

SUPPLEMENTARY PROSPECTUS DATED 12 JULY 2012

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document (the “**Supplementary Prospectus**”), which comprises a supplementary prospectus relating to the New Glencore Shares prepared in accordance with the Prospectus Rules of the UK Listing Authority made under Section 73A of FSMA, has been approved by the Financial Services Authority in accordance with Section 85 of FSMA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Glencore Shares are currently listed on the premium segment of the Official List maintained by the FSA and traded on the London Stock Exchange’s main market for listed securities. In addition, Glencore Shares are the subject of a secondary listing on the Hong Kong Stock Exchange. Applications will be made to the UK Listing Authority and to the London Stock Exchange for the New Glencore Shares to be admitted to the premium listing segment of the Official List of the UK Listing Authority and to trading on the main market for listed securities of the London Stock Exchange, respectively. Application will also be made to the Hong Kong Stock Exchange for the listing of, and for permission to deal in, the New Glencore Shares on the Main Board of the Hong Kong Stock Exchange. It is expected that Admission will become effective, and that dealings on the London Stock Exchange in the New Glencore Shares will commence, on the Effective Date. Hong Kong Admission is expected to occur on the next day following Admission that the Hong Kong Stock Exchange is open for trading in Hong Kong.

GLENCORE

INTERNATIONAL plc

Glencore International plc **(proposed to be renamed Glencore Xstrata plc)**

(incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 107710)

Proposed issue of up to 5,727,546,544 new ordinary shares in Glencore International plc in connection with its proposed merger with Xstrata plc and application for admission of up to 5,727,546,544 new ordinary shares in Glencore International plc to the Premium Listing segment of the Official List and to trading on the London Stock Exchange

This document is supplemental to and must be read in conjunction with the prospectus dated 31 May 2012 (the “**Original Prospectus**”). You should read the whole of this document, the Original Prospectus and any documents incorporated therein by reference. In particular, your attention is drawn to the section of the Original Prospectus headed “Risk Factors”.

A copy of this Supplementary Prospectus has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the Jersey registrar of companies has given, and has not withdrawn, consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of Glencore Shares by Glencore. It must be clearly understood that, in giving these consents, neither the Jersey registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of Glencore or for the correctness of any statements made, or opinions expressed, with regard to it. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against any liability arising from the discharge of its functions under that law.

Nothing in this Supplementary Prospectus or anything communicated to the holders or potential holders of the New Glencore Shares by or on behalf of Glencore is intended to constitute, or should be construed as, advice on the merits of the subscription for or purchase of the New Glencore Shares or the exercise of any rights attached thereto for the purposes of the Financial Services (Jersey) Law 1998.

Investors should only rely on the information contained in this document, the Original Prospectus and any documents incorporated therein by reference. No person has been authorised to give any information or make any representations other than those contained in this document, the Original Prospectus and the documents incorporated therein by reference and, if given or made, such information or representation must not be relied upon as having been so authorised. Glencore will comply with its obligations to publish a supplementary prospectus containing further updated information required by law or by any regulatory authority, but assumes no further obligation to publish additional information.

Citigroup Global Markets Limited, which is authorised and regulated in the UK by the FSA, is acting as Joint Sponsor to Glencore and no one else in connection with the Merger and Admission. Morgan Stanley & Co. Limited is acting as Joint Sponsor to Glencore and no one else in connection with the Merger and Admission. Apart from the responsibilities and liabilities, if any, which may be imposed on the Joint Sponsors by FSMA or the regulatory regime established thereunder, the Joint Sponsors will not be responsible to any person other than Glencore for providing the protections afforded to the clients of the Joint Sponsors nor for giving advice in relation to the Merger or Admission, the contents of this document or any transaction or other matter referred to in this document.

The contents of this document, the Original Prospectus and the information incorporated therein by reference should not be construed as legal, business or tax advice. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser for advice.

The section headed “Important Information” contains important information which you should read.

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SUMMARY INFORMATION

This document is supplemental to, and should be read in conjunction with, the Original Prospectus. The following summary information should be read as an introduction to this document. Any decision to invest in Glencore Shares should be based on consideration of this document, the Original Prospectus and the information incorporated by reference therein as a whole, and not solely on this summary information. Where a claim relating to the information contained in this document is brought before a court in a member state of the EEA, the claimant may, under the national legislation of the member state where the claim is brought, be required to bear the costs of translating this document before legal proceedings are initiated if the state has implemented the relevant provisions of the Prospectus Directive (Directive 2003/71/EC). Civil liability attaches to those persons who are responsible for this summary, including any translations of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with other parts of this document.

The summary below supplements paragraphs 2 (Summary of Merger Terms), 7 (Conditions to the Merger) and 8 (Combined Group Board and management of the Combined Group) in the Original Prospectus.

2 Summary of Merger Terms

Immediately following the Effective Date, assuming the maximum number of New Glencore Shares to be issued pursuant to the Merger have been issued by that time, it is expected that Xstrata Shareholders other than Glencore will own approximately 45.3 per cent. of the Combined Entity.

7 Conditions to the Merger

The Merger is conditional upon, among other things, approval of the Amended Management Incentive Arrangements by the Xstrata Independent Shareholders at the new Xstrata General Meeting.

8 Combined Group Board and management of the Combined Group

The Amended Management Incentive Arrangements have been agreed for certain key employees of Xstrata. The retention award element of the original Management Incentive Arrangements were to be paid entirely in cash (other than Mr. Davis. for whom awards were to be paid two-thirds in cash and one-third in shares) and were not subject to performance conditions. Under the terms of the Amended Management Incentive Arrangements, retention awards for all recipients will be paid entirely in shares or in respect to shares in the Combined Entity. In addition, 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 Merger Related Savings in the two years following the Effective Date. The other elements of the original Management Incentive Arrangements, being cash payments in respect of contractual provisions and awards under the Glencore Performance Share Plan will remain as described in the Original Prospectus.

REVISED TIMETABLE OF PRINCIPAL EVENTS

The dates and times given in the table below in connection with the Merger are indicative only and are based on Glencore's current expectations and may be subject to change (including as a result of changes to Court times, the regulatory timetable and/or the process for implementation of the Merger).

If any of the times and/or dates below change, the revised times and/or dates will be notified by Glencore to Glencore Shareholders through a Regulatory Information Service.

All references in this document to times and dates are to London times and dates unless otherwise stated.

Adjourned Glencore General Meeting ⁽¹⁾	7 September 2012
Adjourned Xstrata Court Meeting ⁽²⁾	7 September 2012
New Xstrata General Meeting ^{(3), (4)}	7 September 2012
Scheme Court Hearing to sanction the Scheme ⁽⁵⁾	A date expected to be in the third quarter or early in the fourth quarter of 2012 ("D")
Reduction Court Hearing to confirm the Reduction of Capital ⁽⁵⁾	D+2
Scheme Record Time ⁽⁵⁾	6.00 p.m. on D+2
Effective Date ⁽⁵⁾	D+3
Delisting of Xstrata Shares ⁽⁵⁾	D+4
Issue and listing of the New Glencore Shares (and crediting of the New Glencore Shares in uncertificated form to CREST accounts) ⁽⁵⁾	8.00 a.m. on D+4
Admission and commencement of dealings on the London Stock Exchange of the New Glencore Shares ⁽⁵⁾⁽⁶⁾	by 8.00 a.m. on D+4
Posting of share certificates for the New Glencore Shares (where applicable) ⁽⁵⁾	by no later than D+17

Notes:

- (1) On 11 July 2012, the Glencore General Meeting was adjourned to a time, date and place fixed by the Glencore Directors and notified to members. In accordance with Glencore's articles, notice of the adjourned meeting will be given at least seven clear days in advance. Glencore expects to hold the adjourned Glencore General Meeting on 7 September 2012.
- (2) On 12 July 2012, the Xstrata Court Meeting was adjourned to 7 September 2012.
- (3) Due to the proposed changes to the retention award element of the Management Incentive Arrangements it is necessary for Xstrata to convene a new general meeting to consider the Amended Management Incentive Arrangements and to approve the establishment of the New Xstrata 2012 Plan. Accordingly, on 12 July 2012, the Xstrata General Meeting was adjourned *sine die* and a new Xstrata general meeting will be convened for 7 September 2012.
- (4) Or as soon thereafter as the Xstrata Court Meeting shall have concluded or been adjourned.
- (5) These times and dates are indicative only and will depend, amongst other things, on the date upon which (a) the Conditions are satisfied or (if capable of waiver) waived, (b) the Court sanctions the Scheme and confirms the associated Reduction of Capital, and (c) a copy of the Reduction Court Order has been delivered to the Registrar of Companies and, if the Court so orders for the Reduction of Capital to take effect, the Reduction Court Order and the Statement of Capital have been registered by the Registrar of Companies, following the prior delivery of the Scheme Court Order to the Registrar of Companies.
- (6) Hong Kong Admission is expected to occur on the next day following Admission that the Hong Kong Stock Exchange is open for trading in Hong Kong.

INDICATIVE MERGER STATISTICS

Number of Glencore Shares in issue on 10 July 2012 ⁽¹⁾	6,922,713,511
Number of the New Glencore Shares to be issued pursuant to the Merger ⁽²⁾	5,727,546,544
Number of Glencore Shares in issue upon the Merger becoming Effective ^{(2), (3)}	12,650,260,055
The New Glencore Shares as a percentage of the Combined Group Ordinary Share Capital ^{(2), (3)}	45.3 %

Notes:

- (1) Being the latest practicable date prior to the publication of this document.
- (2) Based on the number of Xstrata Shares in issue as at 10 July 2012, being the latest practicable date prior to the publication of this document and assuming (a) that the Xstrata Employee Benefit Trust will be issued with new Xstrata Shares such that it holds sufficient Xstrata Shares at the Scheme Record Time to satisfy (i) all share options outstanding under the Xstrata Shares Schemes and (ii) the maximum retention share awards that could be granted under the New Xstrata 2012 Plan, and (b) vesting of all share awards held under the Xstrata Share Schemes and such Xstrata Shares being acquired by Glencore.
- (3) Assuming none of the outstanding Glencore Convertible Bonds are converted.

IMPORTANT INFORMATION

General

The contents of this Supplementary Prospectus 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 Glencore's website (www.glencore.com) and Xstrata's website (www.xstrata.com) do not form part of this Supplementary Prospectus and prospective investors should not rely on them. Furthermore, Glencore 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 Merger or Glencore. Glencore makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Without prejudice to any obligation on Glencore to publish a supplementary prospectus pursuant to section 87G of FSMA and PR 3.4.1 of the Prospectus Rules, neither the publication of this Supplementary Prospectus nor any issue of Glencore Shares made under this Supplementary Prospectus and the Original Prospectus shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Glencore 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.

Notice to Glencore Shareholders and potential investors

United States

This document does not constitute or form part of any offer or invitation to sell or issue, or the solicitation to purchase or subscribe for, the New Glencore Shares in any jurisdiction. The New Glencore Shares have not been, and will not be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Glencore Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The New Glencore Shares issued to existing Xstrata Shareholders pursuant to the Scheme are expected to be issued in reliance upon an exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10) thereof. Xstrata Shareholders who were affiliates of Glencore or Xstrata prior to the Effective Date will be subject to certain US transfer restrictions relating to the New Glencore Shares received pursuant to the Scheme.

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

The distribution of this document into jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, subject to certain exceptions, this document should not be distributed in, forwarded to or transmitted in or into the United States or any Restricted Jurisdiction.

Other jurisdictions

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy any New Glencore Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or

invitation or would impose any unfulfilled registration, publication or approval requirements on Glencore or the Joint Sponsors. No action has been taken nor will be taken in any jurisdiction by Glencore or the Joint Sponsors that would permit a public offering of the New Glencore Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action of that purpose is required. Glencore and the Joint Sponsors do not accept any responsibility for any violation of any restrictions by any other person.

The New Glencore Shares have not been and will not be registered or qualified by a prospectus under applicable securities laws of any jurisdiction other than the United Kingdom. Accordingly, the New Glencore Shares may not be offered, sold, reoffered, resold, pledged or otherwise transferred in or into any jurisdiction where such an offer or sale would violate the relevant securities laws of such jurisdiction.

None of Glencore, the Joint Sponsors and their respective representatives is making any representation to any offeree or purchaser of the New Glencore Shares offered hereby regarding the legality of investment by such offeree or purchaser under appropriate investment or similar laws. Each prospective investor should consult with his, her or its own advisers as to the legal, tax, business, financial and related aspects of purchase of or subscription for the New Glencore Shares.

Forward looking statements

This Supplementary Prospectus 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 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, Xstrata or the Combined 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 Glencore, Xstrata or the Combined Group to differ materially from the expectations of Glencore, Xstrata or the Combined Group, as applicable, 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 (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, the inability of the Combined Group to integrate successfully Glencore’s and Xstrata’s operations and programmes, or the Combined Group incurring and/or experiencing unanticipated costs and/or delays or difficulties relating to the Merger, in each case when the Merger becomes Effective. Such forward looking statements should therefore be construed in light of such factors.

Neither Glencore 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 and the Original Prospectus which could cause actual results to differ before making an investment decision. Such risks, uncertainties and other factors are set out more fully in the section of the Original Prospectus headed “Risk Factors”. To the extent required by the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules of the FSA, the London Stock Exchange, the Securities and Futures Commission of Hong Kong, the Hong Kong Stock Exchange or applicable law, Glencore will update or revise the information in this document. Otherwise, Glencore 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 Glencore, Xstrata or the Combined Group with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No statement in 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 relevant preceding financial periods for either Glencore or Xstrata as appropriate.

Definitions and Interpretation

Words or expressions defined in the Original Prospectus have the same meaning when used in this document unless otherwise defined.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Unless otherwise stated, all times and dates referred to in this document are references to London times and dates.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

For the purpose of this document, “subsidiary”, “subsidiary undertaking” and “undertaking” have the meanings given by the UK Companies Act.

**PART I:
SUPPLEMENTARY INFORMATION**

1 Background

Following the publication of the Original Prospectus dated 31 May 2012, on 27 June 2012 and 11 July 2012, Xstrata announced amendments to the retention awards which form part of the Management Incentive Arrangements for the 73 Xstrata key employees. Glencore considers this information to be a significant new factor relating to the information contained in the Original Prospectus and, accordingly, this Supplementary Prospectus has been prepared in accordance with Section 87G of FSMA and the Prospectus Rules.

In connection with the amendment of these retention awards, on 11 July 2012 the Glencore General Meeting was adjourned to a time, date and place fixed by the Glencore Directors and notified to members. Glencore expects to hold the adjourned Glencore General Meeting on 7 September 2012. On 12 July 2012, the Xstrata Court Meeting was adjourned to 7 September 2012 and the Xstrata General Meeting was adjourned *sine die*. A new Xstrata general meeting will be convened for 7 September 2012.

2 Amended Management Incentive Arrangements

The Management Incentive Arrangements described in paragraph 7 of Part XI (Additional Information) of the Original Prospectus 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 305 to 308 of the Original Prospectus 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 307 of the Original Prospectus.

The other two elements of the Management Incentive Arrangements other than the retention award element, being cash payments in respect of contractual provisions and under the Glencore Performance Share Plan, will remain as described in the Original Prospectus. With the exception of the Amended Management Incentive Arrangements, the terms of the Merger remain otherwise unchanged.

The Scheme is conditional upon, amongst other things, the passing of the resolution to approve the Amended Management Incentive Arrangements and the establishment of the New Xstrata 2012 Plan at the Xstrata General Meeting. Accordingly, the Merger will not become effective if the resolution to approve the Amended Management Incentive Arrangements and the establishment of the New Xstrata 2012 Plan is not passed.

Under the proposed terms of the 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 shares) as originally agreed, but will be paid entirely in the form of an award over or in respect to Xstrata Shares which will, under the terms of the New Xstrata 2012 Plan, convert into an award over Glencore Shares at the Effective Date on the same basis as under the terms of the Merger. The Xstrata Shares in respect of which 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 Merger Related Savings over the two years following the Effective Date. Full vesting will be achieved if Merger Related 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 Date.¹ A committee comprising all of the independent non-executive directors of the Combined Entity will oversee a process to verify the achievement of additional Merger Related Savings and will appoint an international accounting firm, which is independent of the Combined Group, to provide an independent assessment of performance against the Merger Related Savings target.

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 Merger Related 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 Merger Related 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 Merger Related Savings realised over the two year period, with full vesting only occurring if at least US\$300 million of Merger Related 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.¹

In the case of Mr. Davis, his award will be subject to the same Merger Related 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 Merger Related 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 Xstrata General Meeting, assuming the resolution to approve the Amended Management Incentive Arrangements 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, 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.

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 retention awards will be dependent upon the market value of Glencore Shares at the time of vesting of those awards.

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

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 Glencore Shareholders or Xstrata Shareholders will necessarily be greater than those for the year ended 31 December 2011.

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.

A retention 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 gives notice to terminate his employment for a “valid reason” as that term is defined in a participant’s employment contract or the participant’s employer terminates his employment other than for cause, in each case in accordance with his employment contract. In such circumstances, the vesting of any such award will not be subject to any performance conditions. A retention 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.

If there is a change of control or a scheme of arrangement of the Combined Entity, the retention 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 it considers appropriate in the circumstances.

Glencore has been advised that Xstrata Management and the Xstrata Senior Employees have entered into, or will enter into, amendments to their service contracts reflecting the changes above.

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. Footnote 1 below explains the key changes to the retention award element under the Amended Management Incentive Arrangements.

	Value of retention awards to be paid entirely in or in respect to shares ⁽¹⁾			Payments in respect of contractual provisions ⁽²⁾	Indicative value of award at grant under 2013 Glencore Performance Share Plan ⁽³⁾
	2013	2014	2015	2012	
			(£)		
Mr Davis ⁽⁴⁾	9,598,475	9,598,475	9,598,475	N/A	6,000,000
Mr Reid.....	5,451,848	5,451,848	N/A	5,451,848	3,260,000
Mr Zaldumbide.....	3,942,785	3,942,785	N/A	3,942,785	2,600,000
Xstrata’s Management ⁽⁵⁾	16,088,493	16,088,493	N/A	16,088,493	13,750,000
Xstrata Senior Employees ⁽⁶⁾	46,447,660	46,447,660	N/A	19,006,927	N/A

Notes:

- (1) 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 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 Merger Related 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 Xstrata 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 8 of Part XI of the Original Prospectus. 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.

**PART II:
ADDITIONAL INFORMATION**

1 Responsibility

Glencore, the Directors and the Proposed Directors, whose names appear below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of Glencore, the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Directors

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

Proposed Directors

Name	Current Position at Xstrata
Sir John Bond	Independent Non-Executive Chairman
Mick Davis	Chief Executive Officer
Con Fauconnier	Independent Non-Executive Director
Peter Hooley	Independent Non-Executive Director
Sir Steve Robson CB	Independent Non-Executive Director
Ian Strachan	Independent Non-Executive Director

2 Share capital

The issued and fully paid share capital of the Company immediately following completion of the Merger is expected to be as follows (assuming (a) that the Xstrata Employee Benefit Trust will be issued with new Xstrata Shares such that it holds sufficient Xstrata Shares at the Scheme Record Time to satisfy (i) all share options outstanding under the Xstrata Shares Schemes and (ii) the maximum retention share awards that could be granted under the New Xstrata 2012 Plan, (b) vesting of all share awards held under the Xstrata Share Schemes and such Xstrata Shares being acquired by Glencore, and (c) none of the outstanding Glencore Convertible Bonds are converted):

Class of shares	Nominal Value	Number	Amount
Glencore Shares	US\$0.01	12,650,260,055	US\$126,502,600.55

As set out in paragraph 3.6(b) of Part XI (Additional Information) of the Original Prospectus, resolution 1(b) proposed at the Glencore General Meeting, if passed, would give the Directors the authority to allot up to an aggregate nominal amount of US\$56,603,171 and, as set out in paragraph 3.2 of Part XI (Additional Information) of the Original Prospectus the issued and fully paid share capital immediately following completion of the Merger was expected to be 12,583,030,571 Glencore Shares. Since the date of Original Prospectus, certain options pursuant to the Xstrata Share Schemes have lapsed and as a result the Xstrata Employee Benefit Trust will not be issued with new Xstrata Shares at the Scheme Record Time for those options. However, in connection with the amendments to the retention awards set out in Part II of this document, it is proposed that the maximum number Xstrata Shares needed to satisfy the retention shares 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. Accordingly, Glencore may need to issue up to an additional 67,229,484 New Glencore Shares on the Effective Date with an aggregate nominal amount of US\$672,294.84 The Glencore Directors intend to use the general authority conferred on them at the Company's AGM and as set out in paragraph 3.5(a) of Part XI (Additional Information) of the Original Prospectus to allot such additional New Glencore Shares.

3 Consents

Each of Citigroup Global Markets Limited, whose address is Citigroup Centre, Canada Square, London E14 5LB, and Morgan Stanley & Co. Limited, whose address is 25 Cabot Square, Canary Wharf, London E14 4QA, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

4 Documents available for inspection

In addition to those documents set out in paragraph 22 entitled "Documents available for inspection" in Part XI (Additional Information) of the Original Prospectus, copies of this document are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period from the date of publication of this document until Admission at the registered office of the Company, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES.

5 Definitions

Words or expressions defined in the Original Prospectus have the same meaning when used in this document unless otherwise defined.

"Amended Management Incentive Arrangements"	means the terms of the Management Incentive Arrangements, as amended on the basis described in this document;
"Merger Related Savings"	means sustainable enhancements to the earnings of the Combined Group which are of a non-revenue nature and which result from the Merger;
"New Xstrata 2012 Plan"	means the new Xstrata long term incentive programme, as described in paragraph 2 of Part II (Supplementary Information) of this document;
"Xstrata Executive Directors"	Messrs. Davis, Reid and Zaldumbide;
"Xstrata's Management"	means the members of senior management of the Xstrata Group, being the Xstrata Executive Directors and Peter Freyberg, Benny Levene, Thras Moraitis, Peet Nienaber, Ian Pearce and Charlie Sartain; and
"Xstrata Senior Employees"	the 64 senior employees of the Xstrata Group who it is proposed will benefit from Amended Management Incentive Arrangements.