

Base Prospectus dated 22 June 2018

Glencore Finance (Europe) Limited

(incorporated in Jersey)

guaranteed by

GLENCORE

Glencore plc

(incorporated in Jersey)

and

Glencore International AG

(incorporated in Switzerland)

and

Glencore (Schweiz) AG

(incorporated in Switzerland)

U.S.\$20,000,000,000

Euro Medium Term Note Programme

Arranger

Barclays

Dealers

Barclays
Citigroup
Deutsche Bank
J.P. Morgan

BNP PARIBAS
Credit Suisse
HSBC
NatWest Markets

Under this U.S.\$20,000,000,000 Euro Medium Term Note Programme (the “Programme”), Glencore Finance (Europe) Limited (the “Issuer”) may from time to time issue notes (the “Notes”) unconditionally (subject, in the case of Glencore (Schweiz) AG, to applicable Swiss law) and irrevocably guaranteed by Glencore plc (“Glencore” or the “Company”), Glencore International AG and Glencore (Schweiz) AG (each a “Guarantor” and together, the “Guarantors”) and denominated in any currency agreed between the Issuer, the Guarantors and the relevant Dealer (as defined below).

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.\$20,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealership Agreement (as defined under “*Subscription and Sale*”))). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under “*Subscription and Sale*”.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*General Description of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer and each Guarantor (each a “Dealer” and together the “Dealers”), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the “relevant Dealer” shall, in relation to an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to the lead manager of such issue and, in relation to an issue of Notes subscribed by one Dealer, be to such Dealer.

Application has been made for Notes issued under the Programme for the period of 12 months after the publication of this Base Prospectus to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the “Luxembourg Stock Exchange’s Regulated Market”). References in the Base Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been listed on the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange’s Regulated Market. The Luxembourg Stock Exchange’s Regulated Market is a regulated market for the purposes of the Directive of the European Parliament and the Council on markets in financial instruments 2014/65/EU (as amended, “MiFID II”). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities as may be agreed with the Issuer (“Exempt Notes”). The Luxembourg *Commission de Surveillance du Secteur Financier* (the “CSSF”) has neither approved nor reviewed information contained in this Base Prospectus in connection with any Exempt Notes. Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions which are applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in the applicable final terms (the “Final Terms”) which, with respect to the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Regulated Market of the Luxembourg Stock Exchange, will be filed with the Luxembourg Stock Exchange and the CSSF. In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (as defined herein), the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

This document comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and each Guarantor, which, according to the particular nature of the Issuer and each Guarantor and the Notes, is necessary to enable investors to make an

informed assessment of the liabilities, financial position, profit and losses and prospects of the Issuer. References in this Base Prospectus to the “Group” are to references to the Company and its subsidiaries and any subsidiary thereof from time to time, and references to “Xstrata” are to Xstrata Limited (previously known as Xstrata plc) and its subsidiaries and any subsidiary thereof as at completion of the acquisition by Glencore of Xstrata completed on 2 May 2013 (the “Acquisition”). The companies in which Glencore directly and indirectly has an interest are separate and distinct legal entities. In this document, “Glencore” and “Group” is used for convenience only where references are made to Glencore plc and its subsidiaries in general. These collective expressions are used for ease of reference only and do not imply any other relationship between the companies. Likewise, the words “we”, “us” and “our” are also used to refer collectively to members of the Group or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

This document comprises the base prospectus in respect of Glencore Finance (Europe) Limited and for that purpose, this whole document would be referred to as the “Base Prospectus”. This Base Prospectus has been approved by the CSSF which is the Luxembourg competent authority for the purpose of the Prospectus Directive and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue of Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. By approving this Base Prospectus, the CSSF does not give any undertaking as to the economical and financial soundness of the operation or the quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Act dated 10 July 2005 (as amended) relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*).

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Base Prospectus.

The Programme is, as of the date of this Base Prospectus, rated Baa2 in respect of the Notes by Moody’s Investors Service Ltd. (“Moody’s”) and BBB+ in respect of the Notes by Standard & Poor’s Credit Market Services Europe Limited (“S&P”). Moody’s and S&P are established in the European Union and are registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the “CRA Regulation”). Further information relating to the registration of rating agencies under the CRA Regulation and a current list of registered credit rating agencies can be found on the website of the European Securities and Markets Authority.

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s), which will not necessarily be the same as the rating applicable to the Programme, will be specified in the relevant Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Amounts payable under any floating rate notes (“Floating Rate Notes”) may be calculated by reference to one of LIBOR or EURIBOR (each as defined herein), as specified in the applicable Final Terms. As at the date of this Prospectus, the administrator of EURIBOR does not appear on the register of administrators and benchmarks (“Register of Administrators”) established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “BMR”). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that the administrator of EURIBOR is not currently required to obtain authorisation or registration. As of the date of this Prospectus, IBA (ICE Benchmark Administration Ltd), the administrator of LIBOR, is included on the Register of Administrators.

This document should be read and construed together with any supplements hereto and with any other documents incorporated by reference herein and, in relation to any Tranche of Notes, should be read and construed together with the relevant Final Terms.

The Issuer and each Guarantor has confirmed to the Dealers named under “*Subscription and Sale*” below that this Base Prospectus (including for this purpose, each relevant Final Terms) contains all information which is (in the context of the Programme, the issue and offering of the Notes and the guarantees of the Notes (the “Guarantees of the Notes”)) material; that such information is true, accurate and complete in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made, are based on reasonable assumptions and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and offering of the Notes and the Guarantees of the Notes) not misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or any Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by any of the Issuer, the Trustee, the Guarantors or the Dealers.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or any Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes 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; (ii) a customer within

the meaning of Directive 2002/92/EC (as amended, "IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The distribution of this Base Prospectus and any Final Terms and the offering and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, any Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale". In particular, the Notes and the Guarantees of the Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes and the Guarantees of the Notes may not be offered, sold or delivered within the United States or to U.S. persons. Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for any Notes and should not be considered as a recommendation by the Issuer, the Guarantors, the Trustee, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantors.

The Issuer and the Guarantors may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's Regulated Market) a supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

In this Base Prospectus, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "Relevant Member State" means a Member State of the European Economic Area which has implemented the Prospectus Directive, references to "Prospectus Directive" mean Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State, references to "US", "U.S." and "United States" are to the United States of America, references to "U.S.\$" and "U.S. dollars" are to United States dollars, references to "EUR", "€" or "Euro" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended, references to "sterling", "pound sterling" and "£" are to the lawful currency of the United Kingdom, references to "ZAR" are to South African Rand, references to "Swiss Francs" are to the lawful currency of Switzerland, references to "Argentine Pesos" or "ARS" are to the lawful currency of Argentina, references to "Australian dollars", "A\$" or "AUD" are to the lawful currency of Australia, references to "Canadian dollars", "C\$" or "CAD" are to the lawful currency of Canada, references to "Chilean Peso" or "CLP" are to the lawful currency of Chile, references to "yen" or "JPY" are to the lawful currency of Japan, references to "Peruvian Sol" or "PEN" are to the lawful currency of Peru and references to "Kazakhstani Tenge" or "KZT" are to the lawful currency of Kazakhstan.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member

State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer, the Guarantors or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuer, the Guarantors nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer, the Guarantors or any Dealer to publish or supplement a prospectus for such offer and the relevant Issuer has consented in writing to its use for the purpose of such offer.

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (in such capacity, the “Stabilisation Manager(s)”) (or any person acting on behalf of any Stabilisation Manager(s)) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

RESPONSIBILITY STATEMENT

The Issuer and each Guarantor (together, the “Responsible Persons”) accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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RISK FACTORS

Prospective investors should read and carefully consider the following risk factors and other information in this Base Prospectus before deciding to invest in the Notes. Additional risks not currently known to the Issuer or the Guarantors or that they now deem immaterial may also adversely affect the Issuer or the Guarantors or affect an investment in the Notes.

Risks relating to Glencore Finance (Europe) Limited

Glencore Finance (Europe) Limited is a finance vehicle.

Glencore Finance (Europe) Limited's primary business is the raising of money for the purpose of on lending to other members of the Group. Accordingly, substantially all Glencore Finance (Europe) Limited's assets are loans and advances made to other members of the Group, and the ability of Glencore Finance (Europe) Limited to satisfy its obligations in respect of the Notes will depend upon payments made to it by other members of the Group in respect of loans and advances made by Glencore Finance (Europe) Limited.

External risks relating to the Group

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

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

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

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

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

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

related to industrial production and, as a result, volatility in commodity prices has directly impacted its results of operations. If the Group does not engage in meaningful hedging against declines in commodity prices, its business and results of operations could also be impacted by volatility in commodity prices.

The significant falls in commodity prices experienced during 2015 and the continued uncertainty with respect to the global economic outlook make fluctuations in commodity prices a particularly material risk for the Group. Any negative developments, particularly impacting China and its economy, could lead to reductions in demand for and, consequently, prices of the Group's commodities.

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

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

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

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

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

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

to fluctuations in currency exchange rates through its marketing activities, although only a small minority of purchase or sale transactions are denominated in currencies other than U.S. dollars.

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

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

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

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

The Group is exposed to significant geopolitical risk.

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

Volatile commodity prices and other factors in recent years have resulted in increased resource nationalism in some countries, with governments repudiating or renegotiating contracts with, and expropriating assets from, companies that are producing in such countries. Many of the commodities that the Group produces and markets are considered strategic resources for particular countries. Governments in these countries may decide not to recognise previous arrangements if they regard them as no longer being in the national interest. Governments may also implement export controls on commodities regarded by them as strategic (such as oil or wheat) or

place restrictions on foreign ownership of industrial assets. Renegotiation or nullification of existing agreements, leases, permits or tax rulings, changes in fiscal policies (including new or increased taxes or royalty rates or the implementation of windfall taxes which have in the past been seen in several jurisdictions in which the Group has industrial assets) and currency restrictions imposed by the governments of countries in which the Group operates could all have a material adverse effect on the Group.

Following the global financial crisis, some governments faced increased debt and funding obligations and sought additional sources of revenue by increasing rates of taxation, royalties or resource rent taxes. In recent years, the Group has been subject to significant changes in fiscal policy from countries around the world as the global geopolitical climate has evolved, partly affected by falls in commodity prices. This has included, among other things, increased scrutiny by governments and tax authorities in pursuit of perceived aggressive tax structuring by multinational companies. Continued changes may negatively impact the financial results of existing assets and projects and reduce anticipated future returns and overall level of prospective investment in those countries. In addition, there may be uncertainty around changes in and the enforcement of such tax regimes, which can make planning of future investments challenging.

The Group transacts business in locations where it is exposed to a greater-than-average risk of overt or effective expropriation or nationalisation, including in countries where the government has previously expropriated assets held within the jurisdiction of other companies or where members of the government have publicly proposed that such action be taken. In addition, title to the Group's mining and hydrocarbon rights may be challenged or impugned, and title insurance may not generally be available. In many cases, the government of the country in which a particular asset is located is the sole authority able to grant such rights and, in some cases, may have limited infrastructure and limited resources which may severely constrain the Group's ability to ensure that it has obtained secure title to individual exploration licences or extraction rights. A successful challenge to the Group's mining and/or hydrocarbon extraction rights may result in the Group being unable to proceed with the development or continued operation of a mine or project.

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

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

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

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

render the Group unable to enforce its understanding of title, permits or other rights, as well as to increase compliance costs.

These laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety and other impacts of the Group's past and current operations, and could lead to the imposition of substantial fines, penalties, other civil or criminal sanctions, the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and/or orders to take preventative steps against possible future violations. Moreover, the costs associated with compliance with these laws and regulations are substantial. Any changes to these laws or regulations or more stringent enforcement or restrictive interpretation of current laws and regulations by governmental authorities or rulings or clearances obtained from such governmental authorities could cause additional expenditure (including in the Group's marketing business) to be incurred or impose restrictions on, or suspensions of, the Group's operations and delays in the development of its properties. Failure to obtain or renew a necessary permit could mean that the Group would be unable to proceed with the development or continued operation of an asset. In addition, certain of the Group's industrial assets are located in countries where title to land and rights in respect of land and resources (including indigenous title) has not been and may not always be clear, creating the potential for disputes over resource development. Disputes relating to an industrial asset could disrupt or delay extraction, processing or other projects and/or impede the Group's ability to develop new industrial assets.

The Group's subsidiaries and the companies in which it holds investments are generally required, under applicable laws and regulations, to seek governmental licences, permits, authorisations, concessions and other approvals in connection with their activities. Obtaining the necessary governmental permits can be a particularly complex and time-consuming process and may involve costly undertakings. The duration and success of permit applications are contingent on many factors, including those outside the Group's control.

In addition, the enactment of new laws and regulations and changes to existing laws and regulations (including, but not restricted to, environmental laws, the imposition of higher licence fees, mining and hydrocarbon royalties or taxes), compliance with which could be expensive or onerous, could also have a material adverse impact on the ability of the Group to operate its businesses and/or the profitability of its industrial investments. For example, in January 2018, the parliament of the DRC adopted a revised mining code. The revised code includes significant increases in royalties, taxes, government ownership requirements and repatriation restrictions and retroactively terminates the 10-year stability clause that exists in the current mining code. The revised mining code has been implemented and if it remains in its current form, it will have a significant impact on the Group's investments in the DRC and their value.

Furthermore, the Group does business in jurisdictions and with counterparties who have, in the past, and may in the future, become the targets of economic sanctions. These sanctions can be imposed or altered with little or no advance notice. The Group is committed to complying with all applicable sanctions in its business and takes all necessary measures in order to mitigate risks to its business as a result of the imposition of or changes in applicable sanctions regimes. However, there can be no assurance that compliance with applicable sanctions will not impose additional costs on the Group.

Liquidity risk could limit the Group's ability to engage in desired activities and grow its business.

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

The Group's marketing activities employ significant amounts of working capital to fund purchases of commodities for future delivery to its end customers, to meet margin requirements under derivative contracts

and to fund the acquisition and maintenance of certain transport and storage assets which complement its marketing activities.

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

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

Risks relating to the Group's business activities

The Group has significant outstanding indebtedness.

While the Group successfully completed its debt reduction programme in December 2016 and continues to actively monitor its position, it continues to have a significant amount of indebtedness, which may impair its operating and financial flexibility and could adversely affect its business and financial position. A high level of indebtedness could cause the Group to dedicate a substantial portion of cash flow from operations to payments to service debt, which could reduce the funds available for working capital, capital expenditure, acquisitions, distributions to shareholders and other general corporate purposes and could limit its ability to borrow additional funds and its flexibility in planning for, or reacting to, changes in technology, customer demand, competitive pressures and the industries in which it operates, placing the Group at a competitive disadvantage compared to those of its competitors that are less leveraged than it is. In addition, a high level of indebtedness together with future debt financing, if accessible, may increase the Group's vulnerability to both general and industry specific adverse economic conditions.

In addition to maintaining a cash position, the Group relies on two other principal sources of liquidity: borrowings under various short-term and long-term bank and asset-backed facilities and issuance of notes in the debt capital markets. An inability to refinance or increase existing facilities in the debt markets may mean that the Group will not have funds available to maintain or increase its industrial and marketing activities, which could have a material adverse effect on the Group's earnings and results of operations. The Group's access to debt in amounts adequate to finance its activities could be impaired by factors that affect the Group itself or the industries or geographies in which it operates. Although the Group expects to maintain continued access to the debt markets, there can be no assurance that additional credit or funding will be made available in the future.

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

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

- a significant increase in commodity prices could result in suppliers being unwilling to honour their contractual commitments to sell commodities to the Group at pre-agreed prices;
- a significant reduction in commodity prices could result in customers being unwilling or unable to honour their contractual commitments to purchase commodities from the Group at pre-agreed prices;

- suppliers may take payment in advance from the Group and then find themselves unable to honour their delivery obligations due to financial distress or other reasons; and
- hedging counterparties may find themselves unable to honour their contractual commitment due to financial distress or other reasons.

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

The Group is reliant on third parties to source the majority of the commodities purchased by its marketing operations. Any disruptions in the supply of product, which may be caused by factors outside the Group's control, could adversely affect the Group's margins. The Group's business, results of operations, financial condition and prospects could be materially adversely impacted if it is unable to continue to source required volumes of commodities from its suppliers on reasonable terms or at all.

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

The Group is subject to emissions and climate change regulations.

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

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

The Group's business is subject to numerous development and operating risks and hazards normally associated with natural resource projects, many of which are beyond the Group's control. These development and operating risks and hazards include unanticipated variations in grade and other geological problems (so that anticipated or stated reserves, resources or mineralised potential may not conform to expectations and, in particular, may not reflect the reserves and resources which the Group reports, meaning that the anticipated volumes or grades may not be achieved), seismic activity, climatic conditions such as flooding or drought, metallurgical and other processing problems, IT and technical failures, unavailability of materials and equipment, interruptions to power supplies, industrial actions or disputes, industrial accidents, labour force

insufficiencies, disputes or disruptions, unanticipated logistical and transportation constraints, tribal action or political protests, force majeure factors, sabotage, cost overruns, environmental hazards, fire, explosions, vandalism and crime. These risks and hazards could result in damage to, or destruction of, properties or production facilities, cause production to be reduced or to cease at those properties or production facilities, result in a decrease in the quality of the products, increased costs or delayed supplies, personal injury or death, environmental damage, business interruption and legal liability and in actual production differing from estimates of production.

The Group's industrial assets are subject to environmental hazards as a result of the processes and chemicals used in traditional extraction, production, storage, disposal and transportation methods. Environmental hazards may exist on the Group's owned or leased properties or at those of the industrial activities in which it holds an interest, or may be encountered while its products are in transit. The storage of tailings at the Group's industrial assets may present a risk to the environment, property and persons where there remains a risk of leakage from or failure of the Group's tailings dams, as well as theft and vandalism during the operating life of the assets or after closure. In addition, the Group conducts oil exploration and drilling activities and also stores and transports crude oil and oil products around the world. Damage to exploration or drilling equipment, a vessel carrying oil or a facility where it is stored could lead to a spill, causing environmental damage with significant clean-up or remediation costs.

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

The Group's industrial activities are exposed to an increase in production costs, including as a result of increased energy costs or shortages of equipment, spare parts and labour.

As commodity prices themselves are outside the Group's control, the competitiveness and sustainable long-term profitability depends significantly on the Group's ability to reduce costs and maintain a broad spectrum of low-cost, efficient operations. The high level of fixed costs in its industrial activities makes it difficult for the Group to quickly respond to price fluctuations. Because the Group cannot always pass increases in production costs on to customers, any increases in input costs will adversely affect the business, results of operations and financial condition of the Group. In the current challenging, lower-margin environment, there is a greater emphasis on the need to reduce costs and/or curtail activities.

Costs associated with the operation of the Group's industrial assets can be broadly categorised into labour costs and other operating and infrastructure costs, including power and equipment costs. Production costs are heavily influenced by the extent of on-going development required, resource grades, site planning, processing technology, logistics, energy and supply costs and the impact of exchange rate fluctuations on costs of operations. Over time, resources even at the same asset tend to become more difficult and costly to extract, as challenges including working at depth, increasing haulage distances and working with inconsistent or chemically complex ores are faced. All of the Group's industrial assets are, to varying degrees, affected by increases in costs for labour and fuel. Unit production costs are also significantly affected by production volumes and, therefore, production levels are frequently a key factor in determining the overall cost competitiveness of the Group's industrial activities. In addition, if certain industrial inputs are unavailable at any price, the Group may find its production of certain commodities to be involuntarily curtailed, which would result in lost revenue and profits, which would adversely affect the results of operations and financial condition of the Group.

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

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

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

The processes and chemicals used in the Group's extraction and production methods, as well as transport and storage, may pose environmental hazards at the Group's industrial assets. A serious failure in these areas could lead to an emergency or catastrophe at one of the Group's assets. In addition, new or amended environmental, health and safety legislation or regulations may result in increased operating costs or, in the event of non-compliance or accidents or incidents causing personal injury or death or property or environmental damage at or to the Group's mines, smelters, refineries, concentrators, drill rigs, processing plants, silos, agricultural property or related facilities (such as logistics or storage facilities) or surrounding areas, may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences.

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

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

Any accidents or hazardous incidents causing personal injury or death or property or environmental damage at or to the Group's mines, smelters, refineries, concentrators, drill rigs, processing plants, silos, agricultural property or related facilities (such as logistics and storage facilities) or surrounding areas may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. Risks associated with the Group's open pit mining operations include flooding of the open pits, collapses of the open pit walls and accidents or failures in operation of large equipment for open pit mining and material transportation. Risks associated with the Group's underground mining operations include flooding, underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharges of gases or toxic chemicals, sinkhole formation and ground subsidence. Risks associated with the Group's oil exploration and deepwater drilling activities include explosions, spills and potential large-scale environmental pollution. Risks associated with the Group's

agricultural operations include food and feed safety (including product handling), transportation, storage and handling of certain hazardous substances, such as crop protection products and fertilisers. Risks associated with the Group's logistics and storage operations may include the risk of: ruptures and spills from crude oil and other product carriers; spillage, leakage or seepage of tailings or other hazardous substances found in storage or disposal facilities; and failure of tailings dams during the operating life of the mines or after closure. Injuries to and deaths of workers and contractors at mines and facilities controlled by the Group have occurred in the past and may occur in the future. If accidents occur in the future, the Group's business and results of operations and financial condition may be adversely impacted.

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

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

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

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

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

The success of the Group's business is also dependent on its ability to attract and retain highly effective marketing and logistics personnel, as well as highly qualified and skilled engineers and other industrial, technical and project experts to operate its industrial activities, including in locations experiencing political or civil unrest, or in which the Group may be exposed to other hazardous conditions. The Group may not be able to attract and retain such qualified personnel, and this could have a material adverse effect on the Group's business, results of operations and financial condition.

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

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

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

Many of the commodity markets in which the Group operates are fragmented and periodically volatile. As a result, discrepancies generally arise in respect of the prices at which the commodities can be bought or sold in different forms, geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present the Group with arbitrage opportunities whereby the Group is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities.

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

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

The Group's marketing activities entail shipments of commodities in large quantities, often by ocean-going transport. The Group has a large and diversified fleet of vessels, including longer term charters, the majority of which service the Group's Energy products business segment, which exposes the Group to fluctuations in freight spot rates. In addition, the Group often competes with other producers, purchasers or marketers of commodities or other products for limited storage and berthing facilities at ports and freight terminals, which can result in delays in loading or unloading the Group's products and expose the Group to significant delivery interruptions. Increases in the costs of freight, storage, infrastructure and logistics support or limitations or interruptions in the supply chain (including any disruptions, refusals or inability to supply) which impede the Group's ability to deliver products on time could adversely affect the Group's business, results of operations or financial condition. The Group also requires significant storage capacity for its commodities, which it sources both through facilities in which the Group holds equity stakes and pursuant to rental agreements providing it with access to, among others, oil terminals and tank farms, metal and other warehouses and silos. Any decrease in the Group's ability to access its customary levels of capacity from these storage facilities or an increase in the price at which the Group can acquire storage capacity could have an adverse effect on the Group's business by forcing the Group to use storage facilities in less advantageous locations or at prices that make it less profitable for the Group to supply its customers.

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

The Group's marketing activities are exposed to commodity price, foreign exchange, interest rate, counterparty (including credit), operational, regulatory and other risks. The Group has devoted significant resources to developing and implementing policies and procedures to manage these risks and expects to continue to do so

in the future. Nonetheless, the Group's policies and procedures to identify, monitor and manage risks have not been fully effective in the past and may not be fully effective in the future.

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

The Group holds some of its industrial assets through non-controlling stakes or joint ventures and strategic partnership arrangements and operates Glencore Agri as a joint venture.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Group's marketing activities involve a significant number of purchase and sale transactions across multiple commodities. To the extent the Group purchases a commodity from a supplier and does not immediately have a matching contract to sell the commodity to a customer, a downturn in the price of the commodity could result in losses to the Group. Conversely, to the extent the Group agrees to sell a commodity to a customer and does not immediately have a matching contract to acquire the commodity from a supplier, an increase in the price of the commodity could result in losses to the Group as it then seeks to acquire the underlying commodity in a

rising market. In order for the Group to mitigate the risks in its marketing activities related to commodity price fluctuations and potential losses, the Group has a policy, at any given time, of hedging substantially all of its marketing inventory not already contracted for sale at pre-determined prices through futures and swap commodity derivative contracts, either on commodity exchanges or in the over-the-counter market. Certain of the commodities produced and traded by the Group do not have liquid markets where base price risk exposures can be fully eliminated using derivative instruments. In the event of disruptions in the commodity exchanges or markets on which the Group engages in these hedging transactions, or for commodities where fully effective hedges are not available, the Group's ability to manage commodity price risk may be adversely affected, and this could in turn materially adversely affect its business, financial condition and results of operations. In addition, there are no traded or bilateral derivative markets for certain commodities that the Group purchases and sells, which limits the Group's ability to fully hedge its exposure to price fluctuations for these commodities. In these instances, the Group's ability to hedge its commodity exposure is limited to forward contracts for the physical delivery of a commodity or futures and swap contracts for a different, but seemingly related, commodity. Finally, subject to internal risk management, limits and policies, in some cases, the Group takes deliberate directional positions without a corresponding opposite directional position in place as part of its marketing strategy which has, at certain points in the past, resulted, and may in the future result, in losses.

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

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

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

The commodities industry is characterised by strong competition. The Group believes that the majority of its competitors tend to focus on a narrower commodity group or geographic area, or concentrate more heavily on industrial activities such as mining, smelting, processing, refining and food processing. Although the Group faces intense competition in each of its business segments, in view of its diversification across different commodity groups and its global geographical presence and scale, the Group does not believe that there is, or will be, a precisely comparable company or peer group that can be defined as competing directly with the Group across all of its business segments. However, some of these competitors or existing producers may, in the future, use their resources to broaden into all of the markets in which the Group operates and therefore compete further against the Group. These competitors may also expand and diversify their commodity sourcing, processing or marketing operations, or engage in pricing or other financial or operational practices that could increase competitive pressure on the Group across each of its business segments. Increased competition may result in losses of market share for the Group and could materially adversely affect its business, results of operations and financial condition.

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

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

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

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

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

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

Other risks relating to the Group

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

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

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

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

The Group's software applications for areas such as traffic, accounting and finance are primarily based on integrated standard components. The Group's key business processes rely on in-house developed modules and are regularly adapted to suit its business needs. All of these applications are primarily managed from its headquarters and are available to all the major business locations. Cyber risks for businesses in general have increased significantly in recent years, due in part, to the proliferation of new technologies, the use of the internet and the increasing degree of connectivity, telecommunications technologies and a material increase in cyber crime. If any of the Group's IT systems does not operate properly or is disabled, due to cyber crime or otherwise, the Group could suffer, among other things, financial loss, a disruption of its business, liability to its counterparties, regulatory intervention or reputational damage.

The Group may fail to integrate acquisitions or mergers effectively or fail to realise the anticipated business growth opportunities or other synergies.

From time to time, the Group considers the acquisition of complementary businesses or assets where the opportunity is presented to do so at attractive prices. Further acquisitions to be made by the Group may be subject to certain approvals (for example, shareholder or antitrust approvals which may or may not be obtained or may be obtained subject to remedies, including the divestment of assets). Business combinations entail a number of risks, including ongoing regulatory conditions and obligations, the ability of the Group to effectively integrate the businesses acquired with its existing operations and the realisation of anticipated synergies, significant one-time write-offs or restructuring charges, unanticipated costs, addressing possible differences in business culture, processes, controls, procedures and systems and failing to integrate and motivate key employees and/or retain certain individuals during the integration period. The Group may also face challenges with redeploying resources in different areas of operations to improve efficiency and minimising the diversion of management attention from ongoing business concerns.

Failure to successfully integrate a business could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. The Group may also be liable for the past acts, omissions or liabilities of companies or businesses it has acquired, which may be unforeseen or greater than anticipated at the time of the relevant acquisition. In addition, various factors could impact the estimated synergies for potential acquisitions and have a material adverse impact on the Group's business, results of operations and financial condition.

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

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

The Group's marketing operations are large in scale, which may make fraudulent or accidental transactions difficult to detect. In addition, some of the Group's industrial activities are located in countries, such as the DRC, where corruption is generally understood to exist. Corruption and sanctions risks remain highly relevant for businesses operating in international markets as shown by recent regulatory enforcement actions both inside and outside the resources sector.

The Group seeks to comply with legislation such as the U.S. Foreign Corrupt Practices Act of 1977 and the UK Bribery Act of 2010 and has put in place internal policies, procedures and controls. However, there can be no assurance that such policies, procedures and controls will adequately protect the Group against fraudulent and/or corrupt activity and such activity could have an adverse effect on the Group's business, reputation, results of operations, financial condition and/or prospects.

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

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

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

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

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

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

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

Risks relating to the Notes and the Guarantees of the Notes

Notes may not be a suitable investment for all investors

Each prospective Noteholder must determine the suitability of that investment in light of its own circumstances. In particular, each prospective Noteholder should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained in, or incorporated by reference into, this Base Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact the relevant Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where the currency for principal or interest payments is different from the prospective Noteholder's local currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. In addition, an investment in perpetual Notes may entail significant risks not associated with investments in a conventional debt security. The Issuer is under no obligation to redeem perpetual Notes at any time and the holders of perpetual Notes have no right to call for their redemption.

Ranking of obligations under the Notes and the Guarantees of the Notes

The obligations of the Issuer under the Notes will be unsecured and rank equally in right of payment with all unsecured unsubordinated obligations of the Issuer. The obligations of the Guarantors under each of the Guarantees of the Notes will be unsecured and rank equally with all unsecured unsubordinated obligations of the respective Guarantor. These obligations will also be structurally subordinated to the holders of secured and unsecured debt and other creditors of subsidiaries of the Guarantors (other than the Issuer). The Terms and Conditions of the Notes do not place any limitation on the amount of unsecured debt that may be incurred by

the Guarantors or any of their respective subsidiaries (including the Issuer, Glencore International AG and Glencore (Schweiz) AG).

The Notes will be structurally subordinated to subsidiary debt

Glencore's operations are principally conducted through its subsidiaries. Accordingly, Glencore is and will be dependent on its subsidiaries' operations to service its indebtedness, including interest and principal due under the Deed of Guarantee on the Notes. The Notes and the Guarantees of the Notes will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of Glencore's subsidiaries, and to all secured creditors of Glencore and its subsidiaries. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any subsidiary of the Issuer, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to Glencore.

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on such Notes. At those times, a Noteholder generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective Noteholders should consider reinvestment risk in light of other investments available at that time.

Modification and waivers

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Potential new Swiss Federal Withholding Tax Legislation

On 4 November 2015 the Swiss Federal Council announced that it had mandated the Swiss Federal Finance Department to appoint a group of experts to prepare a proposal for a reform of withholding tax imposed in Switzerland (Verrechnungssteuer; "Swiss Federal Withholding Tax"). The proposal is expected to, among other things, replace the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss Federal Withholding Tax. This paying agent-based regime is expected to be similar to the one contemplated in the draft legislation published by the Swiss Federal Council on 17 December 2014, which was subsequently withdrawn on 24 June 2015. However, on 23 October 2017, the Swiss Federal Economic Affairs and Taxation Committee of the Swiss National Council filed a parliamentary initiative reintroducing the request to replace the current debtor-based regime applicable to interest payments with a paying agent-based system for Swiss Federal Withholding Tax. The initiative requests the implementation of a paying agent-based system that (i) subjects all interest payments made to individuals resident in Switzerland to Swiss Federal Withholding Tax and (ii) provides an exemption from Swiss Federal Withholding Tax for interest payments to all other persons (including Swiss corporations). If any such new paying agent-based regime were to be enacted and were to result in the deduction or withholding of Swiss Federal Withholding Tax on any interest payments in respect of a Note or a Coupon by any person other than the Issuer, failing which each Guarantor, Condition 12 (Taxation) does not provide for an obligation to gross up such withholding.

The regulation and reform of benchmarks may adversely affect the value of Notes referencing such benchmarks

Interest rates and indices which are deemed to be “benchmarks” are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The BMR was published in the Official Journal of the EU on 29 June 2016 and has applied from 1 January 2018. The BMR applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The BMR could have a material impact on any Notes referencing a benchmark, in particular, if the methodology or other terms of the relevant benchmark are changed in order to comply with the requirements of the BMR. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the sustainability of the London interbank offered rate (“LIBOR”) has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the United Kingdom Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “FCA Announcement”). The FCA Announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark may have the effect, amongst other things, of: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes referencing a benchmark.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, and LIBOR or another benchmark (each, a “Benchmark”) has been selected as the Reference Rate, the Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen page (or its successor or replacement). In circumstances where the relevant Benchmark is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available.

Where the Relevant Screen Page is not available, the Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to offered quotations from banks requested by and provided to the Issuer.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of the relevant Benchmark), the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the relevant Benchmark was discontinued, and if the relevant Benchmark is discontinued permanently, the same Rate of Interest will continue to be the Rate of Interest for each successive Interest Period until the maturity of the relevant Floating Rate Notes, so

that such Floating Rate Notes will, in effect, become fixed rate notes utilising the last available relevant Benchmark rate. Uncertainty as to the continuation of the relevant Benchmark, the availability of quotes from reference banks, and the rate that would be applicable if the relevant Benchmark is discontinued may adversely affect the value of, and return on, the Floating Rate Notes.

In the event that the relevant Benchmark is permanently discontinued, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate or Alternative Rate to be used in place of the relevant Benchmark where the relevant Benchmark has been selected as the Reference Rate to determine the Rate of Interest. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest may result in Notes linked to or referencing the relevant Benchmark performing differently (including paying a lower Rate of Interest) than they would do if the relevant Benchmark were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the relevant Benchmark is determined by the Independent Adviser, the Conditions provide that the Issuer shall, upon consultation with the Independent Adviser, vary the Conditions and/or the Trust Deed, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread may be determined by the Independent Adviser to be applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, so far as is practicable, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the relevant Benchmark with the Successor Rate or the Alternative Rate. However, there is no guarantee that such an Adjustment Spread will be determined or applied, or that the application of an Adjustment Spread will either reduce or eliminate economic prejudice to Noteholders and Couponholders. If no Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest.

In the event of a permanent discontinuation of the relevant Benchmark, the Issuer may be unable to appoint an Independent Adviser in a timely manner, or at all, in which case no Successor Rate or Alternative Rate will be able to be determined, or the Independent Adviser for any reason may be unable to determine any Successor Rate or Alternative Rate. In these circumstances, where the relevant Benchmark has been discontinued, the Rate of Interest will revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the relevant Benchmark was discontinued and such Rate of Interest will continue to apply until maturity.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is a Floating Rate Option specifying the relevant Benchmark, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant Benchmark is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the BMR reforms and the terms of the Notes in making any investment decision with respect to any Notes referencing a benchmark.

Change of law

The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Limitation in respect of the liability of Glencore (Schweiz) AG under its guarantee of the Notes

Glencore (Schweiz) AG's ability to make payments with respect to any obligations of the Issuer under the Notes and its guarantee of the Notes, as set forth in the Guarantee Agreement, may (to the extent that there is such a limitation requirement of the applicable law in force at the relevant time) be limited to the maximum amount of equity available for distribution as dividend, provided that such limitations shall not free Glencore (Schweiz) AG from payment obligations under the Guarantee Agreement in excess of the distributable amount, but merely postpone the payment date of those obligations until such times as payment is permitted, notwithstanding such limitations. Any payment by Glencore (Schweiz) AG with respect to any obligations of the Issuer under the Notes and its guarantee of the Notes, may (i) require certain corporate formalities to be completed prior to payment including but not limited to obtaining an audit report, shareholders' resolutions and board resolutions approving payment, and (ii) be subject to Swiss Federal Withholding Tax on dividends (the present rate of which is 35 per cent.).

No active trading market for the Notes

Each Series of Notes will be a new issue of securities for which there will be no established trading market (for example, Notes may be allocated to a limited pool of investors). The liquidity of any market for the Notes will depend upon the number of holders of the Notes, the interests of the Dealers in making a market for the Notes and other factors. In addition, the liquidity of the trading market in the Notes, and the market price quoted for the Notes, may be adversely affected by changes in the overall financial market and by changes in the Group's financial performance or in the prospects for companies in its industry generally. There can be no assurance that an active trading market will develop for the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed trading market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes, and the Guarantors will make any payments under the Guarantees of the Notes, in the Specified Currency. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "Noteholder's Currency") other than the Specified Currency. These include a risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Noteholder's Currency) and a risk that authorities with jurisdiction over the Noteholder's Currency may impose or modify exchange controls. An appreciation in the value of the Noteholder's Currency relative to the Specified Currency would decrease:

- the Noteholder's Currency-equivalent yield on the Notes;
- the Noteholder's Currency-equivalent value of the principal payable on the Notes; and
- the Noteholder's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain Noteholders are subject to legal investment laws and regulations or review or regulation by certain authorities. Each prospective Noteholder should consult its legal advisers to determine whether and to what extent:

- Notes are legal investments for it;
- Notes can be used as collateral for various types of borrowing; and
- other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description of the Programme does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in “*Forms of the Notes*” or “*Terms and Conditions of the Notes*” below shall have the same meanings in this general description of the Programme.

Issuer:	Glencore Finance (Europe) Limited (formerly known as Glencore Finance (Europe) S.A)
Guarantors:	Glencore plc, pursuant to a deed of guarantee dated 8 September 2017 (the “Deed of Guarantee”), and Glencore International AG and Glencore (Schweiz) AG, pursuant to a guarantee agreement dated 22 June 2018 (the “Guarantee Agreement”).
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantors to fulfil their respective obligations under the Notes are discussed under “ <i>Risk Factors</i> ” above.
Arranger:	Barclays Bank PLC.
Dealers:	Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities plc, NatWest Markets Plc and any other Dealer appointed from time to time by the Issuer and the Guarantors generally in respect of the Programme or by the Issuer and the Guarantors in relation to a particular Tranche of Notes.
Principal Paying Agent:	Deutsche Bank AG, London Branch.
Luxembourg Listing Agent:	Deutsche Bank Luxembourg S.A.
Trustee:	Deutsche Trustee Company Limited, pursuant to an amended and restated trust deed dated 8 September 2017 (as further amended and/or supplemented and/or restated from time to time, the “Trust Deed”) copies of which will be available for inspection (during normal office hours) at the specified office of the Principal Paying Agent.
Admission to Listing and Trading:	Each Series may be admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Regulated Market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Final Terms or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.

Programme Amount:	Up to U.S.\$20,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Final Terms:	Each Tranche will be the subject of a Final Terms which, for the purposes of that Tranche only, completes the Terms and Conditions of the Notes and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes described herein as completed by the relevant Final Terms.
Forms of Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a “Classic Global Note” or “CGN”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a “New Global Note” or “NGN”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.
Currencies:	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Status of the Notes:	Notes will be issued on an unsubordinated basis.
Status of the Guarantees of the Notes:	Notes to be issued will be unconditionally (subject, in the case of Glencore (Schweiz) AG, to applicable Swiss law) and irrevocably guaranteed by each of the Guarantors on an unsubordinated basis. Each guarantee shall be in addition to and not in substitution for or

joint (or joint and several) with any other guarantee or security which the Trustee may at any time hold for or in relation to the guaranteed obligations. (See also “*Description of the Company and the Group*”, “*Description of Glencore International AG*” and “*Description of Glencore (Schweiz) AG*” below).

Issue Price:	Notes may be issued at any price on a fully paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.
Maturities:	Subject to such minimum or maximum maturities as may be required for compliance with all applicable legal and/or regulatory and/or central bank requirements, the Notes must have a scheduled maturity of more than one year.
Redemption:	Notes will be redeemable at the Redemption Amount specified in the relevant Final Terms.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	Except as described in “ <i>Optional Redemption</i> ” above, early redemption will only be permitted for tax reasons as described in Condition 10(b) (<i>Redemption and Purchase – Redemption for tax reasons</i>).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Specified Denominations:	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, save that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 5 (<i>Negative Pledge</i>).
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 13 (<i>Events of Default</i>), which will extend to Financial Indebtedness of the Issuer, each of the Guarantors and any Material Subsidiary (other than Limited Recourse Indebtedness) and subject to a threshold of U.S.\$100,000,000 as further described in Condition 13 (<i>Events of Default</i>).
Taxation:	All payments in respect of the Notes to be issued and under the Deed of Guarantee and the Guarantee Agreement will be made free and

clear of withholding taxes imposed by the United Kingdom, Switzerland or Jersey, unless such withholding is required by law. In that event, the Issuer and each of the Guarantors will (subject as provided in Condition 12 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

Governing Law:

English law, except that the Guarantee Agreement will be governed by, and construed in accordance with, the laws of Switzerland.

Ratings:

The Programme is, as of the date of this Base Prospectus, rated Baa2 in respect of the Notes by Moody's and BBB+ in respect of the Notes by S&P. Moody's and S&P are established in the European Union and are registered under the CRA Regulation.

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s), which will not necessarily be the same as the rating applicable to the Programme, will be specified in the relevant Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Jersey, Switzerland, France and Japan see "*Subscription and Sale*" below.

INFORMATION INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Base Prospectus and which have been filed with the CSSF. Such documents shall be deemed to be incorporated by reference in, and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Any information contained in the documents specified in paragraphs (f) to (l) below which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus:

- (a) the audited non-consolidated annual accounts and financial statements (including the auditors' report thereon and notes thereto) of the Issuer as at and for the years ended 31 December 2017 and 31 December 2016;
- (b) the audited non-consolidated financial statements (including the auditors' report thereon and notes thereto) of Glencore International AG as at and for the years ended 31 December 2017 and 31 December 2016;
- (c) the audited non-consolidated financial statements (including the auditors' report thereon and notes thereto) of Glencore (Schweiz) AG as at and for the years ended 31 December 2017 and 31 December 2016;
- (d) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Group as at and for the years ended 31 December 2017 and 31 December 2016;
- (e) the Group Production Report for the three months ended 31 March 2018 in its entirety;
- (f) the terms and conditions contained in pages 20 to 39 of the base prospectus relating to the Programme dated 8 August 2006;
- (g) the terms and conditions contained in pages 26 to 52 of the base prospectus relating to the Programme dated 8 November 2011;
- (h) the terms and conditions contained in pages 41 to 70 of the base prospectus relating to the Programme dated 7 May 2013;
- (i) the terms and conditions contained in pages 42 to 72 of the base prospectus relating to the Programme dated 15 May 2014;
- (j) the terms and conditions contained in pages 42 to 72 of the base prospectus relating to the Programme dated 12 May 2015;
- (k) the amendment to the terms and conditions under the heading entitled "Amendment to Condition 2(a)" contained in pages 3 to 4 of the supplemental prospectus dated 26 April 2016 to the base prospectus relating to the Programme dated 12 May 2015; and
- (l) the terms and conditions contained in pages 41 to 71 of the base prospectus relating to the Programme dated 12 May 2016.

The Base Prospectus and any document incorporated by reference will be available on the website of the Luxembourg Stock Exchange (<https://www.bourse.lu/>). The Issuer will, at the specified offices of the Paying

Agents, provide, free of charge, upon oral or written request, a copy of this Base Prospectus (and any document incorporated by reference in this Base Prospectus).

Annual accounts for Glencore Finance (Europe) Limited (formerly Glencore Finance (Europe) S.A.)

The table below sets out the relevant page references for the annual accounts for and the notes to the annual accounts of the Issuer for the fiscal years ended 31 December 2017 and 31 December 2016, as set out in the respective annual reports.

Annual accounts for the financial year ended 31 December 2017:	Page reference
Independent Auditor's Report	7-11
Statement of Comprehensive Income.....	12
Balance Sheet.....	13
Statement of Changes in Equity	14
Notes to the Annual Accounts	15-23

Annual accounts for the financial year ended 31 December 2016:	Page reference
Report of the Réviseur d'Entreprises	8-9
Balance Sheet.....	10-11
Profit and Loss Account	12
Notes to the Annual Accounts	13-17

Non-consolidated financial statements for Glencore International AG

The table below sets out the relevant page references for the financial statements for and the notes to the financial statements of Glencore International AG for the fiscal years ended 31 December 2017 and 31 December 2016, as set out in the respective annual reports.

Non-consolidated financial statements for the financial year ended 31 December 2017:	Page reference
Report of the Statutory Auditor.....	6-7
Statement of Financial Position.....	8
Statement of Income	9
Notes to the Financial Statements	10-19

Non-consolidated financial statements for the financial year ended 31 December 2016:	Page reference
Report of the Statutory Auditor.....	6-7
Statement of Financial Position.....	8
Statement of Income	9

Non-consolidated financial statements for the financial year ended 31 December 2016:

	Page reference
Notes to the Financial Statements	10-19

Non-consolidated financial statements for Glencore (Schweiz) AG

The table below sets out the relevant page references for the financial statements for and the notes to the financial statements of Glencore (Schweiz) AG for the fiscal years ended 31 December 2017 and 31 December 2016, as set out in the respective annual reports.

	Page reference (references are to the PDF page numbers)
Non-consolidated financial statements for the financial year ended 31 December 2017:	
Report of the Statutory Auditor	3-4
Statement of Financial Position.....	5
Statement of Income	6
Notes to the Financial Statements	7-9

	Page reference (references are to the PDF page numbers)
Non-consolidated financial statements for the financial year ended 31 December 2016:	
Report of the Statutory Auditor	3-4
Statement of Financial Position.....	5
Statement of Income	6
Notes to the Financial Statements	7-9

Consolidated financial statements for Glencore

The table below sets out the relevant page references for the financial statements for and the notes to the consolidated financial statements of Glencore for the fiscal years ended 31 December 2017 and 31 December 2016, as set out in the respective annual reports.

	Page reference
Consolidated financial statements for the year ended 31 December 2017:	
Independent Auditor's Report	112-121
Statements of Income	122-123
Statement of Financial Position.....	124
Statement of Cash Flows.....	125-126
Statement of Changes in Equity.....	127

Consolidated financial statements for the year ended 31 December 2017:	Page reference
Notes to the Financial Statements	128-195

Consolidated financial statements for the year ended 31 December 2016:	Page reference
Independent Auditor's Report	116-125
Statements of Income/(Loss).....	126-127
Statements of Financial Position	128
Statement of Cash Flows.....	129-130
Statement of Changes in Equity.....	131
Notes to the Financial Statements	132-199

The information that is incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) 809/2004.

SUPPLEMENT TO THE BASE PROSPECTUS

The Issuer and each Guarantor has undertaken, in connection with the listing of the Notes on the Luxembourg Stock Exchange, that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Base Prospectus for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and each Guarantor or any change in the information set out under “*Terms and Conditions of the Notes*”, the Issuer and each Guarantor will prepare or procure the preparation of a supplement to this Base Prospectus or, as the case may be, publish a new Base Prospectus, for use in connection with any subsequent issue by the Issuer of Notes to be listed on the Luxembourg Stock Exchange.

FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the “Temporary Global Note”), without interest coupons, or a permanent global note (the “Permanent Global Note”), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “Global Note”) which is not intended to be issued in new global note (“NGN”) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the “ECB”) announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the Euro (the “Eurosystème”), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystème operations if the NGN form is used and certain other criteria are fulfilled.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”)) (the “TEFRA C Rules”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “TEFRA D Rules”) are applicable in relation to the Notes.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; provided, however, that in no circumstances shall

the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form (“Definitive Notes”) if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to or to the order of the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to or to the order of the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons

and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to or to the order of the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Overview of Provisions Relating to the Notes while in Global Form*” below.

Legend concerning United States persons

In the case of any Tranche of Notes, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions, save for this paragraph in italics, which, as completed by Part A of the relevant Final Terms, will apply to each Tranche of Notes and which will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Overview of Provisions Relating to the Notes while in Global Form” below.

1 Introduction

- (a) *Programme:* Glencore Finance (Europe) Limited (the “**Issuer**”) and Glencore plc, Glencore International AG and Glencore (Schweiz) AG (each a “**Guarantor**” and together, the “**Guarantors**”) have established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to U.S.\$20,000,000,000 in aggregate principal amount of notes (the “**Notes**”) unconditionally (subject, in the case of Glencore (Schweiz) AG, to applicable Swiss law) and irrevocably guaranteed by the Guarantors.
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of the applicable final terms (the “**Final Terms**”) which completes these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail. If the Notes are to be listed on the Regulated Market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).
- (c) *Trust Deed:* The Notes are subject to and have the benefit of an amended and restated trust deed dated 8 September 2017 (as further amended and/or supplemented and/or restated from time to time, the “**Trust Deed**”) made between the Issuer, each Guarantor and Deutsche Trustee Company Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees appointed under the Trust Deed).
- (d) *Paying Agency Agreement:* The Notes are the subject of an amended and restated paying agency agreement dated 8 September 2017 (as further amended and/or supplemented and/or restated from time to time, the “**Paying Agency Agreement**”) between the Issuer, each Guarantor, the Trustee, Deutsche Bank AG, London Branch (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in accordance with the Paying Agency Agreement in connection with the Notes) and the paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in accordance with the Paying Agency Agreement in connection with the Notes).
- (e) *Deed of Guarantee and Guarantee Agreement:* The Notes are the subject of a deed of guarantee dated 8 September 2017 (as amended and/or supplemented and/or restated from time to time, the “**Deed of Guarantee**”) entered into by Glencore plc and the Trustee and a guarantee agreement dated 22 June 2018 (as amended and/or supplemented and/or restated from time to time, the “**Guarantee Agreement**”) entered into by Glencore International AG, Glencore (Schweiz) AG and the Trustee. The Guarantees of the Notes shall each be in addition to and not in substitution for or joint (or joint and several) with any other guarantee or security which the Trustee may at any time hold for or in relation to the guaranteed obligations.

- (f) *The Notes*: All subsequent references in these Conditions to “**Notes**” are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available free of charge during normal business hours at the Specified Office of the Trustee, the Principal Paying Agent and the Paying Agent in Luxembourg, the initial Specified Offices of which are set out below.
- (g) *Summaries*: Certain provisions of these Conditions are summaries of the Trust Deed, the Paying Agency Agreement, the Deed of Guarantee and the Guarantee Agreement and are subject to their detailed provisions. The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Deed of Guarantee and the Guarantee Agreement applicable to them. Copies of the Trust Deed, the Paying Agency Agreement, the Deed of Guarantee and the Guarantee Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2 Interpretation

- (a) *Definitions*: In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

“**Business Day**” means:

- (i) in relation to any sum payable in Euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in

the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**

- (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred;
- (v) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Agent” means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

“Calculation Amount” has the meaning giving in the relevant Final Terms;

“Clearstream, Luxembourg” means Clearstream Banking, S.A.;

“Consolidated Assets” means all of the assets of the Group as reported in the latest audited consolidated financial statements of the Group;

“Consolidated Borrowing Costs” of the Group means all continuing, regular or periodic costs, charges and expenses (including, but not limited to, interest, whether capitalised or not and the interest element of Finance Leases) incurred by the Group in effecting, servicing or maintaining Financial Indebtedness, plus rent payments under operating leases, less interest received by the Group, all as reported in the latest audited consolidated financial statements of the Group;

“Consolidated Income” means income for the year before attribution less attribution to minorities, each as reported (or as comprised by those items having a substantially similar description) in the latest audited annual consolidated financial statements of the Group or any Subsidiary, as the case may be;

“Consolidated Income (or Loss) before Borrowing Costs and Tax” means Consolidated Income adjusted by adding back minority interests, taxes, extraordinary items and Consolidated Borrowing Costs for the period, all by reference to the latest audited annual consolidated financial statements of the Group;

“Coupon Sheet” means, in respect of a Note, a coupon sheet relating to the Note;

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) when the 2000 ISDA Definitions are specified in the relevant Final Terms as being applicable:
 - (A) if **“Actual/Actual (ICMA)”** is so specified, means:

- (1) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (2) where the Calculation Period is longer than one Regular Period, the sum of:
 - (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (ii) if “**Actual/365**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if “**30E/360**” or “**Eurobond Basis**” is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- (vii) when the 2006 ISDA Definitions are specified in the relevant Final Terms as being applicable:
 - (A) if “**Actual/Actual (ICMA)**” is so specified, means:
 - (1) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (2) where the Calculation Period is longer than one Regular Period, the sum of:
 - (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number

of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

- (B) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (C) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (D) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (E) if “**30/360**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- “**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (F) if “**30E/360**” or “**Eurobond Basis**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- “D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

(G) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and
- “D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

“**Determination Date**” has the meaning given in the relevant Final Terms;

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“**Euro**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;

“Euroclear” means Euroclear Bank SA/NV;

“Extraordinary Resolution” has the meaning given in the Trust Deed;

“Final Redemption Amount” means, in respect of any Note, its principal amount as specified in, or determined in accordance with, the relevant Final Terms;

“Financial Adviser” means a financial adviser appointed by the Issuer after consultation with the Trustee;

“Financial Indebtedness” of any Person, means (without duplication and excluding trade credit in the ordinary course of the Group’s business on the Group’s normal commercial terms):

- (i) all obligations of such Person for monies borrowed and its redemption obligations in respect of mandatorily redeemable preferred stock (being any class of capital stock of a corporation that is preferred over any other class of capital stock of such corporation as to the payment of dividends or the payment for any amounts upon liquidation or dissolution of such corporation);
- (ii) all obligations of such Person evidenced by any debenture, bond, note, loan, stock, commercial paper or other similar security;
- (iii) all actual (as opposed to contingent) reimbursement and other payment obligations of such Person (other than accounts payable) in respect of any acceptance of financial letters of credit or instruments serving similar functions;
- (iv) all obligations of such Person in respect of capitalised rentals or Finance Leases;
- (v) all guarantees by such Person of financial indebtedness of third parties; and
- (vi) the remaining recourse element of receivables sold by such Person or any of its Subsidiaries in a jurisdiction where such receivables financing is not a usual and customary financing transaction,
- (vii) but with respect to the Group shall exclude monies borrowed or raised by any entity within the Group from any other entity within the Group;

“Finance Lease” as applied to any Person, means any lease of any property (whether real, personal or mixed) by such Person as lessee which would, in accordance with IFRS, be required to be classified and accounted for as a finance lease in the financial accounts or statements of such Person;

“Fixed Coupon Amount” has the meaning given in the relevant Final Terms;

“Gross Redemption Yield” means a yield calculated in accordance with generally accepted market practice at such time, as advised to the Issuer by the Financial Adviser.

“Group” means, at any time, Glencore plc and its Subsidiaries (including the Issuer), through which Glencore plc may own its assets and conduct operations indirectly;

“Guarantee” means, in relation to any Financial Indebtedness of any Person, any obligation of another Person to pay such Financial Indebtedness;

“Guarantees of the Notes” means (i) the guarantee of the Notes given by Glencore plc in the Deed of Guarantee and (ii) the guarantee of the Notes given by each of Glencore International AG and Glencore (Schweiz) AG in the Guarantee Agreement;

“Interest Amount” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“Interest Commencement Date” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

“Interest Determination Date” has the meaning given in the relevant Final Terms;

“Interest Payment Date” means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“Interest Ratchet” means the following rates of interest:

- (i) upon the occurrence of a Step Up Event, the applicable Rate of Interest (as defined in Condition 9(a)) plus the Step Up Margin; and
- (ii) upon the occurrence of a Step Down Event, the applicable Rate of Interest (as defined in Condition 9(a));

“International Financial Reporting Standards” or **“IFRS”** means, at any time, the current version of accounting standards set out by the International Accounting Standards Board in London, England (previously the International Accounting Standards or IAS);

“ISDA Definitions” means the 2006 ISDA Definitions as further amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc. or if so specified in the relevant Final Terms, the 2000 ISDA Definitions as further amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.;

“Issue Date” has the meaning given in the relevant Final Terms;

“Limited Recourse Indebtedness” means any indebtedness to finance the ownership, acquisition, development, redevelopment and/or operation of an asset or to finance or facilitate the receipt of any specified revenues or receivables in respect of which the person or persons to whom any such indebtedness is or may be owed (in this definition, the **“Lender”**) by the relevant borrower being the Issuer, each of the Guarantors or any Material Subsidiary (in this definition, the **“Borrower”**) has or have no recourse whatsoever to the Borrower for the repayment thereof other than:

- (i) recourse to such Borrower for amounts limited to the cash flow or net cash flow from such asset or receivable; and/or
- (ii) recourse to the proceeds of enforcement of any Security Interest given by such Borrower over such asset or receivable or the income, cash flow or other proceeds deriving therefrom (**“Relevant Property”**) (or given by any shareholder or the like in the Borrower over its shares or the like in

the capital of the Borrower (“**Related Property**”)) to secure such indebtedness, **provided that** (A) the extent of such recourse to such Borrower is limited solely to the amount of any recoveries made on any such enforcement, and (B) such Lender is not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding-up or dissolution of the Borrower or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of the Borrower or any of its assets (save for the assets the subject of such encumbrance); and/or

- (iii) recourse to the Borrower generally, or directly or indirectly to a member of the Group, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specific way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another person or an indemnity in respect thereof or an obligation to comply or to procure compliance by another person with any financial ratios or other tests of financial condition) by the person in favour of whom such recourse is available;

“**Margin**” has the meaning given in the relevant Final Terms;

“**Material Subsidiary**” means:

- (i) any Subsidiary of Glencore plc where (i) the Subsidiary Income (or Loss) before Borrowing Costs and Tax in respect of such a Subsidiary during the immediately preceding complete financial year of such Subsidiary exceeded 10 per cent. of the Consolidated Income (or Loss) before Borrowing Costs and Tax of the Group during the immediately preceding complete financial year of Glencore plc or (ii) the Subsidiary Assets in respect of such Subsidiary during the immediately preceding complete financial year of such Subsidiary exceeded 10 per cent. of the Consolidated Assets of the Group as at the end of the immediately preceding complete financial year of Glencore plc; or
- (ii) any other Subsidiary of Glencore plc which has been designated by Glencore plc to the Dealers and the Trustee in writing to constitute a “Material Subsidiary” provided that, subject to paragraph (a) above, Glencore plc may, by notice in writing to the Dealers and the Trustee specify that a Subsidiary previously designated to be a “Material Subsidiary” pursuant to this provision shall no longer be treated as a “Material Subsidiary”; or
- (iii) any other Subsidiary of Glencore plc held directly or indirectly which owns, directly or indirectly, a Subsidiary which is a Material Subsidiary in accordance with paragraph (i) or (ii) above,

provided that no Subsidiary of the Group that has common stock listed on a public securities exchange, nor any of their respective direct or indirect Subsidiaries, shall be deemed to be a Material Subsidiary. In addition, Glencore Agriculture Ltd. shall not be deemed to be a Material Subsidiary;

“**Maturity Date**” has the meaning given in the relevant Final Terms;

“**Maximum Rate of Interest**” has the meaning given in the relevant Final Terms;

“**Maximum Redemption Amount**” has the meaning given in the relevant Final Terms;

“**Minimum Rate of Interest**” has the meaning given in the relevant Final Terms;

“**Minimum Rating Requirement**” means that there shall be in existence Ratings equal to or higher than the Specified Threshold from at least two Rating Agencies at any particular time;

“**Minimum Redemption Amount**” has the meaning given in the relevant Final Terms;

“**Moody’s**” means Moody’s Investors Service Ltd., or its Successor;

“Optional Redemption Amount (Call)” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Optional Redemption Amount (Put)” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Optional Redemption Date (Call)” has the meaning given in the relevant Final Terms;

“Optional Redemption Date (Put)” has the meaning given in the relevant Final Terms;

“Participating Member State” means a Member State of the European Union which adopts the Euro as its lawful currency in accordance with the Treaty;

“Payment Business Day” means:

- (i) if the currency of payment is Euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not Euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“Permitted Securitisation Transaction” shall mean a sale of receivables, inventories or other assets by a member of the Group to a special purpose entity, whereby either (i) the sale does not meet the derecognition requirements of, or (ii) the special purpose entity is required to be consolidated under, IFRS such that the assets and related liabilities appear on Glencore plc’s consolidated financial statements;

“Permitted Security Interest” means:

- (i) any Security Interest over property or assets of a Person which becomes a Subsidiary after the Issue Date (and at the same time or subsequently becomes a Material Subsidiary), but only if:
 - (A) the Security Interest (1) was in existence prior to the date of the Person concerned becoming a Subsidiary and (2) was not created in contemplation of such Person becoming a Subsidiary; and
 - (B) the principal or nominal amount secured by the Security Interest as at the date the Person became a Subsidiary is not subsequently increased; and
- (ii) any Security Interest on accounts receivable, inventory or other assets in connection with Permitted Securitisation Transactions;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (i) in relation to Euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means Sydney and, in relation to New Zealand dollars, it means either Wellington or Auckland, as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“Put Option Notice” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Put Option Receipt” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Quotation Time” has the meaning given in the relevant Final Terms;

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

“Rating” means a rating of the Notes;

“Rating Agency” means S&P, Moody’s or any other rating agency generally recognised as such by banks, securities houses and investors operating in the European international capital markets and appointed by or on behalf of the Issuer to maintain a Rating but excluding any rating agency providing a Rating on an unsolicited basis;

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

“Redemption Margin” has the meaning given in the relevant Final Terms;

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of the major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of the major banks in the Euro-zone inter-bank market, in each case selected by the Issuer, or as may be specified in the relevant Final Terms;

“Reference Bond” has the meaning given in the relevant Final Terms;

“Reference Price” has the meaning given in the relevant Final Terms;

“Reference Rate” has the meaning given in the relevant Final Terms;

“Regular Period” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (ii) in the case of Notes where, apart from the first interest period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

“**Relevant Date**” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“**Relevant Financial Centre**” has the meaning given in the relevant Final Terms;

“**Relevant Indebtedness**” means (i) any present or future indebtedness (whether being principal, premium, interest or other amount) in the form of, or represented or evidenced by, notes, bonds, debentures, debenture stock, loan stock or other securities which are, or are intended to be, with the consent of the person issuing the same, quoted, listed or ordinarily traded on any stock exchange or recognised over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness;

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Reserved Matter**” has the meaning given in the Trust Deed;

“**S&P**” means Standard & Poor’s Credit Market Services Europe Limited, or its Successor;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

“**Specified Currency**” has the meaning given in the relevant Final Terms;

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms;

“**Specified Office**” has the meaning given in the Paying Agency Agreement or, in relation to the Trustee, has the meaning given to it in the Trust Deed;

“**Specified Period**” has the meaning given in the relevant Final Terms;

“**Specified Threshold**” means BBB- (in the case of S&P) or Baa3 (in the case of Moody’s) or the equivalent rating level of any other Rating Agency;

“**Step Down Event**” means the reinstatement of the Minimum Rating Requirement following the occurrence of a Step Up Event;

“**Step Up Event**” means a failure to meet the Minimum Rating Requirement at any time, unless:

- (i) the Minimum Rating Requirement has been reinstated by the earlier of (a) 120 days after the date on which the Minimum Rating Requirement was not met or (b) the Interest Payment Date immediately following the relevant failure to meet the Minimum Rating Requirement; or
- (ii) the relevant failure to meet the Minimum Rating Requirement is due to a reason other than a reason related to the Issuer or any Guarantor;

“**Step Up Margin**” has the meaning given in the relevant Final Terms;

“**Subsidiary**” means, in relation to any Person, any corporation, association or other business entity more than 50 per cent. of the Voting Shares of which is at the time owned directly or indirectly by such Person. Unless otherwise specified, any reference to a Subsidiary is intended as a reference to a direct or indirect Subsidiary of Glencore plc;

“**Subsidiary Assets**” means the total assets of a Subsidiary of Glencore plc excluding all intercompany assets and liabilities, all as reported in the latest consolidated financial statements of that Subsidiary (or, in relation to a Subsidiary of Glencore plc which does not have any Subsidiaries, the latest non consolidated financial statements of such Subsidiary);

“**Subsidiary Borrowing Costs**” of any Subsidiary of Glencore plc means all continuing, regular or periodic costs, charges and expenses (including, but not limited to interest, whether capitalised or not and the interest element of Finance Leases) incurred by such Subsidiary in effecting, servicing or maintaining Financial Indebtedness plus rent payments under operating leases, less interest received by such Subsidiary, all as reported in the latest consolidated financial statements of such Subsidiary (or, in relation to a Subsidiary of Glencore plc, which does not have any Subsidiaries, the latest non consolidated financial statements of such Subsidiary);

“**Subsidiary Income (or Loss) before Borrowing Costs and Tax**” means the Consolidated Income of any Subsidiary of Glencore plc (or, in relation to such a Subsidiary which does not have any Subsidiaries, the non consolidated income), adjusted by adding back any cumulative effect of changes in accounting policy, minority interests, income taxes, extraordinary items and Subsidiary Borrowing Costs for the year, but excluding all inter Subsidiary transactions such as, but not limited to, dividends, commissions and management fees all as reported in the latest consolidated financial statements of such Subsidiary (or, in relation to a Subsidiary of Glencore plc which does not have any Subsidiaries, the latest non consolidated financial statements of such Subsidiary);

“**Successor**” means the legal successor to any of the Rating Agencies continuing such Rating Agency’s respective business activity;

“**Talon**” means a talon for further Coupons;

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer system which utilises a single shared platform and which was launched on 19 November 2007;

“**TARGET Settlement Day**” means any day on which the TARGET2 System is open for settlement of payments in Euro;

“**Treaty**” means the Treaty establishing the European Communities, as subsequently amended;

“**Voting Shares**” means with respect to any person, the securities of any class or classes of such person, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or persons performing similar functions) of such person; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Final Terms.

(b) **Interpretation:** In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being “**outstanding**” shall be construed in accordance with the Trust Deed; and
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “**not applicable**” then such expression is not applicable to the Notes.

3 Form, Denomination and Title

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue, **provided that** in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder.

4 Status and Guarantees

- (a) **Status of the Notes:** The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) **Guarantees of the Notes:** Glencore plc has in the Deed of Guarantee and each of Glencore International AG and Glencore (Schweiz) AG has in the Guarantee Agreement unconditionally (subject, in the case of Glencore (Schweiz) AG, to applicable Swiss law) and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. The Guarantees of

the Notes each constitute direct, general and unconditional (subject, in the case of Glencore (Schweiz) AG, to applicable Swiss law) obligations of the relevant Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of such Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Guarantees of the Notes shall each be in addition to and not in substitution for or joint (or joint and several) with any other guarantee or security which the Trustee may at any time hold for or in relation to the guaranteed obligations.

5 Negative Pledge

None of the Issuer and the Guarantors will, and the Guarantors will not permit any Material Subsidiary to, directly or indirectly, create, incur, assume or permit to exist any Security Interest, except for Permitted Security Interests, on or with respect to any property or assets of the Issuer, any Guarantor or any Material Subsidiary (whether held on the date hereof or hereafter acquired) or any interest therein or any income or profits therefrom to secure any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes, Glencore plc's obligations under the Deed of Guarantee or, as the case may be, each of Glencore International AG's and Glencore (Schweiz) AG's obligations under the Guarantee Agreement are secured equally and rateably therewith or benefit from another arrangement (whether or not comprising a Security Interest) as the Trustee deems is not materially less beneficial to the interests of the Noteholders.

6 Fixed Rate Note Provisions

- (a) **Application:** This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination (subject to Condition 9 below, if applicable).
- (d) **Calculation of Interest Amount:** The amount of interest payable per Calculation Amount in respect of each Note for any period for which a Fixed Coupon Amount (or formula for its calculation) is not specified shall be equal to the product of the Rate of Interest, the Calculation Amount and the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a “**sub-unit**” means, in the case of any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of Euro, means one cent.
- (e) **Net Interest Amount:** If any withholding or deduction is imposed under Condition 12, the Issuer shall increase the payment of principal or interest to such amount as will result in receipt by the Noteholders

and Couponholders of such amount as would have been received by them if no such withholding or deduction had been required (except as provided in Condition 12).

7 Floating Rate Note Provisions

- (a) **Application:** This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Screen Rate Determination:**
 - (i) If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will, subject to Condition 7(d) below, be:
 - (A) the offered quotation; or
 - (B) the arithmetic mean of the offered quotations,(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.
 - (ii) if the Relevant Screen Page is not available or if, sub-paragraph (i)(A) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (i)(B) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above for reasons other than the occurrence of a Benchmark Event (as defined in Condition 7(d) below), subject as provided below, the Issuer shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (iii) if paragraph (ii) above applies and the Issuer determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Issuer it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period).

(d) ***Benchmark Replacement:***

- (i) If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint as soon as reasonably practicable, at the Issuer's own expense, an Independent Adviser to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(d)(iii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 7(d)(iv)) and any Benchmark Amendments (in accordance with Condition 7(d)(v)).

An Independent Adviser appointed pursuant to this Condition 7(d) shall act in good faith as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 7(d).

- (ii) If the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(d) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of

Interest (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period). For the avoidance of doubt, this Condition 7(d)(ii) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 7(d).

- (iii) If the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines that:
 - (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(d)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 7(d)); or
 - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(d)(iv)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 7(d)).
- (iv) If the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).
- (v) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(d) and the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines (i) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “Benchmark Amendments”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 7(d)(vi), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 7(d)(vi), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed and these Conditions), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

- (vi) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(d) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 20, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(d); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

- (vii) Without prejudice to Conditions 7(d)(i), (ii), (iii), (iv) and (v), the Original Reference Rate and the fallback provisions provided for in Condition 7(c) will continue to apply unless and until a Benchmark Event has occurred.
- (viii) Definitions:

As used in this Condition 7(d):

“Adjustment Spread” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
- (B) the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines that no such industry standard is recognised or acknowledged)
- (C) the Independent Adviser, in its discretion, acting in a commercially reasonable manner and in good faith, determines to be appropriate.

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines in accordance with Condition 7(d)(iii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the

relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes.

“Benchmark Amendments” has the meaning given to it in Condition 7(d)(v).

“Benchmark Event” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (B) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (E) it has become unlawful for any Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 7(d)(i).

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof.

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

- (e) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where **“ISDA Rate”** in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation

Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is the first day of that Interest Period.
- (f) **Linear Interpolation:** Where Linear Interpolation is specified in the relevant Final Terms as applicable in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.
- (g) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (h) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be equal to the product of the Rate of Interest for such Interest Period, the Calculation Amount and the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a “sub-unit” means, in the case of any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of Euro, means one cent.
- (i) **Calculation of other amounts:** If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (j) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, Interest Period and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, each Guarantor, the Trustee and the Paying Agents, the Luxembourg Stock Exchange and each stock exchange (if any) on which the Notes are then listed as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall

not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

- (k) **Notifications etc:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Trustee, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (l) **Determination or Calculation by Trustee:** If the Calculation Agent fails at any time to determine a Rate of Interest or to calculate an Interest Amount, the Trustee will determine such Rate of Interest and make such determination or calculation which shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply all of the provisions of these Conditions with any necessary consequential amendments to the extent that, in its sole opinion and with absolute discretion, it can do so and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof. Any such determination or calculation made by the Trustee shall be binding on the Issuer, each Guarantor, Noteholders, Couponholders, the Calculation Agent and the Paying Agents.
- (m) **Net Interest Amount:** If any withholding or deduction is imposed under Condition 12 (*Taxation*), the Issuer shall increase the payment of principal or interest to such amount as will result in receipt by the Noteholders and Couponholders of such amount as would have been received by them if no such withholding or deduction had been required (except as provided in Condition 12).

8 Zero Coupon Note Provisions

- (a) **Application:** This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or as the case may be the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9 Adjustment of Rate of Interest:

- (a) If a Step Up Event or Step Down Event is specified in the relevant Final Terms, the Rate of Interest applicable to the Notes shall be the Rate of Interest at any time determined in accordance with Condition 6 or Condition 7, as the case may be, (the “**applicable Rate of Interest**”), subject to adjustment in accordance with the Interest Ratchet (each such adjustment, a “**Rate Adjustment**”). Any Rate Adjustment shall apply in respect of the Interest Period commencing on the Interest Payment Date falling on or immediately following the date of the relevant Step Up Event or Step Down Event, as the case

may be, until either a further Rate Adjustment becomes effective or to the Maturity Date, as the case may be.

- (b) The Issuer shall cause each Rate Adjustment to be notified to the Trustee and the Principal Paying Agent and notice thereof to be published in accordance with Condition 20 (*Notices*) as soon as possible after the occurrence of the relevant Step Up Event or Step Down Event, as the case may be, but in no event later than the tenth Business Day thereafter.
- (c) For so long as any of the Notes are outstanding, the Issuer shall use its best efforts to maintain the Minimum Rating Requirement, and following a failure to meet the Minimum Rating Requirement, the Issuer shall use its best efforts to procure the reinstatement of the Minimum Rating Requirement as soon as reasonably practicable thereafter.

10 Redemption and Purchase

- (a) ***Scheduled redemption:*** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments*).
- (b) ***Redemption for tax reasons:*** The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being not applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (in accordance with Condition 20 (*Notices*)) (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) (1) the Issuer satisfies the Trustee immediately prior to the giving of the notice by the Issuer referred to above that the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom, Jersey or Switzerland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (B) (1) the Issuer satisfies the Trustee immediately prior to the giving of the notice by the Issuer referred to above that any of the Guarantors has or (if a demand were made under the Guarantees of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of (in the case of either Glencore International AG or Glencore (Schweiz) AG) the United Kingdom or Switzerland or (in the case of Glencore plc) the United Kingdom, Jersey or Switzerland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, and (2) such obligation cannot be avoided by such Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (i) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or any Guarantor would be obliged to pay such additional amounts or any Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantees of the Notes were then made; or
- (ii) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or any Guarantor would be obliged to pay such additional amounts or any Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantees of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (A) a certificate signed by two directors of the Issuer stating that the circumstances referred to in A(1) and A(2) prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by two directors of the relevant Guarantor stating that the circumstances referred to in B(1) and B(2) prevail and setting out the details of such circumstances and (B) an opinion satisfactory to the Trustee of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the relevant Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the circumstances set out in A(1) and A(2) above or (as the case may be) B(1) and B(2) above, in which event they shall be conclusive and binding on the Noteholders. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

- (c) ***Redemption at the option of the Issuer:*** If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (in accordance with Condition 20 (*Notices*)) and having notified the Trustee prior to the provision of such notice (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

If Make-whole Amount is specified in the relevant Final Terms as the Optional Redemption Amount (Call), the Optional Redemption Amount (Call) per Note shall be equal to the higher of the following, in each case together with interest accrued to but excluding the Optional Redemption Date(s) (Call):

- (i) the principal amount of the Note; and
- (ii) the principal amount of the Note multiplied by the price (as reported in writing to the Issuer and the Trustee by a Financial Adviser) expressed as a percentage at which the Gross Redemption Yield on the Notes on the Determination Date is equal to the Gross Redemption Yield at the Quotation Time on the Determination Date of the Reference Bond (or, where the Financial Adviser advises the Issuer that, for reasons of illiquidity or otherwise, such Reference Bond is not appropriate for such purpose, such other government stock as such Financial Adviser may recommend) plus any applicable Redemption Margin.

Any notice of redemption given under this Condition 10(c) (*Redemption at the option of the Issuer*) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 10(b) (*Redemption for tax reasons*).

- (d) **Partial redemption:** If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject in each case to compliance with applicable law and the rules of each stock exchange on which the Notes are then listed, and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) **Redemption at the option of Noteholders:** If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption monies is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (f) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
- (g) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) **Purchase:** The Issuer, each of the Guarantors or any Subsidiary of each of the Guarantors may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (i) **Cancellation:** All Notes so redeemed or purchased by the Issuer, any Guarantor or any Subsidiary of any Guarantor and any unmatured Coupons attached to or surrendered with them may be held by the Issuer, any Guarantor or any Subsidiary of any Guarantor or resold.

11 Payments

- (a) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by check drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is Euro, any other account to which Euro may be credited or transferred) and maintained by the payee with a bank in the Principal Financial Centre of that currency.
- (b) **Interest:** Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law without resulting in adverse tax consequences to the Issuer or any Guarantor.
- (d) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Deductions for unmatured Coupons:** If the relevant Final Terms specify that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

- (B) a sum equal to the aggregate amount of the Relevant Coupons will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) **Unmatured Coupons void:** If the relevant Final Terms specify that this Condition 11(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) **Payments on Business Days:** If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) **Payments other than in respect of matured Coupons:** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) **Exchange of Talons:** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent and the Paying Agent in Luxembourg for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12 Taxation

- (a) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons (including payments by each Guarantor under the Guarantees of the Notes) by or on behalf of the Issuer or each Guarantor shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United Kingdom, Switzerland or Jersey or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) the relevant Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (i) by a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the United Kingdom, Switzerland or Jersey other than the mere holding of such Note or Coupon; or
- (ii) where any tax is required to be withheld or deducted from a payment pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation issued by the Swiss Federal Council on 17 December 2014, or otherwise changing the Swiss Federal Withholding Tax system from an issuer-based system to a paying agent-based system pursuant to which a person in Switzerland other than the Issuer or each Guarantor is required to withhold tax on any interest payments; or
- (iii) more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Note or Coupon on the last day of such period of 30 days; or
- (iv) in the case of Glencore (Schweiz) AG, if such payment becomes subject to Swiss Federal Withholding Tax because such payment has to be regarded as a deemed dividend distribution.

Notwithstanding any other provision contained herein, any amounts to be paid by the Issuer or any Guarantor on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a “**FATCA Withholding Tax**”), and neither the Issuer nor any Guarantor will be required to pay additional amounts on account of any FATCA Withholding Tax.

- (b) **Taxing jurisdiction:** If the Issuer or any of the Guarantors becomes subject at any time to any taxing jurisdiction other than, as the case may be, the United Kingdom, Switzerland or Jersey, references in these Conditions to the United Kingdom, Switzerland or Jersey shall be construed as references to, as the case may be, the United Kingdom, Switzerland, Jersey and/or such other jurisdiction.

13 Events of Default

If any of the following events (each an “**Event of Default**”) occurs and is continuing, the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to, in the case of the happening of any of the events mentioned in paragraphs (b), (d) or (i) below and, in relation to a Material Subsidiary only, paragraphs (c), (e), (f) or (g) the Trustee having certified in writing that the happening of such events is in its opinion materially prejudicial to the interests of the Noteholders and, in all cases to the Trustee having been indemnified or provided with security to its satisfaction) give written notice to the Issuer (with a copy to each of the Guarantors) declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal or interest in respect of the Notes on the due date for payment thereof and such default continues for a period of 14 days from the due date for payment thereof; or
- (b) **Breach of other obligations:** the Issuer or any Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Trust Deed, the Deed of Guarantee or

the Guarantee Agreement, as the case may be, and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy remains unremedied for 60 days or such longer period as the Trustee may in its absolute discretion agree after the Trustee has given written notice thereof to the Issuer and each Guarantor; or

(c) ***Cross-default of Issuer, Guarantors or Material Subsidiary:***

- (i) any Financial Indebtedness (other than Limited Recourse Indebtedness) of the Issuer, any Guarantor or any other Material Subsidiary is not paid when due or (as the case may be) within any originally applicable grace period;
- (ii) any such Financial Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer, any Guarantor or (as the case may be) the relevant Material Subsidiary or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Financial Indebtedness; or
- (iii) the Issuer, any Guarantor or any Material Subsidiary fails to pay when due within any applicable grace periods any amount payable by it under any Guarantee of any such Financial Indebtedness;

provided that the amount of Financial Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds U.S.\$100,000,000 (or its equivalent in any other currency or currencies); or

- (d) ***Unsatisfied judgment:*** (other than in respect of Limited Recourse Indebtedness) one or more judgment(s) or order(s) for the payment of an aggregate amount in excess of U.S.\$100,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer, any Guarantor or any Material Subsidiary and continue(s) unsatisfied and unstayed for a period of 90 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) ***Security enforced, appointment of receiver etc:*** (other than in respect of Limited Recourse Indebtedness) a secured party takes possession of, or a receiver, manager, trustee, administrator, custodian, conservator or other similar officer is appointed in respect of, the whole or a substantial part of the undertaking, assets and revenues of the Issuer, any Guarantor or any Material Subsidiary **provided that** the amount or value of such undertaking, assets and revenues exceeds U.S.\$100,000,000 (or its equivalent in any other currency or currencies); or
- (f) ***Insolvency etc:*** (i) the Issuer, any Guarantor or any Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due and/or proceedings are initiated against the Issuer, any Guarantor or any Material Subsidiary under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation, moratorium, or other similar laws, (ii) the Issuer, any Guarantor or any Material Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Financial Indebtedness or any Guarantee of any Financial Indebtedness given by it or (iii) the Issuer, any Guarantor or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business (otherwise than, in the case of the Issuer or the Guarantors, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent and, in the case of any other member of the Group, (A) for the purpose of or pursuant to any amalgamation, reorganisation or restructuring or (B) if the Financial Indebtedness of such other member of the Group is comprised solely of Limited Recourse Indebtedness); or
- (g) ***Winding up etc:*** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, any Guarantor or any Material Subsidiary (otherwise than, in the case of a

Material Subsidiary, (A) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent or (B) if the Financial Indebtedness of such Material Subsidiary is comprised solely of Limited Recourse Indebtedness); or

- (h) **Analogous event:** any event occurs which under the laws of Switzerland or Jersey has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or
- (i) **Unlawfulness:** it is or will become unlawful for the Issuer or any Guarantor to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed, or the Guarantees of the Notes; or
- (j) **Guarantees not in force:** the Deed of Guarantee or the Guarantee Agreement is not (or is claimed by any Guarantor not to be) in full force and effect.

14 Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within 10 years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

15 Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent (and, if the Notes are then listed on any stock exchange which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such stock exchange), subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and/or the Guarantors may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

16 Trustee and Agents

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce payment unless indemnified to its satisfaction, and to be paid its costs and expenses in priority to the claims of Noteholders. The Trustee is entitled to enter into business transactions with the Issuer and/or the Guarantors and any entity related to the Issuer and/or the Guarantors without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual holders of Notes, Coupons or Talons as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Paying Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer, each Guarantor or, following the occurrence of an event of default, the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and each Guarantor reserve the right (with the prior written approval of the Trustee) at any time to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint a successor principal paying agent or calculation agent and additional paying agents; **provided, however, that:**

- (a) the Issuer and the Guarantors shall at all times maintain a Principal Paying Agent; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantors shall at all times, whilst any such Note remains outstanding, maintain a Calculation Agent; and
- (c) if and for so long as the Notes are listed on any stock exchange which requires the appointment of a Paying Agent in any particular place, the Issuer and the Guarantors shall maintain a Paying Agent having its Specified Office in the place required by the rules of such stock exchange.

Notice of any changes in any of the Paying Agents and Calculation Agents or in their Specified Offices shall promptly be given by the Issuer to the Noteholders in accordance with Condition 20 (*Notices*). If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

17 Meetings of Noteholders; Modification and Waiver

- (a) ***Meetings of Noteholders:*** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or the provisions of the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantors (acting together) or the Trustee and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of three-quarters of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) ***Modification and Waiver:*** The Trustee may agree, without the consent of the Noteholders or the Couponholders, to (i) any modification of any provision of these Conditions or the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law and (ii) any other modification (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach of any provision of these Conditions or the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. In addition, the parties to the Paying Agency Agreement may agree to modify any provision thereof, save the Trustee shall only agree without the consent of the Noteholders to such modification if, in the opinion of the Trustee, such modification is not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and Couponholders.

18 Enforcement

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do unless:

- (a) it has been so requested in writing by the holders of at least one quarter in principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified or provided with security to its satisfaction.

No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

19 Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single Series with the Notes.

20 Notices

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>). If such publication is not practicable, publication will be made in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

21 Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22 Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if

necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23 Substitution

The Trustee may, without the consent of the Noteholders, agree with the Issuer and each Guarantor to the substitution in place of the Issuer or any of the Guarantors (or, in each case, of any previous substitute under this Condition) as the principal debtor under or, as the case may be, guarantor in respect of the Notes and the Trust Deed of any other Subsidiary of Glencore plc, subject to (a) in the case of a substitution of the Issuer (or any previous substitute Issuer under this Condition), the Notes being guaranteed by each of the remaining Guarantors or, as the case may be, Guarantor (or where such substitute issuer is itself a Guarantor, the Notes being guaranteed by each of the other Guarantors or, as the case may be, Guarantor (or, in the case of the substitution of any of the Guarantors, the Notes being guaranteed by the new guarantor and the remaining Guarantor(s)), (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution, and (c) certain other Conditions set out in the Trust Deed being complied with.

24 Governing Law and Jurisdiction

- (a) **Governing law:** The Notes, the Trust Deed, the Deed of Guarantee and any non-contractual obligations arising out of, or in connection with them, are governed by, and shall be construed in accordance with, English law. The Guarantee Agreement is governed by, and shall be construed in accordance with, the laws of Switzerland.
- (b) **Jurisdiction:** Each of the Issuer and the Guarantors have agreed in the Trust Deed for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any dispute, which may arise out of, or in connection with the Notes (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- (c) **Appropriate forum:** Each of the Issuer and the Guarantors has in the Trust Deed waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agreed not to claim that any such court is not a convenient or appropriate forum.
- (d) **Process agent:** The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to Glencore UK Ltd. at 50 Berkeley Street, London W1J 8HD or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer’s behalf, the Issuer shall, on the written demand of any Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent and Trustee, appoint a further Person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a Person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent and Trustee. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.

- (e) ***Non-exclusivity***: The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law. Any legal action or proceeding in respect of the Guarantee Agreement may also be brought before the courts of the city of Zug, Switzerland.
- (f) ***Third Parties***: No person shall have any right to enforce any term or Condition of this Note or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

FORM OF FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes 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 Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, "IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET - Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU ("MiFID II")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [●]

GLENCORE FINANCE (EUROPE) LIMITED

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by

GLENCORE PLC

and

GLENCORE INTERNATIONAL AG

and

GLENCORE (SCHWEIZ) AG

under the U.S.\$20,000,000,000

Euro Medium Term Note Programme

PART A

Contractual Terms

[Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "Conditions") set forth in the base prospectus dated 22 June 2018 [as supplemented by the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the "Base Prospectus") for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer, the Guarantors and the offer of the Notes is only

available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.)

[Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the “Conditions”) set forth in the base prospectus dated [8 August 2006/8 November 2011/7 May 2013/15 May 2014/12 May 2015[, as amended by the supplemental prospectus dated 26 April 2016]/12 May 2016]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the “Prospectus Directive”) and must be read in conjunction with the base prospectus dated 8 September 2017 [as supplemented by the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of Article 5.4 of the Prospectus Directive (the “Base Prospectus”), save in respect of the Conditions which are incorporated by reference in the Base Prospectus. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the Conditions are available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

(Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub paragraphs. Italics denote guidance for completing the Final Terms.)

- | | |
|---|--|
| 1 | <p>[(i)] Series Number: [●]</p> <p>[(ii)] Tranche Number: [●]</p> <p>[(iii)] Date on which the Notes will be consolidated and form a single Series: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[identify earlier Tranche(s) by (as applicable) currency, issue size, coupon, maturity date and issue date]</i> on <i>[insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 20 below [which is expected to occur on or about [●]]].</i>]</p> |
| 2 | Specified Currency or Currencies: [●] |
| 3 | <p>Aggregate Nominal Amount of Notes admitted to trading: [●]</p> <p>[(i)] Series: [●]</p> <p>[(ii)] Tranche: [●]</p> |
| 4 | Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]] |
| 5 | <p>(i) Specified Denominations: [●]</p> <p><i>(N.B. Where multiple denominations above €100,000 (or equivalent) are being used, the following sample wording should be followed:</i></p> <p><i>“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”</i></p> <p>(ii) Calculation Amount: [●]</p> |

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations)

- | | | |
|----|--|--|
| 6 | (i) Issue Date: | [●] |
| | (ii) Interest Commencement Date: | [[●]/Issue Date/Not Applicable] |
| 7 | Maturity Date: | [[●]/Interest Payment Date falling in or nearest to [●]] |
| 8 | Interest Basis: | [[●] per cent. Fixed Rate] [[●] month [LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified in [13/14/15] below) |
| 9 | Redemption Basis: | [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed at [●] per cent. of their Aggregate Nominal Amount] |
| 10 | Change of Interest Basis: | <i>[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not Applicable]</i> |
| 11 | Put/Call Options: | [Investor Put]
[Issuer Call]
[(further particulars specified in [16/17] below)]
[Not Applicable] |
| 12 | Date Board approval for issuance of Notes and Guarantees obtained: | [[●] and [●] respectively/Not Applicable] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|----|-------------------------------------|--|
| 13 | Fixed Rate Note Provisions | [Applicable/Not Applicable]
<i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i> |
| | (i) Rate[(s)] of Interest: | [●] per cent. per annum [payable in arrear on each Interest Payment Date] [adjusted in accordance with the Interest Ratchet] |
| | (ii) Step Up Event/Step Down Event: | [Yes/No] |
| | (iii) Step Up Margin: | [[●] per cent. per annum/Not Applicable] |
| | (iv) Interest Payment Date(s): | [●] and [●] in each year, commencing on [●] [adjusted in accordance with [●]/not adjusted] |
| | (v) Fixed Coupon Amount[(s)]: | [●] per Calculation Amount |
| | (vi) Broken Amount(s): | [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]/Not Applicable] |
| | (vii) Day Count Fraction: | [Actual/365/Actual/Actual (ISDA)]
[Actual/365 (Fixed)]
[Actual/360] |

[30/360]
[30E/360/Eurobond Basis]

14	Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
(i)	Interest Period(s)	[●], subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]
(ii)	Specified Interest Payment Dates:	[●], subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]
(iii)	First Interest Payment Date:	[●]
(iv)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention/Modified Business Day Convention] [Preceding Business Day Convention] [FRN Convention/Floating Rate Convention/Eurodollar Convention] [Not Applicable]
(v)	Additional Business Centre(s):	[●]/[Not Applicable]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	[[●] shall be the Calculation Agent]
(viii)	Screen Rate Determination:	
	• Reference Rate:	[●] month [LIBOR/EURIBOR]
	• Interest Determination Date(s):	[●]
	• Relevant Screen Page:	[●]
	• Relevant Time:	[●]
	• Relevant Financial Centre:	[●]
(ix)	ISDA Determination:	
	• Floating Rate Option:	[●]

	• Designated Maturity:	[●]
	• Reset Date:	[●]
	(x) Linear Interpolation:	Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (<i>specify for each short or long interest period</i>)
	(xi) Margin(s):	[+/-][●]per cent. per annum
	(xii) Minimum Rate of Interest:	[[●] per cent. per annum/Not Applicable]
	(xiii) Maximum Rate of Interest:	[[●] per cent. per annum/Not Applicable]
	(xiv) Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365/Actual/Actual/Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [30E/360/Eurobond Basis] [30E/360 (ISDA)] as per the [2000/2006] ISDA Definitions (<i>Note that this item relates to the definition of “Day Count Fraction” in the Conditions and that a distinction is made therein between the 2000 and 2006 ISDA Definitions</i>)
	(xv) Step Up Event/Step Down Event:	[Yes/No]
	(xvi) Step Up Margin:	[[●] per cent. per annum/Not Applicable]
15	Zero Coupon Note Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub paragraphs of this paragraph</i>)
	(i) [Amortisation/Accrual] Yield:	[●] per cent. per annum
	(ii) Reference Price:	[●]
PROVISIONS RELATING TO REDEMPTION		
16	Call Option	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub paragraphs of this paragraph</i>)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[[●] per Calculation Amount/Make-whole Amount] (<i>If Make-whole Amount is selected, complete items (A) to (D) below. If not applicable, delete items (A) to (D)</i>)
	(A) Reference Bond:	[Insert applicable Reference Bond/Not Applicable]
	(B) Quotation Time:	[[●]/Not Applicable]
	(C) Redemption Margin:	[[●]/Not Applicable]

- (D) Determination Date: ☐/Not Applicable]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: ☐ per Calculation Amount/Not Applicable]
- (b) Maximum Redemption Amount: ☐ per Calculation Amount/Not Applicable]
- 17 **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Optional Redemption Date(s): ☐
- (ii) Optional Redemption Amount(s) of each Note: ☐ per Calculation Amount
- 18 **Final Redemption Amount of each Note** Par
- 19 **Early Redemption Amount (Tax)** ☐/[Par] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 20 **Form of Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
[Temporary Global Note exchangeable for Definitive Notes]¹
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- 21 New Global Note Form: [Yes/No/Applicable/Not Applicable]
- 22 Financial Centre(s): [Not Applicable/☐] *Note that this item relates to the date and place of payment, and not interest period end dates, to which items 14(iv) and 15(v) relate.*
- 23 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No]
- 24 U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/TEFRA D/ TEFRA not applicable]

Signed on behalf of the Issuer:

¹ In relation to any issue of Notes which are expressed to be Temporary Global Notes exchangeable for Definitive Notes in accordance with this option, such Notes may only be issued in denominations equal to, or greater than, EUR100,000 (or equivalent) and integral multiples thereof.

By:
Duly authorised

By:
Duly authorised

Signed on behalf of Glencore plc:

By:
Duly authorised

By:
Duly authorised

Signed on behalf of Glencore International AG:

By:
Duly authorised

By:
Duly authorised

Signed on behalf of Glencore (Schweiz) AG:

By:
Duly authorised

By:
Duly authorised

PART B

Other Information

1 LISTING AND ADMISSION TO TRADING

- (i) Admission to trading and listing: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange with effect from [●].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

- Ratings: [The Notes to be issued will not be rated.]
- [[The Notes to be issued [have been]/[are expected to be]] rated/The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally:]
- [S&P: [●]]*
- [Moody's: [●]]*
- *Include legal name of rating agency*
- [[*Insert credit rating agency legal name*] is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the “CRA Regulation”).]
- [[*Insert credit rating agency legal name*] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the “CRA Regulation”), although as at the date of these Final Terms notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]
- [[*Insert credit rating agency legal name*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the “CRA Regulation”).]
- [[*Insert credit rating agency legal name*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the “CRA Regulation”) but is endorsed by [*insert credit rating agency legal name*] which is established in the European Union [and registered under the CRA Regulation/and has applied

for registration under the CRA Regulation, although as at the date of these Final Terms notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency legal name*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the “CRA Regulation”), but it is certified in accordance with the CRA Regulation.]

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement)

["Save for any fees payable to [●] (the “[Managers/relevant Dealer]”), so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/relevant Dealer] and [their/its] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantors and their affiliates in the ordinary course of business.”]

(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

4 [THIRD PARTY INFORMATION]

[●] has been extracted from [●]. The Issuer and each of the Guarantors confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

5 YIELD

Indication of yield: [[●]/Not Applicable] *(Applicable to Fixed Rate Notes only.)*

6 OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

[CFI Code: [●]]

[FISN: [●]]

New Global Note intended to be [Not Applicable/Yes/No]

held in a manner which would allow Eurosystem eligibility: [Note that the designation “Yes” means that the Notes are intended upon issue to be deposited with Euroclear or

Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if “Yes” selected, in which case the Notes must be issued in NGN form]*

[Whilst the designation is specified as “No” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):

[Not Applicable/[•]]

Delivery:

Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s)

[•]

Names and addresses of additional Paying Agent(s) (if any):

[•]

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of a NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “Accountholder”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer or the Guarantors to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer or the Guarantors in respect of payments due under the Notes and such obligations of the Issuer and the Guarantors will be discharged by payment to the bearer of the Global Note.

So long as the Notes are represented by a temporary Global Note or permanent Global Note and the relevant clearing system(s) so permit, the Notes shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and integral multiples in excess thereof specified in the relevant Final Terms.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within seven days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to order of the Principal Paying Agent, following the expiry of a period of 40 days

after the issue date of the relevant Tranche of the Notes and upon certification as to non US beneficial ownership.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form at the request of the bearer of such Permanent Global Note against presentation and surrender of the Permanent Global Note to the Principal Paying Agent if either of the following events occurs: (a) Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant Exchange Date, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments

All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto, which endorsements will be *prima facie* evidence that such payment has been made in respect of the Notes, and in respect of a NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “Payment Business Day” set out in Condition 2 (*Interpretation*).

Exercise of put option

In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option

In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg or any other clearing system (as the case may be) as either a pool factor or a reduction in principal amount, at their discretion).

Notices

Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>).

Electronic Consent and Written Resolution

While any Global Note is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer, the Guarantors or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an “Electronic Consent” as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer, the Guarantors and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantors and/or the Trustee, as the case may be, by (a) accountholders in the clearing system with entitlements to such Global Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantors and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “relevant clearing system”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive

and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. None of the Issuer, the Guarantors or the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

DESCRIPTION OF GLENCORE FINANCE (EUROPE) LIMITED

General

Glencore Finance (Europe) Limited is incorporated in Jersey as a public limited liability company, with registered number 124626 and having its registered office at 13-14 Esplanade, St Helier, Jersey, JE1 1EE and its telephone number is +44 1534 844 897. It is resident in the United Kingdom for tax purposes.

The Issuer was previously known as Glencore Finance (Europe) S.A.. Glencore Finance (Europe) S.A. was incorporated for an unlimited duration in Luxembourg as a public limited liability company (*société anonyme*) and registered in Luxembourg on 17 April 2003. On 1 September 2017 Glencore Finance (Europe) S.A. ceased to be a company constituted under the laws of Luxembourg and continued as a company incorporated under the Companies (Jersey) Law 1991, as amended, under the name Glencore Finance (Europe) Limited.

Glencore Finance (Europe) Limited is wholly owned by Glencore Finance (Bermuda) Ltd. (96.77 per cent.) and Glencore Capital Ltd. (3.22 per cent.), both of which are ultimately controlled by the Company.

The authorised and issued share capital of Glencore Finance (Europe) Limited is €31,000 divided into 31 ordinary shares with a par value of €1,000 each. The authorised and issued shares are fully paid up. Thirty shares are owned by Glencore Finance (Bermuda) Ltd. and one share is owned by Glencore Capital Ltd, each being a company existing under the laws of Bermuda, with registered offices at Canon's Court, Victoria Street 22, Hamilton HM12, Bermuda.

Business

Glencore Finance (Europe) Limited's principal business is to act as one of the financing vehicles of the Group, the description and activities of which are set out under "*Description of the Company and the Group*".

Directors

The following table sets out the Directors of Glencore Finance (Europe) Limited as at the date of this Base Prospectus:

Name	Position	Other Principal Activities
Ian James Wall	Director	None
Warren Michael Blount	Director	None
Mark Jonathan Catton	Director	None
Ann Victoria Nash	Director	None

The business address of each of the directors is 50 Berkeley Street, Mayfair, London W1J 8HD.

As at the date of this Base Prospectus, none of the Directors of Glencore Finance (Europe) Limited has any conflict of interest between their duties to Glencore Finance (Europe) Limited and their private interests and/or other duties.

DESCRIPTION OF THE COMPANY AND THE GROUP

General

The Company was incorporated in Jersey under the Jersey Companies Law on 14 March 2011 as a public company limited by shares with the name Glencore International Limited. The Company changed its name to Glencore International plc on 12 April 2011 and, following the Acquisition which completed on 2 May 2013, Glencore International plc was renamed “Glencore Xstrata plc” and, following its annual general meeting held on 20 May 2014, Glencore Xstrata plc was renamed “Glencore plc”. The Company’s registration number is 107710. The registered office of the Company is at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES and its headquarters are located at Baarermattstrasse 3, CH 6340 Baar, Switzerland. The Company’s telephone number is: +44 1534 281800. The Company is registered in Jersey and its country of jurisdiction is Jersey. The Company is resident in Switzerland for tax purposes.

The Company’s principal business is to act as the ultimate holding company of the Group.

Overview

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

The Group benefits from its scale and diversity. The Group’s portfolio of diversified industrial assets comprises over 150 mining and metallurgical facilities, offshore oil production facilities, farms and agricultural facilities. The Group’s growth prospects are underpinned by a significant industrial base, which, in turn, enhances marketing opportunities.

Over a period of many years, the Group has built a strong market reputation as a reliable supplier of quality product on a timely basis. In doing so, the Group has extensive market knowledge and insight, as well as the full logistics capabilities required to generate value added margins and seek arbitrage potential throughout the physical commodity supply chain. The Group’s presence at each stage of the commodity chain provides it with superior market insight and access to opportunities. The Group is able to capture value at each stage of the commodity chain, including extraction, processing, freight, logistics, technology, storage, marketing, risk management and financing.

Historically, the Group has grown both organically and through acquisitions, including those of Xstrata and Viterro. The Group continues to evaluate a number of opportunities in relation to its business, whether mergers, acquisitions or disposals, joint ventures, off-take arrangements or otherwise.

In September 2015, due to sustained reduction in commodity prices, the Group announced plans to reduce net debt. The debt reduction programme was successfully completed in December 2016 and included a divestment programme comprising streaming arrangements over Antapaccay and Antamina, the disposal of 50.01 per cent. of Glencore Agri, the disposal of a 30 per cent. economic interest in the Ernest Henry underground mine and a streaming arrangement over its gold production and the sale of GRail, as well as an approximately U.S.\$2.5 billion equity issuance and significant reductions in capital expenditure. Since then, the Group has continued to leverage its trading and strategic relationships to source and structure acquisitions and disposals, as well as capitalising on organic growth options across its portfolio.

The Group’s consolidated revenue for the year ended 31 December 2017 was U.S.\$205,476 million, its income for the year was U.S.\$5,162 million and, as at 31 December 2017, its total assets were U.S.\$135,593 million.

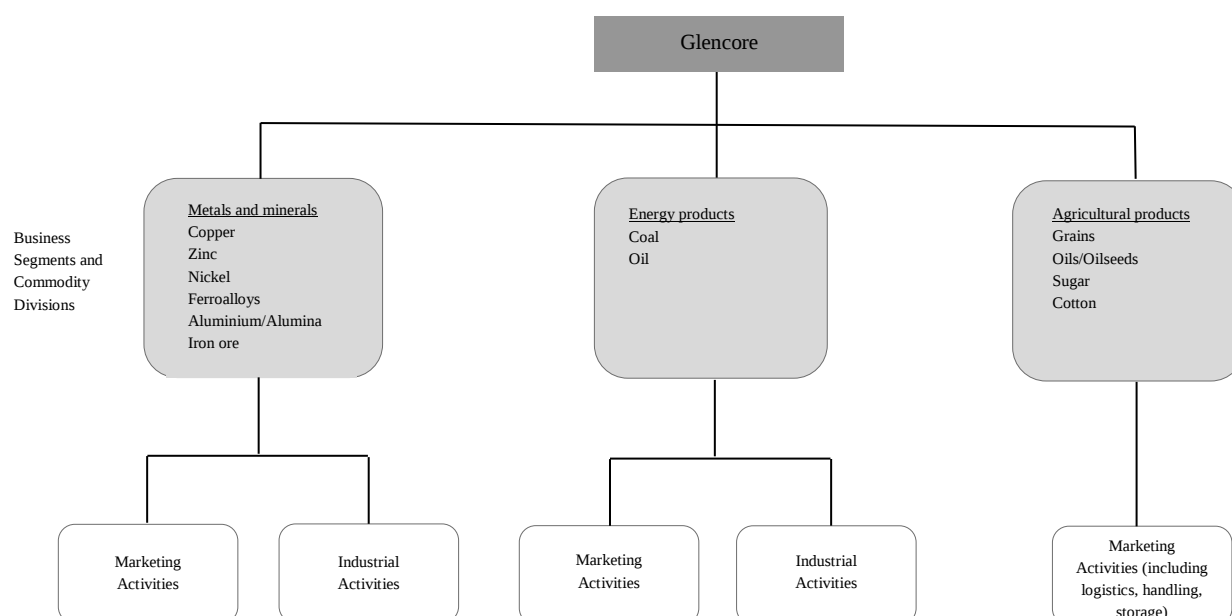
The Group's consolidated revenue for the year ended 31 December 2016 was U.S.\$152,948 million, its income for the year was U.S.\$936 million and as at 31 December 2016, its total assets were U.S.\$124,600 million.

The Group's consolidated revenue for the year ended 31 December 2015 was U.S.\$147,351 million, its loss for the year was U.S.\$8,114 million and, as at 31 December 2015, its total assets were U.S.\$128,485 million.

The Company's ordinary shares are traded on the London Stock Exchange and the Johannesburg Stock Exchange. The Company is a member of the FTSE 100.

The Group's industrial and marketing investment activities are supported by a global network of more than 90 offices located in over 50 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. The Group's main offices include Baar (Switzerland), New York, London, Rotterdam, Beijing, Moscow, Toronto, Johannesburg, Sydney and Singapore. This network provides the Group with significant worldwide investment origination and sourcing and distribution capabilities.

The following chart summarises the Group's business structure:



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

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

Agri is operated as a joint venture in which the Group has a 49.99 per cent. ownership interest. See “– Agricultural products”.

Each of the Group’s business segments undertakes industrial and marketing activities and is responsible for managing the marketing, sourcing, hedging, logistics and investment activities relating to the commodities in each business segment. Following the sale of the stake in Glencore Agri, the Agricultural products business segment is now fully reported under marketing activities. The underlying business continues to operate a network of principally logistics, handling, storage and oilseed crushing assets in support of and complementary to its marketing operations.

History

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

Starting in 1987, Glencore developed from a purely commodity marketing company into a diversified natural resources group through key acquisitions in mining, smelting, refining and processing in the three principal business segments. Glencore made its first equity investment in an industrial asset in 1987, when it acquired 27 per cent. of the Mt. Holly aluminium smelter in the United States and acquired its first controlling interest in an industrial asset in 1988, when it acquired a 66.7 per cent. interest in a zinc/lead mine in Peru. In 1994, the founder of Glencore sold his stake by way of a management buyout. The Company’s shares were listed on the Official List of the FCA, admitted to trading on the London Stock Exchange’s market for listed securities and admitted to listing on the Hong Kong Stock Exchange in May 2011. On 2 May 2013, Glencore completed the acquisition of Xstrata.

The Company’s shares were admitted to trading on the Johannesburg Stock Exchange in November 2013. Due to low trading volumes, the Company chose to delist its shares from the Hong Kong Stock Exchange in January 2018.

Competitive strengths

The Group believes that its success has been built upon a unique combination of competitive strengths that have enabled it to grow into one of the world’s largest diversified and vertically integrated producers, processors and marketers of natural resources. The Group’s key competitive strengths include:

Scale and commodity diversity

As a major producer and marketer of over 90 commodities, the Group benefits from scale and diversity. The Group’s presence at each stage of the commodity chain provides it with superior market insight and access to opportunities. These factors, along with the established footprint in emerging markets for natural resource investment, including Africa, Kazakhstan and South America, as both an operator and provider of marketing and logistic services to new producers, provide the Group with substantial optionality and strategic flexibility.

Commodity differentiation is increasingly important and the Group’s commodity mix is becoming less dependent on demand generated by infrastructure related investment in developing markets. For example, increasing electric vehicle adoption, for which there is growing support at policy level including through the activities of the multi-government Electric Vehicle Initiative, requires an energy and mobility transformation that is expected to create material new sources of demand for the enabling underlying commodities, including copper, nickel and cobalt.

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

As a leading integrated producer and marketer of commodities with a sizeable portfolio of industrial mining and other production and processing assets, the Group is able to capture value at each stage of the commodity chain, including extraction, processing, freight, logistics, technology, storage, marketing, risk management and financing.

The marketing operations of the Group benefit from having full access to the Group's mining and metal assets. In addition, the Group buys commodities from thousands of third party producers worldwide, which relationships enable the Group to identify opportunities to grow its asset base. The Group sees its ownership of industrial assets not solely as sources of self-produced commodities, but also as tools for increasing flexibility, access to strategic markets, optionality, security of supply and for gaining valuable operating, technical and market knowledge and know-how.

Ability to respond to changing industry dynamics

Commodity trade flows shift to reflect demand and the supply of commodities is increasingly sought from more remote, challenging and often logistically constrained locations, with a range of new industry participants. The Group benefits from:

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

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

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

Leading industrial asset portfolio of diversified operations

The Group has a portfolio of diversified industrial assets spread across the Group's three business segments, comprising over 150 mining and metallurgical facilities, oil production facilities, farms and agricultural facilities. The Group has a leading portfolio of industrial mining and metals assets and owns or has interests in many high-quality assets (for example Prodeco and Cerrejón, which produce high-grade thermal coal, and Collahuasi and Mopani, which have significant high-grade copper reserves).

The Group's major industrial assets are mainly long life and low cost, reflecting the substantial investment into existing assets as well as the Group's appetite, capabilities and belief in commodities and geographies where its peers are not present. The Group's industrial activities focus on controlling costs and generating sustainable operating and capital efficiencies.

Diversified across multiple commodities, suppliers and customers

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

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

The Group's management team, led by Ivan Glasenberg (Chief Executive Officer), has more than 200 years' collective experience working with the Group and a proven track record of developing and growing the business, across industry cycles. Following Glencore's initial public offering in May 2011 and the acquisition of Xstrata in 2013, employees continue to own a sizeable share of the Company's issued share capital. The Group has long had a strong entrepreneurial culture and this is reinforced through the strong equity participation many of these employees continue to have in the Company.

Resilient financial performance and marketing

The Group believes that the financial performance of its marketing operations is less correlated to commodity prices than its industrial operations, as the Group uses hedging strategies, meaning that marketing profitability is primarily determined by volume activity and associated value added supply chain margins and other marketing conditions rather than the absolute flat price itself.

Furthermore, because the marketing operations' funding requirements are highly linked to commodity prices, during periods of falling commodity prices such as those seen in 2015 and early 2016, the marketing operations tend to require less working capital, which helps mitigate the generally negative effects of falling commodity prices on the Group's industrial assets.

Strategy

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

Integrate sustainability throughout its business

The Group believes that by maintaining its commitment to operating transparently and responsibly and its reputation for doing so, it will be seen by its stakeholders as a partner of choice. It places the highest priority on its employees, the environment and local communities where it operates. The Group takes a broad approach to employee welfare and takes its health and safety record very seriously, with substantial resources and focus

committed to this area. Regarding environment, the Group demands high environmental performance and standards from its controlled operations and, while executing marketing logistic activities, works with its partners and suppliers to ensure similar standards are targeted within the supply chain, as well as expected from its non-controlled operations. Regarding local communities, the Group consults with and invests in the local communities where it operates. The Group has adopted an approach of continuous improvement, delivered through its health and safety programmes, advancing its environmental performance, respecting human rights and developing, maintaining and strengthening its relationship with all stakeholders.

Maintain a robust and flexible balance sheet

The Group intends to continue to manage its financial position around maintaining its investment grade credit ratings, healthy levels of liquidity and a robust capital structure, which should enable it to continue accessing bank and international debt capital markets on competitive terms. The Group's debt reduction programme, announced in September 2015, was successfully completed in December 2016 and included a divestment programme comprising streaming arrangements over Antapaccay and Antamina, the disposal of 50.01 per cent. of Glencore Agri, the disposal of a 30 per cent. economic interest in the Ernest Henry underground mine and a streaming arrangement over its gold production and the sale of GRail, as well as an approximately U.S.\$2.5 billion equity issuance and significant reductions in capital expenditure. The Group believes that it is well placed to withstand the cyclical nature of the natural resource industry and maintain a robust and flexible balance sheet.

Focus on cost control and operational efficiencies

The Group intends to continue its focus on cost control and operational efficiencies at its controlled industrial assets and maintain a focus on the sourcing of competitively priced physical commodities from reliable third party suppliers. The Group seeks to increase the value of its business by improving the competitiveness of its assets through an ongoing focus on cost management and logistical capabilities, including operating safely and efficiently. The Group takes a disciplined approach towards its assets and continuously evaluations opportunities for acquisition, development, disposal where assets no longer support core businesses and production curtailment in response to oversupply.

Capitalise on strategic investments in industrial assets

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

Continue to leverage geographic scope and diversification of operations

The Group's operations are extremely diverse, covering a wide range of commodities, industries, suppliers and customers. The Group intends to build upon its position as one of the world's largest physical commodity suppliers and its track record of extending product and geographical range. The Group intends to continue to leverage its scale and capabilities, particularly of its marketing activities, to extract additional margin through its entire business model and provide superior service to customers and a reliable supply of quality product. Furthermore, the Group's geographic scope and diversification of operations have allowed it to develop a reliable track record of supply performance. The Group's established footprint in emerging regions for natural resources investment, including Africa, the CIS and South America, as both an operator and a provider of

marketing and logistic services to new producers, provides the Group with substantial optionality and flexibility. The Group has the ability to scale back or “mothball” operations in these regions, for example, as it did temporarily at Katanga, where it is commercially warranted and when considering the likely impact on the price of a traded commodity.

Disciplined risk management

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

Industrial activities – Group level

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

Investments in industrial assets

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

Projects

The Board continues to review the Group’s project pipeline and planned capital expenditure in light of all relevant factors, including market conditions and the Group’s overall financial targets.

Marketing activities – Group level

Functions of the marketing activities

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

generally not set up to exploit the full range of value added margin and arbitrage opportunities which exist throughout the commodity supply chain.

Types of arbitrage strategies

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

- **Geographic:** where the Group leverages its relationships and production, processing and logistical capabilities in order to source physical commodities from one location and deliver them to another location where such commodities can command a higher price (net of transport and/or other transaction costs).
- **Product-related:** where it is possible to exploit the blending or multi-use characteristics of the particular commodities being marketed, such as the various crude oil products, coal or concentrates, in order to supply products that attract higher prices than their base constituents, or exploit existing and/or expected price differentials.
- **Time-related:** where it is possible to exploit a difference between the price of a commodity to be delivered at a future date and the price of a commodity to be delivered immediately, where the available storage, financing and other related costs until the future date are less than the forward pricing difference.

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

Logistics

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

Competitors

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

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

Metals and minerals

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

Industrial activities

Copper

The table below shows the copper commodity division's principal investments in industrial assets, with production data for the year ended 31 December 2017, unless indicated otherwise:

Operation	Location	Commodity	2017 production ⁽¹⁾	Group ownership interest ⁽²⁾	Remaining ownership interest
African Copper (Katanga, Mutanda, Mopani)					
Katanga	DRC	Copper metal	2.2 kt	86.3%	13.7% publicly traded on Toronto Stock Exchange
		Copper in concentrates	2.7 kt		
Mutanda	DRC	Copper metal	192.1 kt	100.0%	
		Cobalt ⁽³⁾	23.9 kt		
Mopani	Zambia	Copper metal	41.7 kt	73.1%	16.9% First Quantum Minerals Ltd.; 10% ZCCM Investment Holdings Plc
African Copper – total production including third party feed					

Operation	Location	Commodity	2017 production ⁽¹⁾	Group ownership interest ⁽²⁾	Remaining ownership interest
Mutanda	DRC	Copper metal Cobalt ⁽³⁾	198.8 kt 23.9 kt	69.0%	31.0% privately held
Mopani	Zambia	Copper metal	98.9 kt	73.1%	16.9% First Quantum Minerals Ltd.; 10% ZCCM Investment Holdings Plc
Total		Copper metal Copper in concentrates Cobalt⁽³⁾	236.0 kt 2.7 kt 23.9 kt		
Collahuasi (Chile)⁽⁴⁾					
Collahuasi	Chile	Copper in concentrates Silver in concentrates	230.5 kt 3,103 koz	44%	44% Anglo American; 12% Japanese consortium headed by Mitsui & Co. Ltd.
Antamina (Peru)⁽⁵⁾					
Antamina	Peru	Copper in concentrates Zinc in concentrates Silver in concentrates	142.6 kt 128.1 kt 6,579 koz	33.75%	33.75% BHP; 22.5% Teck Resources Ltd.; 10% Mitsubishi Corporation
Other South American (Alumbrera, Lomas Bayas, Antapaccay, Punitaqui)					
Alumbrera	Argentina	Copper in concentrates Gold in concentrates and in doré Silver in concentrates and in doré	33.3 kt 188 koz 306 koz	50.0%	37.5% Goldcorp Inc.; 12.5% Yamana Gold Inc.
Lomas Bayas	Chile	Copper metal	78.1 kt	100%	—
Antapaccay	Peru	Copper in concentrates Gold in concentrates Silver in concentrates	206.5 kt 139 koz 1,455 koz	100%	—
Punitaqui	Chile	Copper in concentrates Gold in concentrates Silver in concentrates	5.5 kt 21 koz 60 koz	100%	—
Total		Total copper metal Total copper in concentrates Total gold in concentrates and in doré Total silver in concentrates and in doré	78.1 kt 245.3 kt 348 koz 1,821 koz		
Australia (Mount Isa, Ernest Henry, Townsville, Cobar)					
Mount Isa mine, Ernest Henry mine and Townsville	Australia	Copper metal Copper in concentrates Gold Silver Silver in concentrates	164.6 kt 12.5 kt 67 koz 1,096 koz 61 koz	100%	—

Operation	Location	Commodity	2017 production ⁽¹⁾	Group ownership interest ⁽²⁾	Remaining ownership interest
<i>Mount Isa mine, Ernest Henry mine and Townsville— total production including third party feed.....</i>	Australia	Copper metal	227.4 kt	100%	—
		Copper in concentrates	12.5 kt		
		Gold	161 koz		
		Silver	1,481 koz		
		Silver in concentrates	61 koz		
Cobar	Australia	Copper in concentrates	53.4 kt	100%	—
		Silver in concentrates	564 koz		
Total		Copper	164.6 kt		
		Copper in concentrates	65.9 kt		
		Gold	67 koz		
		Silver	1,721 koz		
Total Copper Department		Copper	1,165.7 kt		
		Cobalt	23.9 kt		
		Zinc	128.1 kt		
		Gold	415 koz		
		Silver	13,224 koz		

Notes:

- (1) Controlled industrial assets and joint ventures only. Production is on a 100 per cent. basis, except as stated.
- (2) As at 31 December 2017.
- (3) Cobalt contained in concentrates and hydroxides.
- (4) The Group's pro rata share of Collahuasi production (44 per cent.).
- (5) The Group's pro rata share of Antamina production (33.75 per cent.).

Africa

Katanga

The Group owns 86.3 per cent. of Katanga, a company listed on the Toronto Stock Exchange, which is developing and operating high-grade copper and cobalt mines with integrated metallurgical facilities in the Kolwezi region of the DRC, through its 75 per cent. shareholding in Kamoto Copper Company SARL ("KCC"). Substantial high-grade resources indicate a potential mine life for KCC in excess of 20 years.

KCC's integrated mine complex includes both underground and open pit mines, providing both sulphide and oxide ores. The metallurgical plants enable the production of refined copper and cobalt metal on-site. In September 2015, Katanga suspended processing operations, with no production since the third quarter of 2015. Katanga will continue with the planned investment in processing plant upgrades and the waste stripping of the KOV and Mashamba open pits. These process upgrades include the commissioning of the new whole ore leach plant which will replace the existing oxide concentration process. Train one of the whole ore leach project commissioned in the fourth quarter of 2017 and is planned to ramp up through 2018. This is expected to significantly improve both copper recoveries and operating unit costs.

On 20 November 2017, Katanga announced the completion of an internal review of certain historic accounting practices and the restatement of its financial statements. The Group has carefully considered the findings of the internal review and is committed to ensuring that the weaknesses identified are addressed and do not reoccur. Following the resignation of three directors, the Group has nominated three new directors to the board of Katanga to work with the independent directors to implement remediation measures to strengthen the corporate governance, compliance and control processes at Katanga. The adjustments arising from the review do not have a material adverse effect on the consolidated income, financial position or cash flows of the Group. In addition, Katanga, which is listed on the Toronto Stock Exchange, announced that it has been advised by the Ontario

Securities Commission (the “OSC”) that the OSC enforcement staff are investigating, among other things, whether Katanga’s previously filed periodic public disclosures contain statements that are misleading in a material respect and the adequacy of Katanga’s corporate governance practices and compliance with those practices and the related conduct of certain directors and officers of Katanga. Katanga has also announced that it had been advised that OSC enforcement staff are reviewing Katanga’s risk disclosure in connection with applicable requirements under certain international bribery, government payment and anti-corruption laws.

On 20 April 2018, Katanga was notified that La Générale des Carrières et des Mines (“Gécamines”), the DRC’s state-owned mining company, had commenced legal action to dissolve KCC following KCC’s failure to address its capital deficiency. On 12th June 2018, Katanga announced that it had settled the aforesaid dispute with Gécamines and had reached agreement for the resolution of the capital deficiency of KCC through, amongst other things, the conversion of U.S.\$5.6 billion of KCC debt into new KCC equity, following which all legal actions by Gécamines are to be withdrawn. Katanga and Gécamines’ shareholdings in KCC remain unchanged at 75 per cent. and 25 per cent., respectively.

Mutanda

Mutanda is a high-grade copper and cobalt producer, with its operations located in the Katanga province of the DRC. Following the merger of Mutanda and Kansuki Sarl (“Kansuki”) in July 2013, Mutanda’s operations now include both the original Mutanda concession and an adjacent 185 square kilometre copper and cobalt pre-development project bordering the Mutanda concession, which together result in an annualised production capacity of 210,000 tonnes per annum of copper cathodes and 25,000 tonnes per annum of cobalt in hydroxide.

Following the purchase of the remaining 31 per cent. stake owned by Fleurette Mumi Holdings in February 2017, the Group owns 100 per cent. of Mutanda.

Since 2007, the Group has had various business dealings with entities associated with Dan Gertler in connection with its copper assets in the DRC, including Mutanda and KCC. In December 2017, the United States government designated Dan Gertler and certain affiliated companies as Specially Designated Nationals (“SDNs”), thereby imposing blocking sanctions on them and companies owned 50 per cent. or more by them. The Group has pre-existing contractual obligations to make royalty and pas-de-porte payments in respect of KCC and Mutanda to certain of these companies which pre-date the SDN designation and which arose when the companies acquired rights from Gécamines. Following the SDN designation, the Group did not make any payment to the companies affiliated with Mr Gertler and assessed how to mitigate any risks connected with the SDN designation.

On 27 April 2018, Ventora Development Sasu (“Ventora”), a company affiliated with Dan Gertler (which was specifically added to the SDN List on 15 June 2018), served freezing orders against Mutanda and KCC, for approximately \$695 million and U.S.\$2.28 billion respectively, alleging that Mutanda and KCC have breached agreements relating to the payment of royalties to Ventora and Africa Horizons Investments Limited (“AHIL”) by indicating that they will not pay such royalties as a result of Dan Gertler’s designation as an SDN. The freezing orders authorise the bailiff of the Commercial Court of Kolwezi to freeze certain bank accounts, tangible movable assets and intangible movable assets, such as receivables, of each of Mutanda and KCC as well as the mining titles, in each case up to the amount of the freezing order and prevent Mutanda and KCC from disposing and/or utilising these assets. On 30 April 2018, Ventora also served injunctions to pay against KCC and Mutanda for approximately U.S.\$2.86 billion and \$868 million, respectively, which amounts include additional legal fees. Having carefully considered its legal and commercial options, as well as its obligations to its various stakeholders, including its shareholders, customers and the communities in which it operates in the DRC, Glencore and Katanga have determined that in order to avoid the material risk of seizure of assets under DRC court orders, Mutanda and KCC shall pay the relevant royalties as and when they become due to Ventora in non-U.S. dollars, without involving U.S. persons, in order to discharge their obligations under the terms of the pre-existing contracts. Mutanda, KCC, Ventora and AHIL have on this basis agreed to withdraw all pending

and threatened litigation between them pursuant to a settlement agreement signed by the parties. The Group believes that payment in non-U.S. dollars of royalties and access premiums to Ventora and AHIL without the involvement of U.S. persons would appropriately address all applicable sanctions obligations.

Mopani

The Group owns 73.1 per cent. of Mopani, an integrated mining and processing operation in the Copperbelt region of Zambia producing copper metal.

Significant projects include the Synclinorium project and Mopani Deeps, which are major new shaft developments. The Synclinorium shaft has been completed and is currently being linked up with the existing underground mining areas. This should provide access to 121 million tonnes of copper ore. The Mopani Deeps project comprises two further new shaft developments which will extend the life of the mine by an additional 25 years. These shafts are expected to come online in 2018-19. In September 2015, Mopani commenced a partial suspension of production, with the smelter continuing to operate at reduced capacity, or in campaigns, during the construction of the new shafts.

Collahuasi (Chile)

Collahuasi

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

The operation is located at an elevation of 4,000 to 4,600 metres and consists of two major porphyry copper deposits (Ujina and Rosario) and the smaller Huiniquintipa deposit containing a mixture of sulphide and oxide copper mineralisation. The sulphide ore is processed in the concentrator plant to produce copper-in-concentrates. The SX/EW plant was placed on care and maintenance in the fourth quarter of 2015, following a review of the leaching operations. Collahuasi also has a molybdenum plant at its port facilities in Punta Patache.

Antamina (Peru)

Antamina

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

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

Other South America

Alumbrera

The Group has a 50 per cent. controlling interest in Minera Alumbrera Limited, which has the right to mine the Bajo de la Alumbrera copper/gold deposit by agreement with Yacimientos Mineros de Agua de Dionisio, which has the title to such deposit. The operation is located at an altitude of 2,600 metres in the Catamarca province in north-west Argentina and is managed by the Group.

Lomas Bayas

The Group owns 100 per cent. of the Lomas Bayas copper mine, which is located in the Atacama desert, 120 kilometres north-east of the port of Antofagasta, Chile. The low grade copper ores mined at this facility are processed by heap leaching and processed at an SX/EW plant to produce copper cathode, which is then trucked to Antofagasta for shipping to end customers. The Lomas Bayas operation produces approximately 75,000 tonnes of copper cathode per annum. Production is expected to continue at this level for approximately the next 12 years.

Antapaccay

The Group owns 100 per cent. of the Antapaccay copper mine, which is located in the Yauri district of Espinar province in southern Peru's Cuzco region. The Antapaccay operation began production in 2012 and operates the Antapaccay concentrator and the existing Tintaya concentrator, which both process ore from the Antapaccay deposit. The mine is expected to produce approximately 200,000 tonnes of copper in concentrates per annum over the first 10 years of production, as well as gold and silver by-products, and to have a life-of-mine until 2029.

Punitaqui

The Group owns 100 per cent. of Punitaqui, a copper mine and concentrator in Chile. Commercial production commenced in late 2010, with the operation producing around 8,000 tonnes of copper and 18,000 ounces of gold in concentrates per annum. In May 2018, the Group agreed to sell Punitaqui to Xiana Resources. Completion is expected in the second half of 2018.

Australia

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

Mount Isa

The Mount Isa underground copper mining and processing operation is located at Mount Isa in north-west Queensland and comprises an underground copper mine, a concentrator and a smelter. The Mount Isa smelter is fed by concentrates from the Mount Isa and Ernest Henry mines, supplemented by third party concentrates, and produces copper anodes which are then transported to the Townsville refinery.

Ernest Henry

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

In October 2016, the Group entered into an agreement with Evolution Mining Limited for the sale of a 30 per cent. economic interest in the Ernest Henry underground mining operation. Certain licences which are currently non-producing were excluded from the joint venture.

Townsville refinery

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

Cobar

The Group owns 100 per cent. of the Cobar mine, based in Australia, comprising a high-grade underground copper mine and a concentrate plant. The plant throughput is approximately 1.3 million tonnes of ore per annum and its production capacity is approximately 50,000 tonnes of copper in concentrate per annum.

Custom metallurgical assets – copper

The table below shows the production of copper custom metallurgical assets from the Group's principal investments, with production data for the year ended 31 December 2017:

Operation	Location	Commodity	2017 production ⁽¹⁾	Group ownership interest ⁽²⁾	Remaining ownership interest
Copper					
Altonorte	Chile	Copper anode		100%	—
Pasar.....	Philippines	Copper metal		78.2%	21.8% local investors
Horne	Canada	Copper anode		100%	—
CCR	Canada	Copper metal		100%	—
		Copper metal	526.8 kt		
Total		Copper anode	535.7 kt		

Note:

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

(2) As at 31 December 2017.

Altonorte

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

Pasar

The Group owns 78.2 per cent. of Pasar, the sole copper smelter and refinery in the Philippines, located on the island of Leyte. It has its own port to receive copper concentrates and ship out production. The refinery produces LME registered grade-A copper cathodes. The smelter also produces custom copper anodes which are sold to other refineries. The assets also include two sulphuric acid plants. Pasar also has a precious metals refinery which produces gold-silver doré and selenium.

Horne smelter

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

CCR refinery

The CCR refinery is located in Montreal, Quebec and processes anodes from two principal suppliers: the Horne smelter and the Altonorte smelter. Vale Inco NL's Sudbury operations also supply copper to CCR, but are expected to close their copper smelter later in 2017. The CCR refinery's products include LME registered grade-

A copper cathodes, good delivery gold and silver bars, and other specialty metals and chemicals including selenium, tellurium, nickel sulphate and a concentrate of platinum group metals.

Streaming transactions

As part of the debt reduction programme in 2015 and 2016, the Group entered into three precious metal streaming transactions, whereby future production of gold and silver from certain mines was monetised upfront. In each case, the Group has agreed to deliver quantities of precious metals to counterparties on a schedule equivalent to production from the referenced mine. In exchange, the Group has, in each case, received an advance payment, and, in some cases, also receives a portion of the spot gold or silver price (as appropriate) upon delivery.

Antamina: The Group entered into an agreement effective 1 October 2015 with Silver Wheaton Corporation for the delivery of the equivalent of 33.75 per cent. of the silver produced by Antamina (in line with the Group's ownership interest) until 140 million ounces of silver has been delivered, after which the designated percentage reduces to 22.50 per cent. for the remaining life of mine. Silver Wheaton Corporation made an advance payment of U.S.\$900 million and on an ongoing basis, pays 20 per cent. of the spot price.

Antapaccay: In February 2016, the Group entered into an agreement with Franco-Nevada for the delivery of gold and silver, with reference to copper produced by Antapaccay. The Group will deliver 300 ounces of gold per 1,000 tonnes of copper in concentrate produced by Antapaccay until 630,000 ounces of gold have been delivered, and 30 per cent. of gold produced by Antapaccay thereafter. The Group will also deliver 4,700 ounces of silver per 1,000 tonnes of copper in concentrate produced by Antapaccay until 10,000,000 ounces of silver have been delivered and 30 per cent. of silver produced by Antapaccay thereafter. Franco-Nevada made an advance payment of U.S.\$500 million and on an ongoing basis, pays 20 per cent. of the gold and silver spot prices, as relevant, for the product delivered. This will increase to 30 per cent. of the respective spot prices after 750,000 ounces of gold and 12,800,000 ounces of silver have been delivered.

Ernest Henry: In October 2016, the Group entered into an agreement with Evolution Mining Limited whereby the Group received U.S.\$669 million cash in return for both a 30 per cent. economic interest in the Ernest Henry underground mining operation (U.S.\$198 million) and an entitlement to 100 per cent. of the gold produced from its remaining 70 per cent. interest in the mine (U.S.\$471 million).

Copper development projects

The Group also has a portfolio of copper development projects. The Group continually reviews its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

Africa

Katanga and Mutanda power project

Katanga along with Mutanda entered into an agreement with Société Nationale d'Électricité ("SNEL"), the DRC's national electricity company, to refurbish DRC power generating, transmission and distribution systems that will progressively increase power for the operations up to a total of 450 MW by the end of 2018. Mutanda and Katanga are collectively undertaking a project to secure power for all three operations via the refurbishment of two turbines at the Inga dam. The project is being executed in partnership with SNEL and Forrest Group (the project contractor).

Zinc

The table below shows the zinc commodity division's principal investments in industrial assets, with production data for the year ended 31 December 2017, unless indicated otherwise:

Operation	Location	Commodity	2017 production ⁽¹⁾	Group ownership interest ⁽²⁾	Remaining ownership interest
Kazzinc	Kazakhstan	Zinc metal	210.5 kt	69.7%	29.82% Samruk-
		Lead metal	52.9 kt		Kazyna
		Lead in concentrates	4.7 kt		0.49% privately
		Copper metal ⁽³⁾	49.7 kt		held
		Gold	585 koz		
		Silver	5,780 koz		
		Silver in concentrates	132 koz		
Kazzinc – total production including third party feed					
	Kazakhstan	Zinc metal	316.8 kt	69.7%	29.82% Samruk-
		Lead metal	146.3 kt		Kazyna
		Lead in concentrates	4.7 kt		0.49% privately
		Copper metal	62.7 kt		held
		Gold	712 koz		
		Silver	22,652 koz		
		Silver in concentrates	132 koz		
Australia (Mount Isa, McArthur River)					
Mount Isa	Australia	Zinc in concentrates	226.0 kt	100%	—
		Lead in concentrates	111.6 kt		
		Silver in concentrates	5,494 koz		
McArthur River	Australia	Zinc in concentrates	210 kt	100%	—
		Lead in concentrates	44.8 kt		
		Silver in concentrates	1,620 koz		
Total		Zinc in concentrates	436.0 kt		
		Lead in concentrates	156.4 kt		
		Silver in concentrates	7,114 koz		
North America (Matagami, Kidd, Brunswick, CEZ Refinery)					
Matagami.....	Canada	Zinc in concentrates	51.3 kt	100%	—
		Copper in concentrates	7.4 kt		
Kidd.....	Canada	Zinc in concentrates	72.4 kt	100%	—
		Copper in concentrates	39.9 kt		
		Silver in concentrates	2,271 koz		
Total		Zinc in concentrates	123.7 kt		
		Copper in concentrates	47.3 kt		
		Silver in concentrates	2,271 koz		
North America – total production including third party feed					
Brunswick Smelter	Canada	Lead metal	62.5 kt	100%	—
		Silver metal	16,426 koz		
CEZ Refinery ⁽⁴⁾	Canada	Zinc metal	45.1 kt	25%	75% priority unit holders in Noranda Income Fund
Other Zinc: South America (Argentina, Bolivia, Peru) ⁽⁵⁾					
		Zinc in concentrates	99.8 kt		
		Lead metal	13.6 kt		
		Lead in concentrates	41.2 kt		
		Copper in concentrates	3.4 kt		
		Silver metal	637 koz		
		Silver in concentrates	7,775 koz		
Other Zinc: Africa (Rosh Pinah, Perkoa) ⁽⁶⁾					
		Zinc in concentrates	92.1 kt		
		Lead in concentrates	3.7 kt		
		Silver in concentrates	157 koz		

Operation	Location	Commodity	2017 production ⁽¹⁾	Group ownership interest ⁽²⁾	Remaining ownership interest
Total Zinc Department.....		Zinc	962.1 kt		
		Lead	272.5 kt		
		Copper	100.4 kt		
		Gold	585 koz		
		Silver	23,866 koz		

Notes:

- (1) Controlled industrial assets and joint ventures only. Production is on a 100 per cent. basis, except as stated.
- (2) As at 31 December 2017.
- (3) Copper metal includes copper contained in copper concentrates and blister.
- (4) The Group's pro rata share of CEZ production (25 per cent.).
- (5) South American production excludes Volcan Compania Minera.
- (6) In August 2017, the Group disposed of its interests in Rosh Pinah and Perkoa to Trevalli.

Kazzinc (Kazakhstan)

Kazzinc

The Group owns 69.7 per cent. of Kazzinc, a fully integrated zinc producer with significant copper, precious metals and lead production in Kazakhstan.

Kazzinc's polymetallic operations are located in Eastern and Central Kazakhstan. The company owns three major polymetallic mines, Maleevsky, Tishinsky and Zhairam, and three polymetallic concentrators. Kazzinc operates two smelting complexes, in Ust-Kamenogorsk (zinc, lead and copper smelters and a precious metals refinery) and in Ridder (zinc smelter). Kazzinc also owns three gold mining operations, Altyntau Kokshetau (Vasilkovskoye mine and gold recovery plant), Ridder-Sokolny (predominantly gold mine), and the Dolinnoye deposit, near Ridder, which produced first ore in mid-2017.

Australia

Mount Isa

The Group owns 100 per cent. of the Mount Isa operations, which are located in north-west Queensland and consists of the George Fisher and Lady Loretta underground zinc/lead mines, a zinc/lead concentrator and a lead smelter. The Black Star open cut mine was put on care and maintenance in the last quarter of 2016 after mining out the existing reserves. Ore from these mines is concentrated at Mount Isa, producing separate zinc and lead concentrates. The zinc concentrate produced at Mount Isa is either transported to the Group's zinc smelters for further processing or sold to third parties, while currently most of the lead concentrate is smelted on site at the Mount Isa lead smelter, with the lead bullion being shipped to the Northfleet lead refinery in the United Kingdom for processing. The expansion projects at the George Fisher and Lady Loretta underground mines were successfully completed in 2015. In October 2015, production cuts were announced in order to preserve the value of reserves in the ground at a time of low zinc and lead prices. The Lady Loretta mine restarted production in the first half of 2018.

McArthur River

The Group owns 100 per cent. of the McArthur River mine, which is located in the Northern Territory and produces a bulk zinc/lead/silver concentrate and separate zinc and lead concentrates. The McArthur River operation consists of an open pit mine using conventional drilling, blasting, loading and hauling methods;

processing using crushing, grinding and flotation; and a loading facility at Bing Bong, where the concentrate is transferred to barges and then loaded onto ships offshore.

An expansion project was completed in 2015, which increased ore capacity from 2.5 million tonnes to approximately 5.0 million tonnes per annum, and annual concentrate production to approximately 800,000 tonnes. In October 2015, production cuts were announced in order to preserve the value of reserves in the ground at a time of low zinc and lead prices.

North America

Matagami

The Bracemac-McLeod mine, located in the Matagami mining camp in Quebec, Canada, commenced production during the first half of 2013. Annual production is estimated to be approximately 40,000-50,000 tonnes of zinc in concentrates and 5,000-10,000 tonnes of copper in concentrates.

Kidd

The Kidd operations, located in Timmins, Ontario, comprise an underground copper/zinc mine and a concentrator. Its annual production is approximately 60,000-70,000 tonnes of zinc in concentrates and 30,000-40,000 tonnes of copper in concentrates.

Brunswick Smelter

The Brunswick operations are 100 per cent. owned by the Group and are located in New Brunswick, Canada. The operation comprises the Brunswick lead smelter-refinery.

CEZ refinery

The CEZ electrolytic zinc refinery, located in Quebec, is owned by the Toronto Stock Exchange listed Noranda Income Fund ("NIF") in which the Group has a 25 per cent. interest. The subordination of the Group's 25 per cent. interest ended in May 2017. The Group has reached agreement with the NIF to supply its concentrate needs and purchase its metal production as principal on market terms, for the period May 2017 to April 2022.

Production in 2017 was impacted by a strike by the unionised employees at the smelter lasting 10 months, ending early in December 2017.

Other Zinc

Aguilar (Argentina)

The Group owns 100 per cent. of Aguilar, an integrated zinc and lead mining operation in Argentina. Aguilar's operations are at two locations in Jujuy province and comprise the Aguilar underground mine and concentrator plant and the Palpala lead smelter.

Los Quenuales (Peru)

The Group owns 97.6 per cent. of Los Quenuales, a zinc and lead producer in Peru with mining operations at Iscaycruz (underground and open pit), Yauliyacu (underground) and Contonga (underground) which was acquired in 2017. The combined operation produces zinc, lead and copper concentrates.

Los Quenuales received community approval to develop a new ore area at Iscaycruz (Santa Este), which has estimated ore resources of 5 to 7 million tonnes and which commenced operations in 2014. However, in October 2015, Iscaycruz mine operations were placed on care and maintenance due to falling commodity prices.

Sinchi Wayra/Illapa (Bolivia)

The Group owns 100 per cent. of Sinchi Wayra, a company that operates the three Caballo Blanco mining units and a concentrating facility in the Potosi region of Bolivia. Additionally, the Group owns 100 per cent. of Illapa, a company that has a 45:55 joint venture agreement with the government of Bolivia and operates two mining units and concentrating facilities, Bolivar and Porco, in the Oruro and Potosi regions of Bolivia. Collectively, the mines have a current production capacity of approximately 50,000-60,000 tonnes of zinc in concentrate and approximately 6,000 tonnes of lead in concentrate per annum.

Volcan (Peru)

On 3 October 2017, the Group announced that it had agreed to acquire 26.73 per cent. of the voting shares of Volcan Compania Minera S.A.A. ("Volcan") from certain selling shareholders. In order to implement the acquisition, the Group made an offer to all of Volcan's voting class shareholders through a public tender offer, for up to 48.19 per cent. of the total class A common shares of Volcan at an offer consideration of U.S.\$1.215 per share. The offer closed on 13 November 2017, with shareholders accepting the offer in respect of 603 million class A common shares representing 36.92 per cent. of the class A common shares. The Group now holds 55.03 per cent. of the total class A common shares (63.0 per cent. excluding treasury shares) and has an economic interest of 23.29 per cent. (including the class B common shares and excluding treasury shares). The aggregate consideration payable by the Group was U.S.\$734 million. The above production table for the zinc commodity division excludes Volcan.

Rosh Pinah and Perkoa

On 31 August 2017, the Group sold its 80.1 per cent. interest in Rosh Pinah, as well as its 90 per cent. interest in Perkoa, to Trevali Mining Corporation ("Trevali"), for U.S.\$467 million (after customary closing adjustments). Glencore increased its direct ownership in Trevali to 25.6 per cent. and obtained certain investor rights.

Custom metallurgical assets – zinc

The table below shows the production of zinc custom metallurgical assets from the Group's principal investments, with production data for the year ended 31 December 2017:

Operation	Location	Commodity	2017 production	Group ownership interest ⁽¹⁾	Remaining ownership interest
Zinc					
Portovesme	Italy	Zinc metal Lead metal Silver metal		100%	—
Asturiana (San Juan de Nieva)	Spain	Zinc metal		100%	—
Nordenham	Germany	Zinc metal		100%	—
Britannia Refined Metals (Northfleet)	United Kingdom	Lead metal Silver metal		100%	—
Total		Zinc metal Lead metal Silver	788.0 kt 193.8 kt 13,656 koz		

Note:

(1) As at 31 December 2017.

Portovesme

The Group owns 100 per cent. of Portovesme, a zinc and lead smelter located in Sardinia, Italy, which is Italy's only primary zinc and lead smelter. Portovesme is an integrated metallurgical smelting complex with both primary and secondary smelting activities, including an electrolytic zinc plant, a solvent extraction plant, a lead smelter, Waelz kilns and a lead and precious metals refinery. The smelter produces special high-grade zinc and refined lead and lead alloys as well as sulphuric acid and copper cements.

San Juan de Nieva

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

Nordenham

The 100 per cent. owned Nordenham electrolytic zinc smelter, designed in 1972, is located on the north-west coast of Germany. The majority of the production is sold locally.

Northfleet

The Northfleet lead refinery, operated by Britannia Refined Metals Limited, is 100 per cent. owned by the Group and is located at Gravesend in the United Kingdom. It principally processes lead bullion from the Mount Isa operation to produce refined lead and lead alloys together with silver metal.

Zinc development projects

The Group also has a portfolio of zinc development projects in all regions in which the Group operates, but predominantly in Australia. The Group continually reviews its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

Nickel

The table below shows the nickel commodity division's principal investments in industrial assets, with production data for the year ended 31 December 2017:

Operation	Location	Commodity	2017 production ⁽¹⁾	Group ownership interest ⁽²⁾	Remaining ownership interest
Integrated Nickel Operations (Subdury, Raglan, Nikkelverk)	Canada, Norway	Nickel metal	57.0 kt	100%	—
		Nickel in concentrates	0.5 kt		
		Copper metal	15.6 kt		
		Copper in concentrates	28.0 kt		
		Cobalt metal	0.8 kt		
		Gold	32 koz		
		Silver	653 koz		
		Platinum	75 koz		
		Palladium	136 koz		
		Rhodium	6 koz		
Integrated Nickel Operations – total production including third party feed	Canada, Norway	Nickel metal	86.5 kt		
		Nickel in concentrates	0.6 kt		
		Copper metal	22.7 kt		
		Copper in			

Operation	Location	Commodity	2017 production ⁽¹⁾	Group ownership interest ⁽²⁾	Remaining ownership interest
		concentrates	33.0 kt		
		Cobalt metal	3.5 kt		
		Gold	43 koz		
		Silver	976 koz		
		Platinum	103 koz		
		Palladium	211 koz		
		Rhodium	7 koz		
Australia (Murrin Murrin).....	Australia	Nickel metal	34.1 kt	100%	—
		Cobalt metal	2.7 kt		
Australia – total production including third party feed.....	Australia	Nickel metal	42.0 kt		
		Cobalt metal	3.0 kt		
Koniambo.....	New Caledonia	Nickel in ferronickel	17.5 kt	49% ⁽³⁾	51% Société Minière du Sud Pacifique (SMSP)
Total Nickel Department.....		Nickel	109.1 kt		
		Copper	43.6 kt		
		Cobalt	3.5 kt		
		Gold	32 koz		
		Silver	653 koz		
		Platinum	75 koz		
		Palladium	136 koz		
		Rhodium	6 koz		

Notes:

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

(2) As at 31 December 2017.

(3) The Group has control of Koniambo as a result of the ability to direct the key activities of the operation and to appoint key management personnel provided by the terms of the financing arrangements underlying the Koniambo project.

Integrated nickel operations

Sudbury

The Group owns and operates the Sudbury mines and milling operations in Canada, including Nickel Rim South, the Fraser Mine Complex and the Strathcona mill, which processes ores from the owned Sudbury mines and those from third party custom sources. The Group also has a number of high quality nickel sulphide projects in the Sudbury basin, including, but not limited to, Onaping Depth, Nickel Rim Depth and Norman West. In November 2017, development of Onaping Depth was approved.

Sudbury smelter

In Canada, the wholly owned Sudbury smelter treats nickel concentrate from the Strathcona mill along with Raglan and custom feed from other sources. The Sudbury smelter has the capacity to produce approximately 77,000 tonnes per annum of nickel in matte and 24,000 tonnes per annum of copper in matte. Capital investment, required to meet government regulations for sulphur dioxide emissions and groundwater contaminants, is ongoing.

Raglan

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

Nikkelverk

In Norway, the Group's operations centre on the wholly owned Nikkelverk refinery. The facilities process matte from the Sudbury smelter and custom feed from third party smelters. The refinery has an annual capacity of approximately 92,000 tonnes of nickel, 39,000 tonnes of copper and 5,200 tonnes of cobalt.

Australia

Murrin Murrin

The Group owns 100 per cent. of the Murrin Murrin operation. The plant has a current annual refining capacity of approximately 47,000 tonnes of nickel and 3,500 tonnes of cobalt. Whilst the operation is fully integrated, custom feed is sourced from a variety of suppliers to enable refining capacity to be fully utilised.

Koniambo

The Group owns 49 per cent. of Koniambo (economic interest of approximately 95 per cent.). Koniambo is a fully integrated complex, located in New Caledonia, including the Koniambo ore body, the associated two line pyrometallurgical complex and all the associated infrastructure for the processing of Koniambo ore into high grade ferronickel. Koniambo operated on one line only up to December 2017, when the second line started recommissioning. Full production of approximately 55,000 tonnes per year from the two lines is currently expected around 2021 or 2022. Koniambo is a generational property with a very large resource basis which is currently proven out to 18 years, with significant potential to extend.

Nickel development projects

The Group also has a portfolio of nickel development projects in a number of regions in which the Group operates, but particularly in Canada. The Group continually reviews its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

Ferroalloys

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

The table below shows the ferroalloys commodity division's principal investments in industrial assets, with production data for the year ended 31 December 2017, unless indicated otherwise:

Operation ⁽⁵⁾	Location	Commodity	2017 production ⁽¹⁾	Group ownership interest ⁽²⁾	Remaining ownership interest
Glencore Merafe Chrome Venture ⁽³⁾⁽⁴⁾	South Africa	Ferrochrome	1531 kt	79.5%	20.5% Merafe Resources Limited
Mototolo ⁽⁶⁾	South Africa	Platinum	41 koz	38%	50% Anglo American Platinum Limited and 12% Kagiso Platinum
		Palladium	25 koz		
		Rhodium	7 koz		
		Gold	1 koz		
		Total 4E	74 koz		
Rhovon Pooling and Sharing Joint Venture ⁽⁷⁾	South Africa	Vanadium Pentoxide	20.9 million lb	74%	26% Bakwena-Ba-Mogopa

Notes:

(1) Controlled industrial assets and joint ventures only.

- (2) As at 31 December 2017.
- (3) The Group's attributable 79.5 per cent. share of the Glencore Merafe Chrome Venture.
- (4) In addition to the 79.5 per cent. ownership interest in Glencore Merafe Chrome Venture, the Group has a 29 per cent. interest in Merafe Resources Limited.
- (5) The Group entered into an agreement on 16 February 2017 to dispose of the Eland assets to Northam Platinum for ZAR 175 million, which completed in February 2018.
- (6) Consolidated 50 per cent. interest of Mototolo. For convenience sake, initial production from a PGM recovery plant totalling 2koz, outside the Mototolo joint venture, has been included in the above.
- (7) Consolidated 100 per cent.

Ferrochrome

The Group's ferrochrome smelting operations require large amounts of electrical energy from a reliable supplier at reasonable tariffs. The Group is supplied with electricity by Eskom, the South African national electricity utility. A period of tight electricity supply, beginning in 2008, was characterised by frequent load shedding and load curtailments. The tight supply came to an end during late 2016 and early 2017 and there is currently a surplus of electricity supply. During the period of tight supply, the Group participated in Eskom's Demand Management Programmes to manage and control the impact of restricted electricity supplies on its operations. The current surplus electricity supply is the result of a reduction in demand associated with the closures of large-scale industrial users (including some of the Group's competitors), increased availability of the Eskom fleet after improved maintenance programmes and the accelerated completion of the new build generation programme that will bring another 9,600MW onto the grid. The Group has been and believes it will continue to be relatively well-positioned to take advantage of market conditions due to its electrical energy efficient proprietary technology.

Chrome mines

The Group is a participant in a Pooling and Sharing Venture (the "PSV") with Merafe Resources Limited ("Merafe") in South Africa. The Group's chrome operations consist of five operating chrome mines and seven chromite ore concentrating plants, all of which are managed through the PSV. These operations are situated on the Eastern and Western limbs of the Bushveld Complex in South Africa. These assets are managed along with all of the other PSV assets by the joint board of the PSV. The Group's attributable interest in the PSV is 79.5 per cent. In line with the BEE requirements of the MPRDA, Merafe has the option to increase its participation interest in the PSV to 26 per cent., including through the disproportionate funding of future expansion projects.

Ferrochrome smelters

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

Lion II commenced production in the first half of 2014 and ramped up to design capacity in 2015. Lion II comprises a duplication of PSV's existing Lion I smelter in Steelpoort, Limpopo Province South Africa, generating an additional low-cost production capacity of 360,000 tonnes of ferrochrome per annum.

PGM

Mototolo joint venture

The Mototolo platinum mine is a 50:50 joint venture between Anglo American Platinum Limited and XK Platinum Partnership (76 per cent. of which is held by the Group and 24 per cent. of which is held by Kagiso Platinum Venture Pty Ltd), situated adjacent to the Group's Eastern Chrome Mines on the Eastern Limb of the Bushveld Complex. The Group manages the mining operations of the joint venture, while Anglo American Platinum Limited manages the concentrator operations. Mototolo produces approximately 200,000 (4E) troy ounces of platinum group metals in concentrate per annum.

Eland Platinum

The Group held a 74 per cent. interest in the Eland platinum mine and concentrator (Eland Platinum). Due to continued low platinum prices and operational challenges, the Eland mine was placed on care and maintenance in October 2015. On 16 February 2017, the Group entered into an agreement to sell Eland's assets to Northam Platinum Limited for ZAR 175 million. The sale completed in February 2018.

Vanadium

Rhovan

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

Ferro manganese and silicon manganese operations

The Group's manganese ferroalloy operations, located in Dunkirk, France and Mo I Rana, Norway, were sold to Ferroglobe plc in January 2018.

Ferroalloys development projects

The Group also has a portfolio of ferroalloys development projects in South Africa. The Group continually reviews its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

Aluminium/alumina

Sherwin Alumina

Sherwin Alumina entered Chapter 11 bankruptcy proceedings in January 2016. After negotiations with key stakeholders failed, Sherwin Alumina determined that it would not be able to develop a reorganisation plan which would provide for the sale of its assets on a going concern basis, and on 1 August 2016 Sherwin Alumina Company LLC announced that it would commence an orderly wind-down of its operations and would look to dispose of its assets pursuant to a liquidation plan. The liquidation plan became effective on 27 February 2017, pursuant to which substantially all of the assets were sold to an affiliate, Corpus Christi Alumina.

Century Aluminum

The Group has a 47.4 per cent. economic interest (comprising a 42.9 per cent. voting interest and a 4.5 per cent. non-voting interest) in Century Aluminum, a company listed on the NASDAQ with aluminium smelting and refining operations in the U.S. and Iceland and interests in other production facilities in China and the Netherlands. Century Aluminum's primary aluminium assets include four wholly owned smelters: Nordural in Iceland; Hawesville and Sebree in Kentucky, U.S.; and Mount Holly in South Carolina, U.S., which have production capacities of approximately 317,000 tonnes, 250,000 tonnes, 220,000 tonnes and 229,000 tonnes, respectively. The Ravenswood smelter was permanently closed in 2015 and Century Aluminum completed the sale of the remaining assets in 2016. In total, Century Aluminum has an annualised production capacity of approximately 1,016,000 tonnes of primary aluminium per annum, of which 267,000 tonnes per annum was curtailed as at 31 December 2017, and produced approximately 749,000 tonnes of primary aluminium in 2017. Century also has interests in two carbon anode production facilities, in China and the Netherlands, which supply carbon anodes to the Nordural smelter in Iceland. In 2008, Century Aluminum commenced construction on a new aluminium reduction facility in Helguvik, Iceland, construction of which is currently curtailed.

The Group entered into two cash-settled total return swaps over 10.4 per cent. of Century Aluminum's common shares. The swaps provide the Group with additional economic exposure (over and above its 47.4 per cent. interest) to changes in Century Aluminum's share price.

UC Rusal

The Group owns 8.8 per cent. of UC Rusal, a vertically integrated upstream aluminium company listed on the Hong Kong Stock Exchange, Euronext Paris and the Moscow Exchange. In addition to its mining and refining operations, UC Rusal also holds a 27.82 per cent. stake in Norilsk Nickel, the world's largest producer of nickel and palladium and one of the largest producers of platinum and copper. In April 2018, UC Rusal and its parent company, EN+, were designated as SDNs by the U.S. government. The Group had agreed to purchase alumina and aluminium from UC Rusal under multi-year contracts and is currently evaluating the position under such contracts. The Group had also agreed to convert its shareholding in UC Rusal into shares of its parent company, EN+, as part of the latter's initial public offering, which completed in November 2017 but has decided not to proceed with the transaction at this time in light of the designation of UC Rusal and EN+ as SDNs. Additionally, Ivan Glasenberg has resigned his position as a director of UC Rusal.

Aurukun

In late 2017, the Group was granted a mineral development licence over the Aurukun bauxite resources, in Queensland, Australia, which allows feasibility studies to commence. The project is still at an early stage.

Iron ore development projects

The Group continues to review its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets. In response to steep declines in iron ore prices, the Group is carefully managing expenditure on its iron ore development projects.

Askaf, El Aouj and Lebtheinia

In November 2010, the Group took control of Sphere, which has interests in three iron ore projects in Mauritania in West Africa. Following a compulsory purchase of the outstanding shares in 2016, the Group now owns 100 per cent. of Sphere and Sphere has been delisted from the Australian Stock Exchange.

The Askaf mine was approved for construction in April 2014, but in light of deteriorating iron ore market conditions, the Group demobilised the construction of the Askaf project in November 2014.

The large-scale Guelb el Aouj ("El Aouj") project is a 50:50 joint venture with Société Nationale Industrielle et Minière, Mauritania's majority state-owned iron ore producer. A feasibility study for an 11.3 million tonne per annum first-stage development was completed in 2015. The Lebtheinia resource, located 145 kilometres from the port of Nouadhibou, is in the evaluation phase.

Zanaga

The Group has a 50 per cent. plus one share interest in Jumelles with respect to the Zanaga iron ore project in the Republic of Congo (Brazzaville).

Marketing activities

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

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

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

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

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

Alumina can only be stored for limited time periods in optimum conditions in order to maintain levels of quality. There is no derivatives exchange for alumina, which restricts the ability to hedge. As such, the Group is unable to adjust its position through a deliverable paper market and the great majority of near-term alumina forward purchase and sale contracts are physically matched. Short-term sales contracts are mostly based on a fixed price and long-term purchase contracts are priced using an alumina index pricing system, which has generally replaced the prior system of pricing as a percentage of LME aluminium prices. Where possible and desired, the Group hedges its exposure by contracting on a back-to-back basis or, in respect of existing contracts that are priced by reference to the LME aluminium prices, taking hedges against LME aluminium prices.

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

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

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

In 2008, the LME and Singapore Exchange Ltd. each launched an exchange for iron ore and the Dalian Exchange in China launched an iron ore contract in 2013. This liquidity has also helped the Singapore exchange swaps contract which is based on U.S. dollar prices. Currently these futures contracts are sufficient for hedging price risk.

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

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

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

Energy products

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

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

Coal

Industrial activities

The table below shows the coal commodity division's principal investments in industrial assets, with production data for the year ended 31 December 2017:

Operation	Location	Commodity	2017 production ⁽¹⁾	Group ownership interest ⁽²⁾	Remaining ownership interest
Australia coking coal					
Tahmoor complex	Australia	Coking coal		100%	—
Oaky Creek	Australia	Coking coal		55%	25% Sumitomo 20% Itochu
Newlands	Australia	Coking coal		100%	—
Integra ⁽³⁾	Australia	Semi-hard coking coal		100%	—
Total Australia coking coal		Coking coal	6.1 mt		
Australia thermal coal and semi-soft coking coal					
Bulga complex	Australia	Thermal coal & semi-soft coking coal		68.3%	13.3% JX Nippon Oil 4.4% Toyota 1.6% JFE Shoji 12.5% Nippon Steel Corporation
Baal Bone ⁽¹⁾	Australia	Thermal coal		78.0	15.2% JX Nippon Oil 5.0% Toyota 1.8% JFE Shoji
				%	
Macquarie Coal Joint Venture	Australia	Thermal coal & semi-soft coking coal		80%	17% Marubeni 3% JFE Minerals
Liddell	Australia	Thermal coal		67.5%	32.5% Mitsui Matsushima
Mount Owen complex	Australia	Thermal coal & semi-soft coking coal		100%	—
Ulan	Australia	Thermal coal		90%	10% Mitsubishi
Ravensworth Operations	Australia	Thermal coal		100%	—

Operation	Location	Commodity	2017 production ⁽¹⁾	Group ownership interest ⁽²⁾	Remaining ownership interest
Ravensworth UG	Australia	Semi-soft coking coal		70%	20% Marubeni 10% Posco
Ravensworth North	Australia	Thermal & semi-soft coking coal		90%	10% Itochu
Mangoola	Australia	Thermal coal		100%	—
Newlands	Australia	Thermal coal		100%	—
Collinsville	Australia	Thermal coal		100%	—
Rolleston	Australia	Thermal coal		75%	12.5% Itochu 12.5% Sumitomo
Total Australia thermal coal and semi-soft coking coal	—	Thermal coal (Export)	49.1 mt		
		Thermal coal (Domestic)	7.5 mt		
		Semi-soft coking coal	4.0 mt		
South Africa thermal coal					
Izimpiwa Coal	South Africa	Coal		49.9% ⁽⁵⁾	50.1% Pembani Group
Umcebo	South Africa	Coal		48.7% ⁽⁵⁾	51.3% privately held
Tweffontein	South Africa	Thermal coal		79.8%	20.2% African Rainbow Minerals
iMpunzi	South Africa	Thermal coal		79.8%	20.2% African Rainbow Minerals
Goedgevonden	South Africa	Thermal coal		74%	26% African Rainbow Minerals
Total South Africa thermal coal		Thermal coal (Export)	18.7 mt		
		Thermal coal (Domestic)	10.0 mt		
Prodeco (Colombia) thermal coal					
Prodeco	Colombia	Coal	14.6 mt	100%	—
Cerrejón (Colombia) thermal coal					
Cerrejón	Colombia	Thermal coal	10.6 mt	33.3% ⁽⁷⁾	33.3% BHP 33.3% Anglo American
Total coal		Coal	120.6 mt		

Notes:

- (1) Controlled industrial assets and joint ventures only, except as stated. Production is on a 100 per cent. basis, except for joint ventures, where the Group's attributable share of production is included.
- (2) As at 31 December 2017.
- (3) The Integra mine had been on care and maintenance since July 2014. Production restarted in the second quarter of 2017.
- (4) The Baal Bone mine ceased production in 2011 and is a training mine. The Ravensworth underground mine has been on care and maintenance since 2014.
- (5) Although the Group holds less than 50 per cent. of the voting rights, it has the ability to exercise control over Izimpiwa through the ability to direct the key activities of the operation and to appoint key management personnel provided by the terms of the shareholders agreement.
- (6) Although the Group holds less than 50 per cent. of the voting rights, it has the ability to exercise control over Umcebo as a result of shareholder agreements.
- (7) The Group's pro rata share of Cerrejón production (33.3 per cent.).

Australia coking coal

The Group's coking coal operations are located in Australia. In December 2015, the Group acquired Vale's 100 per cent. interest in the Integra underground mine and leases in New South Wales, providing the Group with incremental production as the underground leases lie immediately to the south of the Group's existing coal

operations. Production restarted in the second quarter of 2017. In December 2017, the Group agreed the sale of the Tahmoor complex in New South Wales, which completed in April 2018.

The other mines are located in Queensland: Oaky Creek; Newlands; and Collinsville. The Group manages the Oaky Creek project, comprising the Oaky Creek North underground mine. Oaky Creek No. 1 mine closed in the third quarter of 2017. Oaky Creek is 55 per cent. owned by the Group, the other shareholders being Sumitomo (25 per cent.) and Itochu (20 per cent.). Further to an ownership adjustment in September 2016, in which the Group received compensation in respect of certain long-term liabilities, the Group now owns 100 per cent. of the Newlands and Collinsville mines, which produce coking coal as well as thermal coal.

Australia thermal coal and semi-soft coking coal

New South Wales operations

The Group owns interests in nine operating thermal coal mines and a number of development projects, most of which are located in or close to the Hunter Valley of New South Wales. The Group has an attributable interest of 15.5 per cent. in the operator of the Port Waratah Coal Terminal, located at the port of Newcastle in New South Wales, and a consolidated interest of 29.7 per cent. in the Port Kembla Coal Terminal, located at the port of Wollongong in New South Wales (which reduced to 13.0 per cent. on completion of the sale of Tahmoor in April 2018, noted above). Two major brownfield expansion projects have been completed on time and on budget at Ravensworth North and Ulan West. Now at a steady state, these projects are producing approximately 16 million tonnes per annum combined.

On 27 July 2017, the Group announced that it had signed agreements with Yancoal Australia Limited (“Yancoal”) to acquire a 49 per cent. interest in the Hunter Valley Operations (“HVO”) coal mine in Australia for U.S.\$1,139 million plus a 27.9 per cent. share of U.S.\$240 million non-contingent royalties due over five years and a 49 per cent. share of price contingent royalties payable by Yancoal to Rio Tinto. The transaction completed in May 2018. In addition, the Group subscribed for U.S.\$300 million of shares in Yancoal’s equity raising.

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

- the Bulga complex comprising the Bulga open cut mine and the Blakefield South underground mine;
- the Liddell open cut mine;
- the Mount Owen complex, comprising the North and West pits and the Glendell mine;
- the Ulan and Ulan West underground mines;
- the Ravensworth North operations; and
- the Mangoola open cut mine.

Production at the Macquarie coal joint venture, comprising the West Wallsend underground mine, finished in the first half of 2016 as it reached end of mine life.

Queensland operations

The Group manages the Oaky Creek and Rolleston joint ventures, the Newlands and Collinsville mines and the Wandoan coal project. All of the operating thermal coal mines and projects of material value are located in the Bowen Basin in Queensland with the exception of the Wandoan coal project, which is located in the Surat Basin. The Group operates through the Abbot Point, Dalrymple Bay and Gladstone ports in Queensland. The Group has a 30 per cent. shareholding in the Wiggins Island Coal Export Terminal, near Gladstone, which was completed in September 2016.

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

- the Newlands open cut mine;
- the Collinsville open cut mine; and
- the Rolleston open cut mine.

Production at Newlands underground mine finished in the first half of 2016 as it reached end of mine life. The underground mine was sealed during the second half of 2016.

In May 2014, the Group and Sumitomo acquired Rio Tinto's 50.1 per cent. interest in the Clermont thermal coal mine in central Queensland. Clermont is a large scale open cut mine and its current saleable production is 13 million metric tonnes per annum. Each of the Group and Sumitomo holds a 25.05 per cent. effective economic interest in the mine and the Group has assumed operational management and marketing for the joint venture.

In March 2018, the Group agreed to acquire Rio Tinto's 82 per cent. interest in the Hail Creek coal mine and adjacent coal resources, as well as its 71.2 per cent. interest in the Valeria coal resource in central Queensland for total cash consideration of U.S.\$1.7 billion. The holders of the remaining 18 per cent. of the Hail Creek coal mine have the right to sell their interests to Glencore through a "tag-along" right, which could result in additional consideration of up to U.S.\$300 million. Hail Creek is a large-scale, long-life and low-cost mine located 120 kilometres south-west of Mackay, producing around two-thirds premium quality hard coking coal and one-third thermal coal for export. In 2017, it produced about 9.4 million tonnes of coal. The Valeria thermal coal deposit is located 265 kilometres west of Rockhampton and 67 kilometres south-east of the Clermont coal mine.

South African thermal coal

The South African thermal coal business comprises the Tweefontein, iMpunzi and Goedgevonden mines, Umcebo Mining and Izimbiwa Coal.

Tweefontein

Subsequent to the completion of the Tweefontein Optimisation Project, Tweefontein consists of two mining areas (Tweefontein Open cast and Tweefontein Underground) and a coal handling and preparation plant. Tweefontein produces and exports approximately 10 million tonnes per annum.

iMpunzi

iMpunzi consists of an opencast mining complex, a coal handling and preparation plant, and the iMpunzi dump reclamation operations feeding to the ATC coal handling and preparation plant, which produce a combined 7 million tonnes per annum, with over 80 per cent. destined for the export market.

Goedgevonden

This complex consists of the Goedgevonden mine and associated coal reserve blocks. The complex is a greenfield development which was commissioned in 2009 and is now in steady state production with capacity to produce 7.5 million tonnes per annum, with approximately 50 per cent. destined for export markets and 50 per cent. destined for the domestic Eskom market.

Izimbiwa Coal (formerly Shanduka Coal)

The Group owns 49.9 per cent. of Izimbiwa Coal, which owns 100 per cent. of the Middelburg Operations (Graspan and Townlands). These mines have an aggregate annual production capacity of approximately 3 million tonnes of saleable coal. A further anthracite colliery, Springlake, has been placed on care and maintenance.

Izimbiwa Coal produces thermal coal for Eskom, the South African parastatal electric utility entity, a small amount of export coal.

Izimbiwa Coal also owns the Argent greenfield project which is currently awaiting licensing and has the potential to produce 2.4 million tonnes per annum of export or Eskom product. The portfolio is continually being reassessed, with the non-operating Leeuwfontein and Lakeside Collieries currently subject to a sale process.

Umcebo

The Group owns a 48.7 per cent. stake in Umcebo Mining, which currently has one thermal coal mine in operation (Wonderfontein, in which it has a 50 per cent. interest) with an annual production capacity of approximately 3 million tonnes of saleable coal, of which approximately 2.5 million tonnes are for the Eskom market and the remainder for the export market or other domestic customers. In addition, Umcebo Mining holds a 47.5 per cent. stake in the Wildfontein coal mine, which started up again at the beginning of 2018, servicing the Eskom market.

Optimum Coal

In August 2015, the directors of Optimum Coal resolved to commence business rescue proceedings and place the company under the control and supervision of business rescue practitioners, resulting in the Group ceasing to have control over Optimum Coal and the deconsolidation of its production results. In December 2015, the business rescue practitioners reached an agreement to sell the business, which closed in April 2016.

Exports

The Group controls a 22.4 per cent. interest in the Richards Bay Coal Terminal, which has an annual throughput capacity of 91 million tonnes (though this is restricted by rail capacity to approximately 77 million tonnes). The interest in the Richards Bay Coal Terminal provides the Group with the right to use this export coal loading facility.

Prodeco (Colombia) thermal coal

Prodeco

The Group owns 100 per cent. of Prodeco, which comprises the Group's wholly owned Colombian export thermal and metallurgical coal mining operations and associated infrastructure. It is involved in the exploration, production, transportation and shipment of high-grade thermal coal from its mines to markets, principally in Europe and the Americas. Prodeco consists of two open pit coal mining operations (the Calenturitas mine and the La Jagua complex), coal export port facilities (Puerto Nuevo, which is a public port, was commissioned in 2013 with a current annual throughput capacity of 25.7 million tonnes per annum of which Prodeco has contracted approximately 21 million tonnes and third parties approximately 3 million tonnes) and a 39.76 per cent. share in Fenoco, a company which holds the concession to the railway linking Prodeco's mines to the export ports.

Prodeco operates open cut mines and benefits from a superior quality coal which requires no washing. Prodeco is currently the third largest producer of export thermal coal in Colombia, behind Cerrejón and Drummond Company, Inc. Prodeco has operational advantages in owning all its key operational infrastructure, including a railway (through its part ownership of the rail infrastructure concession and full ownership of rolling stock) and all mining equipment and facilities at its mine sites.

Cerrejón (Colombia) thermal coal

Cerrejón

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

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

Located in north-eastern Colombia adjacent to the Venezuelan border, Cerrejón is well-positioned to supply the import markets of Europe and the Eastern and Gulf Coasts of the United States.

Total production in 2017 was 32 million tonnes of thermal coal.

Coal development projects

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

Marketing activities

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

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

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

Whilst traditionally thermal coal and coking coal has been sold on a physical bilateral basis, without a supporting commodity exchange, in recent years, a sizeable thermal coal and coking coal paper derivatives market has developed, providing a spot and forward market for certain standard thermal coal and coking coal specifications. The Group is able to transact in these markets in order to manage risks in relation to its physical supply of thermal coal and coking coal products.

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

The timing of procuring freight for thermal coal and coking coal operations is dictated primarily by physical thermal coal and coking coal sales activities, but also by global freight market dynamics at a point in time and/or forward expectations. Furthermore, geographic and time spreads are taken in order to allow the thermal coal and coking coal team to fully arbitrage relative value opportunities between the various origins and destinations

of the underlying commodity. Maximum flexibility and optionality are thus sought to be maintained at all times. The operation manages freight from a combination of voyage and time charter-based contracts, spot market bookings and derivative contracts which are primarily used to hedge physical freight exposure inherent in the overall position. Freight services are also supplied to third parties and are often sourced via joint venture agreements to enhance volume and gain timely market information in relation to industry trade patterns and rate developments.

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

Oil

Industrial activities

The table below shows the oil commodity division's principal investments in industrial assets, with production data for the year ended 31 December 2017:

Operation	Location	Commodity	2017 production	Group ownership interest ⁽¹⁾	Remaining ownership interest
Group Entitlement Basis					
Equatorial Guinea					
Block I	Equatorial Guinea	Oil, condensate and gas		23.75%	38% Noble Energy Inc.; 27.55% Atlas Petroleum International Ltd. 5% GEPetrol; 5.7% Gunvor Resources Limited
Block O	Equatorial Guinea	Oil, condensate and gas		25%	45% Noble Energy Inc.; 30% GE Petrol
Total			2,529 kbbl		
Chad					
Badila	Chad	Oil, condensate and gas		85%	15% SHT
Mangara	Chad	Oil, condensate and gas		85%	15% SHT
Total			2,524 kbbl		
Total oil department			5,053 kbbl		
Gross Basis					
Equatorial Guinea					
Block I	Equatorial Guinea	Oil, condensate and gas		23.75%	38% Noble Energy Inc.; 27.55% Atlas Petroleum International Ltd. 5% GEPetrol; 5.7% Gunvor Resources Limited
Block O	Equatorial Guinea	Oil, condensate and gas		25%	45% Noble Energy Inc.; 30% GE Petrol
Total			11,914 kbbl		
Chad					
Badila	Chad	Oil, condensate and gas		85%	15% SHT
Mangara	Chad	Oil, condensate and gas		85%	15% SHT
Total			3,450 kbbl		

Operation	Location	Commodity	2017 production	Group ownership interest ⁽¹⁾	Remaining ownership interest
Total oil department			15,364 kbbl		

Note:

(1) As at 31 December 2017.

Africa exploration and production

Equatorial Guinea (Block I and Block O)

The Group has equity stakes in two oil and gas production sharing contracts in offshore Equatorial Guinea, West Africa (Block I and Block O (the “Blocks”)). Significant oil and gas reserves have been discovered in these Blocks following the initial discovery made in Block O in 2005. First oil production was achieved from the Block I Aseng field on 6 November 2011.

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

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

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

Cameroon

The Group has an equity stake in the Bolongo block in Cameroon. The Group’s exploration well on the Oak project in the Bolongo block, offshore Cameroon, was successfully drilled and declared an oil discovery in July 2012.

Following a farm-down agreement signed in January 2018 to transfer operatorship and divest 50 per cent. of the Bolongo licence, and based on the assumption that the state NOC will exercise its back-in right to the Oak development, Glencore will hold a 37.5 per cent. remaining participating interest in the licence and the oil development that will now follow.

Chad

In June 2013, the Group completed the previously announced Farm-in Agreement with Caracal Energy Inc. (“Caracal”, previously Griffiths Energy) relating to three production sharing contracts in the Republic of Chad (the “PSCs”). The three PSCs cover an area of 26,103 square kilometres in southern Chad. The Badila oil field covers an area of approximately 29 square kilometres and is located approximately 16 kilometres from an oil export pipeline. The Mangara oil field covers an area of approximately 71 square kilometres and is located

approximately 111 kilometres from the same oil export pipeline. On 30 September 2013, first oil production commenced from the Badila field and, on 26 December 2014, first oil production commenced from the Mangara field. On 14 April 2014, the Company announced an agreement to acquire Caracal for an all cash consideration of £5.50 per common share. The acquisition was completed on 8 July 2014. In the fourth quarter of 2015, the drilling campaigns at these fields were significantly reduced compared to initial plans in order to preserve the resource for a more favourable pricing environment. During the first quarter of 2016, the remaining workover rig in Chad was temporarily suspended. A one-rig drilling schedule recommenced in mid-2017.

Other oil

OAONK Russneft

The Group has invested in the Russian upstream market with its partner OAONK Russneft (“Russneft”), taking ownership interests in a diversified portfolio of oil producing assets. Russneft owns and operates a number of oil licences stretching from the Volga river in the west to the Siberian plains in the east.

The current aggregate production capacities of 100 per cent. of Russneft’s operating subsidiaries comprise approximately 140,000 bbls per day, equivalent to 7 million tonnes per annum. The Group has a renewable one-year off-take agreement, pursuant to which it is entitled to 100 per cent. of the crude oil and oil products produced by these assets destined for export markets.

In November 2015, the Group and Russneft effected a debt to equity conversion which resulted in the Group exchanging its loan balance and investment in operating subsidiaries for a 46 per cent. interest in Russneft. Although the Group holds more than a 20 per cent. interest in Russneft, based on historical interactions, it was concluded that the Group is unable to exercise significant influence over the financial and operating policy decisions of Russneft. As a result, the investment is accounted for as an “available for sale” investment carried at fair value with changes in fair value recognised in other comprehensive income. In July 2016, as a result of an additional share issuance, the Group’s interest in Russneft was diluted to 25 per cent. In November 2016, Russneft’s majority owner placed 20 per cent. of the total shares in Russneft on the Moscow Exchange via an initial public offering. The Group retained a 25 per cent. stake in Russneft.

Marketing activities

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

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

The Group sources crude oil and oil products from a variety of supplier types. Its diverse supplier base includes the major integrated oil companies, National Oil Companies (“NOCs”), independent oil companies, other marketing companies and refineries.

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

The Group’s significant customers are the major integrated oil companies such as ExxonMobil, Shell, BP and Total, as well as NOCs such as Indian Oil Corporation Ltd, China National Petroleum Corporation and China National Offshore Oil Corporation. In addition to the major integrated oil companies and NOCs, crude oil and oil products are sold to a diverse customer base, including oil refineries, petrochemical producers, wholesalers and distributors, international trading houses and major utilities. While the percentage of term contracts is

relatively small, this is largely consistent with the structure of the oil market, and spot contracts are primarily with customers with whom relationships have been established and developed over a long time and are therefore considered similar in nature to term contracts due to their expected renewal.

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

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

The Group's main competitors are Vitol and Trafigura. Both companies have ownership in infrastructure assets, but in the case of Trafigura, little, if any, upstream production. Volumes captured by oil majors such as BP and Shell are also in direct competition with the Group's marketing volumes, although their participation in the market increases overall volume and liquidity.

On 3 January 2017, the Group and Qatar Investment Authority entered into various agreements establishing a 50:50 consortium that acquired 19.5 per cent. of OSJC Rosneft Oil ("Rosneft") and entered into a 5-year offtake agreement with Rosneft, representing an additional 220,000 barrels per day for the Group's oil marketing business. The consortium will also evaluate and potentially enter into additional opportunities related to infrastructure, logistics and global trading. The Group's funding commitment to the consortium was a €300 million equity contribution paid in advance in December 2016, which represents the entirety of its economic exposure to the consortium and the Rosneft shares. On 8 September 2017, the consortium announced an agreement to dispose of a 14.16 per cent. stake in Rosneft to CEFC China Energy (the "CEFC"). In May 2018, the members of the consortium sent a notice of termination to CEFC with respect to the contemplated transaction. The consortium agreed to dissolve the vehicle originally put in place for the purposes of acquiring a 19.5 per cent. stake in Rosneft and will take direct ownership of the underlying Rosneft shares. In connection with that, the consortium entered into an agreement to transfer a 14.16 per cent. stake in Rosneft to a wholly owned subsidiary of the Qatar Investment Authority. On completion of this transfer, the consortium will be wound up and the margin guarantees provided by the Group will be terminated. As a result, the Group will retain an equity stake in Rosneft shares commensurate with its original equity investment announced in January 2017, which amounts to 0.57 per cent..

On 31 March 2017, the Group announced that it had entered into a definitive agreement for HNA Innovation Finance Group Co. Ltd to purchase a 51 per cent. equity interest in the Group's petroleum products storage and logistics business for U.S.\$775 million, payable in cash upon closing, subject to customary closing adjustments. Initial completion in December 2017 consisted of those portfolio assets outside the U.S., with U.S.\$530 million (after customary closing adjustments) attributable to such. The remaining assets, located in the U.S., will be transferred to the transaction vehicle in 2018, subject only to receipt of satisfactory clearance from the Committee on Foreign Investment in the United States.

On 6 October 2017, the Group announced that it had entered into an agreement with Off The Shelf Investments Fifty Six (RF) Proprietary Limited ("OTS") to acquire from OTS (i) a 75 per cent. stake in Chevron South Africa Proprietary Limited and certain related interests and (ii) the entire issued share capital of Chevron Botswana Proprietary Limited following closing of OTS's exercise of its pre-emptive right to acquire the assets from the Chevron group. The aggregate consideration (subject to adjustment for debt and working capital at closing) is U.S.\$973 million. The transaction is expected, subject to receipt of regulatory approvals, to close in the second half of 2018.

Agricultural products

The Agricultural products business segment focuses on the following commodities: grains, oils/oilseeds, cotton and sugar. The activities of the Group's Agricultural products business segment are supported by investments in controlled and non-controlled storage, handling, processing and port facilities in strategic locations. On 6 April 2016, Glencore announced that it had entered into an agreement with the Canada Pension Plan Investment Board for the sale of a 39.99 per cent. equity interest in Glencore Agri and on 9 June 2016, entered into an agreement with British Columbia Investment Management Corporation for the sale of a 9.99 per cent. equity interest in Glencore Agri. Glencore retained a 49.99 per cent. equity interest, with the remaining 0.03 per cent. equity interest held on trust for the Glencore Agriculture Employee Benefit Trust. Glencore Agri represents the entire Agricultural products operating segment of the Group and is now operated and accounted for as a joint venture.

Marketing activities

Glencore Agri originates, stores, transports and markets grains (including wheat, barley, corn, peas and pulses), oil/oilseeds (including most edible oils, biodiesel and their source seeds/beans), cotton and sugar.

The suppliers to Glencore Agri are farmers, farming cooperatives, processing plants, local exporters and global merchants. Glencore Agri does not have long-term supply contracts with global merchants but does occasionally transact with them on a spot basis. The supply base is very diverse and fragmented. Glencore Agri generally enters into commitments to buy agricultural products only as part of specific marketing activities within the course of a crop season.

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

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

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

With respect to sugar, Glencore Agri markets both raw sugar and white sugar, with sourcing primarily from Brazil, Thailand and Central America. Glencore Agri is supplied a portion of its sugarcane from its own production facilities in Brazil.

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

Liquid derivatives markets exist for the majority of the key commodities that the business segment markets, such as wheat, corn, soy oil, rapeseed and cotton; for example, CBOT (Chicago), MATIF (Paris) and NYMEX (New York). These key commodities may be used as proxies for other products which the segment markets, such as barley and sunflower oil, in respect of which a liquid derivatives market does not currently exist, and Glencore Agri is accordingly able to hedge, albeit synthetically, the risk on these physical commodities' positions using such proxy forward agreements and exchange traded futures. Glencore Agri is also very active

in ICE (New York) for global sugar futures trading and hedging, as well as in local futures exchanges for sugar in India, Russia and, more recently, China.

Physical flows of product are shipped via trucks, trains and vessels. Logistical planning and chartering of dry-bulk seaborne trade is performed in-house by a freight desk which provides initial quotes for the freight associated with each shipment. The in-house freight desk trades and hedges freight and shipping capacity positions for both the division's dry-bulk shipping needs and for third parties. Glencore Agri's logistical assets include in-land and port elevators, silos and wagons. The elevators and silos are located in Argentina, Australia, Brazil, Bulgaria, Canada, Czech Republic, Hungary, Kazakhstan, New Zealand, Paraguay, Poland, Romania, Russia, Serbia, the United Kingdom, Ukraine, Uruguay and the United States.

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

Marketing is coordinated through Glencore Agri's subsidiary offices in Rotterdam and Singapore. On 1 January 2018, Glencore Agri's sugar business activities were transferred from its subsidiary in London to Rotterdam.

Assets

Glencore Agri's activities are complemented by a network of principally logistics, handling, storage and oilseed crushing assets.

Processing

Access to or ownership of processing assets enables Glencore Agri to take advantage of the various price differentials for agricultural commodities. Processing assets are located in the Americas and Europe.

Oilseed crushing

North America

Glencore Agri owns 100 per cent. of Ste. Agathe, a canola processing plant in Canada which has production capacity of 300,000 tonnes per annum.

In November 2015, the acquisition of Twin Rivers Technologies Enterprises De Transformation De Graines Oléagineuses Du Québec Inc. ("TRT") was completed. TRT owns the Becancour plant, which is the largest oilseed crushing and refining plant in Quebec with a capacity of approximately 1.0 million tonnes per annum.

In January 2016, the business increased its ownership interest in the Pacific Coast Canola ("PCC") crush plant to 50 per cent., which has a processing capacity of approximately 350,000 tonnes per annum.

Moreno

Glencore Agri owns 100 per cent. of Moreno in Argentina. Moreno's main activity is to produce and export edible oils and meal. Moreno's facilities include three multiseed crushing plants in Necochea, Daireaux and Villegas with a combined production capacity of 1.7 million tonnes per annum. The Villegas plant, with a production capacity of 0.7 million tonnes, has been mothballed since the fourth quarter of 2014. Moreno also has a biodiesel facility within a joint venture structure, with a current production capacity of 0.5 million tonnes per annum.

Renova Timbues

Glencore Agri has a 50 per cent. ownership interest in the Renova Timbues soybean crushing plant, a joint venture with Vicentin in Argentina, which was commissioned in May 2013 with production capacity of 6.6 million tonnes per annum.

Other oilseed crushing operations

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

- a 100 per cent. interest in Usti Oilseed Group, a Czech Republic oilseed crushing plant with production capacity of 460,000 tonnes per annum;
- a 100 per cent. interest in Boda, a Polish oilseed crushing plant with production capacity of 495,000 tonnes per annum;
- a 100 per cent. interest in Pannon (Fokto), a Hungarian oilseed crushing plant with production capacity of 870,000 tonnes per annum;
- a 100 per cent. interest in Correcta (Ponta Pora), a Brazilian oilseed crushing plant with production capacity of 235,000 tonnes per annum;
- a 100 per cent. interest in Kharkov, a Ukrainian oilseed crushing plant, with production capacity of 280,000 tonnes per annum;
- a 100 per cent. interest in Lubmin, a German oilseed crushing plant with production capacity of 210,000 tonnes per annum; and
- a 100 per cent. interest in Glencore Magdeburg, a German integrated oilseed crushing and biodiesel plant producing rapeseed oil, rapeseed meal, biodiesel and glycerine, with crushing capacity of 600,000 tonnes per annum, acquired on 1 March 2015.

Biodiesel

Glencore Agri has the following interests in the biodiesel production business (in addition to biodiesel produced at Magdeburg, noted above):

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

Rice milling and wheat milling

Glencore Agri has the following rice and wheat production interests:

- rice/wheat mills with a combined production capacity of 1.75 million tonnes per annum in Argentina, Brazil and Uruguay; and
- a 100 per cent. interest in Paso Dragon, a Uruguayan rice parboiled plant with production capacity of 60,000 tonnes per annum.

Sugarcane processing

Rio Vermelho

Glencore Agri also owns Rio Vermelho, a sugarcane mill located in the state of São Paulo. Current sugarcane crushing capacity is approximately 3.5 million tonnes per year. Rio Vermelho produces very high pol sugar, both hydrous and anhydrous fuel ethanol, and its cogeneration plant is capable of supplying a 55 megawatt electricity surplus to the power grid.

Unialco

In February 2017, Glencore Agri acquired Unialco, a Brazilian sugar mill with installed annual crushing capacity of 2.5 million tonnes, in a distressed asset sale for consideration of U.S.\$101 million and assumed debt with suppliers of approximately U.S.\$10 million.

Farming

Glencore Agri completed the divestment of its farming assets in Australia in January 2018. Farming assets in Ukraine and Russia were sold in the second half of 2017 and the fourth quarter of 2016, respectively. Glencore Agri retains some leased farming assets in Argentina.

Worldwide office network

Organisation

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

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

Office network

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

Employees

As of 31 December 2017, the Group had approximately 146,000 employees and contractors worldwide, exclusive of approximately 12,000 Glencore Agri employees.

Health and safety, environment and communities

The Group is committed to conducting its business activities in a manner that will safeguard the health and safety of all of its employees, protect the environment and add to the wealth of the communities in which it operates.

The Group's industrial assets, as well as marketing and logistics activities, are subject to a range of health and safety, environment and communities ("HSEC") laws and regulations. For its operations (industrial assets and marketing/logistics), the Group has HSEC policies and management programmes in place to manage and ensure compliance, as well as to track and improve overall performance with the applicable local and international HSEC laws and regulations. These measures are also used to identify deficiencies by providing appropriate information and specialist advice to determine appropriate corrective actions.

The Group's HSEC policies and management systems are embedded into the Glencore Corporate Practice programme ("GCP"). Pursuant to the GCP, the Group has published a Group Code of Conduct and Values (the "Code"), providing a consistent set of principles that govern the actions, attitudes and decisions of Group employees and emphasising the Group's values of entrepreneurialism, simplicity, safety, responsibility and openness. The Group also has an assurance plan, which is reviewed and approved annually by the Board, focusing on risks that have been identified via the Group's catastrophic hazard management process. Assurance involves assessments carried out by subject matter experts against international best practices, with corrective action taken when appropriate and regular progress reports made to the Board.

The health and safety, environment and communities Board committee formulates and recommends policies on these issues as they affect the Group's operations. This committee is chaired by Peter Coates with other members, including Ivan Glasenberg, Anthony Hayward and Patrice Merrin.

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

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

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

Environmental impact

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

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

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

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

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

Health and safety

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

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

Communities

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

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

The Group engages with local communities and seeks to understand the social, cultural, environmental and economic implications of its activities. In the Group's relationship with local communities, it respects and

promotes human rights within its area of influence. This includes respect for the cultural heritage, customs and rights of those communities, including those of indigenous peoples.

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

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

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

Insurance

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

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

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

Legal and compliance

The Group has a centralised legal department in the Group's head office in Baar that sets the legal approach for the Group, supervises the Group's overall legal function and provides legal services to the Group's head office in Baar and various other offices and operating units that do not have local legal personnel. There are some smaller legal teams that support specific business activities and offices, such as the freight and oil legal team in London and the agricultural legal team in Rotterdam. In addition, most of the larger Group operations have dedicated local legal personnel.

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

The Group's compliance function seeks to ensure adherence with relevant laws and regulations. The Group has a business ethics committee ("BEC") which develops and reviews the Group's policies, guidelines and principles on business ethics, including money laundering, bribery and corrupt payments, sanctions and conflicts of interest, and assists in questions related to their application. The BEC comprises senior representatives from across its businesses and management, and two of the Group's external counsel. The BEC reports to the audit committee. The policies, guidelines and principles developed by the BEC are implemented by the Group's compliance teams, local compliance coordinators and business ethics officers together with the operations.

In the Group's head office in Baar, the compliance team forms part of the centralised legal department. The Group's operations include compliance coordinators who support employees in day-to-day business considerations, with guidance from the Group compliance teams, and address applicable local requirements.

The Group compliance policies and guidelines are made accessible to employees via the Group's compliance teams, local compliance coordinators, the Group intranet or the intranet of the specific operation at which they work. The Group's managers and supervisors are responsible for ensuring that employees understand and comply with the policies. Relevant employees must confirm their awareness and understanding of compliance requirements in writing every year.

Risk management and financial risk management

Risk management and control spans across the Group's organisational structure. The Board has been and will further be involved in the risk management of the Group at a strategic level. The CEO engages in an ongoing interrogatory exchange with the management team as a primary oversight of Group risk, supported in this function by the Group risk management team, multi sourced risk reporting and the Chief Risk Officer. This support, amongst other things, relates to consolidated risk reporting, coordination of Group and departmental VaR, stress, scenario and other testing, reviewing and challenging the evaluation models and, in conjunction with departmental teams, input parameters used by commodity departments. The departments and Group risk team further engage in a dialogue concerning general aspects of risk management policy and reporting. The internal audit and compliance and business ethics committees also play key roles in managing the Group's operational risk and verifying process controls.

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

Management

Board of Directors

The Directors of Glencore plc are as follows and their profiles are set out below:

Name	Age	Role
Anthony Hayward	60	Independent Non-Executive Chairman
Ivan Glasenberg	61	Chief Executive Officer
Peter Coates AO	72	Non-Executive Director
Leonhard Fischer	55	Independent Non-Executive Director
Martin Gilbert	61	Independent Non-Executive Director
John Mack	73	Independent Non-Executive Director
Patrice Merrin	69	Independent Non-Executive Director
Gill Marcus	68	Independent Non-Executive Director

The business address of each of the Directors is Baarermattstrasse 3, CH-6340 Baar, Switzerland. As at the date of this Base Prospectus, none of the Directors of Glencore plc has any conflict of interest between their duties to Glencore plc and their private interests and/or other duties.

Anthony Hayward, aged 61 (Independent Non-Executive Chairman)

Anthony Hayward was appointed Independent Non-Executive Chairman in May 2013. Prior to being appointed Chairman he was the Senior Independent Non-Executive Director of the Company.

He is currently a managing partner of St. James Asset Management and AEA Capital. Chairman of Compact GTL Limited and Colombia Oil and Gas.

He was CEO of BP plc from 2007–10, having joined BP in 1982. He became group treasurer in 2000, chief executive for BP upstream activities and a member of the main board of BP in 2003.

From 2011–15 he was CEO of Genel Energy plc and its chairman from 2015–17.

Dr Hayward studied geology at Aston University in Birmingham and completed a Ph.D at Edinburgh University. He is a fellow of the Royal Society of Edinburgh.

Ivan Glasenberg, aged 61 (Chief Executive Officer)

Ivan Glasenberg joined Glencore in April 1984 and has been Chief Executive Officer since January 2002.

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

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

Peter Coates AO, aged 72 (Non-Executive Director)

Peter Coates has been a Non-Executive Director since January 2014. Prior to this he served as an Executive Director from June to December 2013 and a Non-Executive Director from April 2011 to May 2013.

Prior to joining Glencore in 1994 as a senior executive in the coal department, Mr Coates had occupied many senior positions in a diverse range of resource companies, including those mining silver, lead, nickel, iron ore, bauxite and coal. He joined Xstrata in 2002 as chief executive of Xstrata's coal business, when Glencore sold its Australian and South African coal assets to Xstrata, stepping down in December 2007. He was non-executive chairman of Xstrata Australia from January 2008 until August 2009. From April 2008 until April 2011, he was a non-executive Chairman of Minara Resources Ltd. From May 2013 to June 2016, he was a non-executive chairman of Sphere Minerals Limited and was non-executive chairman of Santos Limited. He is currently a non-executive director of Event Hospitality and Entertainment Limited. Mr Coates is a past chairman of the Minerals Council of Australia, the NSW Minerals Council and the Australian Coal Association.

Mr Coates holds a Bachelor of Science degree in Mining Engineering from the University of New South Wales.

Leonhard Fischer, aged 55 (Independent Non-Executive Director)

Leonard Fischer was appointed an Independent Non-Executive Director in April 2011.

Mr Fischer is founder and chairman of the investment committee of DFG Deutsche Fondsgesellschaft SE Invest. Member of the board of Gesellschaft zuer Foerderung der Frankfurter Wertpapierboerst e.V.

He was CEO of BHF Kleinwort Benson group S.A. from 2009 to 2016. He was CEO of Winterthur group from 2003 to 2006 and a member of the executive board of Credit Suisse group from 2004 to 2007. He joined Credit Suisse from Allianz, where he had been a member of the management board. Mr Fischer holds an M.A. in Finance from the University of Georgia.

Martin Gilbert, aged 62 (Independent Non-Executive Director)

Martin Gilbert was appointed an Independent Non-Executive Director in May 2017.

Mr Gilbert is co-chief executive of Standard Life Aberdeen plc. Mr Gilbert was a co-founder of Aberdeen Asset Management, which was established in 1983.

Mr Gilbert sits on the board of directors of the Institute of International Finance. He is also a member of the international advisory panel of the Monetary Authority of Singapore and the international advisory board of British American Business. He is also the deputy chairman of Sky plc. He was appointed chairman of the Prudential Regulation Authority's practitioner panel in December 2013.

Mr Gilbert was educated in Aberdeen, has an MA in Accountancy and an LLB and is a Chartered Accountant.

John Mack, aged 73 (Independent Non-Executive Director)

John Mack was appointed an Independent Non-Executive Director in June 2013.

Mr Mack is the chairman of Lantern Credit, a non-executive director of Lending Club and also serves on the board of Tri Alpha. He also serves on the board of Trustees of New York-Presbyterian Hospital and the University Hospitals of both Columbia and Cornell.

Mr Mack previously served as CEO of Morgan Stanley from 2005 to 2009. He retired as chairman in 2011. Mr Mack first joined Morgan Stanley in May 1972, becoming a board director in 1987 and president in 1993.

Before rejoining Morgan Stanley as chairman and CEO in 2005, Mr Mack served as co-CEO of Credit Suisse. Mr Mack is a graduate of Duke University.

Patrice Merrin, aged 69 (Independent Non-Executive Director)

Patrice Merrin was appointed an Independent Non-Executive Director in June 2014.

Ms Merrin is currently a non-executive director of Kew Media Group Inc. She has been a director and then chairman of CML Healthcare from 2008–13, and a director of various other companies including Stillwater Mining, NB Power and Arconic.

Following initial roles with Molson and Canadian Pacific, Ms Merrin worked at Sherritt, the Canadian diversified miner, for 10 years until 2004, latterly as COO. She then became CEO of Luscar, Canada's largest thermal coal producer.

Ms Merrin was a director of the Alberta Climate Change and Emissions Management Corporation from 2009 to 2014.

Ms Merrin is a graduate of Queen's University, Ontario and completed the Advanced Management Programme at INSEAD.

Gill Marcus, aged 68 (Independent Non-Executive Director)

Gill Marcus was appointed an Independent Non-Executive Director in January 2018.

Ms Marcus was Governor of the South African Reserve Bank from 2009 to 2014. She worked in exile for the African National Congress from 1970 before returning to South Africa in 1990. In 1994 she was elected to the South African Parliament. In 1996 she was elected as the deputy minister of finance and in 1999 was appointed the deputy governor of the Reserve Bank.

Ms Marcus was the non-executive chair of the Absa Group from 2007 to 2009. She has also been a non-executive director of Gold Fields Ltd and Bidvest. She acted as chair of a number of South African regulatory bodies, including the Financial Services Board and the Standing Committee for the Revision of the Banks Act.

Ms Marcus is a graduate of the University of South Africa.

Senior Managers

Steven Kalmin, aged 46 (Chief Financial Officer)

Steven Kalmin has been Chief Financial Officer since June 2005.

Mr Kalmin joined Glencore in September 1999 as general manager of finance and treasury functions at Glencore's coal industrial unit. He moved to Glencore's head office in 2003 to oversee Glencore's accounting functions, becoming CFO in June 2005. In November 2017 he was appointed as a director.

Mr Kalmin holds a Bachelor of Business (with distinction) from the University of Technology, Sydney and is a member of the Chartered Accountants Australia and New Zealand and the Financial Services Institute of Australasia. Before joining Glencore, Mr Kalmin worked for nine years at Horwath Chartered Accountants.

Auditors

Deloitte LLP, London has been appointed as statutory auditor to Glencore plc since its incorporation.

Financial Statements

Glencore plc prepares and publishes annual consolidated audited financial statements in accordance with IFRS. All such financial statements may be obtained at the specified offices of the Paying Agents during normal business hours for at least two financial years.

Financial Year

The financial year end of Glencore plc is 31 December.

Interests of significant shareholders

Taking into account the information available to Glencore as at 31 May 2018, the table below shows the Company's understanding of the interests in 3 per cent. or more of the total voting rights attaching to its issued ordinary share capital:

Shareholder	Number of Shares	Percentage of Total Voting Rights
Qatar Holding LLC.....	1,221,497,099	8.47
Ivan Glasenberg.....	1,211,957,850	8.40
BlackRock Inc.....	898,059,642	6.23
Harris Associates.....	526,298,510	3.65
Daniel Maté.....	454,136,143	3.15
Aristotelis Mistakidis.....	449,175,134	3.11

At 31 May 2018, the Company's issued ordinary share capital is 14,586,200,066, including 14,424,740,908 total voting rights and 161,459,158 shares held in treasury.

Save as disclosed above, the Directors of Glencore are not aware of any person who, as at 31 May 2018, directly or indirectly, has a holding which exceeds the threshold of 3 per cent. of the total voting rights attaching to the issued ordinary share capital of the Company.

Save as disclosed above, as at 31 May 2018, Glencore was not aware of any person or persons who directly, indirectly, jointly or severally exercise or could exercise control over the Company, nor is it aware of any arrangements the operation of which may, at a subsequent date, result in a change in control of the Company.

None of the Company's major shareholders have, or will have, different voting rights attached to the ordinary shares they hold.

DESCRIPTION OF GLENCORE INTERNATIONAL AG

General

Glencore International AG was incorporated in Switzerland under Swiss law on 12 June 1987 as a private company limited by shares, and is registered in Switzerland with registration number CHE-106.909.694. The registered office of Glencore International AG is at Baarermattstrasse 3, CH-6340 Baar, Switzerland, and its telephone number is: +41 41 709 2000.

Glencore International AG is a wholly-owned subsidiary of the Company.

Glencore International AG is one of the main operating entities of the Group and the direct or indirect holding entity for many of the operating and finance subsidiaries and industrial investments of the Group.

Glencore International AG is a guarantor of a substantial portion of the Group's total indebtedness.

Glencore International AG's principal business is to act as one of the main operating companies of the Group, the description and activities of which are set out under "*Description of the Company and the Group*".

Management

As of the date of this Base Prospectus, the directors of Glencore International AG and their other principal activities outside of the Group were as follows:

Name	Position	Other Principal Activities
Ivan Glasenberg	Director	Director of Rosneft Oil Company
Andreas Hubmann	Director	None
Steven Kalmin	Director	Director of Katanga

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

As at the date of this Base Prospectus, none of the directors of Glencore International AG has any conflict of interest between their duties to Glencore International AG and their private interests and/or other duties.

Auditors

Deloitte AG, Zurich, Switzerland has been appointed as statutory auditor to Glencore International AG for the financial years ended 31 December 2016 and 31 December 2017.

Financial Statements

Glencore International AG prepares annual non-consolidated audited financial statements in accordance with Swiss Generally Accepted Accounting Principles ("Swiss GAAP") only. Any such financial statements may be obtained at the specified offices of the Paying Agents during normal business hours for at least two financial years.

Financial Year

The financial year end of Glencore International AG is 31 December.

DESCRIPTION OF GLENCORE (SCHWEIZ) AG

General

Glencore (Schweiz) AG was incorporated under the name of Xstrata (Schweiz) AG in Switzerland under Swiss law on 21 December 2001 as a private company limited by shares, and is registered in Switzerland with registered number CHE-109.435.971. On 7 November 2013, as part of a general corporate reorganisation following the Acquisition, Xstrata (Schweiz) AG was renamed Glencore (Schweiz) AG. The registered office of Glencore (Schweiz) AG is c/o Glencore International AG, Baarermattstrasse 3, CH-6341 Baar, Switzerland, and its telephone number is: +41 41 709 2000.

Glencore (Schweiz) AG is an indirect wholly-owned subsidiary of the Company.

Glencore (Schweiz) AG is the direct or indirect holding entity for the majority of legacy Xstrata entities. While the purpose of Glencore (Schweiz) AG is mainly to act as a holding company, it also participates in financing activities and is a guarantor of a substantial portion of the Group's total indebtedness.

Management

As of the date of this Base Prospectus, the officers of Glencore (Schweiz) AG and their principal activities outside the Group were as follows:

Name	Position	Other Principal Activities
John Burton	Director	None
Andreas Hubmann	Director	None
Martin Häring	Director	None
Carlos Perezagua	Director	None

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

As at the date of this Base Prospectus, none of the directors of Glencore (Schweiz) AG has any conflict of interest between their duties to Glencore (Schweiz) AG and their private interests and/or other duties.

Auditor

Deloitte AG, Zurich, Switzerland is the statutory auditor to Glencore (Schweiz) AG for the financial years ended 31 December 2016 and 31 December 2017.

Financial Statements

Glencore (Schweiz) AG prepares annual non-consolidated audited financial statements in accordance with Swiss GAAP only. Any such financial statements may be obtained at the specified offices of the Paying Agents during normal business hours for at least two financial years.

Financial Year

The financial year end of Glencore (Schweiz) AG is 31 December.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities plc and NatWest Markets Plc (the “Dealers”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated 8 September 2017 (as further amended and/or supplemented from time to time, the “Dealership Agreement”), and made between the Issuer, each Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination or appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America

Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.

The Notes and the Guarantees of the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“Regulation S”).

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver the Notes and the Guarantees of the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes and the Guarantees of the Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantees of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of Notes and the Guarantees of the Notes comprising any Tranche, any offer or sale of Notes or Guarantees of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell

or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the IMD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Each Dealer has represented, warranted and agreed that:

- (a) *Financial promotion*: It has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- (b) *General compliance*: It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Jersey

Each Dealer has represented, warranted and agreed that it will not circulate in Jersey any offer for subscription, sale or exchange of the Notes except in compliance with all applicable Jersey laws, orders and regulations, including, without limitation, the Control of Borrowing (Jersey) Order 1958.

Switzerland

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

France

Each Dealer and the Issuer has represented, warranted and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411 1, L.411 2 and D.411 1 of the French Code monétaire et financier but excluding individuals.

This Base Prospectus has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “Japanese Person” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantors and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “General” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification not relevant only to a particular Tranche of Notes will be set out in a supplement to this document.

TAXATION

The following is a general description of certain United Kingdom, Jersey and Switzerland tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in the United Kingdom, Jersey, Switzerland or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws in the United Kingdom, Jersey and Switzerland. Although the Issuer is incorporated in Jersey, it is resident in the United Kingdom for tax purposes. Although the Company is incorporated in Jersey, it is resident in Switzerland for tax purposes.

This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

United Kingdom Taxation

General

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Notes). The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Any Noteholders who are in doubt as to their own tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

The comments in this part are based on current United Kingdom tax law as applied in England and Wales and published HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs and which may be subject to change, sometimes with retrospective effect).

Interest on the Notes

While the Notes are and continue to be listed on a recognised stock exchange, within the meaning of Section 1005 Income Tax Act 2007, payments of interest by the Issuer may be made without withholding or deduction for or on account of United Kingdom income tax. The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the Luxembourg Stock Exchange if they are both admitted to trading on the Luxembourg Stock Exchange and are officially listed on the main market of the Luxembourg Stock Exchange in accordance with provisions corresponding to those generally applicable in countries in the European Economic Area.

In all other cases, interest will generally be paid by the Issuer under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to the availability of other reliefs under domestic law or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

Payments in respect of the Guarantees

The United Kingdom withholding tax treatment of payments by the Company as Guarantor under the terms of the Deed of Guarantee and each of Glencore International AG and Glencore (Schweiz) AG as Guarantors under the terms of the Guarantee Agreement in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) is uncertain. In particular, such payments by the Guarantors may not be eligible for the exemption in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if the Guarantors make any such payments and these payments are considered to be of United Kingdom source, these may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.).

Other Rules Relating to United Kingdom Withholding Tax

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to “interest” above mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation. Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute “interest” or “principal” as those terms are understood in United Kingdom tax law. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax. In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

Jersey Taxation

Certain Jersey Tax Considerations

The following summary of the anticipated treatment of the Issuer, the Company and Noteholders (other than residents of Jersey) is based on Jersey taxation law and practice as they are understood to apply at the date of this document and is subject to changes in such taxation law and practice. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as they apply to any land or building situated in Jersey). Prospective investors in the Notes should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of the Notes under the laws of any jurisdiction in which they may be liable to taxation.

Taxation of the Issuer and the Company

The Issuer and the Company are not regarded as resident for tax purposes in Jersey. Therefore, the Issuer and the Company will not be liable to Jersey income tax other than on Jersey source income (except where such

income is exempted from income tax pursuant to the Income Tax (Jersey) Law 1961, as amended) and payments in respect of the Notes may be paid by the Issuer or the Company without withholding or deduction for or on account of Jersey income tax. However, if the Issuer or the Company cease to be exclusively resident for tax purposes in a jurisdiction outside Jersey, they will be regarded as resident for tax purposes in Jersey and on the basis that neither the Issuer nor the Company is a financial services company nor a utility company for the purposes of the Income Tax (Jersey) Law 1961, as amended, the Issuer and the Company would become subject to income tax in Jersey at a rate of zero per cent. Noteholders (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Notes.

GST

Jersey charges a tax on goods and services supplied in the Jersey ("GST") pursuant to the Goods and Services Tax (Jersey) Law 2007 ("GST"). On the basis that the Issuer and the Company have obtained international services entity (ISE) status, GST is not chargeable on supplies of goods and/or services made by the Issuer or the Company. The Company and the Issuer are ISE's.

Stamp Duty

In Jersey, no stamp duty is levied on the issue or transfer of the Notes except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer the Notes on the death of a Holder of the Notes where such Notes are situated in Jersey. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situated in respect of a holder of the Notes domiciled in Jersey, or situated in Jersey in respect of a holder of the Notes domiciled outside Jersey) and is payable on a sliding scale at a rate of up to 0.75 per cent. of such estate and such duty is capped at £100,000. Where the Notes are in registered form and the register is not maintained in Jersey, such Notes should not be considered to be situated in Jersey for tax purposes.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there other estate duties.

EU Code of Conduct Group on Business Taxation

Jersey has made a written commitment to address, by the end of 2018, concerns identified by the EU Code of Conduct Group on Business Taxation which relate to a perceived lack of substance for companies registering profits in Jersey without demonstrating real economic activity in Jersey.

As at the date of this document, it is not clear what steps Jersey will take to meet this commitment or what the effect, if any, such steps may have on the Jersey tax status of the Issuer or the Company. It is not expected, however, that the implementation of such steps will affect the withholding tax position in respect of the Notes or the Jersey tax treatment in respect of the holding, sale or other disposition of the Notes by holders of Notes (other than residents of Jersey) as outlined above.

Switzerland Taxation

Non residents and residents

Swiss Federal Withholding Tax

According to the current practice of the Swiss Federal Tax Administration, all payments of principal and interest in respect of the Notes and the Coupons by and on behalf of the Issuer, including payments by the Company as Guarantor under the Deed of Guarantee and each of Glencore International AG and Glencore (Schweiz) AG as Guarantors under the Guarantee Agreement, should not be subject to Swiss Federal Withholding Tax, provided that the Issuer is and, at all times while any Notes are outstanding, will, not be tax resident in Switzerland and provided further that the proceeds of the Notes will (i) be either used outside of Switzerland (as interpreted by

the Swiss tax authorities) or (ii) be used in Switzerland (as interpreted by the Swiss tax authorities) as it is permitted under Swiss tax laws in force from time to time without payments in respect of interest due in connection with the Notes becoming subject to withholding or deduction for Swiss Federal Withholding Tax as a consequence of such use of proceeds in Switzerland (as interpreted by the Swiss tax authorities).

Irrespective of the foregoing, any payment made by Glencore (Schweiz) AG pursuant to the Guarantee Agreement may be subject to Swiss Federal Withholding Tax (the present rate of which is 35 per cent.) if such payments have to be regarded as deemed dividend distribution.

Under Swiss law, the obligation to gross-up, indemnify or otherwise hold harmless the beneficiaries of a payment for the deduction of Swiss Federal Withholding Tax is void and, thus, may prejudice the enforceability of anything to the contrary contained in the Guarantee Agreement, the Notes or any other document or agreement.

Proposed New Swiss Federal Withholding Tax Legislation

On 4 November 2015 the Swiss Federal Council announced that it had mandated the Swiss Federal Finance Department to appoint a group of experts to prepare a proposal for a reform of the Swiss Federal Withholding Tax system. The proposal is expected to, among other things, replace the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss Federal Withholding Tax. This paying agent-based regime is expected to be similar to the one contemplated in the draft legislation published by the Swiss Federal Council on 17 December 2014, which was subsequently withdrawn on 24 June 2015. However, on 23 October 2017, the Swiss Federal Economic Affairs and Taxation Committee of the Swiss National Council filed a parliamentary initiative reintroducing the request to replace the current debtor-based regime applicable to interest payments with a paying agent-based system for Swiss Federal Withholding Tax. The initiative requests the implementation of a paying agent-based system that (i) subjects all interest payments made to individuals resident in Switzerland to Swiss Federal Withholding Tax and (ii) provides an exemption from Swiss Federal Withholding Tax for interest payments to all other persons (including Swiss corporations).

International Automatic Exchange of Information in Tax Matters

Switzerland has concluded a multilateral agreement with the European Union on the international automatic exchange of information (the "AEOI") in tax matters. The AEOI became effective as of 1 January 2017, and applies to all 28 EU member states and also Gibraltar. Also, on 1 January 2017, the multilateral competent authority agreement on the automatic exchange of financial information (the "MCAA"), and based on the MCAA, a number of bilateral AEOI agreements with other countries, became effective. Based on such agreements and the implementing laws of Switzerland, Switzerland collects data in respect of financial assets, including, as the case may be, Notes, held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of individuals resident in an EU member state or resident in a treaty state from 2017 or 2018 and exchanges the data or will exchange it from 2018 or 2019, in each case depending on the effectiveness of the relevant agreement. Switzerland has signed and intends to sign further AEOI agreements with further countries, which, subject to ratification, will become effective at a later date. An up-to-date list of the AEOI agreements of Switzerland in effect or signed and becoming effective can be found on the website of the State Secretariat for International Financial Matters.

FATCA Withholding

Pursuant to certain provisions of the Code, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the United Kingdom, Switzerland and Jersey) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA

applies in their jurisdictions. A foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to foreign passthru payments prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Other Information Relating to Tax

The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a directive for a common financial transactions tax (the “FTT”) in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”) and Estonia. However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

GENERAL INFORMATION

Listing and admission to trading

Application has been made for the Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Regulated Market.

Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

Authorisations

The update of the Programme was authorised by resolutions of the board of directors of Glencore Finance (Europe) Limited passed on 23 April 2018. The giving of the guarantee by Glencore International AG was authorised by a written resolution of the board of directors of Glencore International AG dated 23 April 2018, the giving of the guarantee by Glencore (Schweiz) AG was authorised by a written resolution of the board of directors of Glencore (Schweiz) AG dated 23 April 2018 and by a resolution of the sole shareholder of Glencore (Schweiz) AG dated 23 April 2018, and the giving of the guarantee by the Company was authorised by the Chief Executive Officer and the Chief Financial Officer of the Company on 2 May 2018 pursuant to the authority delegated to them by resolutions of the board of directors of the Company passed on 20 February 2018.

The Issuer and the Guarantors have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantees relating to them.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number ("ISIN"), Classification of Financial Instruments ("CFI") Code or Financial Instrument Short Name ("FISN") (as applicable) in relation to the Notes of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is 1 Boulevard du Roi Albert II, B 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of yield in respect of such Notes will be specified in the applicable Final Terms.

The yield will be calculated at the Issue Date on the basis of the Issue Price. It will not be an indication of future yield.

Use of proceeds

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer and/or each Guarantor for general corporate purposes and shall be used exclusively outside Switzerland, unless use in Switzerland (as

interpreted by the Swiss tax authorities), is permitted under the Swiss taxation laws in force from time to time without payments under the Notes becoming subject to withholding or deduction for Swiss Federal Withholding Tax as a consequence of such use of proceeds in Switzerland (as interpreted by the Swiss tax authorities).

Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantors are aware), during the 12 month period preceding the date of this Base Prospectus which may have or have had, in the recent past, significant effects on the financial position or profitability of the Issuer, the Guarantors and subsidiaries.

No significant change and no material adverse change

There has been no significant change in the financial or trading position of the Issuer, the Company, Glencore International AG, Glencore (Schweiz) AG and their subsidiaries since 31 December 2017 or any material adverse change in the prospects of the Issuer, the Company, Glencore International AG, Glencore (Schweiz) AG and their subsidiaries since 31 December 2017.

Auditors

For the financial year ended 31 December 2016, the authorised auditors of the Issuer were Deloitte Audit, Société à Responsabilité Limitée of 560, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg, who audited the non consolidated accounts of the Issuer, without qualification, in accordance with International Standards on Auditing. Deloitte Audit, Société à Responsabilité Limitée is a member of the Luxembourg Institute of Auditors (*Institut des Réviseurs d'Entreprises*). From 1 September 2017, the authorised auditors of the Issuer are Deloitte LLP of 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP registered to carry out audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales who, for the financial year ended 31 December 2017, audited the non consolidated accounts of the Issuer, without qualification, in accordance with International Standards on Auditing.

The auditors of Glencore are Deloitte LLP of 2 New Street Square, London EC4A 3BZ, United Kingdom who have audited the consolidated accounts of Glencore, without qualification, in accordance with International Standards on Auditing for each of the two financial years ended on 31 December 2017 and 31 December 2016 respectively.

The auditors of Glencore International AG are Deloitte AG of General Guisan-Quai 38, 8022 Zurich, Switzerland, who have audited the non-consolidated accounts of Glencore International AG, without qualification, in accordance with Swiss law and Swiss auditing standards for each of the two financial years ended on 31 December 2017 and 31 December 2016 respectively. Deloitte AG is a member of the Swiss Institute of Certified Accountants and Tax Consultants (*Treuhand-Kammer*). Deloitte AG is recognised as auditors by the Federal Audit Oversight Authority and the Swiss Financial Market Supervisory Authority FINMA.

The auditors of Glencore (Schweiz) AG are Deloitte AG of General Guisan-Quai 38, 8022 Zurich, Switzerland, who have audited the non-consolidated accounts of Glencore (Schweiz) AG, without qualification, in accordance with Swiss law and Swiss auditing standards for each of the two financial years ended on 31 December 2017 and 31 December 2016 respectively. Deloitte AG is a member of the Swiss Institute of Certified Accountants and Tax Consultants (*Treuhand-Kammer*). Deloitte AG is recognised as auditors by the Federal Audit Oversight Authority and the Swiss Financial Market Supervisory Authority FINMA.

Documents available for inspection

For so long as the Programme remains in effect or any Notes shall be outstanding, copies of the following documents may be inspected (and, in the case of (d) and (f) obtainable) during normal business hours on any working day at the specified offices of the Principal Paying Agent in London and the Paying Agent in Luxembourg (free of charge), namely:

- (a) the Paying Agency Agreement;
- (b) the Deed of Guarantee and the Guarantee Agreement;
- (c) the Trust Deed;
- (d) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. (In the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders);
- (e) the constitutive documents of the Issuer and each Guarantor; and
- (f) this Base Prospectus and any supplements thereto.

Financial statements available

For so long as the Programme remains in effect or any Notes shall be outstanding, copies of the following documents may be obtained during normal business hours at the specified office of the Principal Paying Agent in London and the Paying Agent in Luxembourg, namely:

- (a) the most recent publicly available and any further audited non-consolidated annual accounts of the Issuer beginning with such financial statements for the years ended 31 December 2017, and 31 December 2016;
- (b) the most recent audited non-consolidated financial statements of Glencore International AG beginning with such financial statements for the years ended 31 December 2017 and 31 December 2016;
- (c) the most recent audited non-consolidated financial statements of Glencore (Schweiz) AG beginning with such financial statements for the years ended 31 December 2017 and 31 December 2016;
- (d) the most recent publicly available audited consolidated financial statements of Glencore beginning with such financial statements for the years ended 31 December 2017 and 31 December 2016; and
- (e) the Group Production Report for the three months ended 31 March 2018.

The Issuer, Glencore International AG and Glencore (Schweiz) AG do not produce interim accounts.

Dealers transacting with the Issuer and Guarantors

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantors and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantors and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and

financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer and/or the Guarantors routinely hedge their credit exposure to the Issuer and/or the Guarantors consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Jersey Financial Services Commission

A copy of this Base Prospectus has been delivered to the registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the registrar 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 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities by the Issuer.

It must be distinctly understood that, in giving these consents, neither the registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

It should be remembered that the price of securities and the income from them can go down as well as up.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

The definitions set out below apply throughout this Base Prospectus, unless the context requires otherwise.

Acquisition	means the acquisition by Glencore of Xstrata completed on 2 May 2013;
Aguilar	means Aguilar SA, an entity in which the Group has a 100 per cent. interest;
bbls	means barrels;
BEE	means Black Economic Empowerment;
Board	means the board of Directors of the Company;
Caracal	means Caracal Energy Inc. (previously Griffiths Energy);
Century Aluminum	means Century Aluminum Company, an entity in which the Group has a 47.5 per cent. economic interest;
Cerrejón	means Carbones del Cerrejón Limited;
CEZ	means Canadian Electrolyte Zinc Limited;
Chemoil	means Chemoil Energy Limited, an entity in which the Group has a 89.2 per cent. interest;
CIS	means the Commonwealth of Independent States, whose participant countries are certain former members of the Union of Soviet Socialist Republics;
Clearstream, Luxembourg	means Clearstream Banking, S.A.;
Cobar	means Cobar Management Pty Ltd, an entity in which the Group has a 100 per cent. interest;
COMEX or NYMEX	means the Commodity Exchange division of the New York Mercantile Exchange;
Directors or Group Directors	means the directors of the Group, whose names appear in the section headed “Management - Board of Directors” in “Description of the Group” of this Base Prospectus;
DRC	means the Democratic Republic of Congo;
Eland	means Eland Platinum Holdings Limited, a company organised under the laws of South Africa with limited liability;
EU	means the European Union;
Euroclear	means Euroclear Bank SA/NV;
FSMA	means the Financial Services and Markets Act 2000;
Glencore	means Glencore plc;
Glencore Agri	means Glencore Agriculture Limited, an entity in which the Group has a 49.99 per cent. interest;
Group	means the Company and its subsidiaries and any subsidiary thereof from time to time;
Hong Kong Stock Exchange or HKSE	means The Stock Exchange of Hong Kong Limited;

IFRS	means International Financial Reporting Standards as adopted by the European Union;
Issuer	means Glencore Finance (Europe) Limited;
Jersey Companies Law	means the Companies (Jersey) Law 1991, as amended;
Johannesburg Stock Exchange or JSE	means the Johannesburg Stock Exchange;
Jumelles	means Jumelles Limited (BVI);
JX Nippon Oil	means JX Nippon Oil & Energy Corporation;
Katanga	means Katanga Mining Limited, an entity in which the Group has a 75.3 per cent. interest;
Kazzinc	means Kazzinc LLP, a limited liability partnership organised and incorporated under the laws of Kazakhstan in which the Group has a 69.7 per cent. interest;
koz	means thousand ounces;
kt	means kilotonnes;
LBMA	means the London Bullion Market Association;
LME	means the London Metals Exchange;
London Stock Exchange	means London Stock Exchange plc;
Los Quenuales	means Empresa Minera Los Quenuales SA, an entity in which the Group has a 97.6 per cent. interest;
Minera Alumbrera Limited	means Minera Alumbrera Limited S.A., an entity in which the Group has a 50 per cent. interest;
Mopani	means Mopani Copper Mines plc, an entity in which the Group has a 73.1 per cent. interest;
MPRDA	means the South African Mineral and Petroleum Resources Development Act 28, as amended;
Murrin Murrin	means the joint venture between Minara Resources Ltd. and Glenmurrin Pty Ltd., in which Glencore has a 100 per cent. interest;
Mutanda	means Mutanda Ya Mukonkota Mining Sprl, an entity in which Glencore has an effective interest of 69.0 per cent.;
Optimum Coal	means Optimum Coal Holdings Limited, an entity in which Glencore has an effective interest of 67.01 per cent.;
PGM	means platinum group metals;
Rosh Pinah	means Rosh Pinah Zinc Corporation (Proprietary) Limited, a company incorporated in Namibia in which the Company has an 80.1 per cent. interest;
Securities Act	means the U.S. Securities Act of 1933 and the rules and regulations promulgated thereunder (as amended);
Shanduka Coal	means Shanduka Coal (Pty) Ltd;
Shares	means fully paid up ordinary shares of U.S.\$0.01 each in the capital of the Company;

SHFE	means Shanghai Futures Exchange;
SIX Swiss Exchange	means SIX Swiss Exchange Ltd;
South Africa	means the Republic of South Africa;
Sphere	means Sphere Minerals Limited, a company incorporated in Australia in which the Group has an 97.5 per cent. interest;
Swiss GAAP	means Swiss Generally Accepted Accounting Principles;
T, tonne or tonnes	means 1,000 kilograms;
UK or United Kingdom	means the United Kingdom of Great Britain and Northern Ireland;
Umcebo	means Umcebo Mining (Pty) Ltd;
U.S. or United States or United States of America	means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
VaR	means Value at Risk;
Viterra	means Viterra Inc., registered under the federal laws of Canada pursuant to the Canada Business Corporations Act with corporation number 7501960 and registered office at 2625 Victoria Avenue, Regina SK S4T 7T9, Canada;
Xstrata	means Xstrata Limited (previously known as Xstrata plc) and its subsidiaries and any subsidiary thereof as at completion of the Acquisition.

APPENDIX 1 — OVERVIEW OF CERTAIN DIFFERENCES BETWEEN INTERNATIONAL FINANCIAL REPORTING STANDARDS AND SWISS GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Introduction

Glencore plc prepares and publishes annual consolidated audited financial statements and semi-annual consolidated unaudited financial statements in accordance with IFRS. Each of Glencore International AG and Glencore (Schweiz) AG prepares annual non-consolidated audited financial statements in accordance with the provisions of the Swiss Law on Accounting and Financial Reporting (“Swiss GAAP”). The law on accounting and financial reporting contained in the 32nd title of the Swiss Code of Obligations (“SCO”) has been applied by Glencore International AG and Glencore (Schweiz) AG since 1 January 2015.

IFRS differs significantly in certain respects from Swiss GAAP. Swiss GAAP has basic and general accounting rules and it is not as comprehensive as IFRS. The following non-exhaustive summary describes certain differences between the significant accounting policies as applied under IFRS compared to Swiss GAAP as of 31 December 2017. New standards or changes in IFRS/IAS effective 1 January 2018 are not considered.

The following summary is not intended to provide a comprehensive listing of all such differences specifically related to Glencore plc, Glencore International AG or Glencore (Schweiz) AG or the industries in which Glencore plc, Glencore International AG or Glencore (Schweiz) AG operate and may not include all differences that exist between IFRS and Swiss GAAP. No attempt has been made to identify all valuation, disclosure, presentation or classification differences that would affect the manner in which transactions and events are valued and presented in the financial statements or the notes thereto.

Objective

IFRS’s objective is to provide information about the financial position, performance and changes in financial position of an entity that is useful to a wide range of users in making economic decisions. The financial statements are therefore investor/shareholder driven.

IFRS provides detailed guidance on specific accounting treatments and disclosure requirements under IFRS are extensive.

The SCO’s main objective is to protect creditors and to set the basis for taxation. SCO financial statements are primarily driven by the principle of prudence and cannot be described as true and fair; overstatements of liabilities and understatements of assets are allowed but are usually limited to the boundaries permitted by tax legislation.

The SCO provides basic guidance on general accounting treatments and disclosure requirements in the notes are limited, thus leaving significant room for interpretation. Specific SCO requirements differ depending on the size of the company, with reduced reporting and disclosure requirements for smaller businesses, as well as certain exemptions for the larger entities that are included in consolidated accounts of a group (e.g. no requirement to produce a management report or cash flow statement).

Components of financial statements

IFRS financial statements consist of six elements: statement of financial position, statement of income, statement of comprehensive income, statement of cash flows, statements of changes in equity and notes including a description of the accounting policies and other explanatory notes.

The SCO financial statements consist of four elements: statement of financial position, statement of income, cash flow statement and notes, supplemented by a management report. However, the cash flow statement, management report and certain other additional information in the notes to the accounts are not required if the undertaking itself or a legal entity controlling the undertaking prepares consolidated accounts in accordance with a recognised financial reporting standard (e.g. IFRS), which applies to both Glencore International AG and Glencore (Schweiz) AG.

Consolidation requirements

IFRS requires consolidated financial statements including all subsidiaries when control of the subsidiaries exists. Generally a parent does not need to present consolidated financials if the parent is itself a wholly owned subsidiary, the parent's debt or equity instruments are not traded in a public market, the parent is not in the process of filing its financial statements with a securities commission or other regulatory organisation and the ultimate parent or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS. Any goodwill should be assessed for impairment annually.

The consolidation requirements of the SCO are largely aligned to the concept of control as defined under IFRS. An entity is therefore required to prepare consolidated financial statements if it has a legal or "factual" right to control one of more enterprises or has the possibility of exercising control. A legal entity may however waive the consolidation requirement if it is controlled by an enterprise whose consolidated accounts have been prepared and audited in accordance with Swiss or an equivalent approved foreign regulation (such as IFRS). Goodwill may be amortised over a fixed period or may be offset against equity at acquisition date.

Translation of financial statements

Under IFRS, for financial statements that are presented in another currency than the functional currency of the entity, assets and liabilities are translated into the presentation currency using year-end exchange rates, while their statements of income are translated using average rates of exchange for the year. Translation adjustments are included as a separate component of shareholders' equity and have no income statement impact provided no disposals of investments have occurred.

Under SCO, a company's accounting records may be kept in currencies other than Swiss Francs. However, the statutory financial statements may be presented in Swiss Francs or in the other currency. In this latter case, presentation of figures in Swiss Francs is still required. Glencore International AG and Glencore (Schweiz) AG present their financial statements in Swiss Francs. As the underlying accounting records are not kept in Swiss Francs, all assets and liabilities excluding equity balances are converted to Swiss Francs using the year-end exchange rate. Equity balances are converted at the historical foreign exchange rate. Transactions in the statement of income are converted to Swiss Francs using the average exchange rate for the year. Any cumulative translation gains are deferred, whilst cumulative translation losses are recorded in the statement of income.

Receivables

Under IFRS, debtors are required to be assessed for impairment individually. For any identified impairment loss arising from past events, a provision for doubtful debts should be recognised.

Under the SCO, in addition to the amounts required under IFRS, additional general provisions for doubtful debts are generally allowed, typically limited up to a maximum of 10 per cent. of total debts for foreign debts and 5 per cent. of total debts for domestic debts, as permitted by tax authorities.

Inventories

Under IFRS, inventories are carried at the lower of cost and net realisable value using first-in, first-out (FIFO) or the weighted average method to determine cost. In addition, IFRS also permits commodity trading companies to measure their trading inventories at fair value less costs of disposal, which is applied by Glencore plc.

Under the SCO, inventories are generally measured at the lower of cost and net realisable value. In limited circumstances, SCO permits inventories such as trading inventories in observable markets to be measured at fair value. In addition, SCO permits a general valuation allowance of up to 33 per cent.

Investment in associates/subsidiaries

Under IFRS, when preparing consolidated financial statements, investments in associated companies are accounted for using the equity method or in the case where there is no significant influence treated as an available for sale financial asset as described in IAS 39. Equity accounting involves Glencore plc recording its share of the associated entity's net income and equity. Subsidiaries would be consolidated when preparing consolidated financial statements. When separate financial statements are prepared, investments in associates and subsidiaries can be recognised at either cost or fair value in accordance with IAS 39.

SCO requires consolidated financial statements to be prepared under certain conditions. However, the accounting principles applied in preparing these consolidated financial statements are not dictated by SCO. In the unconsolidated financial statements required under SCO, investments in associates and subsidiaries are recorded at the lower of cost or recoverable value. The assessment of investment's lower of cost or recoverable value is performed on an individual or grouped basis as appropriate.

Liabilities

Under IFRS, liabilities are recorded when a past event gives rise to a present obligation and an outflow of economic benefits will be required to settle the obligation. Liabilities are measured as the present value of the outflow of future economic benefits. Liabilities are generally derecognised when the obligation has been settled or transferred to another party. Any excess in the value of the liability over the economic benefits required to settle the obligation is released,

Under the requirements of the SCO, liabilities are recorded if they have been caused by past events, a cash outflow is probable and their value can be reliably measured. Liabilities are entered at their nominal value. Liabilities are generally derecognised when the obligation has been settled or transferred to another party, however any excess in the recorded liability over the amount required to settle the obligation does not need to be released to the statement of income.

Employee post-employment benefits

IFRS distinguishes between defined contribution and defined benefit plans. Post retirement obligations that meet the criteria of defined benefit plans need to be accounted for using the projected unit credit method. As in general Swiss pension plans are defined benefits plans under IFRS, this could lead to the recognition of a pension plan liability (or an asset) in the balance sheet, depending on the method used, and the actuarial calculation.

Pension liabilities and amounts due to pension funds need to be disclosed separately in the financial statements prepared in accordance with the SCO. Under the SCO, it is generally assumed that the employer normally does not have any other obligation than to pay the contributions to the pension fund, unless additional contributions are decided by the board of the pension fund in the case of under-coverage. Therefore, no pension liability is

usually recognised in the company's books, unless there is a legal obligation towards the pension fund or the employees.

Measurement of derivatives, of fair value hedges and cash flow hedges

Under IFRS, derivatives including derivatives designated as hedge instruments are measured at fair value. The recognition of changes in fair value is recorded in the income statement except for effective cash flow hedges, of which the changes in fair value are deferred in equity until the effect of the underlying transaction is recognised in the statement of income.

The SCO provides limited guidance on accounting for derivatives and hedging, though in concept fair value accounting is permitted for derivatives with observable price in an active market. For the remaining types of derivatives, the principle of prudence generally requires that unrealised losses are recorded in the statement of income and unrealised gains are deferred.

Accounting for tax

Under IFRS, detailed guidance regarding recognition of deferred tax assets and liabilities is provided. Deferred tax assets have to be recognised on tax loss carry forwards if realisation of the tax benefit is probable.

Under the SCO, financial statements prepared in accordance with the SCO are the basis for the tax calculation by the tax authorities, subject to any adjustments i.e. unjustified provisions or depreciation as defined by the tax authorities. Deferred taxes are not dealt with in the SCO. Due to the principle of prudence, the SCO does not permit the recognition of deferred tax assets.

Extraordinary items

Under IFRS, the term “extraordinary” does not exist. Therefore, all items of income and expense are to be presented as arising from the entity's ordinary activities.

Under the SCO, the term “extraordinary” is broad and includes profits and losses from transactions not related to the normal course of business or the current accounting period. The SCO prescribes such items to be presented separately in the income statement.

REGISTERED OFFICE OF THE ISSUER

Glencore Finance (Europe) Limited

13-14 Esplanade
St Helier
Jersey
JE1 1EE

REGISTERED OFFICES OF THE GUARANTORS

Glencore plc

Queensway House
Hilgrove Street
St Helier
Jersey
JE1 1ES

Glencore International AG

Baarermattstrasse 3
P.O. Box 1363
CH 6341 Baar
Switzerland

Glencore (Schweiz) AG

Baarermattstrasse 3
P.O. Box 1363
CH 6341 Baar
Switzerland

DEALERS

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP Paribas

10 Harewood Avenue
London NW1 6AA
United Kingdom

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Credit Suisse Securities (Europe) Limited

One Cabot Square
London E14 4QJ
United Kingdom

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

NatWest Markets Plc

250 Bishopsgate
London EC2M 4AA
United Kingdom

PRINCIPAL PAYING AGENT

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

TRUSTEE

Deutsche Trustee Company Limited

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

PAYING AGENT

Deutsche Bank Luxembourg S.A.

2 Boulevard Konrad Adenauer
L 1115 Luxembourg

LEGAL ADVISERS

To the Issuer and the Guarantors as to English law:

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

To the Issuer and Glencore plc as to Jersey law:

Ogier
44 Esplanade
St Helier
Jersey
JE4 9WG

To the Issuer, Glencore International AG and Glencore (Schweiz) AG as to Swiss law:

Niederer Kraft Frey Ltd
Bahnhofstrasse 53
8001 Zurich
Switzerland

To the Dealers as to Swiss law:

Homburger AG
Prime Tower
Hardstrasse 201
CH 8005 Zurich
Switzerland

To the Dealers and the Trustee as to English law:

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

AUDITORS

Auditors to the Issuer and Glencore plc:

Deloitte LLP
2 New Street Square
London EC4A 3BZ
United Kingdom

Auditors to Glencore International AG and Glencore (Schweiz) AG:

Deloitte AG
General Guisan-Quai 38
8022 Zurich
Switzerland

LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L 1115 Luxembourg