May 2013	17 February 2022	44,438,984	3.9138
ABP . . . . .	2 May 2013	17 February 2022	221,253	0.00
Total . . . . .			155,501,422	—

## 10 Commissions, Discounts and Brokerages

There has been no commission, discount, brokerage or other special terms granted during the three years preceding the date of this Pre-Listing Statement in connection with the issue or sale of any securities, stock or debentures in the capital of the Company which are not disclosed in the Glencore Audited Financial Statements or the Glencore Xstrata Interim Results.

## 11 Trading History

A trading history of the Shares on the LSE is set out in Annex 4: “Trading History on the LSE” to this Pre-Listing Statement.

## **12 Provisions of the Articles Relating to Share Capital and Rights of Shareholders**

The relevant provisions of the Articles relating to share capital and rights of Shareholders are summarised in the IPO Prospectus and such summary is incorporated by reference into, and forms part of, this Pre-Listing Statement.

## PART VII: TAXATION, EXCHANGE CONTROL AND SETTLEMENT

### 1 Taxation

*The following paragraphs set out a general summary of the tax implications for Shareholders resident or deemed to be resident in South Africa for tax purposes, based on legislation enacted and in force at the date of the Pre-Listing Statement. The tax analysis is therefore not comprehensive or determinative. Shareholders should seek advice from appropriate professional advisers if they are in any doubt whatsoever about their tax position and, in particular, to confirm how the general summary applies in their specific circumstances. These paragraphs summarise the position of Shareholders who (unless there is express reference to the position of non resident Shareholders) are resident in South Africa for tax purposes, who are the absolute beneficial owners of their Shares and who hold their Shares as an investment. Certain Shareholders, such as dealers in securities, collective investment schemes and employees of the Group (or a connected company), may be taxed differently and are not considered.*

#### 1.1 Dividends paid from the Company's share capital or share premium

For South African tax purposes, gross income, in relation to any year of assessment, specifically includes all local and foreign dividends accrued. For so long as the Shares are listed on the JSE and the LSE (or other non South African exchanges recognised for this purpose under the South African Income Tax Act), South African resident Shareholders may claim exemption from income tax in respect of foreign dividends received on the JSE listed Shares, provided that the distribution does not consist of an asset in specie. Distributions by foreign companies are classified for South African tax purposes with reference to the foreign classification of the distribution. In short, if a distribution is regarded as a dividend or similar payment according to the law of the country where a company has its place of effective management, which is, in relation to the Company, Switzerland, the distribution will be treated as a foreign dividend for South African tax laws. If a distribution does not meet the definition of a foreign dividend, it would most likely default into being treated as a "foreign return of capital" for South African purposes. Therefore, foreign returns of capital are essentially (but not necessarily) distributions that do not qualify as foreign dividends. In principle, a foreign return of capital reduces a person's tax base cost for the shares in respect of which the distribution is received, and when the foreign returns of capital exceed a person's tax base cost for the shares, the excess is treated as capital gains.

#### 1.2 Interest incurred in the production of foreign dividends

No deduction may be claimed in respect of interest actually incurred on loans used to purchase the Shares.

#### 1.3 Dividend withholding tax

In the event of the distribution qualifying as a "foreign dividend", the foreign dividend may be exempt from income tax in the South African Shareholder's hands; provided the dividend is received by the South African resident Shareholder in respect of a share dual-listed on the JSE, and provided that such dividend does not consist of an asset in specie.

However, even if a foreign dividend is exempt from income tax due to it being paid in respect of a share dual-listed on the JSE, the distribution of the dividend from the share may be subject to the 15 per cent. dividend withholding tax.

There is though, amongst others, an exemption from the dividend withholding tax if the dividend is paid to a South African resident corporate Shareholder. This exemption will operate in a manner similar to other local shares listed on the JSE and the dividends paid in respect thereof to resident corporate shareholders.

#### 1.4 Taxation of capital gains and losses

##### 1.4.1 South African resident Shareholders—individuals

A disposal of Shares by an individual Shareholder who is resident in South Africa for tax purposes may give rise to a gain (or loss) for the purposes of taxation of capital



gains. The capital gain (or loss) on disposal of the Shares is equal to the difference between the disposal proceeds and the base cost.

Disposal proceeds of Shares registered on the South African overseas branch register should be denominated in ZAR. For other disposals, depending on the individual circumstances of the Shareholder, where the proceeds are denominated in a currency other than ZAR, the consideration would be translated to ZAR either at the average exchange rate for the relevant recipient taxpayer's year of assessment (if so elected for by the taxpayer), or the spot rate on the date of disposal.

A Shareholder's base cost in their Shares will generally be the consideration paid for those Shares. Where the purchase price is not denominated in ZAR, the consideration paid should be translated to ZAR either at the average exchange rate for the relevant taxpayer's year of assessment (if so elected for by the taxpayer), or the spot rate on the date of acquisition.

A gain on a disposal of Shares, together with other gains, less allowable capital losses in a year of assessment, representing the net capital gain, is subject to tax at the individual's marginal tax rate to the extent that it exceeds the annual exclusion (ZAR30,000 for the year of assessment ending 28 February 2014). However, only 33 per cent. of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 13.3 per cent.

On the death of a taxpayer, there is a deemed disposal of the Shares at market value, unless the Shares are, amongst others, bequeathed to or are in favour of a surviving spouse. Deemed disposals to a surviving spouse, who is a South African resident, are treated, in practical effect, as taking place at no gain or loss. The annual exclusion increases from ZAR30,000 to ZAR300,000 where death occurs during the year of assessment ending 28 February 2014.

Where a taxpayer emigrates (i.e. gives up South African tax residence), there is also a deemed disposal of the Shares at market value.

#### **1.4.2 South African resident Shareholders—corporates**

A disposal of Shares by a South African resident corporate Shareholder may give rise to a gain (or loss) for the purposes of taxation of capital gains. The capital gain (or loss) on disposal of the Shares is equal to the difference between the disposal proceeds and the base cost.

Disposal proceeds of Shares registered on the South African overseas branch register should be denominated in ZAR. For other disposals, where the proceeds are denominated in a currency other than ZAR, the consideration would be translated into ZAR at the spot rate on the date of disposal.

A Shareholder's base cost in the Shares will generally be the consideration paid for the Shares. Where the purchase price is not denominated in ZAR, the consideration paid should be translated into ZAR at spot rate on date of acquisition.

A gain on a disposal of Shares by a corporate Shareholder, together with other gains, less allowable capital losses in a year of assessment, representing the net capital gain, is subject to tax at the normal tax rate for companies and close corporations (currently generally 28 per cent.). Only 66 per cent. of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 18.6 per cent.

### **1.5 Estate duty**

Estate duty is charged and levied in South Africa in respect of all of the property of a deceased person at the time of his death, subject to certain deductions, exclusions and exemptions. The application of the statute is not limited to citizens or residents of South Africa, and will therefore apply to non-residents unless those non-residents can apply any of the deductions, exclusions and exemptions contained in the statute. As a general rule (which is by no means universally applicable), the property of a non-resident will only be

subject to estate duty if it is situated in South Africa (i.e. there is no need to deduct such property from the estate of a person who is not ordinarily resident in South Africa).

Where a person who is ordinarily resident in South Africa holds Shares at the date of his or her death, the market value of such Shares will be included in his or her estate. Similarly, the market value of Shares that are registered and the transfer of which was recorded on the South African overseas branch register may be included in the estate of Shareholders who are not ordinarily resident in South Africa. Accordingly, estate duty may be payable by Shareholders who are not ordinarily resident in South Africa on the basis of the Shares held by such person.

Estate duty is levied at a flat rate of 20 per cent. on the net value of the estate to the extent that it exceeds ZAR3,500,000.

In determining the net value of an estate, deductions are, inter alia, allowed for the value of bequests and property left to a surviving spouse, and estate liabilities, including capital gains tax paid on the deemed disposal of the Shares on date of death.

In respect of a person who is ordinarily resident in South Africa, there is also allowed as a deduction from the total value of the assets, the value of any right in or to assets situated outside of South Africa (e.g. Shares and the transfer of the Shares that are respectively registered and recorded on any register other than the South African overseas branch register):

- acquired by the deceased South African resident before becoming ordinarily resident in South Africa for the first time; or
- donated to the taxpayer by a non South African resident individual; or
- inherited from a non South African resident person; or
- proved to be acquired out of the proceeds from the disposal of such property mentioned above, or acquired out of profits from such asset mentioned above.

## **1.6 Securities transfer tax**

Securities transfer tax ("STT") provides, amongst other things, for the levying of tax in respect of the transfer of any securities of a company incorporated, established or formed outside South Africa and listed on the JSE. "Transfer" includes any cancellation or redemption of a security, but does not include the issue of a security or an event that does not result in a change of beneficial interest in the security.

A transfer of the Shares registered on the South African overseas branch register as a result of every purchase of these Shares is liable to payment of STT at the rate of:

- 0.25 per cent. of the consideration for the transfer of the Shares concerned, where the transfer is effected through the agency of or from any member (registered broker) of the JSE;
- 0.25 per cent. on the greater of the consideration payable for the transfer of the Shares concerned and the closing price of the Shares on the date of the transaction, where the Shares are transferred by a CSDP; or
- 0.25 per cent. on the greater of the consideration payable for the transfer of the Shares concerned and the closing price of the Shares on the date of the transaction, where the Shares are transferred in any other manner.

Where the transfer of the Shares is effected:

- through the agency of or from any member (registered broker) of the JSE, the selling broker is liable to make payment of the STT by not later than the fourteenth day of the month following that in which the transfer is effected, but may recover any STT payable from the transferee;
- by a CSDP, such CSDP is liable to make payment of the STT by not later than the fourteenth day of the month following that in which the change in beneficial ownership is effected, but may recover any STT payable from the transferee; or

- in any other manner, the transferee is liable for payment of the STT, which must be paid through the member of the JSE or CSDP holding the security in custody by not later than the fourteenth day of the month following that in which the transfer is effected.

### **1.7 Tax consequences for the Company**

The Listing of the Shares on the JSE will have no specific tax consequences for the Company. The Company will be required to withhold the dividends tax from qualifying foreign dividends paid to South African resident Shareholders.

## **2 Exchange Control**

*The information contained in this Part VII has been extracted from the “Applicable Legislation” referred to in paragraph 2.1 of this Part VII. The following is a general summary of the current position, and is intended as a guide only and is therefore not comprehensive. Persons who are in any doubt as to the position in any particular case should consult their independent professional advisers. Please note that the Company is not responsible for obtaining any exchange control consents that any investor may need to obtain in order to buy or sell Shares.*

### **2.1 Applicable Legislation**

The present South African exchange control system was introduced in 1961. Section 9 of the Currency and Exchanges Act, 9 of 1933, as amended (the “Currency and Exchanges Act”), empowers the President to make regulations with regard to any matter directly or indirectly relating to or affecting or having any bearing upon currency, banking and exchanges. The regulations made in terms of the Currency and Exchanges Act are contained in the Exchange Control Regulations, as amended from time to time (“Exchange Control Regulations”). Orders and Rules, as amended from time to time, are issued under the Exchange Control Regulations (“Orders and Rules”). The exchange control system is used principally to control capital movements by South African residents to countries outside the Common Monetary Area.

### **2.2 Delegation of Powers**

The Minister of Finance has, pursuant to Exchange Control Regulation 22E, delegated to the Governor, the Deputy Governors and certain other employees of the South African Reserve Bank (“SARB”) all the powers, functions and duties assigned to and imposed on the Treasury under the Exchange Control Regulations with the exception of the powers, functions and duties assigned to and imposed on the Treasury by Regulations 3(5), 3(8), 16, 20 and 22 (excluding Regulations 22A, 22B, 22C and 22D from such exemption). The Financial Surveillance Department of the South African Reserve Bank (“SARB”) has wide discretion in implementing and enforcing the requirements of the Exchange Control Regulations. Such discretion is, however, not exercised arbitrarily but is based upon a set of norms, and is subject to the policy guidelines laid down by the Minister of Finance and Director General: Finance.

### **2.3 Authorised Dealers**

In terms of the Exchange Control Regulations and pursuant to the Orders and Rules, certain commercial banks are appointed by the Minister of Finance as “authorised dealers” in foreign exchange (“Authorised Dealers”). Their function is to undertake and deal with certain aspects of exchange controls on behalf of their clients and in terms of the Exchange Control Rulings (which are rulings issued by the Financial Surveillance Department of the SARB to Authorised Dealers and which set out certain approvals which may be granted by Authorised Dealers to their clients without reference to the SARB) (“Exchange Control Rulings”). All approvals sought, and which do not fall within the ambit of (and are not authorised by) the Exchange Control Rulings, must be referred by an Authorised Dealer to the SARB for its consideration. All applications to the SARB must be made through an Authorised Dealer.

## **2.4 Transactions subject to Exchange Control Regulations**

Transactions between South African residents and non residents are subject to Exchange Control Regulations. Under the Exchange Control Regulations, the ordinary shares of a South African company are freely transferable (but subject to certain administrative procedures having been complied with) outside South Africa to persons who are not residents of the CMA. The only requirement is that such transfer must take place for fair value and the purchase consideration must be received in South Africa. This requirement is, however, deemed to be complied with in respect of shares traded through the order book system operated by the JSE.

Additionally, where ordinary shares are sold on the JSE on behalf of shareholders who are not residents of the CMA, the proceeds of such sales will be freely exchangeable into foreign currency and remittable to them. There are no exchange control restrictions on the remittance abroad of dividends to non resident shareholders by a South African company or a non South African company.

## **2.5 General South African Reserve Bank requirements**

Shareholders' attention is drawn to the SARB's requirements that all share transactions pertaining to Shares registered on the South African overseas branch register will be subject to South African tax legislation that is already in force or which may come into force.

## **2.6 Inward listing on the JSE**

The Company has obtained SARB approval for the secondary (inward) listing of its Shares on the JSE.

The SARB approval specifically provides for the following:

- the approval of the inward listing of the Shares on the JSE; and
- the Company's South African Shareholders will be treated according to the provisions of Section H.(A) of the Exchange Control Rulings following the secondary (inward) listing of the Shares on the JSE.

Upon the Listing of the Shares on the JSE, the Exchange Control Regulations provided for in Section H. of the Exchange Control Rulings will apply to the acquisition of Shares by South African residents.

Shareholders who are required to dispose of their Shares within a stipulated period, should consult their broker or other professional adviser immediately. Shareholders that are uncertain of whether the SARB will allow them to retain their Shares should consult their broker or other professional adviser immediately.

The following is a summary of Exchange Controls insofar as they have application to South African resident Shareholders in relation to the holding of Shares. This summary description is intended as a guide only and is therefore not comprehensive. If you are in any doubt, you should consult an appropriate professional adviser immediately.

### **2.6.1 South African individuals**

South African individuals will be able to acquire Shares on the South African overseas branch register, via the JSE, without restriction. Consequently, the purchase of Shares by a South African individual will not affect such person's offshore investments allowance. A South African individual need not take any additional administrative actions and can instruct its broker to accept, buy and sell Shares on its behalf as it would with any other listed security on the JSE.

### **2.6.2 South African institutional investors**

Institutional investors are allowed to invest in inward listed shares without affecting their permissible foreign portfolio investment allowance.

### **2.6.3 Member brokers of the JSE**

A special dispensation has, in terms of Section H.(E) of the Exchange Control Rulings, been provided to local brokers to facilitate the trading of inward listed shares on the JSE. South African brokers are now allowed, as a book building exercise, to purchase shares offshore and to transfer them to the South African overseas branch register. This special dispensation is confined to shares of inward listed companies, and brokers may warehouse such shares for a maximum period of 30 days only.

### **2.6.4 South African corporate entities and trusts**

South African corporate entities or trusts will be able to acquire Shares on the South African overseas branch register, via the JSE, without restriction. A South African corporate entity or trust need not take any additional administrative actions and can instruct its broker to accept, buy and sell Shares on its behalf as it would with any other listed security on the JSE.

### **2.6.5 Rights issues**

South African institutional investors, corporates, banks, trusts, partnerships and private individuals will be allowed to exercise their rights in terms of rights offers by the Company.

### **2.6.6 Non residents of the CMA**

Non residents of the CMA may acquire Shares on the JSE, provided that payment is received in foreign currency of ZAR from a non resident account. Proceeds from the sale of Shares by non residents are freely transferable. Former residents of the CMA who have emigrated may use emigrant blocked funds to acquire Shares, provided that these are endorsed accordingly and brought under the physical control of the Authorised Dealer who controls said emigrants' remaining blocked assets.

## **3 Settlement and Trading**

### **3.1 Strate**

#### **3.1.1 General**

Strate is the authorised Central Securities Depository for the electronic settlement of all financial instruments in South Africa. Shares that are not represented by documents of title and that have been replaced with electronic records of ownership are referred to as dematerialised or uncertificated shares. Shares that are evidenced by share certificates or other documents of title are referred to as certificated shares.

The CSDPs are the only market participants who can liaise directly with Strate. There are currently 10 CSDPs, all of whom (other than Computershare Investor Services (Proprietary) Limited, Link Market Services (Proprietary) Limited and Escom Holdings Limited) are banks. Under the Strate system, there are essentially two types of clients: controlled and non controlled.

A controlled broker client is one who elects to keep his shares and cash in the custody of his broker and, therefore, indirectly the broker's chosen CSDP. Because CSDPs are the only market players who liaise directly with Strate, all brokers must have accounts with CSDPs and communicate electronically with them using an international network called SWIFT (Society for Worldwide Inter bank Financial Telecommunications). A controlled client deals directly and exclusively with his broker and his regular share statement comes from his broker.

A non controlled broker client is one who appoints his own CSDP to act on his behalf. He surrenders his certificates and opens an account with his selected CSDP, while dealing with his broker only when he wants to trade. He would have to provide his broker with the details of his share account at the CSDP when trading. A non controlled client receives his share statements directly from his CSDP.

Brokers are obliged to register clients' shares in their nominee name. Of the 10 CSDPs, only Computershare Investor Services (Proprietary) Limited, Link Market Services (Proprietary) Limited and Escom Holdings Limited are currently offering 'own name registration'. All other CSDPs will register all shares in the name of a nominee.

Issuers are obliged to distribute company information to all beneficial shareholders, which are investors recorded behind a nominee company, who wish to receive it, irrespective of how their shares are registered. As such, there will be a designated field on the mandate signed with your broker or CSDP that gives the option to elect to receive such information from the Company.

### **3.1.2 Shares**

Shares will only be traded and settled on the JSE through Strate in electronic form as dematerialised or uncertificated Shares. Accordingly, any person who acquires Shares and who elects to receive such Shares in certificated form will be required to dematerialise their interest in such certificated Shares in order to be able to trade such Shares on the JSE.

Pursuant to the Articles and the Uncertificated Securities Order, Shares may only be held in certificated form or through CREST. To facilitate trading on the JSE through Strate, the dematerialised Shares on the South African overseas branch register will be immobilised and registered in certificated form in the name of PLC Nominees, a company which is jointly owned by the JSE and Strate. This will not, however, affect the operation of the Strate system. The beneficial holders of such Shares will have their beneficial interests in such Shares recorded in accounts maintained by each CSDP, and transfer and settlement of such beneficial title will be effected through Strate and in accordance with the Strate rules. Each beneficial holder will be required to maintain an account with a CSDP or broker and will instruct their CSDPs or brokers regarding voting and other matters in accordance with the mandate entered into between such beneficial holder and his or her CSDP or broker. If a beneficial holder wishes to attend at any meeting of the Company in person, he or she will need to request a letter of representation from his or her CSDP or broker, who will then obtain such letter from PLC Nominees. The dividends due to the beneficial holders will be paid into their accounts by their CSDP or broker. The Company will procure the distribution of all circulars and other documentation to all beneficial holders who have indicated their desire to receive such circulars and other relevant documentation.

## **3.2 Overseas Branch Register**

The Company will, for the purposes of its listing on the JSE, maintain an overseas branch register in South Africa. Due to restrictions imposed by the Companies (Jersey) Law 1991, only South African residents will be allowed to hold Shares directly on the South African overseas branch register in certificated form.

In accordance with the conditions laid down by the SARB in the Exchange Control Regulations, which regulations are applicable in all countries within the CMA, and taking into account the requirements of the Companies (Jersey) Law 1991 governing the operation of the share registers of the Company, the position relating to Shareholders acquiring Shares on the JSE will be as follows:

### **3.2.1 Residents of the CMA**

The Shares acquired by a Shareholder who has, whether as the beneficial holder or through a nominee, a registered address within the CMA will:

- in the case of a dematerialised Shareholder, be credited to his securities accounts at his CSDP or broker;

- in the case of certificated Shareholder, if his registered address is in:
  - (a) South Africa, be registered on the South African overseas branch register in his name or the name of his nominee, as appropriate, with his South African address; or
  - (b) the Republic of Namibia or the Kingdoms of Lesotho or Swaziland, be registered on the South African overseas branch register in the name of a nominee resident in, and with an address in, South Africa and if such nominee and address is not submitted by the Shareholder in writing, the nominee and address will be nominated by the Company.

### **3.2.2 Emigrants from the CMA**

The Shares acquired by a Shareholder who is an emigrant from the CMA will:

- in the case of a dematerialised Shareholder, be credited to his blocked securities accounts at his CSDP or broker; or
- in the case of a certificated Shareholder whose documents of title are restrictively endorsed in terms of the Exchange Control Regulations, be registered on the South African overseas branch register in the name of a nominee resident in, and with an address in, South Africa and if such nominee and address are not submitted by the Shareholder in writing, the nominee and address will be nominated by the Company. The share certificates or share statements, as the case may be, in respect of such Shares will be forwarded to the Authorised Dealer controlling the blocked assets of that emigrant Shareholder.

### **3.2.3 All other non residents of the CMA**

The Shares acquired by a Shareholder who has, whether as the beneficial holder or through a nominee, a registered address outside the CMA and is not an emigrant from the CMA will:

- in the case of a dematerialised Shareholder, be credited to his securities accounts at his CSDP or broker; or
- in the case of a certificated Shareholder, be registered on the Jersey principal register of the Company in his name and with such address, free from any control in terms of the Exchange Control Regulations and the share certificate or share statement, as the case may be, in respect of such Shares will be posted from Jersey at the risk of the Shareholder to the address set out in the register.

Non South African resident Shareholders who hold Shares on the South African overseas branch register through South African nominees who wish to register their holdings into their own names will be required to transfer their registrations from the South African overseas branch register to the Jersey principal register (either into their own names or into the name of a non South African nominee) through CREST or in certificated form. In order to do so, they will be required to obtain the consent of the SARB, for which purpose they should approach an Authorised Dealer.

New non South African resident Shareholders who wish to hold Shares on the South African overseas branch register in certificated form will need to appoint a South African resident nominee. In the case of non CMA residents, the appointment of such nominee must be referred to the exchange control division of an Authorised Dealer.

Non South African resident Shareholders who hold dematerialised Shares through Strate and who wish to rematerialise such Shares will need to appoint a South African resident nominee to be the registered holder in respect of such Shares. In the case of non CMA residents, the appointment of such nominee must be referred to the exchange control division of an Authorised Dealer. Such non CMA residents will also be able to instruct their CSDP or broker to withdraw Shares from Strate and transfer them onto the Jersey principal register through CREST or in certificated form. They will, however, be required to obtain the consent of the SARB to do so, for which purpose they should approach an Authorised Dealer.

Non CMA resident Shareholders will be able to transfer Shares into Strate.

There are certain costs associated with the various transfers.

### **3.3 Overseas Branch Register Rules**

Article 42.2 of the Articles gives the Directors the power to make and vary such regulations as they may think fit regarding of any overseas branch register. The South African overseas branch register will be kept at the offices of Computershare Investor Services (Proprietary) Limited.

Subject to any written requests from the transferee to register otherwise, the Directors will lodge a transfer of Shares in South Africa on the South African overseas branch register if the instrument of transfer is lodged in South Africa, in Jersey on the Jersey principal register if the instrument of transfer is lodged in Jersey and in Hong Kong on the Hong Kong overseas branch register if the instrument of transfer is lodged in Hong Kong.

Only members resident in South Africa will be registered on the South African overseas branch register and, accordingly, the Directors will refuse to register a transfer (including pursuant to a re materialisation of such member's interest in Shares) on the South African overseas branch register if the transferee is not a South African resident, and will instead register such transfer on the Jersey principal register. For the purposes of determining residency, the Directors will rely on the address of such transferee. An address in the CMA (other than in South Africa) will be regarded as a non South African address.

A Shareholder may request a transfer of his Shares from one register to another. The Directors may refuse to process a removal request from a member if the request is not accompanied by all documentation and approvals required by applicable laws. The Directors will refuse to process a transfer of Shares from the Jersey principal register to the South African overseas branch register if the transferee is not a South African resident. The Directors may suspend the process of transfers at such times and for such periods as the Directors may determine.

Notwithstanding Article 152, the Company will send any notice, document or information sent by the Company to members in accordance with Article 149 and 155 to: (i) any member holding Shares in the Company on the South African overseas branch register; and (ii) any person holding a beneficial interest in the Shares through the electronic system operated by Strate, who has indicated their desire to receive such notices, documents and information in accordance with the rules and directives issued by Strate, unless to do so would result in the Company breaching any applicable law (whether in Jersey, South Africa or elsewhere) or would result, directly or indirectly, in the Company being required to comply with additional filing or other regulatory requirements in any jurisdiction.



## PART VIII: GENERAL INFORMATION

### 1 Directors' Responsibility Statement

The Directors, whose names are given in paragraph 1.1 of Part IV: "Directors and Senior Management of the Group" on page 73 of this Pre-Listing Statement, collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-Listing Statement contains all information required by the JSE.

### 2 Material Contracts

The contracts set out in Annex 5: "Material Contracts" to this Pre-Listing Statement are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by any member of the Group (i) within the two years immediately preceding the date of this Pre-Listing Statement that are, or may be, material to the Group; or (ii) at any time and containing obligations or settlement which are, or may be, material to the Group as at the date of this Pre-Listing Statement.

### 3 Material Litigation and Proceedings

Save for the proceeding below, which relates to Xstrata prior to the Merger, there are no legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the Company is aware, that may have or have had in the recent past, being the previous 12 months, a material effect on the Group's financial position:

#### *Privatisation of Cerrejón Zona Norte*

Cerrejón, which is one-third held by the Group, has two main operating companies, being Cerrejón Zona Norte S.A. ("CZN S.A.") and Carbones del Cerrejón ("CdC"). The non-governmental organisation, Corporación Colombia Transparente brought three separate class actions (Popular Action 1029, 1032 and 1048) against CZN S.A. and others relating to the privatisation sale of the Colombian State's interest in CZN S.A. Popular Action 1048 was joined to Popular Action 1029. Popular Action 1029 was dismissed in the first and second instances. The plaintiff filed a tutela action at the Council of State and obtained a decision reinstating the action. Neither CZN S.A. nor the other shareholders of Cerrejón were informed of this decision. An annulment of the proceedings in the tutela action reinstating Popular Action 1029 was subsequently obtained, and CZN S.A. is now involved in the tutela action and is requesting its dismissal. With regard to Popular Action 1032, favourable decisions have been issued in this matter in the first and second instances, which concluded that all authorities acted in conformity with law and that no damage was caused to collective rights. The plaintiff has filed for a revision of the judgment, and an opposition to this revision application was filed by CZN S.A. A decision with respect to the revision is expected during 2014. Popular Action 242 was filed by an individual, Martín Nicolás Barros Choles, against CdC and others, and also arises out of the privatisation of CZN S.A., alleging irregularities in the sale as it did not include the 50 per cent. rights in the properties and assets used in the Cerrejón North Zone operation. Mr Choles is requesting the court to order CdC to pay for the use and lease of 50 per cent. of the properties and assets used in the Cerrejón North Zone operation in the period up to and until November 2009, at which time all of the properties and assets of the Cerrejón project reverted to the Colombian State. CdC considers the claim without merit and expects a decision in the first instance during 2014. The amount of damages sought pursuant to these various actions is approximately U.S.\$2.8 billion (in respect of which the Group would be liable for an amount equal to approximately U.S.\$933 million if one of the actions were successful on the basis that the other actions would then be dismissed) plus the loss of contract.

### 4 Material Changes

No material change in the financial or trading position of the Group has occurred between 30 June 2013 (the date to which the Glencore Xstrata Interim Results had been prepared) and 28 October 2013, being the latest practicable date prior to the publication of this Pre-Listing Statement.

## 5 Preliminary Expenses

There were no preliminary expenses incurred by the Company in relation to the Listing in the three years preceding the date of this Pre-Listing Statement.

## 6 Technical or Secretarial Fees

No material technical or secretarial fees have been paid by the Group during the three years preceding 28 October 2013 (being the latest practicable date prior to the publication of this Pre-Listing Statement).

## 7 Listing Fees and Expenses

<u>Expense</u>	<u>Payable to</u>	<u>Amount (ex VAT)</u>
JSE—listing fee . . . . .	JSE	ZAR2,063,435.22
JSE—documentation inspection fee . . . . .	JSE	ZAR54,956.16
Sponsor/joint financial adviser fees . . . . .	ABSA Bank Limited	U.S.\$500,000.00 <sup>(1)</sup>
Corporate broker/joint financial adviser fees . . . . .	Citigroup Global Markets Limited	U.S.\$500,000.00 <sup>(1)</sup>
Legal fees . . . . .	Linklaters LLP	£225,000.00
	Werksmans Inc.	ZAR800,000.00
Registrars' fees . . . . .	Computershare Investor Services (Proprietary) Limited	ZAR40,000.00

Note:

(1) Payable upon five per cent. of the issued share capital of the Company being transferred onto the South African overseas branch register.

## 8 Royalties

No material royalties have been paid by the Group during the three years preceding 28 October 2013, being the latest practicable date prior to the publication of this Pre-Listing Statement, or are payable by the Group.

## 9 Promoters' Interests

No promoter has had any material beneficial interest, direct or indirect, in the promotion of the Group or in any property acquired or proposed to be acquired by the Group, or any other issue in the preceding three years, and no amount or cash or securities was paid or any benefit given within the three preceding years, or is proposed to be paid or given, to any promoter not being a Director.

## 10 Advisers' Interests

None of ABSA Bank Limited, Citigroup Global Markets Limited, Deloitte LLP, Linklaters LLP and Werksmans hold any material interests in Shares or have agreed to acquire any material interests in Shares at the date of this Pre-Listing Statement.

## 11 Consents

The written consents of Linklaters LLP, Werksmans, Deloitte LLP, ABSA Bank Limited, Citigroup Global Markets Limited, Barclays Bank Plc, Computershare Investor Services (Jersey) Limited, Computershare Hong Kong Investor Services Limited and Computershare Investor Services (Proprietary) Limited to act in the capacities stated on page 1 of this Pre-Listing Statement, and to their names being stated in the form and context in which they are included in this Pre-Listing Statement, have been given and have not been withdrawn prior to the issue of this Pre-Listing Statement.

## 12 Documents Available for Inspection

Copies of the following documents will be available for inspection at the Company's registered office and the offices of Werksmans during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from and including the date of this Pre-Listing Statement until 14 November 2013.

- (i) the Articles;
- (ii) the consent letters referred to in paragraph 11 of this Part VIII;
- (iii) the Glencore Annual Report and Accounts 2012 and Glencore Annual Report and Accounts 2011;
- (iv) the Xstrata Annual Report and Accounts 2012, the Xstrata Annual Report and Accounts 2011 and the Xstrata Annual Report and Accounts 2010;
- (v) the IPO Prospectus;
- (vi) the 144A Offering Circular;
- (vii) the Glencore Reserves and Resources;
- (viii) the Xstrata Reserves and Resources;
- (ix) the Glencore Xstrata Interim Results; and
- (x) this Pre-Listing Statement.

This Pre-Listing Statement has been signed in Baar on behalf of the Directors in terms of powers of attorney granted.

## PART IX: INFORMATION INCORPORATED BY REFERENCE

The following information is incorporated by reference into, and forms part of, this Pre-Listing Statement. Only the parts of documents identified in the tables below are incorporated into, and form part of, this Pre-Listing Statement and those documents are available at the Company's website, [www.glencorexstrata.com](http://www.glencorexstrata.com). To the extent that any part of information referred to below itself contains information incorporated by reference, such information shall not form part of this Pre-Listing Statement.

### 1 Glencore Financial Information

The Glencore Audited Financial Statements, as contained in the following documents:

Information incorporated by reference into this Pre-Listing Statement	Reference document	Page number(s) in reference document
<b>For the 2012 financial year</b>		
Confirmation of Directors' responsibilities	Glencore Annual Report and Accounts 2012	108
Independent auditor's report	Glencore Annual Report and Accounts 2012	109
Consolidated statement of income	Glencore Annual Report and Accounts 2012	110
Consolidated statement of comprehensive income	Glencore Annual Report and Accounts 2012	111
Consolidated statement of financial position	Glencore Annual Report and Accounts 2012	112
Consolidated statement of cash flows	Glencore Annual Report and Accounts 2012	113
Consolidated statement of changes in equity	Glencore Annual Report and Accounts 2012	114
Notes to the financial statements	Glencore Annual Report and Accounts 2012	115-163
<b>For the 2011 financial year</b>		
Statement of Directors' responsibilities	Glencore Annual Report and Accounts 2011	104
Independent auditor's report	Glencore Annual Report and Accounts 2011	105
Consolidated statement of income	Glencore Annual Report and Accounts 2011	106
Consolidated statement of comprehensive income	Glencore Annual Report and Accounts 2011	107
Consolidated statement of financial position	Glencore Annual Report and Accounts 2011	108
Consolidated statement of cash flows	Glencore Annual Report and Accounts 2011	109
Consolidated statement of changes in equity	Glencore Annual Report and Accounts 2011	110
Notes to the financial statements	Glencore Annual Report and Accounts 2011	111-155
<b>For the 2010 financial year</b>		
Accountant's report on historical financial information	IPO Prospectus	190-192
Consolidated statement of income	IPO Prospectus	193
Consolidated statement of comprehensive income	IPO Prospectus	194
Consolidated statement of financial position	IPO Prospectus	195
Consolidated statement of cash flows	IPO Prospectus	196-197
Consolidated statement of changes in equity	IPO Prospectus	198
Notes to the historical financial statements	IPO Prospectus	199-241

### 2 Xstrata Financial Information

The Xstrata Audited Financial Statements, as contained in the following documents:

Information incorporated by reference into this Pre-Listing Statement	Reference document	Page number(s) in reference document
<b>For the 2012 financial year</b>		
Directors' responsibilities statement	Xstrata Annual Report and Accounts 2012	64
Independent auditor's report	Xstrata Annual Report and Accounts 2012	65
Consolidated income statement	Xstrata Annual Report and Accounts 2012	66
Consolidated statement of comprehensive income	Xstrata Annual Report and Accounts 2012	67
Consolidated statement of financial position	Xstrata Annual Report and Accounts 2012	68
Consolidated cash flow statement	Xstrata Annual Report and Accounts 2012	70
Consolidated statement of changes in equity	Xstrata Annual Report and Accounts 2012	71
Notes to the financial statements	Xstrata Annual Report and Accounts 2012	72-137

<b>Information incorporated by reference into this Pre-Listing Statement</b>	<b>Reference document</b>	<b>Page number(s) in reference document</b>
<b>For the 2011 financial year</b>		
Statement of directors' responsibilities	Xstrata Annual Report and Accounts 2011	116
Independent auditor's report	Xstrata Annual Report and Accounts 2011	117
Consolidated income statement	Xstrata Annual Report and Accounts 2011	118
Statement of comprehensive income	Xstrata Annual Report and Accounts 2011	119
Consolidated statement of financial position	Xstrata Annual Report and Accounts 2011	120
Consolidated cash flow statement	Xstrata Annual Report and Accounts 2011	122
Statement of changes in equity	Xstrata Annual Report and Accounts 2011	123
Notes to the financial statements	Xstrata Annual Report and Accounts 2011	124-187
<b>For the 2010 financial year</b>		
Statement of directors' responsibilities	Xstrata Annual Report and Accounts 2010	132
Independent auditor's report	Xstrata Annual Report and Accounts 2010	133
Consolidated income statement	Xstrata Annual Report and Accounts 2010	134
Statement of comprehensive income	Xstrata Annual Report and Accounts 2010	135
Consolidated statement of financial position	Xstrata Annual Report and Accounts 2010	136
Consolidated cash flow statement	Xstrata Annual Report and Accounts 2010	138
Statement of changes in equity	Xstrata Annual Report and Accounts 2010	139
Notes to the financial statements	Xstrata Annual Report and Accounts 2010	140-219

### 3 Glencore Xstrata Interim Results

The Glencore Xstrata Interim Results, as contained in the following documents:

<b>Information incorporated by reference into this Pre-Listing Statement</b>	<b>Reference document</b>	<b>Page number(s) in reference document</b>
<b>For the six months ended 30 June 2013</b>		
Chief Executive Officer's Review	Glencore Xstrata Interim Results	5
Financial Review	Glencore Xstrata Interim Results	6-13
Business Review		
Metals and Minerals	Glencore Xstrata Interim Results	16-34
Energy Products	Glencore Xstrata Interim Results	35-41
Agricultural Products	Glencore Xstrata Interim Results	42-43
Independent Review Report to Glencore Xstrata plc from Deloitte LLP dated 19 August 2013	Glencore Xstrata Interim Results	45
Condensed Consolidated Financial Statements for the six months ended 30 June 2013 (unaudited)	Glencore Xstrata Interim Results	46-52
Notes to the Unaudited Condensed Interim Consolidated Financial Statements	Glencore Xstrata Interim Results	53-77
Appendix	Glencore Xstrata Interim Results	78
Glossary	Glencore Xstrata Interim Results	

### 4 Reserves and Resources Information

The Glencore Reserves and Resources, as contained in the following documents:

<b>Information incorporated by reference into this Pre-Listing Statement</b>	<b>Reference document</b>	<b>Page number(s) in reference document</b>
Reserves and resources	Glencore Annual Report and Accounts 2012	64-79

The Xstrata Reserves and Resources , as contained in the following documents:

<b>Information incorporated by reference into this Pre-Listing Statement</b>	<b>Reference document</b>	<b>Page number(s) in reference document</b>
Mineral resources and ore reserves	Xstrata Reserves and Resources	1-51

## 5 Operating and Financial Review

The section entitled “Operating and Financial Review”, as contained in the following document:

<b>Information incorporated by reference into this Pre-Listing Statement</b>	<b>Reference document</b>	<b>Page number(s) in reference document</b>
Operating and Financial Review	144A Offering Circular	109-141

## 6 Summaries of Articles and Share Schemes

The summaries of the Articles and Share Schemes, as contained in the following documents:

<b>Information incorporated by reference into this Pre-Listing Statement</b>	<b>Reference document</b>	<b>Page number(s) in reference document</b>
Summary of the Articles of the Company	IPO Prospectus	285-294
Glencore employee share plans	IPO Prospectus	299-303

## PART X: DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

The definitions set out below apply throughout this Pre-Listing Statement, unless the context requires otherwise.

<b>144A Offering Circular</b>	means the offering circular dated 22 May 2013, published in connection with the 2013 Offering Notes;
<b>Agrium</b>	means Agrium Inc., registered under the federal laws of Canada pursuant to the Canada Business Corporations Act with corporation number 2880814 and registered office at 13131 Lake Fraser Drive S.E., Calgary AB T2J 7E8, Canada;
<b>Articles</b>	means the articles of association of the Company;
<b>AR Zinc</b>	means AR Zinc SA, an entity in which the Group has a 100 per cent. interest;
<b>bbls</b>	means barrels;
<b>BEE</b>	means Black Economic Empowerment;
<b>Blackthorn Resources</b>	means Blackthorn Resources Limited, an entity in which the Group has a 14.3 per cent. interest;
<b>Board</b>	means the board of Directors of the Company;
<b>Century Aluminum</b>	means Century Aluminum Company, an entity in which the Group has a 46.6 per cent. economic interest;
<b>CEO</b>	means chief executive officer;
<b>CEZ</b>	means Canadian Electrolyte Zinc Limited, an entity in which the Group has a 25 per cent. interest;
<b>Chemoil</b>	means Chemoil Energy Limited, an entity in which the Group has a 89.2 per cent. interest;
<b>CIS</b>	means the Commonwealth of Independent States, whose participant countries are certain former members of the Union of Soviet Socialist Republics;
<b>Common Monetary Area or CMA</b>	means the common monetary areas of Lesotho, Namibia, South Africa and Swaziland;
<b>Cobar</b>	means Cobar Management Pty Ltd, an entity in which the Group has a 100 per cent. interest;
<b>COMEX or NYMEX</b>	means the Commodity Exchange division of the New York Mercantile Exchange;
<b>Company or Glencore Xstrata</b>	means Glencore Xstrata plc (previously known as Glencore International plc), a public company incorporated in Jersey with registration number 107710;
<b>CREST</b>	means the UK-based system for the paperless settlement of trades in listed securities, of which Euroclear UK & Ireland is the operator;
<b>CSDP</b>	means a Central Securities Depository Participant accepted as a participant in terms of the South African Financial Markets Act;
<b>Directors</b>	means the directors of the Company, whose names appear in Part IV: "Directors and Senior Management of the Group" of this Pre-Listing Statement;
<b>Disclosure and Transparency Rules or DTRs</b>	means the Disclosure and Transparency Rules of the UK Listing Authority;

<b>DRC</b>	means the Democratic Republic of Congo;
<b>EBIT</b>	means earnings before interest and tax;
<b>EBITDA</b>	means earnings before interest, tax, depreciation and amortisation;
<b>Eland</b>	means Eland Platinum Holdings Pty Limited, a company organised under the laws of South Africa with limited liability, an entity in which the Group has a 100 per cent. interest;
<b>EMTN Programme</b>	has the meaning given to it in paragraph 8 of Annex 5: “Material Contracts” to this Pre-Listing Statement;
<b>EU</b>	means the European Union;
<b>EU IFRS</b>	means IFRS as adopted by the EU;
<b>Executive Directors</b>	means the executive Directors of the Company;
<b>FCA</b>	means the Financial Conduct Authority;
<b>FSMA</b>	means the Financial Services and Markets Act 2000 as amended;
<b>FTSE 100</b>	means the FTSE 100 Index, as published by the FTSE Group;
<b>Glencore</b>	means the Group, excluding Xstrata;
<b>Glencore 2010 Audited Financial Statements</b>	has the meaning given to it in paragraph 1 of Part V: “Financial Information” of this Pre-Listing Statement;
<b>Glencore 2011 Audited Financial Statements</b>	has the meaning given to it in paragraph 1 of Part V: “Financial Information” of this Pre-Listing Statement;
<b>Glencore 2012 Audited Financial Statements</b>	has the meaning given to it in paragraph 1 of Part V: “Financial Information” of this Pre-Listing Statement;
<b>Glencore Audited Financial Statements</b>	has the meaning given to it in paragraph 1 of Part V: “Financial Information” of this Pre-Listing Statement;
<b>Glencore Convertible Bonds</b>	means the U.S.\$2,300 million 5 per cent. convertible bonds due December 2014 described in paragraph 7 of Annex 5: “Material Contracts” to this Pre-Listing Statement;
<b>Glencore International or GIAG</b>	means Glencore International AG, a company incorporated in Switzerland and a wholly-owned subsidiary of the Company;
<b>Glencore Reserves and Resources</b>	means the Glencore reserves and resources data included in the Glencore Annual Report and Accounts 2012 published by Glencore on 25 March 2013;
<b>Glencore Xstrata Interim Results</b>	means the results of the Company for the six months ended 30 June 2013;
<b>Group</b>	means the Company and its subsidiaries and any subsidiary thereof from time to time, and, where appropriate, its associates and joint ventures from time to time;
<b>HK or Hong Kong</b>	means the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>Hong Kong Stock Exchange or HKSE</b>	means The Stock Exchange of Hong Kong Limited;
<b>IFRS</b>	means International Financial Reporting Standards;
<b>IPO</b>	means initial public offering;
<b>IPO Prospectus</b>	means the prospectus published by the Company in connection with the IPO dated 4 May 2011;



<b>JSE</b>	means JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the law of South Africa, and a stock exchange licensed in terms of the South African Financial Markets Act;
<b>JSE Listing Requirements</b>	means the listing requirements of the JSE, as amended from time to time;
<b>JX Nippon Oil</b>	means JX Nippon Oil & Energy Corporation;
<b>Katanga</b>	means Katanga Mining Limited, an entity in which the Group has a 75.3 per cent. interest;
<b>Kazzinc</b>	means Kazzinc LLP, a limited liability partnership organised and incorporated under the laws of Kazakhstan in which the Group has a 69.7 per cent. interest;
<b>LBMA</b>	means the London Bullion Market Association;
<b>LIBOR</b>	means the London Interbank Offered Rate;
<b>Listing</b>	means the secondary listing of the Shares on the JSE;
<b>Listing Rules</b>	means the rules and regulations made by the UK Listing Authority, and contained in the UK Listing Authority's publication of the same name;
<b>LME</b>	means the London Metals Exchange;
<b>London Stock Exchange or LSE</b>	means London Stock Exchange plc;
<b>Lonmin</b>	means Lonmin plc, an entity in which the Group has a 24.5 per cent. interest;
<b>Los Quenuales</b>	means Empresa Minera Los Quenuales SA, an entity in which the Group has a 97.6 per cent. interest;
<b>Merger</b>	means the merger between Glencore and Xstrata completed on 2 May 2013;
<b>Merger Remedy Commitments</b>	means the remedy commitments made to MOFCOM on 12 April 2013 in connection with the Merger;
<b>Minara</b>	means Minara Resources Ltd., an entity in which the Group has a 100 per cent. interest;
<b>Minera Alumbrera Limited</b>	means Minera Alumbrera Limited S.A., an entity in which the Group has a 50 per cent. interest;
<b>MOFCOM</b>	means the Ministry of Commerce of the People's Republic of China;
<b>Moody's</b>	means Moody's Investors Service Limited;
<b>Mopani</b>	means Mopani Copper Mines plc, an entity in which the Group has a 73.1 per cent. interest;
<b>MPRDA</b>	means the South African Mineral and Petroleum Resources Development Act, No.28 of 2002, as amended;
<b>MT</b>	means metric tonnes;
<b>Mutanda</b>	means Mutanda Sarl, an entity in which the Group has a 54.5 per cent. interest;
<b>MW</b>	means megawatt;
<b>NASDAQ</b>	means The Nasdaq Stock Market, Inc;

<b>NI 43-101</b>	means the Canadian National Instrument 43-101—“Standard Disclosure for Mineral Projects” of the Canadian Securities Administrators;
<b>Non-Executive Directors</b>	means the non-executive Directors of the Company;
<b>Official List</b>	means the official list of the UK Listing Authority;
<b>Optimum Coal</b>	means Optimum Coal Holdings (Proprietary) Limited (registration number 2006/007799/07), a private company incorporated in accordance with the laws of South Africa, in which the Group has an effective interest of 67.6 per cent.;
<b>PLC Nominees</b>	means PLC Nominees (Proprietary) Limited, a company incorporated in accordance with the laws of South Africa, registration number 1989/002235/07;
<b>PGM</b>	means platinum group metals;
<b>Pre-Listing Statement</b>	means this pre-listing statement issued by the Company on 31 October 2013;
<b>Recylex</b>	means Recylex S.A., a company incorporated in accordance with the laws of the Republic of France, in which the Group has a 32.2 per cent. interest;
<b>Richardson</b>	means Richardson International Limited, registered under the federal laws of Canada pursuant to the Canada Business Corporations Act with corporation number 4135253 and registered office at 2800 One Lombard Place, Winnipeg, MB R3B 0X8, Canada;
<b>Rosh Pinah</b>	means Rosh Pinah Zinc Corporation (Proprietary) Limited, a private company incorporated in accordance with the laws of Namibia, in which the Company has an 80.1 per cent. interest;
<b>Securities Act</b>	means the U.S. Securities Act of 1933 and the rules and regulations promulgated thereunder (as amended);
<b>SARB</b>	means the South African Reserve Bank;
<b>SENS</b>	means the Stock Exchange News Service of the JSE;
<b>Shanduka Coal</b>	means Shanduka Coal (Proprietary) Limited (registration number 2005/034641/07), a private company incorporated in accordance with the laws of South Africa, an entity in which the Group has a 49.9 per cent. interest;
<b>Share Schemes</b>	has the meaning given to it in paragraph 8 of Part VI: “Share Capital” of this Pre-Listing Statement;
<b>Shareholders</b>	means holders of Shares;
<b>Shares</b>	means fully paid up ordinary shares of U.S.\$0.01 each in the capital of the Company;
<b>SHFE</b>	means Shanghai Futures Exchange;
<b>SIX</b>	means SIX Swiss Exchange Ltd;
<b>South Africa</b>	means the Republic of South Africa;
<b>South African Government</b>	means the government of South Africa;
<b>South African Companies Act</b>	means the South African Companies Act, No.71 of 2008, as amended;
<b>South African Income Tax Act</b>	means the South African Income Tax Act, No 58 of 1962, as amended;

<b>South African Financial Markets Act</b>	means the South African Financial Markets Act, No. 19 of 2012, as amended;
<b>Sphere</b>	means Sphere Minerals Limited, a company incorporated in Australia in which the Group has an 88.2 per cent. interest;
<b>Standard &amp; Poor's</b>	means Standard & Poor's Ratings Services, a division of McGraw-Hill Financial, Inc.;
<b>Strate</b>	means Strate Limited (registration number 1998/022242/06), a public company incorporated in accordance with the laws of South Africa which is a licensed central securities depository in terms of the South African Financial Markets Act and which is responsible for the electronic clearing and settlement system used by the JSE;
<b>tonne or tonnes</b>	means 1,000 kilograms;
<b>UK or United Kingdom</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>UK Companies Act</b>	means the UK Companies Act 2006, as amended from time to time;
<b>UK Corporate Governance Code</b>	means the UK Corporate Governance Code on the Principles of Good Governance and Code of Best Practice published in June 2010 by the Financial Reporting Council in the UK as amended from time to time (including the new edition, which was published in September 2013, which will apply to reporting periods beginning on or after 1 October 2012);
<b>UK Listing Authority</b>	means the FCA acting in its capacity under FSMA;
<b>Umcebo</b>	means Umcebo Mining (Proprietary) Limited (registration number 2003/003765/07), a private company incorporated in accordance with the laws of South Africa, an entity in which the Group has a 43.7 per cent. interest;
<b>Uncertificated Securities Order</b>	means the Companies (Uncertificated Securities) (Jersey) Order 1999;
<b>U.S. or United States or United States of America</b>	means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
<b>VaR</b>	means Value at Risk;
<b>Verny Capital</b>	means JSC "Verny Capital" (registered in the Republic of Kazakhstan);
<b>Verny Investments</b>	means closed unit risk investment fund "Vernye Investitsii" (represented by Verny Capital, acting in the best interests of closed unit risk investment fund "Vernye Investitsii");
<b>Verny Rost</b>	means closed unit risk investment fund "Verny Rost" (represented by Verny Capital, acting in the best interests of closed unit risk investment fund "Vernye Rost");
<b>Viterra</b>	means Viterra Inc., registered under the federal laws of Canada pursuant to the Canada Business Corporations Act with corporation number 7501960 and registered office at 2625 Victoria Avenue, Regina SK S4T 7T9, Canada;
<b>Viterra Arrangement</b>	means Glencore's acquisition of 100 per cent. of the issued and outstanding shares in Viterra, by way of court approved plan of arrangement under the Canadian Business

Corporations Act, which was completed on 17 December 2012;

**Werksmans**

means Werksmans Inc. (registration number 1990/007215/21), a personal liability company incorporated in accordance with the laws of South Africa;

**Xstrata**

means Xstrata Limited (previously known as Xstrata plc) and its subsidiaries and any subsidiary thereof as at completion of the Merger;

**Xstrata 2010 Audited Financial Statements**

has the meaning given to it in paragraph 1 of Part V: “Financial Information” of this Pre-Listing Statement;

**Xstrata 2011 Audited Financial Statements**

has the meaning given to it in paragraph 1 of Part V: “Financial Information” of this Pre-Listing Statement;

**Xstrata 2012 Audited Financial Statements**

has the meaning given to it in paragraph 1 of Part V: “Financial Information” of this Pre-Listing Statement;

**Xstrata Audited Financial Statements**

has the meaning given to it in paragraph 1 of Part V: “Financial Information” of this Pre-Listing Statement; and

**Xstrata Reserves and Resources**

means the Mineral Resources & Ore Reserves Report as at 31 December 2012 published by Xstrata on 3 May 2013.

## ANNEX 1: PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The following table contains a list of the principal subsidiaries, associates and joint ventures of the Company as at 28 October 2013 (being the latest practicable date prior to the publication of this Pre-Listing Statement).

<u>Name</u>	<u>Country of incorporation</u>	<u>% interest</u>	<u>Main activity</u>
Abelshore Pty Ltd . . . . .	Australia	95.0	Coal project
African Carbon Manufacturers (Pty) Ltd . . . . .	South Africa	100.0	Char operations
African Carbon Producers (Pty) Ltd . . . . .	South Africa	100.0	Char operations
African Carbon Union (Pty) Ltd . . . . .	South Africa	74.0	Char operations
African Fine Carbon (Pty) Ltd . . . . .	South Africa	100.0	Char operations
Allied Alumina LLC (Sherwin) . . . . .	United States	100.0	Alumina production
Antamina Joint Venture . . . . .	Peru	33.75	Copper & zinc operations
AR Zinc SA . . . . .	Argentina	100.0	Zinc/Lead production
ARM Coal (Pty) Ltd . . . . .	South Africa	49.0	Coal operations
Asturiana de Zinc SA . . . . .	Spain	100.0	Zinc smelter
Biopetrol Industries AG . . . . .	Switzerland	98.6	Biodiesel production
Britannia Refined Metals Limited . . . . .	UK	100.0	Lead smelter
Bulga Joint Venture . . . . .	Australia	68.25	Coal operations
Century Aluminium Company <sup>(1)</sup> . . . . .	United States	46.6	Aluminium production
Cerrejón Joint Venture . . . . .	Colombia	33.33	Coal operations
Char Technology (Pty) Ltd . . . . .	South Africa	100.0	Char operations
Chemoil Energy Limited . . . . .	Hong Kong	89.2	Oil storage and bunkering
Coalex Holdings Pty Ltd . . . . .	Australia	78.0	Coal operations
Cobar Group . . . . .	Australia	100.0	Copper production
Collahuasi Joint Venture . . . . .	Chile	44.0	Copper operations
Compania Minera Xstrata Lomas Bayas . . . . .	Chile	100.0	Copper operations
Cook Resources Mining Pty Ltd . . . . .	Australia	100.0	Coal project
Correcta Industria e Comercio Ltda. . . . .	Brazil	100.0	Wheat flour milling
Cumnock Joint Venture . . . . .	Australia	90.0	Coal operations
Cumnock No. 1 Colliery Pty Ltd . . . . .	Australia	100.0	Coal operations
Donkin Joint Venture . . . . .	Canada	75.0	Coal project
EI Aouj Joint Venture . . . . .	Mauritania	44.0	Iron ore project
Eland Platinum Holdings Pty Limited . . . . .	South Africa	100.0	Platinum assets
Eland Pooling and Sharing Venture . . . . .	South Africa	74.0	Platinum operations
Empresa Minera Los Quenuales S.A. . . . .	Peru	97.6	Zinc/Lead production
Energía Austral Joint Venture . . . . .	Chile	49.0	Hydroelectricity project
Energía Austral SpA . . . . .	Chile	49.0	Hydroelectric power project
Enex Foydell Limited . . . . .	Australia	100.0	Coal operations
Enex Liddell Pty Ltd . . . . .	Australia	100.0	Coal operations
Enex Oakbridge Pty Ltd . . . . .	Australia	100.0	Coal operations
Enex Togara Pty Ltd . . . . .	Australia	100.0	Coal project
Ernest Henry Mining Pty Ltd . . . . .	Australia	100.0	Copper operations
Falconbridge Dominicana S.A. . . . .	Dominican Republic	85.3	Ferronickel operations
Finges Investment B.V. . . . .	Netherlands	100.0	Finance
Foybrook Joint Venture . . . . .	Australia	67.5	Coal operations
Glencane Bioenergia S.A. . . . .	Brazil	100.0	Sugar cane/ethanol production
Glencore AG . . . . .	Switzerland	100.0	Operating
Glencore Canada Corporation . . . . .	Canada	100.0	Copper, nickel and zinc operations
Glencore Coal Canada Limited . . . . .	Canada	100.0	Coal project
Glencore Coal Queensland Pty Limited . . . . .	Australia	100.0	Coal operations
Glencore Commodities Ltd . . . . .	UK	100.0	Operating
Glencore Energy UK Ltd . . . . .	UK	100.0	Operating
Glencore Exploration (EG) Ltd. . . . .	Bermuda	100.0	Oil production
Glencore Finance (Bermuda) Ltd . . . . .	Bermuda	100.0	Finance
Glencore Finance (Europe) S.A. . . . .	Luxembourg	100.0	Finance
Glencore Funding LLC . . . . .	United States	100.0	Finance
Glencore Grain B.V. . . . .	Netherlands	100.0	Operating
Glencore Group Funding Limited . . . . .	UAE	100.0	Finance
Glencore International AG . . . . .	Switzerland	100.0	Operating
Glencore Manganese Group . . . . .	France/Norway	100.0	Manganese furnace
Glencore Newpac Pty Limited . . . . .	Australia	100.0	Investment company
Glencore Nickel International Limited . . . . .	Barbados	100.0	Nickel feeds acquisition
Glencore Nickel International S.A. . . . .	Belgium	100.0	Nickel procurement agent
Glencore Operations South Africa . . . . .	South Africa	100.0	Coal, chrome, platinum & vanadium operations
Glencore Projects Pty Limited . . . . .	Australia	100.0	Exploration company
Glencore Queensland Limited . . . . .	Australia	100.0	Holding company

<b>Name</b>	<b>Country of incorporation</b>	<b>% interest</b>	<b>Main activity</b>
Glencore Rail (NSW) Pty Limited . . . . .	Australia	100.0	Rail project
Glencore Recycling Inc. . . . .	USA	100.0	Copper recycling
Glencore Singapore Pte Ltd . . . . .	Singapore	100.0	Operating
Glencore UK Ltd . . . . .	UK	100.0	Operating
Goedgedvonden Joint Venture . . . . .	South Africa	74.0	Coal operations
Jonsha Pty Limited . . . . .	Australia	100.0	Coal operations
Kabanga Joint Venture . . . . .	Tanzania	50.0	Nickel project
Katanga Mining Limited . . . . .	Canada	75.3	Copper production
Kazzinc Ltd. . . . .	Kazakhstan	69.7	Zinc/Lead/Copper production
Koniambo Nickel S.A.S <sup>(2)</sup> . . . . .	New Caledonia	49.0	Ferronickel project
Liddell Joint Venture . . . . .	Australia	67.5	Coal operations
Lonmin plc . . . . .	UK	24.5	Platinum operations
Macquarie Coal Joint Venture . . . . .	Australia	80.0	Coal operations
Mangoola Coal Operations Pty Limited . . . . .	Australia	100.0	Coal operations
McArthur River Mining Pty Ltd . . . . .	Australia	100.0	Zinc operations
Merafe Pooling and Sharing Venture . . . . .	South Africa	79.5	Chrome operations
Minera Altos de Punitaqui Limitada . . . . .	Chile	100.0	Copper production
Minera Alumbrera Limited <sup>(3)</sup> . . . . .	Antigua	50.0	Copper operations
Mintrade Pty Ltd . . . . .	Australia	100.0	Technology operations
Mopani Copper Mines plc . . . . .	Zambia	73.1	Copper production
Moreno Group . . . . .	Argentina	100.0	Edible oils production
Mototolo Joint Venture . . . . .	South Africa	37.0	Platinum operations
Mount Isa Mines Limited . . . . .	Australia	100.0	Copper, lead and zinc operations
Murrin Murrin Group . . . . .	Australia	100.0	Nickel production
Mutanda Group . . . . .	DRC	54.5	Copper/cobalt production
Newcastle Coal Shippers Pty Ltd . . . . .	Australia	37.0	Coal terminal
Newlands, Collinsville, Abbot Point Joint Venture . . . . .	Australia	55.0	Coal operations
Noranda Income Fund . . . . .	Canada	25.0	Zinc refinery
Oakbridge Pty Ltd . . . . .	Australia	78.0	Coal operations
Oaky Creek Coal Joint Venture . . . . .	Australia	55.0	Coal operations
Oceanic Coal Australia Pty Limited . . . . .	Australia	50.0	Coal operations
Optimum Coal Holdings Limited . . . . .	South Africa	67.6	Coal production
Pacorini Group . . . . .	Switzerland	100.0	Metals warehousing
Pannon Vegetable Oil Manufacturing LLC . . . . .	Hungary	100.0	Vegetable oil production
Pasar Group . . . . .	Philippines	78.2	Copper production
Pentland Joint Venture . . . . .	Australia	75.0	Coal operations
Perkoa Group . . . . .	Burkina Faso	62.7	Zinc development
Ploutos Australia Pty Ltd . . . . .	Australia	100.0	Holding company
Polymet Mining Corp. . . . .	Canada	35.8	Copper production
Port Kembla Coal Terminal Limited . . . . .	Australia	33.4	Coal terminal
Portovesme S.r.L. . . . .	Italy	100.0	Zinc/Lead production
Prodeco Group . . . . .	Colombia	100.0	Coal production
Ravensworth Operations Pty Ltd . . . . .	Australia	100.0	Coal operations
Ravensworth Underground Mine Joint Venture . . . . .	Australia	70.0	Coal operations
Recylex S.A. . . . .	France	32.2	Zinc/Lead production
Redrock Joint Venture . . . . .	Australia	75.0	Coal operations
Renova S.A. . . . .	Argentina	33.3	Vegetable oil production
Resource Pacific Pty Ltd . . . . .	Australia	77.8	Coal operations
Rhovan Pooling and Sharing Venture . . . . .	South Africa	74.0	Vanadium operations
Richards Bay Coal Terminal Company Limited . . . . .	South Africa	31.7	Coal terminal
Rolleston Joint Venture . . . . .	Australia	75.0	Coal operations
Rosh Pinah Zinc Corporation (Pty) Limited . . . . .	Namibia	80.1	Zinc/Lead production
Russneft Group (various companies) <sup>(4)</sup> . . . . .	Russia	40.0–49.0	Oil production
Sable Zinc Kabwe Limited . . . . .	Zambia	100.0	Copper production
Sagittarius Mines, Inc . . . . .	Philippines	62.4	Exploration company
Saxonvale Coal Pty Limited . . . . .	Australia	78.0	Coal operations
Shanduka Coal (Pty) Ltd <sup>(5)</sup> . . . . .	South Africa	49.9	Coal production
Sinchi Wayra SA . . . . .	Bolivia	100.0	Zinc/Tin production
Sphere Minerals Limited . . . . .	Australia	88.2	Exploration company
ST Shipping & Transport Pte Ltd . . . . .	Singapore	100.0	Operating
Tahmoor Coal Pty Limited . . . . .	Australia	100.0	Coal operations
Tavistock Collieries (Pty) Ltd . . . . .	South Africa	100.0	Coal operations
The Wallerawang Collieries Limited . . . . .	Australia	74.1	Coal operations
Tironimus AG . . . . .	Switzerland	100.0	Holding company
Togara North Joint Venture . . . . .	Australia	70.0	Coal project
Topley Corporation . . . . .	B.V.I.	100.0	Ship owner
Ulan Coal Mines Joint Venture . . . . .	Australia	90.0	Coal operations
Ulan Coal Mines Limited . . . . .	Australia	90.0	Coal operations

<b>Name</b>	<b>Country of incorporation</b>	<b>% interest</b>	<b>Main activity</b>
Ulan Power Company Pty Limited . . . . .	Australia	100.0	Feasibility projects
Umcebo Mining (Pty) Ltd <sup>(6)</sup> . . . . .	South Africa	43.7	Coal production
United Collieries Pty Ltd . . . . .	Australia	94.99	Coal operations
United Company Rusal plc . . . . .	Jersey	8.75	Aluminium production
United Joint Venture . . . . .	Australia	95.0	Coal operations
Usti Oilseed Group. . . . .	Czech Republic	100.0	Edible oil production
Vasilkovskoye Gold . . . . .	Kazakhstan	69.7	Gold production
Viterra Group . . . . .	Canada	100.0	Grain handling
Volcan Compania Minera S.A.A. . . . .	Peru	7.3	Zinc production
Wandoan Joint Venture . . . . .	Australia	75.0	Coal operations
Xstrata (Schweiz) AG . . . . .	Switzerland	100.0	Holding company
Xstrata Brasil Exploracao Mineral Ltda . . . . .	Brazil	100.0	Exploration
Xstrata Canada Financial Corp . . . . .	Canada	100.0	Finance company
Xstrata Copper Chile S.A. . . . .	Chile	100.0	Copper smelter
Xstrata Finance (Canada) Limited . . . . .	Canada	100.0	Finance company
Xstrata Finance (Dubai) Limited . . . . .	UAE	100.0	Finance company
Xstrata Las Bambas S.A. . . . .	Peru	100.0	Copper project
Xstrata Limited (formerly Xstrata plc) . . . . .	UK	100.0	Diversified production
Xstrata Nickel Australasia Pty Ltd . . . . .	Australia	100.0	Nickel operations
Xstrata Nickel Marketing S.A. . . . .	Belgium	100.0	Nickel marketing
Xstrata Nikkelverk AS . . . . .	Norway	100.0	Nickel refinery
Xstrata Norte Exploraciones y Servicios Limitada . . . . .	Chile	100.0	Marketing company
Xstrata Project Services (UK) Limited . . . . .	UK	100.0	Service provider
Xstrata Technology Canada Ltd . . . . .	Canada	100.0	Technology operations
Xstrata Technology Pty Ltd . . . . .	Australia	100.0	Technology operations
Xstrata Tintaya S.A. . . . .	Peru	100.0	Copper operations
Xstrata Zinc GmbH . . . . .	Germany	100.0	Zinc smelter
Zaklady Tluszczowe w Bodaczowie Sp.z.o.o. . . . .	Poland	100.0	Edible oil production

Notes:

- (1) Represents the Group's economic interest in Century, comprising 41.8% voting interest and 4.8% (2011: 4.8%) non voting interest.
- (2) The Group has de facto control of Koniambo Nickel SAS as a result of the ability to control the operating and financing decisions of the joint venture.
- (3) This investment is treated as a subsidiary as the Group is entitled to two of the four board positions of Minera Alumbra Limited, including the chairman who is the manager of the copper operations. The chairman has the casting vote where any vote is split equally between the four board positions. However, in a limited number of situations the vote must be unanimous, including transactions with related parties.
- (4) Although the Group holds more than 20% of the voting rights, it has limited management influence and thus does not exercise significant influence.
- (5) Although the Group holds less than 50% of the voting rights, it has the ability to exercise control over Shanduka as a result of shareholder agreements.
- (6) Although the Group holds less than 50% of the voting rights, it has the ability to exercise control over Umcebo as a result of shareholder agreements, which gives the Group management control.

## ANNEX 2: OTHER DIRECTORSHIPS OR PARTNERSHIPS

The table below sets out all the companies and partnerships of which the Directors and senior management (other than companies in Group and companies which are subsidiaries of companies of which the Directors and senior manager are also directors) have been a director or partner at any time during the five years prior to the date of this Pre-Listing Statement:

<u>Name</u>	<u>Current directorships and partnerships</u>	<u>Previous directorships and partnerships</u>
<b>Directors</b>		
Ivan Glasenberg	UC RUSAL Plc	Century Aluminum Co JSC Zarubezhneft
Peter Coates AO	Amalgamated Holdings Limited Santos Limited Coates Investments (Australia) Pty Ltd Coates Superannuation Pty Ltd Coates Holdings (Australia) Pty Ltd Coates Nominees (Australia) Pty Ltd Coolgardie Investments Pty Ltd Peter Coates & Associates (Australia) Pty Ltd	Downer EDI Limited Minara Resources Limited ACN 130 335 894 Pty Limited (formerly known as Xstrata Australia Pty Limited) Minerals Council of Australia Santos Finance Ltd
Leonhard Fischer	Arecon AG Gesellschaft zur Förderung der Frankfurter Wertpapierbörse e.V. Julius Baer Gruppe AG Kleinwort Benson Bank Ltd Kleinwort Benson Group Ltd RHJ International S.A. Städelscher Museums-Verein	3W Power Holdings Ltd AXA Konzern AG Bank Julius Baer & Co. Ltd
Anthony Hayward	AEA Capital Compact GTL Limited Genel Energy plc	BP plc Corus Group Tata Steel TNK-BP Numis Corporation Plc
William Macaulay	City University of New York Dresser-Rand Group, inc. First Reserve Corporation, LLC First Reserve XII Advisors, LLC First Reserve Energy Infrastructure Advisors, LLC First Reserve Energy Infrastructure GP II Limited First Reserve Energy Infrastructure GP Limited First Reserve GP X, inc. First Reserve GP XI, inc. First Reserve GP XII Limited First Reserve GP XIII Limited First Reserve International Limited First Reserve Management Limited First Reserve XII Advisors, LLC First Reserve XIII Advisors, LLC FR X Offshore GP Limited FR XI Offshore GP Limited FR XII Alternative GP Ltd. FR XII PBF Holdings LLC FRC Founders Corporation FR Horizon GP Limited Odyssey Investment Partners 6922767 Holding (Cayman) Inc Weatherford International, Ltd.	2B2J, L.P. AMCI Capital GP Limited BGWM L.P. DSS Holdings GP Limited First Reserve GP IX, inc. First Reserve International Limited First Reserve Management, L.P. First Reserve Partners Limited FR IX Offshore GP Limited Foundation Coal Holdings, inc. Sirocco Holdings Limited Sirocco Reinsurance Limited (Bermuda) The Rogosin Institute Turbo Cayman Limited Whitehaven Coal Mining Limited



<b>Name</b>	<b>Current directorships and partnerships</b>	<b>Previous directorships and partnerships</b>
John Mack	Harry Fisch Research Fund Bloomberg Family Foundation Morgan Stanley Huaxin Securities Tri Alpha Energy, Inc. Rosneft OAO	Morgan Stanley Credit Suisse Group
Peter Grauer	Davita Healthcare Partners	Bloomberg Inc Donaldson, Lufkin & Jenrette CSFB Private Equity
<b>Senior Manager</b>		
Steven Kalmin	Century Aluminium Co.	None

## ANNEX 3: OPERATING AND FINANCIAL REVIEW

### Incorporation by Reference

The section entitled “Operating and Financial Review” of the 144A Offering Circular is incorporated by reference into, and forms part of, this Pre-Listing Statement, subject to the updated details given in this Annex 3: “Operating and Financial Review”.

In this Annex 3: “Operating and Financial Review”, financial information extracted from the Glencore Xstrata Interim Results is presented on an actual basis.

### Capitalisation

The following table sets forth the total combined capitalisation and cash and cash equivalents for the Group as of 30 June 2013.

	As of 30 June 2013 <sup>(1)</sup> (U.S.\$ millions)
<b>Cash and cash equivalents and marketable securities</b> . . . . .	3,553
Current borrowings . . . . .	14,673
Viterra asset acquirer loans . . . . .	797
Non-current borrowings . . . . .	38,126
<b>Total borrowings</b> . . . . .	53,596
<b>Total equity</b> . . . . .	53,473
<b>Total capitalisation</b> . . . . .	107,069

Note:

(1) The date to which the Glencore Xstrata Interim Results were prepared.

### Indebtedness and Capital Resources

The Group’s business requires high levels of working capital funding and significant liquidity. The Group’s funding requirements are generally correlated with movements in commodity prices and the extent of business opportunities. Increasing commodity prices primarily lead to increased funding requirements for the Group’s marketing activities, but may also lead to increased funding associated with acquisitions and/or capital expenditures in the Group’s industrial activities as it looks to increase production in a higher commodity price environment. In a falling commodity price environment, the Group will generally generate less cash flow from its industrial activities but will also require lower working capital funding in its marketing activities. In these circumstances, it may also choose to defer discretionary capital expenditure and shut or curtail production of certain assets. The Group’s primary financial objective is to maintain a strong financial profile in line with an investment grade rating, including having access to sufficient amounts of liquidity to finance its operations and planned growth.

The Group uses short- and medium-term debt to finance its current assets, comprising inventories and trade receivables, which are either self-liquidating or otherwise subject to a high rate of turnover. The Group meets these financing requirements by maintaining appropriate levels of cash reserves and/or ensuring that it has sufficient headroom under its committed revolving credit facilities. Against a backdrop where near-term debt maturities and investment commitments are deemed “normal”, it is the Group’s policy to maintain a minimum level of committed liquidity headroom of U.S.\$3 billion to meet all expected and unexpected cash requirements of its business. The liquidity headroom is provided in the form of cash, undrawn committed revolving credit facilities and marketable securities. As at 30 June 2013, the Group had available committed undrawn credit facilities and cash amounting to approximately U.S.\$13.6 billion. The Group has alternative sources of headroom which are not included in these figures, e.g. the Group has undrawn uncommitted credit facilities which are not included in the reported headroom. Certain borrowing arrangements require compliance with specific financial covenants related to working capital, minimum current ratio and a maximum long-term debt to tangible net worth ratio. During the financial year ended 31 December 2012, both Glencore and Xstrata complied with the requirements of their respective borrowing arrangements. None of the Group’s credit facilities or funding programs include rating triggers which would accelerate repayment obligations in the event of a credit rating downgrade.

Following the Merger, a cross-guarantee structure was implemented such that (i) existing rated external debt providers to Glencore Xstrata received an Xstrata (Schweiz) AG guarantee, (ii) existing rated external debt providers to Xstrata received a GIAG and Glencore Xstrata plc guarantee and (iii) future unsecured debt raised by the Group in public or international banking markets (including the Notes) is expected to benefit from a guarantor group comprising Glencore Xstrata plc, GIAG and Xstrata (Schweiz) AG.

As at 30 June 2013, the Group had the following principal indebtedness outstanding:

	<b>Amount issued or outstanding as at 30 June 2013</b>
	<b>(U.S.\$ million) (unaudited)</b>
<b>Non-current borrowings</b>	
Convertible bonds . . . . .	2,182
Capital market notes . . . . .	29,376
Ordinary profit participation certificates . . . . .	103
Committed syndicated revolving credit facility . . . . .	4,902
Finance lease obligations . . . . .	366
Other bank loans . . . . .	1,197
<b>Total non-current borrowings</b> . . . . .	<b><u>38,126</u></b>
<b>Current borrowings</b>	
Committed secured inventory/receivables facilities . . . . .	3,776
Uncommitted secured inventory/receivables facilities . . . . .	1,094
U.S. commercial paper . . . . .	2,353
Capital market notes . . . . .	2,037
Ordinary profit participation certificates . . . . .	422
Finance lease obligations . . . . .	58
Other bank loans . . . . .	4,933
<b>Total current borrowings</b> . . . . .	<b><u>14,673</u></b>
<b>Total borrowings</b> . . . . .	<b><u>52,799</u></b>
Less: cash and cash equivalents and marketable securities . . . . .	<u>3,553</u>
<b>Net funding</b> . . . . .	<b><u>49,246</u></b>
Less: readily marketable inventories . . . . .	<u>14,401</u>
<b>Net debt</b> . . . . .	<b><u><u>34,845</u></u></b>

### **Glencore Convertible Bonds**

The Glencore Convertible Bonds are U.S.\$2,300 million outstanding 5 per cent. coupon convertible bonds due December 2014. The bonds are currently convertible at the option of the investors into 430,924,474 Shares. The bonds consist of a liability component and an equity component. The fair values of the liability component (U.S.\$2,211 million) and the equity component (U.S.\$89 million) were determined, using the residual method, at issuance of the bonds. The liability component is measured at amortised cost at an effective interest rate of 5.90 per cent. per annum.

### **Capital markets notes**

	<b>Maturity</b>	<b>Amount outstanding as at 30 June 2013</b>
		<b>(U.S.\$ million)</b>
Euro 750 million 7.125% coupon bonds . . . . .	Apr 2015	976
Euro 600 million 6.25% coupon bonds . . . . .	May 2015	833
Euro 1,250 million 1.5% coupon bonds . . . . .	May 2016	1,619
Euro 1,250 million 5.250% coupon bonds . . . . .	Mar 2017	1,621
Euro 500 million 5.250% coupon bonds . . . . .	Jun 2017	754
Euro 1,250 million 4.125% coupon bonds . . . . .	Apr 2018	1,616
Euro 1,000 million 2.375% coupon bonds . . . . .	Nov 2018	1,336
<b>Eurobonds</b> . . . . .		<b><u>8,755</u></b>

	Maturity	Amount outstanding as at 30 June 2013 (U.S.\$ million)
GBP 650 million 6.500% coupon bonds . . . . .	Feb 2019	978
GBP 500 million 7.375% coupon bonds . . . . .	May 2020	864
GBP 500 million 5.500% coupon bonds . . . . .	Apr 2022	783
<b>Sterling bonds . . . . .</b>		<b>2,625</b>
CHF 825 million 3.625% coupon bonds . . . . .	Apr 2016	873
CHF 450 million 2.625% coupon bonds . . . . .	Dec 2018	475
<b>Swiss Franc bonds . . . . .</b>		<b>1,348</b>
CAD 200 million 7.45% coupon bonds . . . . .	Feb 2021	190
U.S.\$800 million 2.85% coupon bonds . . . . .	Nov 2014	818
U.S.\$250 million 5.375% coupon bonds . . . . .	Jun 2015	270
U.S.\$1,250 million 1.8% coupon bonds . . . . .	Oct 2015	1,264
U.S.\$341 million 6.0% coupon bonds . . . . .	Oct 2015	377
U.S.\$500 million Libor plus 1.16% coupon bonds . . . . .	May 2016	499
U.S.\$1,000 million 1.7% coupon bonds . . . . .	May 2016	998
U.S.\$1,000 million 5.8% coupon bonds . . . . .	Nov 2016	1,142
U.S.\$700 million 3.6% coupon bonds . . . . .	Jan 2017	741
U.S.\$250 million 5.5% coupon bonds . . . . .	Jun 2017	283
U.S.\$1,750 million 2.45% coupon bonds . . . . .	Oct 2017	1,781
U.S.\$500 million Libor plus 1.36% coupon bonds . . . . .	Jan 2019	498
U.S.\$1,500 million 2.5% coupon bonds . . . . .	Jan 2019	1,496
U.S.\$400 million 6.19% coupon bonds . . . . .	Aug 2020	400
U.S.\$1,000 million 4.95% coupon bonds . . . . .	Nov 2021	1,090
U.S.\$1,000 million 4.0% coupon bonds . . . . .	Oct 2022	1,025
U.S.\$1,500 million 4.125% coupon bonds . . . . .	May 2023	1,494
U.S.\$250 million 6.2% coupon bonds . . . . .	Jun 2035	276
U.S.\$500 million 6.9% coupon bonds . . . . .	Nov 2037	605
U.S.\$500 million 6.0% coupon bonds . . . . .	Nov 2041	546
U.S.\$500 million 5.3% coupon bonds . . . . .	Oct 2042	507
U.S.\$350 million 7.5% coupon bonds . . . . .	Perpetual	348
<b>U.S.\$ bonds . . . . .</b>		<b>16,458</b>
<b>Total non-current bonds . . . . .</b>		<b>29,376</b>
Euro 850 million 5.250% coupon bonds . . . . .	Oct 2013	1,089
U.S.\$950 million 6% coupon bonds . . . . .	Apr 2014	948
<b>Total current bonds . . . . .</b>		<b>2,037</b>

In May 2013, five tranches of U.S.\$5 billion interest bearing notes were issued with the following series:

- three year U.S.\$1 billion 1.7 per cent. fixed coupon bonds;
- five year U.S.\$1.5 billion 2.5 per cent. fixed coupon bonds;
- ten year U.S.\$1.5 billion 4.125 per cent. fixed coupon bonds;
- three year U.S.\$500 million LIBOR plus 1.16 per cent. coupon notes; and
- five year U.S.\$500 million LIBOR plus 1.36 per cent. coupon notes.

In September 2013, the Group supplemented the base prospectus in relation to its U.S.\$20 billion EMTN Programme and issued seven year Euro 750 million 3.375 per cent. coupon notes under the EMTN Programme. In October 2013, the Group issued CHF 175 million 2.125 per cent. coupon notes due 2019 under the EMTN Programme and undertook a private placement of Euro 400 million 3.700 per cent. coupon notes due 2023 under the EMTN Programme.

The Group announced on 14 October 2013 that the interest rate applicable to certain series of notes issued by Xstrata Finance (Canada) Limited and Xstrata Finance (Dubai) Limited would increase by 0.25 per cent. from and including their next interest payment date, as follows:

- U.S.\$1,250 million 1.8 per cent. notes due October 2015 issued by Xstrata Finance (Canada) Limited: interest rate of 2.05 per cent. to apply from and including the interest payment date falling 23 October 2013;
- U.S.\$1,750 million 2.45 per cent. notes due October 2015 issued by Xstrata Finance (Canada) Limited: interest rate of 2.7 per cent. to apply from and including the interest payment date falling 25 October 2013;
- U.S.\$1,000 million 4.0 per cent. notes due October 2022 issued by Xstrata Finance (Canada) Limited: interest rate of 4.25 per cent. to apply from and including the interest payment date falling 25 October 2013;
- U.S.\$500 million 5.3 per cent. notes due October 2042 issued by Xstrata Finance (Canada) Limited: interest rate of 5.55 per cent. to apply from and including the interest payment date falling 25 October 2013;
- Euro 1,250 million 1.5 per cent. notes due May 2016 issued by Xstrata Finance (Dubai) Limited: interest rate of 1.75 per cent. to apply from and including the interest payment date falling 18 May 2014; and
- Euro 1,000 million 2.375 per cent. notes due November 2018 issued by Xstrata Finance (Dubai) Limited: interest rate of 2.625 per cent. to apply from and including the interest payment date falling 19 November 2013.

#### ***Ordinary profit participation certificates***

Profit participation certificates bear interest at six-month U.S. dollar LIBOR, are repayable over five years (with final payments due in 2016) and, in the event of certain triggering events, which include any breach of a financial covenant, would be subordinated to unsecured lenders.

#### ***Committed revolving credit facility***

In June 2013, the Group signed new committed revolving credit facilities for a total of U.S.\$17,340 million. These revolving credit facilities replace the previous revolving credit facilities. The facilities comprise:

- a U.S.\$5,920 million 12-month revolving credit facility with a borrower's 12-month term-out option and a 12-month extension option. This facility has two tranches of U.S.\$3,515 million and U.S.\$2,405 million, respectively;
- a U.S.\$7,070 million three-year revolving credit facility with two 12-month extension options; and
- a U.S.\$4,350 million five-year revolving credit facility.

#### ***U.S. commercial paper***

The Company has in place a stand-alone U.S. commercial paper program for U.S.\$1,000 million rated A2 and P2, respectively, by Standard & Poor's and Moody's rating agencies. The notes issued under this program carry interest at floating market rates and mature not more than 270 days from the date of issue.

#### ANNEX 4: TRADING HISTORY ON THE LSE

The table below sets the high, low and closing price and the aggregate volumes of the Shares traded on the London Stock Exchange for the following periods:

	High	Low (£)	Close	Volume (Shares)
<b>Quarterly</b>				
<i>2011</i>				
June . . . . .	531.10	466.65	491.00	1,431,307,018
September . . . . .	503.00	347.95	402.90	628,497,369
December . . . . .	450.00	371.00	392.00	519,577,242
<i>2012</i>				
March . . . . .	482.55	387.30	389.40	638,693,222
June . . . . .	437.25	293.55	295.55	1,007,785,827
September . . . . .	392.35	299.00	343.10	1,193,809,216
<b>Monthly</b>				
<i>2012</i>				
October . . . . .	352.55	333.90	343.05	366,750,978
November . . . . .	347.30	321.55	345.50	374,197,508
December . . . . .	358.10	340.50	351.30	221,299,303
<i>2013</i>				
January . . . . .	396.00	376.50	393.45	295,513,222
February . . . . .	397.85	370.70	387.50	247,860,169
March . . . . .	391.20	356.10	356.10	330,899,130
April . . . . .	359.80	307.40	316.95	416,770,191
May . . . . .	355.05	314.30	323.10	543,593,724
June . . . . .	326.55	272.15	272.15	493,920,321
July . . . . .	287.25	256.85	277.50	582,172,991
August . . . . .	317.00	270.45	305.20	590,133,213
September . . . . .	343.65	312.05	340.30	392,510,499
<b>Daily</b>				
17 September 2013 . . . . .	337.20	331.50	334.20	38,000,920
18 September 2013 . . . . .	335.65	328.30	331.20	19,783,284
19 September 2013 . . . . .	345.00	338.70	340.30	38,389,615
20 September 2013 . . . . .	341.30	335.55	340.45	104,215,748
23 September 2013 . . . . .	340.00	335.10	336.65	15,406,228
24 September 2013 . . . . .	338.95	333.55	338.10	16,349,419
25 September 2013 . . . . .	339.45	333.80	339.45	19,233,597
26 September 2013 . . . . .	346.00	336.10	344.75	22,343,804
27 September 2013 . . . . .	348.05	338.20	344.00	25,371,936
30 September 2013 . . . . .	337.80	332.55	336.70	22,104,739
01 October 2013 . . . . .	338.40	324.80	330.50	24,852,081
02 October 2013 . . . . .	335.45	323.50	334.15	18,505,716
03 October 2013 . . . . .	338.00	329.00	330.00	11,723,016
04 October 2013 . . . . .	331.80	326.25	331.00	10,728,188
07 October 2013 . . . . .	332.35	326.30	331.45	13,436,563
08 October 2013 . . . . .	330.55	324.60	327.30	16,044,162
09 October 2013 . . . . .	329.60	320.60	322.55	17,008,084
10 October 2013 . . . . .	330.90	321.30	326.65	20,617,390
11 October 2013 . . . . .	336.85	328.75	335.90	22,512,212
14 October 2013 . . . . .	335.50	329.15	331.20	20,535,967
15 October 2013 . . . . .	338.20	333.05	336.00	18,587,417
16 October 2013 . . . . .	338.10	328.85	331.20	19,574,794
17 October 2013 . . . . .	330.90	325.90	330.50	14,278,137
18 October 2013 . . . . .	336.95	330.85	334.90	21,660,992
21 October 2013 . . . . .	339.55	335.40	337.95	11,309,286
22 October 2013 . . . . .	345.00	336.30	341.55	18,966,023
23 October 2013 . . . . .	341.35	337.00	340.20	20,017,964
24 October 2013 . . . . .	343.30	339.70	340.20	18,193,781
25 October 2013 . . . . .	343.60	337.25	342.50	21,437,865
28 October 2013 . . . . .	347.50	338.85	340.95	27,858,133

## ANNEX 5: MATERIAL CONTRACTS

### 1 Facility A and Facility B of the 2013 revolving syndicated facilities agreement

On 13 June 2013, Glencore International, Glencore Australia Investment Holdings Pty. Ltd. (“Glencore Australia”), the Company and Xstrata (Schweiz) AG (“Xstrata Schweiz”) entered into a U.S.\$12.99 billion revolving credit facilities agreement (the “A and B RCF Agreement” and the facilities granted thereby, the “A and B RCF Facilities”) with, among others, Abbey National Treasury Services plc (trading as Santander Global Banking and Markets), Australia and New Zealand Banking Group Limited, Banc of America Securities Limited, Bank of Montreal, Barclays Bank PLC), Banco Bilbao Vizcaya Argentaria S.A., BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International), London Branch, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, DBS Bank Ltd., London Branch, Deutsche Bank A.G., HSBC Bank plc, ING Belgium, Brussels, Geneva Branch, J.P. Morgan Limited, Lloyds TSB Bank plc, Mizuho Corporate Bank, Ltd., Morgan Stanley Bank International Limited, Royal Bank of Canada, Société Générale Corporate & Investment Banking (the corporate and investment banking division of Société Générale), Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Royal Bank of Scotland plc, The Toronto-Dominion Bank, UBS AG and Unicredit Bank AG as mandated lead arrangers and bookrunners with Barclays Bank PLC acting as agent and various financial institutions as lenders. Glencore International and Glencore Australia are the original borrowers under the A and B RCF Agreement; Glencore International, the Company and Xstrata (Schweiz) each provide a guarantee for the borrowing obligations of Glencore International and Glencore Australia.

The A and B RCF Agreement provides for two separate facilities, namely Facility A and Facility B. Facility A expires on the day falling 364 days after the date of the A and B RCF Agreement and includes an extension option whereby the maturity date of Facility A may be extended by a period of 364 days from the applicable maturity date. Facility B expires on the day falling three years after the date of the A and B RCF Agreement and includes two extension options whereby the maturity date of Facility B may, in each case, be extended by a period of 12 months from the then applicable maturity date.

Facility A and Facility B are to be used towards:

- (a) refinancing all amounts outstanding under the U.S.\$4,435,000,000 facilities agreement dated 25 April 2012 between Glencore International and Glencore Singapore Pte. Ltd. (“GSPL”) and others, in full;
- (b) following the irrevocable cancellation of all commitments under the facilities agreement described in paragraph (a) above, refinancing all amounts outstanding under the U.S.\$10,220,000,000 facilities agreement dated 10 May 2010 between Glencore International and GSPL and others, in full;
- (c) following the irrevocable cancellation of all commitments under the facilities agreements described in paragraphs (a) and (b) above, refinancing all amounts outstanding under the U.S.\$6,000,000,000 facilities agreement dated 24 October 2011 between Xstrata (Schweiz), Xstrata Canada Financial Corporation, Xstrata Finance (Dubai) Limited and others, in full; and
- (d) following the irrevocable cancellation of all commitments under the facilities described in paragraph (a), (b) and (c) above, the working capital purposes or other general corporate purposes of the Group.

Interest is payable on advances under A and B RCF Facilities at the rate which is the aggregate of:

- (a) the margin; and
- (b) LIBOR.

The margin applicable to Facility A advances means:

- (a) in relation to a Facility A1 Loan, 0.80 per cent. per annum;
- (b) in relation to the Facility A1 Term Out Loan, 1.30 per cent. per annum;
- (c) in relation to a Facility A2 Loan, 0.80 per cent. per annum; and
- (d) in relation to the Facility A2 Term Out Loan, 1.30 per cent. per annum.

The margin applicable to Facility B advances varies between 0.600 per cent. and 1.100 per cent. per annum, depending on the then current rating assigned by Standard & Poor's and/or Moody's in respect of Glencore International's long-term senior unsecured debt.

The A and B RCF Agreement includes a mandatory prepayment provision which is triggered by certain specified change of control events.

The A and B RCF Agreement contains representations, warranties and undertakings which are typical for these types of credit arrangements. The A and B RCF Agreement also contains customary events of default upon occurrence of which the lenders may cancel their lending commitments and demand repayment of the advances made Facility A and Facility B.

## **2 Facility C of the 2013 revolving syndicated facilities agreement**

On 13 June 2013, Glencore International, Glencore Funding LLC ("Glencore Funding"), the Company and Xstrata (Schweiz) entered into a U.S.\$4.35 billion revolving credit facilities agreement (the "Facility C RCF Agreement" and the facilities granted thereby, the "Facility C RCF Facilities") with, among others, Abbey National Treasury Services plc (trading as Santander Global Banking and Markets), Australia and New Zealand Banking Group Limited, Banc of America Securities Limited, Bank of Montreal, Barclays Bank PLC), Banco Bilbao Vizcaya Argentaria S.A., BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International), London Branch, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, DBS Bank Ltd., London Branch, Deutsche Bank A.G., HSBC Bank plc, ING Belgium, Brussels, Geneva Branch, J.P. Morgan Limited, Lloyds TSB Bank plc, Mizuho Corporate Bank, Ltd., Morgan Stanley Bank International Limited, Royal Bank of Canada, Société Générale Corporate & Investment Banking (the corporate and investment banking division of Société Générale), Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Royal Bank of Scotland plc, The Toronto-Dominion Bank, UBS AG and Unicredit Bank AG as mandated lead arrangers and bookrunners with Barclays Bank PLC acting as agent and various financial institutions as lenders. Glencore International and Glencore Funding are the original borrowers under the Facility C RCF Agreement; Glencore International, the Company and Xstrata (Schweiz) each provide a guarantee for the borrowing obligations of Glencore International and Glencore Funding.

The Facility C RCF Facilities are to be used towards:

- (a) refinancing all amounts outstanding under the U.S.\$4,435,000,000 facilities agreement dated 25 April 2012 between Glencore International and GSPL and others, in full;
- (b) following the irrevocable cancellation of all commitments under the facilities agreement described in paragraph (a) above, refinancing all amounts outstanding under the U.S.\$10,220,000,000 facilities agreement dated 10 May 2010 between Glencore International and GSPL and others, in full;
- (c) following the irrevocable cancellation of all commitments under the facilities agreements described in paragraphs (a) and (b) above, refinancing all amounts outstanding under the U.S.\$6,000,000,000 facilities agreement dated 24 October 2011 between Xstrata (Schweiz), Xstrata Canada Financial Corporation, Xstrata Finance (Dubai) Limited and others, in full; and
- (d) following the irrevocable cancellation of all commitments under the facilities described in paragraphs (a), (b) and (c) above, the working capital purposes or other general corporate purposes of the Group.

Interest is payable on advances under the Facility C RCF Facilities at the rate which is the aggregate of:

- (a) the margin; and
- (b) LIBOR.

The margin applicable to advances under the Facility C RCF Facilities varies between 0.550 per cent. and 1.050 per cent. per annum, depending on the then current rating assigned by Standard & Poor's and/or Moody's in respect of Glencore International's long-term senior unsecured debt.



The Facility C RCF Agreement includes a mandatory prepayment provision which is triggered by certain specified change of control events.

The Facility C RCF Agreement contains representations, warranties and undertakings which are typical for these types of credit arrangements. The Facility C RCF Agreement also contains customary events of default upon occurrence of which the lenders may cancel their lending commitments and demand repayment of the advances made Facility C.

### **3 The short-term revolving credit facilities agreement**

On 25 April 2012, the Company, Glencore International and GSPT entered into a U.S.\$4,435 million revolving credit facilities agreement (the “STF Agreement” and the facilities granted thereunder, the “STF Facilities”) with, among others, ABN AMRO Bank N.V., Citigroup Global Markets Limited, Lloyds TSB Bank plc, Standard Chartered Bank and The Royal Bank of Scotland plc as mandated lead arrangers, Barclays Bank PLC as agent and various financial institutions as lenders. There are two separate facilities under the STF Agreement, namely a U.S.\$3,710 million facility which could be borrowed by Glencore International and a U.S.\$725 million facility which could be borrowed by GSPT. The borrowing obligations of Glencore International and GSPT were guaranteed by the Company. The STF Facilities were refinanced by the A and B RCF Facilities and the Facility C RCF Facilities described in paragraphs 1 and 2 above.

### **4 The backstop revolving credit facility agreement**

On 17 April 2012, Glencore International and the Company entered into a U.S.\$3.1 billion revolving credit facility agreement (the “Backstop Facility Agreement” and the facility granted thereunder, the “Backstop Facility”) with, among others, Citigroup Global Markets Limited and Morgan Stanley Bank International Limited as mandated lead arrangers, Citibank International plc as facility agent and various financial institutions as lenders. Glencore International was the borrower and its borrowing obligations were guaranteed by the Company. The Backstop Facility Agreement was cancelled effective on 23 November 2012.

### **5 Committed secured borrowing base facility agreement**

On 25 October 2012 (the “BBF Signing Date”), Glencore International (the “BBF Borrower”) and the Company (the “BBF Guarantor”) entered into a U.S.\$2.22 billion committed secured borrowing base facility agreement (the “Base Facility Agreement”, and the facility granted under the Base Facility Agreement being the “Base Facility”) with, among others, BNP Paribas in each of its capacities as bookrunner and global co-ordinator, as agent, as security agent in respect of inventory and cash collateral, and as security agent in respect of receivables, and various financial institutions as lenders. The BBF Guarantor provides a guarantee for the BBF Borrower’s obligations under and in connection with the Base Facility Agreement and the other finance documents.

The Base Facility includes an extension option whereby the maturity date may be extended by a period of 364 days from its BBF Initial Maturity Date (as defined below) (the “Base Facility Extension Option”).

The Base Facility is to be used towards working capital purposes, being: (i) the financing of the BBF Borrower’s physical base metal inventory of aluminium, copper, lead, nickel, zinc and tin; (ii) the financing of receivables due to the BBF Borrower or the BBF Guarantor by their debtors, arising in the ordinary course of the BBF Borrower’s or the BBF Guarantor’s business; and (iii) the refinancing of a previous U.S.\$1.7 billion committed secured borrowing base facility dated 10 November 2010.

The Base Facility is available until the date falling one week prior to the BBF Termination Date (as defined below).

Interest is payable on advances under the Base Facility at the rate which is the aggregate of:

- (a) 1.20 per cent. per annum;
- (b) LIBOR; and
- (c) mandatory cost (being regulatory costs of the lenders which are passed on to the borrowers).

The Base Facility matures on:

- (i) the day falling 364 days after the BBF Signing Date (the “BBF Initial Maturity Date”); or
- (ii) if the BBF Initial Maturity Date has been extended under the Base Facility Extension Option, the day falling 728 days after the BBF Signing Date, such maturity date being the “BBF Termination Date”.

The Base Facility Agreement includes mandatory prepayment provisions in the event of certain specified events (including a change of control event).

The Base Facility Agreement includes certain financial covenants that require the Company to maintain certain financial ratios. Pursuant to these covenants, which are calculated in accordance with IFRS, on the last day of each financial year and on 30 June in each year, the consolidated financial condition of the BBF Borrower and its subsidiaries, as evidenced by its latest consolidated financial statements, shall be such that:

- (a) net consolidated working capital shall not be less than U.S.\$750 million;
- (b) the ratio of consolidated current assets to consolidated current liabilities shall not fall below 1.10:1; and
- (c) long-term debt shall not be more than 120 per cent. of consolidated tangible net worth.

The Base Facility Agreement contains representations, warranties and undertakings which are typical for these types of credit arrangements. The Base Facility Agreement also contains customary events of default, upon occurrence of which the lenders may cancel their lending commitments and demand repayment of the advances.

## **6 The U.S.\$3 billion revolving credit facility**

On 4 October 2012, Xstrata (Schweiz), Xstrata Finance (Canada) Limited, XCFC, Xstrata Finance (Dubai) Limited as borrowers and guarantors and Xstrata Limited as guarantor and parent entered into a U.S.\$3 billion revolving credit facility (the “\$3bn Club Facility”) with Barclays Bank PLC, Deutsche Bank AG, London Branch, JPMorgan Chase Bank, N.A., Lloyds TSB Bank plc, Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Royal Bank of Scotland plc each as bookrunners and original lenders and Barclays Bank PLC as facility agent. The entire U.S.\$3bn Club Facility was cancelled on 29 October 2012.

## **7 U.S.\$2.3 billion 5 per cent. guaranteed convertible bonds due 2014**

Glencore Finance (Europe) S.A. (the “CB Issuer”) issued (i) U.S.\$2.2 billion 5 per cent. guaranteed convertible bonds due 2014 (the “Original Convertible Bonds”) constituted by a trust deed dated 23 December 2009 between the CB Issuer, Glencore International, Glencore AG and Citicorp Trustee Company Limited (the “Original CB Trust Deed”) and (ii) a further U.S.\$100 million 5 per cent. guaranteed convertible bonds due 2014 (to be consolidated and to form a single series with the Original Convertible Bonds) (together with the Original Convertible Bonds, the “Glencore Convertible Bonds”), constituted by the Original CB Trust Deed as supplemented by a supplemental trust deed dated 10 March 2010 between the CB Issuer, Glencore International, Glencore AG (Glencore International and Glencore AG together, the “CB Guarantors”) and Citicorp Trustee Company Limited (the “CB Trustee”). The Glencore Convertible Bonds constitute direct, general and unconditional obligations of the CB Issuer.

### **(a) Guarantee agreement**

Pursuant to a guarantee agreement dated 23 December 2009, the CB Guarantors have unconditionally (subject, in the case of Glencore AG, to applicable Swiss law) and irrevocably guaranteed on a joint and several basis the due and punctual payment of all sums from time to time payable by the CB Issuer in respect of the Glencore Convertible Bonds.

### **(b) Negative pledge**

Under the terms of the Glencore Convertible Bonds, none of the CB Issuer and the CB Guarantors will, and the CB Guarantors will not permit any material subsidiary to, directly or indirectly, create, incur, assume or permit to exist any mortgage, charge, pledge, lien or other

security interest, except in certain limited circumstances, on or with respect to any property or assets of such entity or any interest therein or any income or profits therefrom to secure any present or future indebtedness in the form of, or represented or evidenced by, notes, bonds, debentures, debenture stock, loan stock or other securities which are, or are intended to be, with the consent of the person issuing the same, quoted, listed or ordinarily traded on any stock exchange or recognised over-the-counter or other securities market, and any guarantee or indemnity in respect thereof.

(c) Redemption

Unless previously redeemed, converted or purchased and cancelled, the Glencore Convertible Bonds will mature on 31 December 2014 (the “CB Maturity Date”).

The Glencore Convertible Bonds may also be redeemed at the option of the CB Issuer on the occurrence of certain tax events. Bondholders may require the CB Issuer to redeem the Glencore Convertible Bonds in certain limited circumstances.

(d) Conversion

The Glencore Convertible Bonds are convertible into ordinary shares of the Company at any time up to the 14th day prior to the CB Maturity Date. The number of shares issued to a bondholder upon conversion shall be equal to the relevant conversion ratio (subject to adjustment in certain circumstances) in effect on the relevant conversion date, as set out in the terms and conditions of the Glencore Convertible Bonds.

In addition, the Glencore Convertible Bonds are convertible into ordinary shares of the Company at the option of the CB Issuer at the conversion ratio in effect on the relevant conversion date, at any time during the period beginning 18 months after the IPO and ending on the 14th day prior to the CB Maturity Date, provided that the share price exceeds 150 per cent. of the conversion ratio for a specified period.

The conversion ratio is subject to adjustment from time to time, for so long as the Glencore Convertible Bonds remain outstanding, as a result of certain corporate actions taken by the CB Issuer, the CB Guarantors and/or the Company.

(e) Events of default

An event of default under the Glencore Convertible Bonds will occur in certain circumstances, including, but not limited to, in respect of a failure to pay principal or interest in respect of the Glencore Convertible Bonds on the due date for payment thereof and such default continues for a period of 14 days, if the guarantee agreement is not in full force and effect, if any of the CB Issuer, the Guarantor or any material subsidiary fails to pay when due certain financial indebtedness, or such financial indebtedness becomes due and payable, or where there is a failure to pay when due under any applicable grace period amounts owing under the guarantee, in each case in circumstances where the amount of such financial indebtedness and/or the amount payable under such guarantee individually or in the aggregate exceeds U.S.\$50 million (or its equivalent in another currency). If any event of default occurs and is continuing, the CB Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the outstanding Glencore Convertible Bonds or if so directed by an extraordinary resolution of the bondholders, shall (subject in certain cases to the CB Trustee having certified in writing that the happening of such events is in its opinion materially prejudicial to the interests of the bondholders) declare the Glencore Convertible Bonds due and payable at their principal amount together with accrued interest.

## **8 U.S.\$20 billion EMTN Programme (the “EMTN Programme”)**

Glencore Finance (Europe) S.A. (the “EMTN Issuer”) has established the EMTN Programme under which it may from time to time issue notes (the “EMTN Notes”) unconditionally and irrevocably guaranteed on a joint and several basis by the Company, Glencore International and Xstrata (Schweiz) (together the “EMTN Guarantors”). Deutsche Trustee Company Limited is appointed as trustee (the “EMTN Trustee”) of the EMTN Notes pursuant to an amended and restated trust deed dated 7 May 2013 (which amended the amended and restated trust deed dated 8 November 2011).

EMTN Notes issued prior to the update of the EMTN Programme on 8 November 2011 are guaranteed by the EMTN Guarantors and Glencore AG.

An event of default under the EMTN Notes will occur in certain circumstances, including, but not limited to, in respect of a failure to pay principal or interest in respect of the EMTN Notes on the due date for payment thereof and such default continues for a period of 14 days, if the relevant deed of guarantee or guarantee agreement is not in full force and effect, if any of the EMTN Issuer, the EMTN Guarantors or any material subsidiary fails to pay when due or within any originally applicable grace period certain financial indebtedness, or such financial indebtedness becomes due and payable prior to its stated maturity date, or where there is a failure to pay when due within any applicable grace period amounts owing under any guarantee, in each case in circumstances where the amount of such financial indebtedness and/or the amount payable under such guarantee individually or in the aggregate exceeds U.S.\$50 million (or its equivalent in another currency), in the case of EMTN Notes issued prior to the update of the EMTN Programme on 7 May 2013, or U.S.\$100 million (or its equivalent in another currency), in the case of EMTN Notes issued thereafter.

If any event of default occurs and is continuing, the EMTN Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the relevant outstanding EMTN Notes or if so directed by an extraordinary resolution of the noteholders, shall (subject in certain cases to the EMTN Trustee having certified in writing that the happening of such events is in its opinion materially prejudicial to the interests of the noteholders) declare the relevant EMTN Notes due and payable at their principal amount together with accrued interest.

## **9 U.S.\$950 million 6 per cent. notes due 2014**

Glencore Funding issued (i) U.S.\$800 million 6 per cent. notes due 2014 (the “Original 2014 Notes”) at an issue price of 99.285 per cent. under an indenture dated 5 April 2004 between Glencore Funding, the Company, Glencore AG, JPMorgan Chase Bank and BNP Paribas Securities Services, Luxembourg Branch (the “Original Indenture”) and (ii) a further U.S.\$150 million 6 per cent. notes at an issue price of 96.647 per cent. (fungible, consolidated and to form a single series with the Original 2014 Notes) (together with the Original 2014 Notes, the “2014 Notes”) issued under the Original Indenture as supplemented by a supplemental indenture dated 21 April 2004 between Glencore Funding, Glencore International, Glencore AG, JPMorgan Chase Bank (the “2014 Notes Trustee”) and BNP Paribas Securities Services, Luxembourg Branch. A second supplemental indenture dated 27 July 2011 was entered into between Glencore Funding, the Company, Glencore International, Glencore AG, The Bank of New York Mellon and BNP Paribas Securities Services, Luxembourg Branch, pursuant to which, *inter alia*, the Company was added as a guarantor. A third supplemental indenture dated 29 May 2013 was entered into between Glencore Funding, the Company, Glencore International, Glencore AG and Xstrata (Schweiz) and, together with the Company, Glencore International and Glencore AG, the “2014 Notes Guarantors”), The Bank of New York Mellon and BNP Paribas Securities Services, Luxembourg Branch, pursuant to which, *inter alia*, Xstrata Schweiz was added as a guarantor of the 2014 Notes. Interest on the 2014 Notes is payable semi-annually in arrears on 15 April and 15 October of each year. The 2014 Notes constitute direct, unsecured and unsubordinated obligations of Glencore Funding.

### **(a) Guarantee agreements**

The 2014 Notes Guarantors, jointly and severally, unconditionally (subject, in the case of Glencore International, Glencore AG and Xstrata Schweiz to applicable Swiss Law) guarantee the due and punctual payment of the principal and interest on the 2014 Notes as they become due and payable (the “2014 Notes Guarantees”). Each 2014 Notes Guarantee is a secured obligation of the applicable Guarantor and ranks *pari passu* in right of payment with other unsecured and unsubordinated indebtedness of that Guarantor.

### **(b) Covenants**

Under the Original Indenture, Glencore Funding and the 2014 Notes Guarantors have agreed certain restrictive covenants, including that neither Glencore Funding nor any of the 2014 Notes Guarantors will, and the Company will not permit any restricted subsidiary to, create, incur or assume any lien on any property or asset of Glencore Funding, any of the 2014 Notes Guarantors or any restricted subsidiary, or any interest therein or any income or profit

therefrom, securing any financial indebtedness or interest on any financial indebtedness other than in certain limited circumstances.

Glencore Funding and each Guarantor, and the Company on behalf of the restricted subsidiaries, have covenanted with respect to certain limitations for sale and leaseback transactions. Glencore Funding and each Guarantor have also covenanted with respect to limitations on consolidations, mergers and the conveying, transferring or leasing of their properties and assets.

(c) Redemption

Unless previously redeemed or purchased, Glencore Funding will redeem each Note on 15 April 2014. 2014 Notes may also be redeemed at the option of Glencore Funding or any of the 2014 Notes Guarantors in whole or in part at any time for a price equal to the greater of (i) 100 per cent. of the principal amount of the 2014 Notes to be redeemed and (ii) the sum of the present values of the applicable remaining scheduled payments discounted to the date of redemption on a semi-annual basis at the U.S. treasury rate plus 35 basis points, together with, in each case, accrued interest on the principal amount of the 2014 Notes to be redeemed at the date of redemption. There is no restriction on the ability of Glencore Funding, the 2014 Notes Guarantors or their subsidiaries to purchase or repurchase 2014 Notes. 2014 Notes are also redeemable at the option of Glencore Funding or any 2014 Notes Guarantor on the occurrence of certain tax events.

(d) Events of default

An event of default under the 2014 Notes will occur in certain circumstances, including, but not limited to, a failure to pay any instalment of interest or additional amounts as they become due and payable and continuing for 30 days, non-payment of all or any part of the principal of any of the 2014 Notes when due and payable or if there is a failure to perform, or breach of any covenants continuing for 60 days following written notice of such breach. An event of default will also occur if there is a default under any other indebtedness of Glencore Funding, 2014 Notes Guarantors or restricted subsidiary, or such indebtedness is not paid when due within any applicable grace period, or there is a failure by Glencore Funding, 2014 Notes Guarantors or restricted subsidiaries to pay amounts payable under any guarantee or indemnity in respect of borrowed money, in each case provided that the aggregate amount of such financial indebtedness and/or the amount payable under such guarantee or indemnity exceeds U.S.\$50 million.

Where an event of default occurs and is continuing, either the 2014 Notes Trustee or the holders of not less than 25 per cent. in aggregate principal amount of the 2014 Notes then outstanding, by notice in writing to Glencore Funding and the 2014 Notes Guarantors, may declare the entire principal amount of all 2014 Notes and interest accrued thereon to be due and payable.

**10 U.S.\$1 billion 1.700 per cent. notes due 2016 (the “2016 Notes”), U.S.\$1.5 billion 2.500 per cent. notes due 2019 (the “2019 Notes”), U.S.\$1.5 billion 4.125 per cent. notes due 2023 (the “2023 Notes”), U.S.\$500 million floating rate notes due 2016 (the “2016 Floating Rate Notes”) and U.S.\$500 million floating rate notes due 2019 (the “2019 Floating Rate Notes” and, together with the 2016 Notes, the 2019 Notes and the 2016 Floating Rate Notes, the “2013 Offering Notes”)**

Glencore Funding issued (i) the 2016 Notes at an issue price of 99.959 per cent., (ii) the 2019 Notes at an issue price of 99.502 per cent., (iii) the 2023 Notes at an issue price of 99.943 per cent., (iv) the 2016 Floating Rate Notes at a spread of 116 bps to the three-month U.S. dollar LIBOR and (v) the 2019 Floating Rate Notes at a spread of 136 bps to the three-month U.S. dollar LIBOR, pursuant to an indenture dated 30 May 2013 between Glencore Funding, the Company, Glencore International, Xstrata Schweiz, The Bank of New York Mellon and The Bank of New York Mellon, London Branch (the “2013 Offering Indenture”). Interest is payable (i) on the 2016 Notes semi-annually in arrears on 27 May and 27 November of each year, (ii) on the 2019 Notes semi-annually in arrears on 15 January and 15 July of each year, (iii) on the 2023 Notes semi-annually in arrears on 30 May and 30 November of each year, (iv) on the 2016 Floating Rate Notes quarterly in arrears on 27 February, 27 May, 27 August and 27 November of each year and (v) on the 2019 Floating Rate Notes quarterly

in arrears on 15 January, 15 April, 15 July and 15 October of each year. The 2013 Offering Notes all constitute direct, unsecured and unsubordinated obligations of Glencore Funding.

(a) Guarantee agreements

The 2013 Offering Notes are guaranteed as to the due and punctual payment of their principal and interest as they become due and payable (i) by the Company, unconditionally, irrevocably and jointly and severally with respect to the obligations of Glencore Funding, pursuant to a deed of guarantee, (ii) by Glencore International, unconditionally, irrevocably and jointly and severally with respect to the obligations of Glencore Funding, the Company and Xstrata Schweiz (subject to applicable Swiss law) and (iii) by Xstrata Schweiz, unconditionally, irrevocably and jointly and severally with respect to the obligations of Glencore Funding, the Company and Glencore International (subject to applicable Swiss law). The guarantees provided by the Company, Glencore International and Xstrata Schweiz are secured obligations of the applicable guarantor ranking *pari passu* in right of payment with other unsecured and unsubordinated indebtedness of the applicable guarantor.

(b) Covenants

Under the 2013 Offering Indenture, Glencore Funding, the Company, Glencore International and Xstrata Schweiz have agreed certain restrictive covenants, including that none will, or will permit any material subsidiary (as defined in the 2013 Offering Indenture), directly or indirectly, create, incur, assume or permit to exist any security interest, except for permitted security interests (each as defined in the 2013 Offering Indenture) on or with respect to any property or assets of Glencore Funding, the Company, Glencore International or Xstrata Schweiz or any material subsidiary or any interest therein or any income or profits therefrom to secure any relevant indebtedness (as defined in the 2013 Offering Indenture), other than in certain limited circumstances.

Glencore Funding, the Company, Glencore International and Xstrata Schweiz have covenanted with respect to limitations on consolidations, mergers and the conveyancing, transferring or leasing of their property or assets.

(c) Redemption

Unless previously redeemed or purchased, Glencore Funding will redeem (i) the 2016 Notes and the 2016 Floating Rate Notes on 27 May 2016, (ii) the 2019 Notes and the 2019 Floating Rate Notes on 15 January 2019 and (iii) the 2023 Notes on 30 May 2023.

Glencore Funding may redeem the 2016 Notes, the 2019 Notes or the 2023 Notes in whole or in part, at its option, at any time and from time to time at a redemption price equal to the greater of (i) 100 per cent. of the principal amount of the notes to be redeemed and (ii) as determined by an independent investment banker (as defined in the 2013 Offering Indenture), the sum of the present values of the applicable remaining scheduled payments (as defined in the 2013 Offering Indenture) discounted to the date of redemption on a semi-annual basis at the treasury rate (as defined in the 2013 Offering Indenture) plus 20 basis points in the case of the 2016 Notes, plus 25 basis points in the case of the 2019 Notes and plus 35 basis points in the case of the 2023 Notes, in each case, together with accrued and unpaid interest on the principal amount of the notes to be redeemed to the redemption date. There is no restriction on the ability of Glencore Funding, the Company, Glencore International, Xstrata Schweiz or their subsidiaries to purchase or repurchase the 2016 Notes, the 2019 Notes or the 2023 Notes. The 2016 Notes, the 2019 Notes and the 2023 Notes are also redeemable at the option of Glencore Funding, the Company, Glencore International or Xstrata Schweiz on the occurrence of certain tax events.

(d) Events of default

An event of default under the 2013 Offering Notes will occur in certain circumstances, including, but not limited to, a failure to pay any instalment of interest or additional amounts as they become due and payable and continuing for 30 days, non-payment of all or any part of the principal or premium on any series of the 2013 Offering Notes when due and payable or if there is a failure to perform, or breach of any covenants continuing for 60 days following written notice of such breach. An event of default will also occur if any present or future financial indebtedness (as defined in the 2013 Offering Indenture), other than (i) non-recourse indebtedness (as defined in the 2013 Offering Indenture) of

Glencore Funding, the Company, Glencore International, Xstrata Schweiz or any material subsidiary, (ii) intra-group indebtedness and (iii) trade credit incurred in the ordinary course and on standard commercial terms, other than the 2013 Offering Notes, having a then outstanding principal amount in excess of U.S.\$100 million is accelerated by any holder, trustee or agent in accordance with any agreement or instrument evidencing such indebtedness.

Where an event of default occurs and is continuing, the holders of not less than 25 per cent. in aggregate principal amount of any series of 2013 Offering Notes then outstanding, by notice in writing to Glencore Funding, the Company, Glencore International, Xstrata Schweiz and The Bank of New York Mellon, may declare the entire principal amount of such series and interest accrued thereon to be due and payable.

## **11 2012 Xstrata bond issue**

Pursuant to an indenture dated 19 December 2012 (as amended) (the “2012 Xstrata Notes Indenture”), Xstrata Limited issued U.S.\$ denominated notes (the “2012 Xstrata Notes”) in a U.S.\$4.5 billion four-tranche transaction comprising three-year, five-year, 10-year and 30-year Notes issued through its subsidiary, Xstrata Finance (Canada) Limited. The transaction covered U.S.\$1.25 billion 1.800 per cent. guaranteed notes due 2015, U.S.\$1.75 billion 2.450 per cent. guaranteed notes due 2017, U.S.\$1 billion 4.000 per cent. guaranteed notes due 2022 and U.S.\$500 million 5.300 per cent. guaranteed notes due 2042. The 2012 Xstrata Notes have been offered and sold pursuant to Rule 144A and Regulation S of the Securities Act.

### **(a) Guarantee agreements**

The 2012 Xstrata Notes are fully and unconditionally guaranteed as to the full and punctual payment of their principal and interest as they become due and payable and any other amounts due or owing by Xstrata Finance (Canada) Limited under the 2012 Xstrata Notes Indenture by the Company, Glencore International (subject to applicable Swiss law), Xstrata Limited, Xstrata (Schweiz) (subject to applicable Swiss law), Xstrata Finance (Dubai) Limited and XCFC.

### **(b) Covenants**

Under the 2012 Xstrata Notes Indenture, each of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz), Xstrata Finance (Dubai) Limited and XCFC have agreed certain restrictive covenants, including that none will, or will permit any restricted subsidiary (as defined in the 2012 Xstrata Notes Indenture) to, create, incur, assume or otherwise have outstanding any mortgage on or over any principal property (as defined in the 2012 Xstrata Notes Indenture) to secure any indebtedness (as defined in the 2012 Xstrata Notes Indenture), or on shares of stock or indebtedness of any restricted subsidiary to secure any indebtedness, other than in certain limited circumstances.

Each of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz), Xstrata Finance (Dubai) Limited and XCFC have also covenanted with respect to limitations on consolidations, mergers and the conveyancing, transferring or leasing of their property or assets.

### **(c) Redemption**

Xstrata Finance (Canada) Limited may redeem the 2012 Xstrata Notes, in whole or in part, at its option, at any time and from time to time at a redemption price equal to the greater of (i) 100 per cent. of the principal amount of the notes to be redeemed and (ii) as determined by an independent investment banker (as defined in the 2012 Xstrata Notes Indenture), the sum of the present values of the applicable remaining scheduled payments (as defined in the 2012 Xstrata Notes Indenture) discounted to the date of redemption on a semi-annual basis at the treasury rate (as defined in the 2012 Xstrata Notes Indenture) plus 25 basis points in the case of the notes due 2015, plus 30 basis points in the case of the notes due 2017, plus 35 basis points in the case of the notes due 2022 and plus 40 basis points in the case of the notes due 2042, in each case, together with accrued and unpaid interest on the principal amount of the notes to be redeemed to the redemption date. The 2012 Xstrata Notes are also redeemable at the option of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz), Xstrata Finance (Dubai) Limited and XCFC on the occurrence of certain tax events.

#### (d) Events of Default

An event of default under the 2012 Xstrata Notes will occur in certain circumstances, including, but not limited to, a failure to pay any instalment of interest or additional amounts as they become due and payable and continuing for 30 days, non-payment of all or any part of the principal or premium on any series of the 2012 Xstrata Notes when due and payable or if there is a failure to perform, or breach of any covenants continuing for 60 days following written notice of such breach. An event of default will also occur if any present or future financial indebtedness (as defined in the 2012 Xstrata Notes Indenture), other than non-recourse indebtedness (as defined in the 2012 Xstrata Notes Indenture) of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz), Xstrata Finance (Dubai) Limited and XCFC or any material subsidiary and the 2012 Xstrata Notes, having a then outstanding principal amount in excess of U.S.\$100 million is accelerated by any holder, trustee or agent in accordance with any agreement or instrument evidencing such indebtedness.

Where an event of default occurs and is continuing, the holders of not less than 25 per cent. in aggregate principal amount of any series of the 2012 Xstrata Notes then outstanding, by notice in writing to Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz), Xstrata Finance (Dubai) Limited and XCFC and The Bank of New York Mellon, may declare the entire principal amount of such series and interest accrued thereon to be due and payable.

## 12 2011 Xstrata bond issue

Pursuant to an indenture dated 10 November 2011 (the "2011 Xstrata Notes Indenture"), Xstrata Limited issued U.S.\$ denominated notes (the "2011 Xstrata Notes") in a U.S.\$3 billion four-tranche transaction comprising three year, five year, 10 year and 30 year notes issued through its subsidiary Xstrata Finance (Canada) Limited. The transaction covers U.S.\$800 million 2.85 per cent. guaranteed notes due November 2014, U.S.\$700 million 3.60 per cent. guaranteed notes due January 2017, U.S.\$1,000 million 4.95 per cent. guaranteed notes due November 2021 and U.S.\$500 million 6.00 per cent. guaranteed notes due November 2041. The Notes have been offered and sold pursuant to Rule 144A and Regulation S of the Securities Act.

#### (a) Guarantee agreements

The 2011 Xstrata Notes are fully and unconditionally guaranteed as to the full and punctual payment of their principal and interest as they become due and payable and any other amounts due or owing by Xstrata Finance (Canada) Limited under the 2011 Xstrata Notes Indenture by the Company, Glencore International (subject to applicable Swiss law), Xstrata Limited, Xstrata (Schweiz) (subject to applicable Swiss law), Xstrata Finance (Dubai) Limited and XCFC.

#### (b) Covenants

Under the 2011 Xstrata Notes Indenture, each of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz), Xstrata Finance (Dubai) Limited and XCFC have agreed certain restrictive covenants, including that none will, or will permit any restricted subsidiary (as defined in the 2011 Xstrata Notes Indenture) to, create, incur, assume or otherwise have outstanding any mortgage on or over any principal property (as defined in the 2011 Xstrata Notes Indenture) to secure any indebtedness (as defined in the 2011 Xstrata Notes Indenture), or on shares of stock or indebtedness of any restricted subsidiary to secure any indebtedness, other than in certain limited circumstances.

Each of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz), Xstrata Finance (Dubai) Limited and XCFC have also covenanted with respect to limitations on consolidations, mergers and the conveyancing, transferring or leasing of their property or assets.

#### (c) Redemption

Xstrata Finance (Canada) Limited may redeem the 2011 Xstrata Notes, in whole or in part, at its option, at any time and from time to time at a redemption price equal to the greater of (i) 100 per cent. of the principal amount of the notes to be redeemed and (ii) as determined by an independent



investment banker (as defined in the 2011 Xstrata Notes Indenture), the sum of the present values of the applicable remaining scheduled payments (as defined in the 2011 Xstrata Notes Indenture) discounted to the date of redemption on a semi-annual basis at the treasury rate (as defined in the 2011 Xstrata Notes Indenture) plus 37.5 basis points in the case of the notes due 2014, plus 40 basis points in the case of the notes due 2017, plus 45 basis points in the case of the notes due 2021 and plus 50 basis points in the case of the notes due 2041, in each case, together with accrued and unpaid interest on the principal amount of the notes to be redeemed to the redemption date. The 2011 Xstrata Notes are also redeemable at the option of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz), Xstrata Finance (Dubai) Limited and XCFC on the occurrence of certain tax events.

(d) Events of Default

An event of default under the 2011 Xstrata Notes will occur in certain circumstances, including, but not limited to, a failure to pay any instalment of interest or additional amounts as they become due and payable and continuing for 30 days, non-payment of all or any part of the principal or premium on any series of the 2011 Xstrata Notes when due and payable or if there is a failure to perform, or breach of any covenants continuing for 60 days following written notice of such breach. An event of default will also occur if any present or future financial indebtedness (as defined in the 2011 Xstrata Notes Indenture), other than non-recourse indebtedness (as defined in the 2011 Xstrata Notes Indenture) of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz), Xstrata Finance (Dubai) Limited and XCFC or any material subsidiary and the 2011 Xstrata Notes, having a then outstanding principal amount in excess of U.S.\$100 million is accelerated by any holder, trustee or agent in accordance with any agreement or instrument evidencing such indebtedness.

Where an event of default occurs and is continuing, the holders of not less than 25 per cent. in aggregate principal amount of any series of the 2011 Xstrata Notes then outstanding, by notice in writing to Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz), Xstrata Finance (Dubai) Limited and XCFC and The Bank of New York Mellon, may declare the entire principal amount of such series and interest accrued thereon to be due and payable.

### 13 2007 Xstrata bond issue

Pursuant to an indenture dated 20 November 2007 (the “2007 Xstrata Notes Indenture”), Xstrata Limited issued U.S.\$500 million 6.90 per cent. notes due 2037 (the “2007 Xstrata Notes”) through its subsidiary Xstrata Finance (Canada) Limited. The Notes have been offered and sold pursuant to Rule 144A and Regulation S of the Securities Act.

(a) Guarantee agreements

The 2007 Xstrata Notes are fully and unconditionally guaranteed as to the full and punctual payment of their principal and interest as they become due and payable and any other amounts due or owing by Xstrata Finance (Canada) Limited under the 2007 Xstrata Notes Indenture by the Company, Glencore International (subject to applicable Swiss law), Xstrata Limited, Xstrata (Schweiz) (subject to applicable Swiss law) and Xstrata Finance (Dubai) Limited.

(b) Covenants

Under the 2007 Xstrata Notes Indenture, each of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz) and Xstrata Finance (Dubai) Limited have agreed certain restrictive covenants, including that none will, or will permit any restricted subsidiary (as defined in the 2007 Xstrata Notes Indenture) to, create, incur, assume or otherwise have outstanding any mortgage on or over any principal property (as defined in the 2007 Xstrata Notes Indenture) to secure any indebtedness (as defined in the 2007 Xstrata Notes Indenture), or on shares of stock or indebtedness of any restricted subsidiary to secure any indebtedness, other than in certain limited circumstances.

Each of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz) and Xstrata Finance (Dubai) Limited have also covenanted with respect to

limitations on consolidations, mergers and the conveyancing, transferring or leasing of their property or assets.

(c) Redemption

Xstrata Finance (Canada) Limited may redeem the 2007 Xstrata Notes, in whole or in part, at its option, at any time and from time to time at a redemption price equal to the greater of (i) 100 per cent. of the principal amount of the notes to be redeemed and (ii) as determined by an independent investment banker (as defined in the 2007 Xstrata Notes Indenture), the sum of the present values of the applicable remaining scheduled payments (as defined in the 2007 Xstrata Notes Indenture) discounted to the date of redemption on a semi-annual basis at the treasury rate (as defined in the 2007 Xstrata Notes Indenture) plus 40 basis points, together with accrued and unpaid interest on the principal amount of the notes to be redeemed to the redemption date. The 2007 Xstrata Notes are also redeemable at the option of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz) and Xstrata Finance (Dubai) Limited on the occurrence of certain tax events.

(d) Events of Default

An event of default under the 2007 Xstrata Notes will occur in certain circumstances, including, but not limited to, a failure to pay any instalment of interest or additional amounts as they become due and payable and continuing for 30 days, non-payment of all or any part of the principal or premium on the 2007 Xstrata Notes when due and payable or if there is a failure to perform, or breach of any covenants continuing for 60 days following written notice of such breach. An event of default will also occur if any present or future financial indebtedness (as defined in the 2007 Xstrata Notes Indenture), other than non-recourse indebtedness (as defined in the 2007 Xstrata Notes Indenture) of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz) or Xstrata Finance (Dubai) Limited or any material subsidiary and the 2007 Xstrata Notes, having a then outstanding principal amount in excess of U.S.\$50 million is accelerated by any holder, trustee or agent in accordance with any agreement or instrument evidencing such indebtedness.

Where an event of default occurs and is continuing, the holders of not less than 25 per cent. in aggregate principal amount of the 2007 Xstrata Notes then outstanding, by notice in writing to Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz) and Xstrata Finance (Dubai) Limited and The Bank of New York Mellon, may declare the entire principal amount of the 2007 Xstrata Notes and interest accrued thereon to be due and payable.

#### **14 2006 Xstrata bond issue**

Pursuant to an indenture dated 15 November 2006 (the "2006 Xstrata Notes Indenture"), Xstrata Limited issued U.S.\$1 billion 5.80 per cent. notes due 2016 (the "2006 Xstrata Notes") through its subsidiary Xstrata Finance (Canada) Limited. The Notes have been offered and sold pursuant to Rule 144A and Regulation S of the Securities Act.

(a) Guarantee agreements

The 2006 Xstrata Notes are fully and unconditionally guaranteed as to the full and punctual payment of their principal and interest as they become due and payable and any other amounts due or owing by Xstrata Finance (Canada) Limited under the 2006 Xstrata Notes Indenture by the Company, Glencore International (subject to applicable Swiss law), Xstrata Limited, Xstrata (Schweiz) (subject to applicable Swiss law) and Xstrata Finance (Dubai) Limited.

(b) Covenants

Under the 2006 Xstrata Notes Indenture, each of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz) and Xstrata Finance (Dubai) Limited have agreed certain restrictive covenants, including that none will, or will permit any restricted subsidiary (as defined in the 2006 Xstrata Notes Indenture) to, create, incur, assume or otherwise have outstanding any mortgage on or over any principal property (as defined in the 2006 Xstrata Notes Indenture) to secure any indebtedness (as defined in the 2006 Xstrata Notes Indenture), or on

shares of stock or indebtedness of any restricted subsidiary to secure any indebtedness, other than in certain limited circumstances.

Each of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz) and Xstrata Finance (Dubai) Limited have also covenanted with respect to limitations on consolidations, mergers and the conveyancing, transferring or leasing of their property or assets.

(c) Redemption

Xstrata Finance (Canada) Limited may redeem the 2006 Xstrata Notes, in whole or in part, at its option, at any time and from time to time at a redemption price equal to the greater of (i) 100 per cent. of the principal amount of the notes to be redeemed and (ii) as determined by an independent investment banker (as defined in the 2006 Xstrata Notes Indenture), the sum of the present values of the applicable remaining scheduled payments (as defined in the 2006 Xstrata Notes Indenture) discounted to the date of redemption on a semi-annual basis at the treasury rate (as defined in the 2006 Xstrata Notes Indenture) plus 20 basis points, together with accrued and unpaid interest on the principal amount of the notes to be redeemed to the redemption date. The 2006 Xstrata Notes are also redeemable at the option of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz) and Xstrata Finance (Dubai) Limited on the occurrence of certain tax events.

(d) Events of Default

An event of default under the 2006 Xstrata Notes will occur in certain circumstances, including, but not limited to, a failure to pay any instalment of interest or additional amounts as they become due and payable and continuing for 30 days, non-payment of all or any part of the principal or premium on the 2006 Xstrata Notes when due and payable or if there is a failure to perform, or breach of any covenants continuing for 60 days following written notice of such breach. An event of default will also occur if any present or future financial indebtedness (as defined in the 2006 Xstrata Notes Indenture), other than non-recourse indebtedness (as defined in the 2006 Xstrata Notes Indenture) of Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz) or Xstrata Finance (Dubai) Limited or any material subsidiary and the 2006 Xstrata Notes, having a then outstanding principal amount in excess of U.S.\$50 million is accelerated by any holder, trustee or agent in accordance with any agreement or instrument evidencing such indebtedness.

Where an event of default occurs and is continuing, the holders of not less than 25 per cent. in aggregate principal amount of the 2006 Xstrata Notes then outstanding, by notice in writing to Xstrata Finance (Canada) Limited, the Company, Glencore International, Xstrata Limited, Xstrata (Schweiz) and Xstrata Finance (Dubai) Limited and The Bank of New York Mellon, may declare the entire principal amount of the 2006 Xstrata Notes and interest accrued thereon to be due and payable.

## **15 U.S.\$8 billion EMTN Programme (the “Xstrata EMTN Programme”)**

Xstrata Finance (Dubai) Limited, Xstrata Finance (Canada) Limited and XCFC (the “Xstrata EMTN Issuers”) are issuers under the Xstrata EMTN Programme for the issuance of notes (the “Xstrata EMTN Notes”). The Xstrata EMTN Notes are guaranteed by the Company, Glencore International, Xstrata (Schweiz), Xstrata Limited and the Xstrata EMTN Issuers, excluding the issuer of such Xstrata EMTN Notes, and save that Xstrata EMTN Notes issued prior to the update of the Xstrata EMTN Programme on 16 May 2008 are not guaranteed by XCFC (the “Xstrata EMTN Guarantors”). Law Debenture Trustees Limited is appointed as trustee (the “Xstrata EMTN Trustee”) of the Xstrata EMTN Notes pursuant to an amended and restated trust deed dated 7 November 2012.

An event of default under the Xstrata EMTN Notes will occur in certain circumstances, including, but not limited to, if default is made in the payment of principal or interest in respect of the Xstrata EMTN Notes and, in the case of payment of interest, such default continues for a period of 14 days, if the guarantees of the Xstrata EMTN Notes are not in full force and effect, if any of the relevant Xstrata EMTN Issuer, the Xstrata EMTN Guarantors or any material subsidiary fails to pay when due or within any originally applicable grace period any indebtedness for borrowed money, or such indebtedness becomes due and payable prior to its stated maturity date, or where there is a failure

to pay when due or within any originally applicable grace period amounts owing under any guarantee in respect of indebtedness for borrowed money, in each case in circumstances where the amount of such indebtedness and/or the amount payable under such guarantee individually or in the aggregate equals or exceeds U.S.\$50 million (or its equivalent in another currency).

If any event of default occurs and is continuing, the Xstrata EMTN Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the relevant outstanding Xstrata EMTN Notes or if so directed by an extraordinary resolution of the noteholders, shall (subject in certain cases to the Xstrata EMTN Trustee having certified in writing that the happening of such events is in its opinion materially prejudicial to the interests of the noteholders) declare the relevant Xstrata EMTN Notes due and payable at their principal amount together with accrued interest.

## **16 Glencore Guarantees of Outstanding Xstrata Notes**

On 29 May 2013, the Company and Glencore International entered into supplemental indentures in connection with (i) the 2006 Xstrata Notes, (ii) the 2007 Xstrata Notes, (iii) the 2011 Xstrata Notes and (iv) the 2012 Xstrata Notes (collectively, the "Xstrata Notes"), in each case providing for the Company and Glencore International (subject to applicable Swiss law) to guarantee the payment of principal and interest owing by Xstrata Finance (Canada) Limited with respect to the Xstrata Notes on a senior, unsecured basis.

In addition, (i) the Company executed deeds of guarantee in respect of each series of the Xstrata Notes, pursuant to which, *inter alia*, the Company agreed to act as guarantor of the Xstrata Notes and (ii) Glencore International and The Bank of New York Mellon entered into guarantee agreements in respect of each series of the Xstrata Notes, pursuant to which, *inter alia*, Glencore International agreed to act as a guarantor of the Xstrata Notes.

## **17 OAO RussNeft Loan Agreement**

On 21 December 2010, OAO NK RussNeft ("RussNeft") and Interseal Limited, a member of the Glencore Group ("Interseal"), entered into an amendment and restatement agreement (the "Consolidated Loan Agreement") which amended and consolidated various loans that had been made by Interseal to RussNeft into a single loan in a principal amount of U.S.\$2,080,655,312.12 (the "Outstanding Principal Amount") (the "Interseal Debt"). This amendment was put in place as part of a wider restructuring of RussNeft's indebtedness. The Interseal Debt is subordinated to loans provided to RussNeft and its subsidiaries by Sberbank of Russia.

The Consolidated Loan Agreement was amended in October 2012 pursuant to an amendment agreement and, as a result, the Consolidated Loan Agreement provides that:

- (a) interest is payable on the loan at a minimum interest rate of 7.75 per cent. per annum, 3 per cent. of which is payable quarterly in cash, so long as all indebtedness owed by RussNeft to Sberbank of Russia remains outstanding and is current, with the balance of the interest being accrued for future payment. This accrued interest, together with an amount of unpaid interest accrued prior to the execution of the Consolidated Loan Agreement, is payable by RussNeft to Interseal monthly along with the Outstanding Principal Amount in the circumstances described in paragraph (c) below;
- (b) in addition, each calendar year, RussNeft will pay to Interseal up to U.S.\$50,000,000 of which up to U.S.\$20,000,000 will be applied to pay accrued interest and up to U.S.\$30,000,000 will be applied towards repayment of principal;
- (c) the Outstanding Principal Amount, together with accrued and unpaid interest, is only to be repaid following the repayment in full of all indebtedness owed by RussNeft to Sberbank of Russia, and then in minimum monthly instalments of U.S.\$96,000,000, commencing in the last quarter of 2017;
- (d) in addition to the monthly instalments described in paragraph (c), following the repayment in full of the indebtedness owed by RussNeft to Sberbank of Russia, a quarterly cash sweep will also require RussNeft to reduce further the Outstanding Principal Amount by an amount equal to excess cash flow (i.e. the amount by which cash flow exceeds debt service) generated during the relevant quarter; and

(e) in any event, RussNeft is required to repay the Outstanding Principal Amount, together with all accrued and unpaid interest, in full to Interseal on or before 31 December 2020.

The Consolidated Loan Agreement also includes representations, warranties and undertakings from RussNeft which are typical for these types of credit arrangements. The Consolidated Loan Agreement also contains customary events of default upon occurrence of which Interseal may demand repayment of the Outstanding Principal Amount.

The amounts outstanding under the Consolidated Loan Agreement are secured by various pledges of shares of members of the RussNeft group, the enforcement of which is to be agreed with Sberbank of Russia whilst all indebtedness owed to it by RussNeft remains outstanding.

## **18 Kazzinc Share Purchase Agreements**

Pursuant to two termination deeds dated 24 September 2012, (i) the share purchase and option agreement between Glencore International, Pasar Holdings Incorporated AG (a wholly-owned Group company) (“Pasar Holdings”) and Verny Capital, acting in the interests of Verny Investments and (ii) the share purchase agreement between Glencore International, Kazastur Zinc AG (a wholly-owned Group company) and Verny Capital, acting in the interests of Verny Rost were terminated. Separately, on 24 September 2012, the Company, Verny Capital, acting in the interests of Verny Investments, and Pasar Holdings entered into a single new share purchase agreement pursuant to which Pasar Holdings agreed to acquire 18.91 per cent. of Kazzinc, increasing the Group’s interest in Kazzinc to 69.61 per cent. (the “New Agreement”).

Pursuant to the New Agreement, on 11 October 2012, Pasar Holdings acquired the 18.91 per cent. ownership interest in Kazzinc from Verny Investments in consideration for the issue of 176,742,520 Shares and payment of cash consideration of U.S.\$400 million.

## **19 Viterra arrangement agreement**

On 17 December 2012, Glencore completed the acquisition of 100 per cent. interest in Viterra pursuant to an arrangement agreement dated 20 March 2012 (as amended) between Glencore, 8115222 Canada Inc. (the “Purchaser”), a wholly-owned subsidiary of Glencore, and Viterra (the “Arrangement Agreement”). Pursuant to the Arrangement Agreement, the Purchaser agreed to acquire all of the outstanding shares (including those shares represented by CHES Depositary Interests) of Viterra for C\$16.25 per share pursuant to a court approved plan of arrangement (the “Viterra Arrangement”) under the Canada Business Corporations Act. Under the Viterra Arrangement, holders of options under Viterra’s management stock option received a cash payment representing the amount (if any) C\$16.25 exceeding the exercise price of such option, net of all taxes required to be withheld, and each restricted share unit, key employee share unit, performance share unit (assuming performance conditions are met) and deferred share unit of Viterra was redeemed and the holder received C\$16.25 in cash for each such security, net of all taxes required to be withheld.

The Arrangement Agreement included customary representations, warranties and covenants for a transaction of this nature.

## **20 Agrium support and purchase agreement**

In connection with the Viterra Arrangement, Glencore, 8115222 Canada Inc. (the “Purchaser”), 8001979 Canada Inc. and Agrium entered into a support and purchase agreement dated 19 March 2012 (as amended) (the “Agrium Agreement”) pursuant to which Agrium agreed, on the terms and subject to the conditions of the Agrium Agreement, to acquire the majority of Viterra’s worldwide agri-products business, including: (a) certain crop input retail centres, fertiliser and ammonia storage and distribution assets in western Canada, Viterra Financial<sup>TM</sup> arrangements related to crop input retail centres and Viterra’s interests in Interprovincial Cooperative Limited (collectively, the “Retail Business”); (b) Viterra’s interests in Canadian Fertilizer Limited and certain associated liabilities (the “Wholesale Business”); and (c) at Agrium’s option, Viterra’s wool business, subject to certain excluded assets and associated liabilities (collectively, the “Agrium Assets”).

The purchase price for the Agrium Assets is approximately C\$1.775 billion, including estimated working capital requirements, (the “Agrium Consideration”) and is subject to adjustment in certain circumstances.

Agrium agreed to lend the Purchaser C\$1.775 billion (the “Agrium Loan”) prior to the date the Viterra Arrangement became effective. Glencore and 8001979 Canada Inc. guaranteed the Purchaser’s obligations under the Agrium Loan. The Agrium Loan is repayable by the transfer of the Agrium Assets to Agrium, subject to certain conditions. The Agrium Loan only bears interest if the Purchaser is in default and such interest is payable on the principal amount of the Agrium Loan then outstanding. Agrium does not have any right to acquire shares in Viterra but has been granted a security interest over an amount of shares in Viterra equal to the Agrium Loan divided by the Purchase Price paid under the Viterra Arrangement.

The funding of the Agrium Loan and Agrium’s obligation to acquire the Agrium Assets are conditional upon, among other things, no change, effect, event, circumstance, occurrence or state of facts pending or threatened that has had, or would reasonably be expected to have, an effect that is, or would reasonably be expected to be, material and adverse to Viterra’s agri-products business taken as a whole since the date of the Agrium Agreement.

Agrium will be solely responsible for obtaining all regulatory clearances for its acquisition of the Agrium Assets or, alternatively, Agrium may nominate a third party purchaser of such assets. If such regulatory clearances are not obtained within 10 months, in the case of the Retail Business, and within 13 months, in the case of the Wholesale Business, and in both cases from the acquisition of Viterra by the Purchaser, the Purchaser may elect to dispose of the Agrium Assets in consultation with Agrium. Agrium accepts the risk that the proceeds of any such sale may be for an amount less than the portion of the Agrium Consideration allocated to such asset. Agrium will not own or operate the applicable Agrium Assets unless and until the completion of the transfer of the respective Agrium Assets. Subject to applicable law, from the date of the acquisition of control of Viterra by the Purchaser to each applicable date of the completion of the transfer of the Agrium Assets, Glencore will cause Viterra to operate the Agrium Assets in Viterra’s ordinary course of business and consistent with past practice. The acquisition of the Retail Business by Agrium completed on 1 October 2013.

Agrium has also agreed to deal exclusively with the Purchaser and Glencore with respect to the Agrium Assets and the Purchaser and Glencore have agreed to deal exclusively with Agrium with respect to the Agrium Assets, subject to certain conditions.

## **21 Richardson purchase agreement**

In connection with the Viterra Arrangement, Glencore, 8115222 Canada Inc. (the “Purchaser”), certain of Glencore’s affiliates and Richardson entered into a purchase agreement dated 20 March 2012 (as amended) (the “Richardson Agreement”), pursuant to which Richardson agreed, on the terms and subject to the conditions of the Richardson Agreement, to acquire the following Viterra assets: (a) certain Canadian grain elevators; (b) certain agri-centres co-located with certain of the grain elevators; (c) a 25 per cent. interest in the Cascadia Terminal in Vancouver; (d) all oat milling assets and shares relating to Viterra’s oat milling business in Canada; (e) all assets or shares of the 21st Century Grain Processing business of Viterra in the United States; and (f) a terminal at Thunder Bay, Ontario, together with the net working capital with respect to certain of these assets for approximately C\$0.8 billion plus net working capital. The acquisition completed on 1 May 2013.

At the time of the Richardson Agreement, Richardson agreed to lend the Purchaser an amount approximately equal to the consideration and this loan was repaid by the transfer of assets on 1 May 2013.



