



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

REGULATORY ANNOUNCEMENT

Merger timing and anti-trust update

Zug, 11 July 2012

Further to our announcement of 5 July 2012, the Court Meeting originally convened for 11.00 a.m. CEST on 12 July 2012 to approve the Scheme of Arrangement in respect of the recommended all-share merger of equals (the "Merger") with Glencore International plc ("Glencore") will be adjourned to Friday 7 September 2012.

A new extraordinary general meeting will be convened for Friday 7 September, to follow the Court Meeting. As previously announced, the Xstrata extraordinary general meeting convened for 11.30 a.m. CEST on 12 July is proposed to be adjourned, subject to the passing of an ordinary resolution to adjourn the meeting.

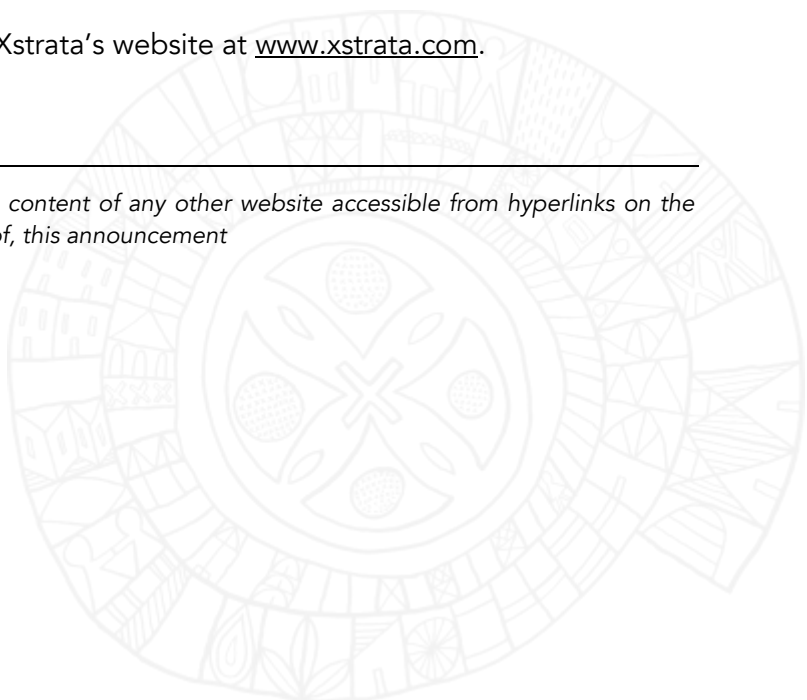
Xstrata's supplementary scheme circular, containing the detailed terms of the Amended Management Incentive Arrangements which are also included in an appendix to this announcement, and details of the shareholder meetings to be held on 7 September 2012, will be posted to Xstrata shareholders as soon as Glencore's supplementary prospectus has been finalised. The terms of the Merger remain otherwise unchanged.

Since publication of the Scheme Circular on 31 May, the Australian Competition and Consumer Commission has approved the transaction and the US Department of Justice has allowed the Hart-Scott-Rodino waiting period to expire without taking any action or seeking any type of remedy. The merger review process is ongoing in both China and South Africa and the parties continue to engage in constructive discussions with the European Commission ahead of formal notification of the transaction. Glencore and Xstrata continue to anticipate completion of the Merger early in the fourth quarter.

A copy of this announcement is available on Xstrata's website at www.xstrata.com.

End

Neither the content of the company's website nor the content of any other website accessible from hyperlinks on the company's website is incorporated into, or forms part of, this announcement



Xstrata contacts:

Claire Diver

Telephone +44 20 7968 2871

Mobile +44 7785 964 340

Email cdivver@xstrata.com

Alison Flynn

Telephone +44 20 7968 2838

Mobile +44 7769 314 374

Email aflynn@xstrata.com

Aura Financial

Michael Oke

Telephone +44 20 7321 0000

StockWell Communications

Philip Gawith

Telephone +44 20 3370 0013

Mobile + 44 7887 954048

www.xstrata.com

Notes to editors

About Xstrata plc

We are a major producer of a range of vital commodities used in everything from constructing buildings and delivering electricity, to developing jet engines and mobile phones. We are one of the top five global producers of copper, thermal and metallurgical coal, ferrochrome, zinc and nickel and we also produce silver, lead, platinum, gold, cobalt and vanadium.

Founded in 2002 and headquartered in Switzerland, we operate in over 20 countries and employ over 70,000 people at more than 100 operations and projects around the world. We work in a responsible and sustainable way, with an entrepreneurial spirit and dynamic approach. For more information, visit www.xstrata.com.

Further information

Defined terms used in this announcement, unless defined herein, have the same meanings as in the circular in relation to the Merger, sent to shareholders on 31 May 2012 (the "Scheme Circular").

This announcement is for information purposes only. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Merger or otherwise nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Merger is being made solely by means of the Scheme Circular, which, together with the Forms of Proxy (and any supplementary Scheme Circular and any additional form of proxy), contains the full terms and conditions of the Merger including details of how to vote in respect of the Merger. Xstrata urges Xstrata Shareholders to read the Scheme Circular and any supplementary Scheme Circular in full because they contain/will contain important information in relation to the Merger. Any vote in respect of the Scheme or other response in relation to the Merger should be made only on the basis on the information contained in the Scheme Circular and any supplementary Scheme Circular.

This announcement does not constitute a prospectus or prospectus equivalent document.

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

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

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

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

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

Notice to US holders of Xstrata Shares

The Merger involves an exchange of the securities of a UK company for the securities of a Jersey company and is subject to Jersey and UK disclosure requirements, which are different from those of the United States. The financial information included in this announcement has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The Merger is proposed to be made by means of a scheme of arrangement under the Companies Act and otherwise in accordance with the requirements of the Code. The scheme of arrangement will relate to the shares of a UK company that is a ‘foreign private issuer’ as defined under Rule 3b-4 under the US Exchange Act.

Accordingly, the proposed combination is subject to disclosure and other procedural requirements applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy and tender offer rules under the US Exchange Act.

Any securities to be issued under the Merger have not been and will not be registered under the US Securities Act, or under the securities laws of any state, district or of any other jurisdiction of the United States, or of any jurisdiction other than the United Kingdom. Accordingly, the New Glencore Shares may not be offered, sold, reoffered, resold, pledged, delivered or otherwise transferred, in or into any jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. It is

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

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

Overseas jurisdictions

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

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

The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law, the Listing Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

Forward-looking statements

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

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

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

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

No profit forecasts

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

Responsibility statement

The Independent Xstrata Directors each accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the Independent Xstrata Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

APPENDIX

Details of Proposed Amended Management Incentive Arrangements

Set out below are the detailed terms of the proposed amendments to the terms of the retention award element of the Management Incentive Arrangements (the "Amended Management Incentive Arrangements") as set out in the circular in relation to the Merger sent to shareholders on 31 May 2012 (the "Scheme Circular") as proposed by the Independent Non-Executive Directors of Xstrata and agreed with Glencore. The detailed terms set out below will be included in a supplementary scheme circular to be posted to Xstrata Shareholders in due course (the "Supplementary Circular").

Amended Management Incentive Arrangements

The Management Incentive Arrangements originally agreed with Glencore and described in the Scheme Circular included retention awards for each member of Xstrata's Management and each of the Xstrata Senior Employees. These were agreed with the aim of ensuring that key Xstrata personnel transition into the Combined Group and are motivated to remain in position and contribute to the execution of the Combined Group's business strategy. Details of the retention award element of the Management Incentive Arrangements are set out on pages 31 to 32 of the Scheme Circular and the amounts payable to each of the Xstrata Executive Directors and the aggregate amounts payable to Xstrata's Management and Xstrata's Senior Employees under the retention awards are set out on page 33 of the Scheme Circular.

The elements of the Management Incentive Arrangements other than the retention award element, being payments in respect of contractual provisions and under the Glencore Performance Share Plan, will remain as described in the Scheme Circular. For ease of reference, these elements are summarised below. With the exception of the Amended Management Incentive Arrangements, the terms of the Merger remain otherwise unchanged.

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

Proposed retention award element of Amended Management Incentive Arrangements

The retention awards payable to the Xstrata Executive Directors, Xstrata's Management and the Xstrata Senior Employees will not be paid in cash (or in the case of Mr Davis, partly in cash and partly in the form of options) as originally agreed, but will be paid entirely in the form of an award over or in respect to Xstrata Shares which will convert into Glencore Shares at the Effective Date on the same basis as under the terms of the Merger. The Xstrata Shares in respect of which the awards will be granted will have, on the grant of the awards, a market value equal to the value of the retention award under the previously agreed arrangements.

Vesting of the retention awards for each of the Xstrata Executive Directors and other members of Xstrata's Management (but not for the Xstrata Senior Employees) will be subject to performance conditions based on

realising additional Savings over the two years following the Effective Date. Full vesting will be achieved if Savings of at least US\$300 million over and above the US\$50 million cost savings identified in the EBITDA synergies estimate for the first full year of the Combined Group following the Effective Date are realised over the two years following the Effective Date¹.

In the case of Xstrata's Management (other than Mr Davis) up to a maximum of fifty per cent. of the total share award will be available to vest at the first anniversary of the Effective Date. Vesting will be on a straight line basis for Savings over and above the threshold savings target of US\$50 million, with full vesting at the first anniversary of the Effective Date if a total of US\$150 million of Savings are realised in the first year. The percentage of the total award remaining unvested after the first anniversary of the Effective Date will be available to vest at the second anniversary of the Effective Date subject to the level of Savings realised over the two year period, with full vesting only occurring if at least US\$300 million of Savings are achieved in aggregate over and above the threshold savings target of US\$50 million included in the previously announced EBITDA synergy estimate at a run rate of at least US\$500 million per annum in the first full year of the Combined Group following the Effective Date.

In the case of Mr Davis, his award will be subject to the same Savings performance conditions as described above. Up to a maximum of one third of his total share award will be available to vest on the first anniversary of the Effective Date (rather than fifty per cent as for other members of Xstrata's Management). The balance of the total award remaining unvested after the first anniversary of the Effective Date will be available to vest on the second and third anniversaries of the Effective Date in equal proportions, subject to the total Savings achieved over the period up to the second anniversary of the Effective Date, as described above.

In the case of the Xstrata Senior Employees, the retention share awards will vest in equal tranches on the first and second anniversaries of the Effective Date and will not be subject to any performance conditions.

The retention share awards will be granted at the conclusion of the New Xstrata General Meeting, assuming the Amended Management Incentive Arrangements Resolution is passed and will be conditional upon the Merger becoming effective.

The retention share awards will be granted to each relevant individual over a fixed number of Xstrata Shares which will have a market value, on the grant of the awards, equal to the value of the retention award under the previously agreed arrangements. The value of the Xstrata Shares will be determined by reference to the average of the middle market closing price of an Xstrata Share over the seven dealing days immediately before the New Xstrata General Meeting, subject to a minimum value of 705 pence per Xstrata Share.

As from the Effective Date the retention share awards will, under the terms of the New Xstrata 2012 Plan (further details of which are described in the paragraph entitled "New Xstrata 2012 Plan" below), automatically become awards over Glencore Shares. The number of Glencore Shares will be determined by reference to the number of New Glencore Shares to which a Scheme Shareholder will be entitled for each Scheme Share held at the Scheme Record Time under the terms of the Merger. Glencore has agreed to the rules of the New Xstrata 2012 Plan and has acknowledged that awards granted under it will confer rights in relation to Glencore Shares at the relevant time.

It is proposed that the maximum number of Xstrata Shares needed to satisfy the retention share awards (not exceeding 24,490,347 Xstrata Shares) will be issued to an employee benefit trust and will be subject to the terms of the Scheme. The resulting Glencore Shares that will then be held in the trust will be transferred to individuals immediately after their retention share awards have vested. On vesting of a retention share award, individuals will be entitled to receive dividend equivalent payments in respect of the Glencore Shares that vest.

Original unamended elements of Management Incentive Arrangements

¹ None of the above cost savings targets are intended as a profit forecast or profit estimate and no statement in relation to them should be interpreted to mean that earnings per share for Scheme Shareholders will necessarily be greater than those for the year ended 31 December 2011.

Set out below is a summary of the proposed payments to be made to members of Xstrata's Management and the Xstrata Senior Employees in respect of contractual provisions, as well under the Glencore Performance Share Plan. The following summary has been extracted without material adjustment from the summary included in respect of these matters on pages 32 and 33 of the Scheme Circular.

Payments in respect of contractual provisions

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

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

In addition, arrangements structured in a similar way to those proposed for Xstrata's Management have been put in place for 27 Xstrata Senior Employees, each of whom is considered to be key to the execution of the Combined Group's business strategy. These arrangements seek to ensure that none of this group of senior employees terminates his/her contract of employment with the Xstrata Group prior to the completion of the Merger. Payment to each eligible Xstrata Senior Employee is conditional upon completion of the Merger and on the individual being in employment with the Combined Group on the Effective Date. The maximum aggregate amount payable to members of Xstrata's Management (other than Messrs Reid and Zaldumbide, as to which see above) under this arrangement is £16,088,493 (assuming that they are still in employment with the Combined Group on the Effective Date), and the maximum aggregate amount payable to the 27 aforementioned Xstrata Senior Employees under their arrangements is £19,006,927 (assuming that they are still in employment with the Combined Group on the Effective Date). Details of the amounts payable to the Xstrata Executive Directors, other members of Xstrata's Management and the Xstrata Senior Employees in relation to these payments and arrangements are set out under the paragraph entitled "Summary of originally proposed Management Incentive Arrangements and Amended Management Incentive Arrangements" below.

Xstrata Long Term Incentive Plan and Glencore Performance Share Plan

On completion of the Merger, the Xstrata LTIP will terminate—for further detail on the terms of the Xstrata LTIP and the impact of the Merger upon awards under this plan, please refer to paragraph 10 of Part II (*Explanatory Statement*) on pages 34 to 36 and to paragraph 9 of Part VI (*Additional Information*) on pages 90 and 91 of the Scheme Circular.

Participants in the Xstrata LTIP will be eligible for awards under the Glencore Performance Share Plan, on and subject to the terms of that plan from 2013. Awards will be granted in the normal grant period following the announcement of Glencore's results for the financial year ending 31 December 2012.

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

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

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

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

Summary of originally proposed Management Incentive Arrangements and Amended Management Incentive Arrangements

Set out below is a summary of the payments to be made to (a) each of the Xstrata Executive Directors, (b) Xstrata's Management, and (c) the Xstrata Senior Employees in connection with the Amended Management Incentive Arrangements. The notes to the table below explain the differences between the retention award element under these amended arrangements and under the originally proposed Management Incentive Arrangements. As stated above, the payments in respect of contractual provisions and under the Glencore Performance Share Plan remain as originally proposed under the Amended Management Incentive Arrangements. Note 1 below explains the key changes to the retention award element under the Amended Management Incentive Arrangements.

	<u>Value of retention awards to be paid entirely in or in respect to shares⁽¹⁾</u>			<u>Payments in respect of contractual provisions⁽²⁾</u>	<u>Indicative value of award at grant under 2013 Glencore Performance Share Plan⁽³⁾</u>
	<u>2013</u>	<u>2014</u>	<u>2015</u>		
Mr Davis ⁽⁴⁾	£9,598,475	£9,598,475	£9,598,475	N/A	£6,000,000
Mr Reid	£5,451,848	£5,451,848	N/A	£5,451,848	£3,260,000
Mr Zaldumbide	£3,942,785	£3,942,785	N/A	£3,942,785	£2,600,000
Xstrata's Management ⁽⁵⁾	£16,088,493	£16,088,493	N/A	£16,088,493	£13,750,000
Xstrata Senior Employees ⁽⁶⁾	£46,447,660	£46,447,660	N/A	£19,006,927	N/A

Notes:

(1) As explained above, under the terms of the originally proposed Management Incentive Arrangements, the retention award amounts set out in the table above would be paid entirely in cash (other than in the case of Mr. Davis for whom awards were to be paid as to two-thirds in cash and one third in shares), and would not be subject to any performance conditions. As also described above, under the terms of the Amended Management Incentive Arrangements, 100 per cent. of the retention awards for the Xstrata Executive Directors and the other members of Xstrata's Management will be subject to performance conditions based on realising additional Savings in the two years following the Effective Date. The number of shares to be awarded under the Amended Management Incentive Arrangements will be determined by reference to the average of the closing prices of Xstrata Shares over the seven dealing days immediately before the Shareholder Meetings, subject to a minimum value of 705 pence per Xstrata Share. If the relevant performance conditions described above are met and any retention awards vest, since relevant retention awards will be paid in shares rather than in cash, the value of relevant vested retention awards will be dependent upon the market value of Glencore Shares at the time of vesting of those awards.

(2) Maximum aggregate amount payable.

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

(4) Mr Davis' retention award is, subject to the satisfaction of relevant performance conditions, capable of vesting in three equal tranches on the first, second and third anniversaries, respectively, of the Effective Date.

(5) Excluding the Xstrata Executive Directors.

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

Details of the New Xstrata 2012 Plan

General

The New Xstrata 2012 Plan is intended to provide share based performance related incentives to selected executives of the Xstrata Group in contemplation of the proposed merger of Xstrata and Glencore. The purpose of the incentives is to encourage those executives to remain employed in the Combined Group and to deliver Savings. The New Xstrata 2012 Plan will initially be administered by the remuneration committee of the Xstrata Directors and, after the Effective Date, by a committee comprising all of the independent non-executive directors of Glencore (the relevant committee from time to time being "the Committee").

The adoption of the New Xstrata 2012 Plan is subject to the passing of the Amended Management Incentive Arrangements Resolution at the New Xstrata General Meeting which will be taken on a poll and on which only Independent Xstrata Shareholders are permitted to vote.

Grant of Awards

The New Xstrata 2012 Plan provides for three types of share award to be granted: a "Schedule A Award" to be granted to Mr Davis, "Schedule B Awards" to be granted to the other members of Xstrata's Management and "Schedule C Awards", to be granted to the Xstrata Senior Employees (together referred to as the "New Share Awards").

The New Share Awards will be granted at the conclusion of the New Xstrata General Meeting (or if relevant, immediately after any applicable share dealing restrictions cease to apply) to the relevant individuals, provided they are in employment with a member of the Xstrata Group and have not given or been given notice terminating their employment.

Xstrata will grant a New Share Award to the relevant individual over such number of Xstrata Shares as has an aggregate average market value at the date of the New Xstrata General Meeting as is equal to the amount of the retention award originally agreed to be paid to the employee as part of the Management Incentive Arrangements described in the Scheme Circular. The average market value will be calculated by

reference to the average of the middle market closing prices of a Xstrata Share over the seven dealing days immediately before the New Xstrata General Meeting, subject to a minimum value of 705 pence.

If the Scheme does not become effective by the Long Stop Date all New Share Awards will lapse on the Long Stop Date.

A New Share Award may take the form of a nil cost share option, a conditional share award or a phantom award. An option and a conditional share award confers a right on the participant to acquire or receive the underlying shares subject to the vesting conditions described below. A phantom award confers a right on the participant to receive a cash sum determined by reference to the market value of a notional share at a future vesting date subject to the vesting conditions described below. It is intended that phantom awards will be granted only if the grant of a share option or conditional share award would result in an immediate tax charge on the participant.

No amount is payable for the grant of a New Share Award. New Share Awards will not be pensionable.

Automatic conversion of New Share Awards on the Scheme becoming effective

As from the Effective Date, a New Share Award will be treated as subsisting over such whole number of Glencore Shares (or notional Glencore Shares in the case of a phantom award) as is calculated by multiplying the number of Xstrata Shares under the New Share Award by the number of Glencore Shares that a Scheme Shareholder will receive for each Scheme Share under the terms of the Merger, rounding down to the nearest whole number of Glencore Shares.

Vesting of New Share Awards

Vesting of the Schedule A Award and Schedule B Awards will be subject to performance conditions based on realising enhancements to the earnings of the Combined Group which are of a non-revenue nature and result from the Merger ("Savings") over the two years following the Effective Date. Full vesting of the Schedule A Award and Schedule B Awards will be achieved if Savings of at least US\$300 million over and above a threshold target of US\$50 million Savings are realised over the two years following the Effective Date.

In the case of Schedule B Awards up to a maximum of fifty per cent. of the total Schedule B Award will be available to vest at the first anniversary of the Effective Date. Vesting will be on a straight line basis for incremental Savings over and above the threshold Savings target of US\$50 million, with full vesting of the fifty per cent. tranche at the first anniversary if a total of US\$150 million of incremental Savings are realised in the first year. The percentage of the total Schedule B Award remaining unvested after the first anniversary of the Effective Date will be available to vest at the second anniversary of the Effective Date subject to the level of Savings realised over the two year period, with full vesting only occurring if at least US\$300 million of incremental Savings are achieved in aggregate over and above the threshold Savings target of US\$50 million.

The Schedule A Award will be subject to the same Savings performance conditions as described above. Up to a maximum of one third of the total Schedule A Award will be available to vest on the first anniversary of the Effective Date. The balance of the total Schedule A Award remaining unvested after the first anniversary of the Effective Date will be available to vest on the second and third anniversaries of the Effective Date in equal proportions, subject to the level of Savings realised over the period up to the second anniversary of the Effective Date as described above.

The Schedule A Award and Schedule B Awards will lapse if the threshold target of US\$50 million Savings are not realised over the two years following the Effective Date.

Schedule C Awards will not be subject to performance conditions. Fifty per cent. of a Schedule C Award will vest on the first anniversary of the Effective Date and half on the second anniversary of the Effective Date.

On vesting of a New Share Award, participants will be entitled to receive dividend equivalent payments relating to dividends paid in respect of the Glencore Shares between the Effective Date and the vesting date.

Awards which take the form of a nil cost option will be treated as automatically exercised on a vesting date to the extent of the vested Glencore Shares. Vested Glencore Shares under an option or conditional share award will be transferred to a participant within five business days of a vesting date. A cash payment due in respect of vested notional Glencore shares under a phantom award will be paid within 3 business days of a vesting date.

Cessation of employment

A New Share Award will vest in full to the extent that it has not already vested on a participant ceasing to be in employment in circumstances where the participant's employer terminates his or her employment other than for cause, in accordance with his or her employment contract, or the participant gives notice to terminate his or her employment in circumstances where he or she cannot in good faith be expected to continue in employment (a "valid reason" as that term is defined in a participant's employment contract). In such circumstances, the participant has in effect been denied the opportunity of remaining in position and of satisfying any performance conditions attached to the relevant award. Consequently, the vesting of any such award will not be subject to any performance conditions.

A New Share Award will lapse to the extent it has not already vested if a participant ceases to be employed in the Combined Group for any other reason.

Change of control and other transactions

If there is a change of control or a scheme of arrangement of Glencore after the Effective Date, any New Share Awards will automatically be rolled over into equivalent unvested awards over the acquiring company's shares and the Committee may make such changes to the vesting conditions as they consider appropriate in the circumstances.

In the event of any demerger, dividend in specie, super dividend or other transaction which affects the value of the New Share Awards, or if notice is given of a resolution for a voluntary winding-up of Glencore, the Committee may allow the New Share Awards to vest to such extent as it considers appropriate.

Plan limits on Shares

It is proposed that sufficient Xstrata Shares to satisfy the New Share Awards will be issued by Xstrata to the trustee of an employee benefit trust and these shares will be subject to the terms of the Scheme. The resulting Glencore Shares that will then be held in the trust will be transferred to individuals immediately after their New Share Awards have vested. The maximum number of Xstrata Shares over which New Share Awards may be granted is 24,490,347.

Adjustment to New Share Awards on a variation of share capital

In the event of a capitalisation issue, rights issue, subdivision, reduction or consolidation or other variation of the share capital of Glencore, the number of Glencore Shares under the New Share Awards may be adjusted by the Committee as it considers appropriate.

Rights attaching to New Share Awards and Shares

New Share Awards are not transferable. Xstrata will apply to the UK Listing Authority and the London Stock Exchange for admission to listing and trading of the Xstrata Shares issued to the employee benefit trust. Glencore Shares transferred on vesting of New Share Awards will rank equally with all other Glencore Shares of the same class then in issue.

Amendments

The Committee may amend the New Xstrata 2012 Plan at any time, but no amendment may be made which would have a material adverse effect on a participant without his or her prior written consent.

Any amendments to the provisions governing eligibility, individual participation limits, plan limits, the basis for determining a participant's entitlement to shares, the terms of the shares and the consequences of any capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital that are to the advantage of participants or eligible employees, will require the prior approval of shareholders in general meeting. The approval of shareholders will not be required for any minor amendment that is to benefit the administration of the New Xstrata 2012 Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or any member of the Xstrata Group or Combined Group.

Definitions

Except for the following definitions (which apply throughout this Appendix), definitions used in the Scheme Circular also apply in this Appendix unless, in each case, the context requires otherwise:

"Amended Management Incentive Arrangements"	the terms of the Management Incentive Arrangements, as proposed to be amended on the basis described in this Appendix and, in particular, as will be described in the Supplementary Circular
"Amended Management Incentive Arrangements Resolution"	resolution number 2 proposed to be set out in the notice of the New Xstrata General Meeting in the Supplementary Circular to be voted on by the Independent Xstrata Shareholders, pursuant to which Independent Xstrata Shareholders will be asked to approve: (i) the Amended Management Incentive Arrangements, and (ii) the establishment of the New Xstrata 2012 Plan
"New Xstrata 2012 Plan"	the new Xstrata share plan, as described above and, in particular, as will be described in the Supplementary Circular
"New Xstrata General Meeting"	the extraordinary general meeting of Xstrata to be convened in connection with the Scheme, the Reduction of Capital and the Amended Management Incentive Arrangements, notice of which is proposed to be set out in the Supplementary Circular, including any adjournment thereof
"Savings"	sustainable enhancements to the earnings of the Combined Group which are of a non-revenue nature and which result from the Merger
"Scheme Circular"	the document containing the Scheme as sent to Xstrata Shareholders on 31 May 2012
"Shareholder Meetings"	the Court Meeting and the New Xstrata General Meeting, and "Shareholder Meeting" means either one of them