GLENCORE

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Glencore plc
Baar, Switzerland
19 September 2018

Glencore plc successfully placed a tap issue of non-dilutive zero coupon cash settled guaranteed convertible bonds for USD 125 million to be consolidated with its USD 500 million non-dilutive zero coupon cash settled guaranteed convertible bonds due 2025

Glencore plc ("**Glencore**"), through its subsidiary Glencore Funding LLC (the "**Issuer**"), announces the successful placing of a tap issue of non-dilutive zero coupon cash settled guaranteed convertible bonds due 27 March 2025 (the "**New Bonds**") with a nominal amount of USD 125 million.

The New Bonds are to be issued on the same terms (save for the issue price) as the USD 500 million zero coupon non-dilutive cash settled guaranteed convertible bonds due 27 March 2025 issued by Glencore Funding LLC on 27 March 2018 (the "**Original Bonds**") and, as of the date falling 41 days after the Issue Date (as defined below) or such other date as the Issuer notifies to holders, the New Bonds shall be fully fungible and consolidated with the Original Bonds (together, the "**Bonds**").

Concurrently with the placing of the New Bonds, the Issuer has purchased from one or more hedge counterparties cash-settled call options (the "**Call Options**") on shares of Glencore (the "**Shares**") to hedge the increase in its economic exposure to a potential exercise of the conversion rights embedded in the Bonds. As conversion rights in respect of the Bonds will be cash-settled only, the issue and conversion of the Bonds will not result in the issuance of any new shares, or the delivery of existing shares, of Glencore or any other group company.

The net proceeds of the offering of the New Bonds will be used for general corporate purposes and for the purchase of the Call Options.

The initial issue price of the New Bonds shall be 89% of their nominal value. The final issue price of the New Bonds will be determined following a reference period of 2 consecutive trading days after pricing (from 20 September 2018 to 21 September 2018) (the "**Reference Period**") in order to reflect the share price performance and the evolution of the GBP/USD exchange rate. The final issue price of the New Bonds will be announced on 21 September 2018.

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The settlement and delivery of the New Bonds is expected to take place on 26 September 2018 (the "**Issue Date**").

The New Bonds have been offered via an accelerated book building process through a private placement to institutional investors only, outside the United States, Australia, Canada, Japan, Jersey, South Africa or any other jurisdiction in which offers or sales of the New Bonds would be prohibited by applicable law. No prospectus, offering circular or similar document will be prepared in respect of the offering of the New Bonds.

It is anticipated that the hedge counterparties to the Call Options, which may include the Joint Bookrunners, will enter into transactions to hedge their respective positions under the Call Options through the purchase or sale of Shares or any other transactions, on the market and off-market, at any time, and in particular during the Reference Period and at the conversion or redemption of the Bonds.

An additional application will be made for the New Bonds to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange and such admission to trading is expected no later than 41 days after the Issue Date of the New Bonds.

In the context of the offering, Glencore and the Issuer have agreed to a lock-up undertaking in relation to its Shares and equity-linked securities for a period ending 90 calendar days after the date hereof, subject to certain exceptions and waiver by the Sole Global Coordinator.

BNP PARIBAS was acting as Sole Global Coordinator for the offering and together with Citigroup Global Markets Limited as Joint Bookrunners.

For further information please contact:

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Notes for Editors

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 90 commodities. The Group's operations comprise around 150 mining and metallurgical sites, oil production assets and agricultural facilities.

With a strong footprint in both established and emerging regions for natural resources, Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing sectors. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 146,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

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No action has been taken by the Issuer, the Guarantors, or by BNP Paribas or Citigroup Global Markets Limited (together, the "**Managers**") or any of their respective affiliates, or any other person that would permit an offer of the securities referred to herein or possession or distribution of this announcement or any other offering or publicity material relating to the securities referred to herein in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Issuer, the Guarantors, and the Managers to inform themselves about, and to observe, any such restrictions.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MIFID II Product Governance Requirements) may otherwise have with respect thereto, the New Bonds have been subject to a product approval process, which has determined that: (i) the target market for the New Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the New Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the New Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the New Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. The target market assessment is without prejudice to the requirements of any contractual or legal selling restrictions in relation to any offering of the New Bonds. For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation

to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Bonds.

The New Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the New Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the New Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

In addition, in the United Kingdom, this announcement is being distributed only to, and is directed only at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) who fall within Article 49(2)(A) to (D) of the Order; or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). The information in this announcement must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Issuer's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions. Forward-looking statements speak only as of the date they are made. Each of the Issuer, the Managers and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement, whether as a result of new information, future developments or otherwise.

Any decision to purchase any of the New Bonds should only be made on the basis of an independent review by a prospective investor of the Issuer and the Guarantors' publicly available information. None of the Managers nor any of their respective affiliates or any of its and their directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Issuer or any of its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. The information contained in this announcement is subject to change in its entirety without notice up to the closing date.

Each prospective investor should proceed on the assumption that it must bear the economic risk of an investment in the New Bonds or the ordinary shares notionally underlying the Bonds (together with the Bonds, the "**Securities**"). None of the Issuer, the Guarantors, or the Managers make any representation as to (i) the suitability of the Securities for any particular investor, (ii) the appropriate accounting treatment and potential tax consequences of investing in the Securities or (iii) the future performance of the Securities either in absolute terms or relative to competing investments.

In connection with any offering of the New Bonds, each of the Managers and any of their respective affiliates may take up a portion of the New Bonds or the underlying shares as a principal position and in that capacity may retain, purchase, sell or offer to sell for their own accounts such Securities and any other securities of the Issuer or any related investments in connection with the offering of the New Bonds or otherwise. In addition, each of the Managers and

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The Managers are acting exclusively for the Issuer and the Guarantors and no one else in connection with the securities referred to herein. They will not regard any other person as their respective clients in relation to the Securities referred to herein and will not be responsible to anyone other than the Issuer for providing the protections afforded to their respective clients, nor for providing advice in relation to such securities, the contents of this announcement or any transaction, arrangement or other matter referred to herein.


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