Corporate Governance

Directors and officers

Directors

Anthony Hayward
Chairman (61)

E H I N

Chairman since May 2013; he joined the Board in 2011 as the Senior Independent Director.

Experience
Dr Hayward is managing partner of St James's Asset Management and Chairman of several private equity firms.

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 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
Chief Executive Officer (62)

H

Joined Glencore in April 1984; Chief Executive Officer since January 2002.

Experience
Initially worked in Glencore's coal department in South Africa as a marketer. Following time in Australian and Asian offices, in 1990 he was made head of Glencore's coal marketing and industrial businesses, and remained in this role until he became Group CEO in January 2002.

Mr Glasenberg is a Chartered Accountant of South Africa, holds a Bachelor of Accountancy from the University of Witwatersrand and an MBA from the University of Southern California. He is currently a non-executive director of Rosneft (MCX:ROSN).

Martin Gilbert
Senior Independent Director (63)

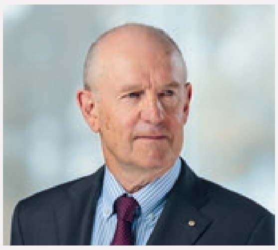
A I R

Senior Independent Director since May 2018; appointed in May 2017

Experience
Mr Gilbert is co-chief executive of Standard Life Aberdeen plc (LON:SLA). 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 was appointed chairman of the Prudential Regulation Authority's practitioner panel in December 2013. He was the deputy chairman of Sky plc (LON:SKY) until October 2018.

Mr Gilbert was educated in Aberdeen, has an MA in Accountancy and an LLB and is a Chartered Accountant.



Peter Coates AO
Non-Executive Director (73)

E H

Non-Executive Director since January 2014; previously Executive Director from June to December 2013 and Non-Executive Director from April 2011 to May 2013.

Experience
Before joining Glencore's coal unit as senior executive in 1994, Mr Coates worked in senior positions in a range of resource companies. He joined Xstrata in 2002 as CEO of Xstrata's coal business, when Glencore sold its Australian and South African coal assets to Xstrata, and stepped down in December 2007.

He was non-executive chairman of Xstrata Australia (08–09), Minara Resources Ltd from (08–11) and Santos Ltd from (09–13 and 15–18). He is currently a non-executive director of Event Hospitality and Entertainment Ltd (ASX:EVT).

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

Officers

Steven Kalmin
Chief Financial Officer (48)

Appointed as Chief Financial Officer in June 2005.

Experience
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 of Katanga Mining Limited (TSX: KAT).

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.

John Burton
Company Secretary (54)

Appointed Company Secretary in September 2011.

Experience
He was formerly company secretary and general counsel of Informa plc and before that a partner of CMS in London specialising in corporate law. Mr Burton holds a B.A. degree in Law from Durham University. He was admitted as a Solicitor in England and Wales in 1990.

Leonhard Fischer
Non-Executive Director (56)

A I N R

Appointed in April 2011.

Experience
Mr Fischer is founder and chairman of the investment committee of DFG Deutsche Fondsgesellschaft SE Invest.

He was CEO of BHF Kleinwort Benson group S.A. from 2009–16, before that CEO of Winterthur group from 2003–06, and a member of the executive board of Credit Suisse group from 2004–07. 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.

John Mack
Non-Executive Director (74)

R N

Appointed in June 2013.

Experience
Mr Mack is the chairman of Lantern Credit and a non-executive director of Lending Club (NYSE:LC), New Fortress Energy (NASDAQ:NFE) 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 2005–09. 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.

From 2001 to 2005, Mr Mack served as co-CEO of Credit Suisse.

Mr Mack is a graduate of Duke University.

Gill Marcus
Non-Executive Director (69)

A E N

Appointed in January 2018.

Experience
Ms Marcus was Governor of the South African Reserve Bank from 2009–14.

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 appointed as the deputy minister of finance and from 1999 to 2004 was deputy governor of the Reserve Bank. Ms Marcus was the non-executive chair of the Absa Group from 2007–09 and has been a non-executive director of Gold Fields Ltd and Bidvest. She has acted as chair of a number of South African regulatory bodies. In 2018, she was appointed to the Commission of Inquiry into the S.A. Public Investment Corporation.

Ms Marcus is a graduate of the University of South Africa.

Patrice Merrin
Non-Executive Director (70)

E H I

Appointed in June 2014.

Experience
Following initial roles with Molson and Canadian Pacific, Ms Merrin worked at Sherritt for ten years until 2004, latterly as COO. She then became CEO of Luscar, Canada's largest thermal coal producer. She is currently a non-executive director of Kew Media Group Inc. (TSE:KEW) and Samuel, Son & Co. Limited. She has been a director and then chairman of CML Healthcare, of Ensolutions, NB Power, and Arconic. 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.

Notes
All the Directors are non-executive apart from Mr Glasenberg. The non-executive Directors are designated as independent apart from Mr Coates. Committee membership is as follows:

- A Audit
- E Ethics, Compliance and Culture
- H Health, Safety, Environment and Communities (HSEC)
- I Investigations
- N Nomination
- R Remuneration
- ● denotes Committee chair

Board diversity
Page 99

Chairman's introduction

2018 was a mixed year for our Company. While we delivered strong financial results and record cash returns to shareholders, at the same time we were faced with some material challenges

Dear shareholders

I am pleased to present our corporate governance report for 2018.

On the financial side, although the prices of most commodities ended the year significantly lower than at the beginning, average prices were stronger than the prior year. This, combined with volume growth in copper and coal, was the main driver behind an 8% increase in Adjusted EBITDA of $15.8 billion which in turn enabled us to make total cash returns (including distributions, share buy backs and share trust purchases) in excess of $5.2 billion, while net debt increased to $14.7 billion, mainly to fund current year business acquisitions. During the last year we have grown the business through delivery of major brownfield capital projects and corporate transactions on both the buy-side and sell-side.

Our world-class portfolio of assets and marketing business stands us in good stead for the uncertain market conditions in the year ahead.

Your Board has overseen several headwinds for the Group last year, including:

1. Regulatory Investigations

- The investigation by the Ontario Securities Commission (OSC) concerning Katanga, which began in 2017, concluded in December with the execution of a settlement agreement by Katanga and certain of its current and former officers and directors. As part of that settlement, Katanga made a voluntary payment of $22 million to the OSC. Katanga also acknowledged that it had misstated its financial position and results, failed to maintain adequate disclosure controls and adequate internal controls and failed to adequately describe certain risks concerning corruption in the DRC and reliance on associates of Dan Gertler. The Board was disappointed in the conduct that led to this outcome and we have implemented significant remedial actions as a consequence
- In July we received a subpoena from the US Department of Justice (DOJ) to produce documents and other records with respect to compliance with the Foreign Corrupt Practices Act and US money laundering statutes. In 2017, the Board established a separate committee to oversee the OSC investigation from Glencore plc's perspective. Following receipt of the DOJ subpoena, this committee was reconstituted as the Investigations Committee with an expanded remit to include management and oversight of the DOJ investigation so that it is entirely separate from the Group's executives, who have no decision making power concerning the investigation

2. DRC Matters

There were three significant matters which the Board had to address in connection with the DRC:

- Katanga's dispute with its DRC government-owned partner Gécamines which led to a $5.6 billion recapitalisation of the operating vehicle (KCC) and settlement costs for Katanga totalling $248 million
- The introduction of a new DRC Mining Code which provides for substantially increased taxes, royalties and other onerous provisions in contravention of pre-existing stabilisation terms
- Litigation processes with affiliates of Dan Gertler concerning the effect of US sanctions on Dan Gertler and his affiliates on pre-existing payment obligations to those entities

3. Rusal and En+

- In April the US Government designated Rusal and En+ as SDNs. Glencore had in place various contracts with Rusal for the purchase of Aluminium and Alumina. It had also previously signed a non-binding term sheet with En+ regarding swapping shares in Rusal for an interest in En+. Glencore took various measures to mitigate any risks to its business as a result of the Rusal and EN+ designation, including determining not to proceed with the EN+ exchange at that time

Given the number and scale of these challenges, the Board worked closely with management in order to ensure that suitable solutions could be found in order to deal with the relevant issues appropriately in order to achieve outcomes in the long-term interests of the Group.

During last year, a new 2018 UK Corporate Governance Code was published which is now in force. Most of the changes appear to us to be sensible and in particular the Board looks forward to a new and broader focus on the Group's values, culture and purpose, and the greater employee and other stakeholder engagement that the Code calls for. As a result of these changes and the Board's greater focus on ethics and compliance issues, we have established a new permanent committee of the Board, the Ethics, Compliance and Culture Committee.

The new Code also requires greater disclosure of a number of issues. The 2019 Annual Report will reflect all of these changes.

The Board continues to strengthen and evolve. We again wish to thank Peter Grauer for his five-year service to the Board which ended last year. Martin Gilbert has been appointed as the Senior Independent Director, bringing to that role his long experience as both a leading career asset manager and his significant non-executive director experience. In addition, Gill Marcus has brought to the Board her long experience as first a political activist and latterly as a senior South African government minister and official. Our latest external Board evaluation process, which has just been completed, confirmed the effective operation of the Board whose size and composition I believe allows it to function in an effective manner for the benefit of the Group and all its stakeholders.

We are also acutely aware of the obvious interest in management succession. In addition to previous changes to the leadership of our aluminium team, we have also this year seen the appointments of new heads of the assets for copper, coal and ferroalloys and new heads of marketing in copper and ferroalloys. Perhaps most significantly, Peter Freyberg has been appointed to a new position of responsibility for all of the Group's industrial mining assets. The Nomination Committee is appropriately extending its remit under the new Code with regard to management succession.

The HSEC Committee has continued its considerable work on sustainability matters. Certain challenges remain at the forefront, particularly safety. Last year the number of fatalities at our operations rose to thirteen. While we do operate various difficult assets in challenging locations, this is an unacceptable performance. Although the Committee has overseen various developments in order to improve our safety performance, clearly these have not been sufficient and accordingly, we are looking at new ways to achieve a step change in performance. The Committee has already begun to engage with Peter Freyberg in order to support him in ensuring that real change is achieved.

Considerable work has also been ongoing in relation to our carbon strategy. As one of the world's largest diversified resource companies, Glencore has a key role to play in enabling transition to a low-carbon economy. We do this through our well-positioned portfolio that includes copper, cobalt, nickel, vanadium and zinc – commodities that underpin energy and mobility transformation. We believe this transition is a key part of the global response to the increasing risks posed by climate change. We have engaged with investor signatories of the Climate Action 100+ initiative on the additional steps we are taking to further our commitment to this critical transition (further details on page 21). As an early supporter of the voluntary guidance on consistent climate related financial disclosures produced by the Taskforce on Climate-related Financial Disclosures, we continue to disclose the metrics, targets and scenarios we use to assess and manage relevant climate-related risks and opportunities. We also recognise the importance of continued reductions of greenhouse gas emissions from our operations. We are developing new, longer-term targets based on policy and technological developments that support the goals of the Paris Agreement.

While our Group continues to face legacy challenges, your Board believes that our people, our industrial assets and marketing businesses are industry-leading and we continue to have confidence in the long-term prospects of the Group for the benefit of all of its stakeholders.

Anthony Hayward
Chairman
28 February 2019

Corporate Governance report

This report should be read in conjunction with the Directors' Report and the remainder of the Governance section

Board governance and structure

Overview

This governance report sets out how Glencore has applied the main principles of the UK Corporate Governance Code ("the Code") in a manner which enables shareholders to evaluate how these principles have been applied. The Board believes that the Company has throughout the year complied with all relevant provisions contained in the Code, except for provision A.4.1., which requires the Board to appoint one of the Independent Non-Executive Directors to be the Senior Independent Director. The position was vacant between the time of Mr Peter Grauer's departure in March 2018 and the appointment of Mr Martin Gilbert as Senior Independent Director in May 2018 and during Mr Gilbert's leave of absence from 16 May to 10 October 2018.

Ms Gill Marcus was appointed as a Non-Executive Director on 1 January 2018. Mr Peter Grauer retired on 3 March 2018. Since then the Board has comprised seven Non-Executive Directors (including the Chairman) and one Executive Director. A list of the current Directors, with their brief biographical details and other significant commitments, is provided in the previous pages.

The Chief Financial Officer attends all meetings of the Board and Audit Committee. The Company Secretary attends all meetings of the Board and its committees.

Division of responsibilities

As a Jersey incorporated company, Glencore has a unitary Board, meaning all Directors share equal responsibility for decisions taken. Glencore has established a clear division between the respective responsibilities of the Non-Executive Chairman and the Chief Executive Officer, which are set out in a schedule of responsibilities approved by the Board. While the Non-Executive Chairman is responsible for leading the Board's discussions and decision-making, the CEO is responsible for implementing and executing strategy and for leading Glencore's operating performance and day-to-day management. The CEO and CFO have line of sight across the Group. The CEO is further supported by the Group's senior management team principally comprising the General Counsel, the heads of the businesses and the head of strategy. The Company Secretary is responsible for ensuring that there is clear and effective information flow to the Non-Executive Directors.

Further details of these responsibilities are set out opposite.

Board attendance throughout the year

Attendance during the year for all scheduled full agenda Board and all Board Committee meetings is set out in the table below:

	Board of 6	Audit of 4	Remuneration of 2	Nomination of 3	HSEC of 5
Anthony Hayward[1]	6	–	–	2	5
Peter Coates	6	–	–	–	5
Leonhard Fischer	6	4	2	3	–
Martin Gilbert[2]	4	3	1	–	–
Ivan Glasenberg	5	–	–	–	4
Peter Grauer[1]	1	1	–	1	–
John Mack	6	–	2	3	–
Gill Marcus	6	4	–	3	–
Patrice Merrin[2]	6	1	1	–	5

1 Mr Grauer retired from the Board on 3 March 2018 and was present for all Board and Committee meetings until that date. Subsequently, Dr Hayward was appointed as Chair of the Nomination Committee.
2 Mr Gilbert was granted a leave of absence between 16 May 2018 and 10 October 2018. During this period Ms Merrin attended the Audit and Remuneration Committee meetings in his place.

In addition, there were another three limited agenda meetings of the Board.

Roles and responsibilities

Chairman

- Leading the Board
- Shaping the culture in the boardroom
- Promoting sound and effective Board governance
- Ensuring effective communication with shareholders
- Leading the annual performance evaluation of the Board

Senior Independent Director

- Acting as confidant of the Chairman and, when appropriate, as an intermediary for other independent Directors
- Acting as Chair of the Board if the Chairman is unable to attend
- Leading the Chairman's performance appraisal along with other independent Directors
- Answering shareholders' queries when usual channels of communication are unavailable

Chief Executive Officer

- Leading the management team
- Developing the Group's strategy in conjunction with the Board
- Implementing the decisions of the Board and its Committees
- Achieving the Group's commercial objectives
- Developing Group policies and ensuring effective implementation

Other Non-Executive Directors

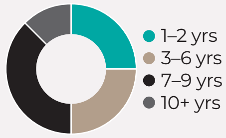
- Challenging the Chief Executive Officer and senior management constructively
- Bringing an independent mindset and a variety of backgrounds and experience around the Board table
- Providing leadership and challenge as chairs or members of the Board Committees, which (except HSEC) comprise only Non-Executive Directors
- Assisting the Senior Independent Director in assessing the Chairman's performance and leadership

Company Secretary

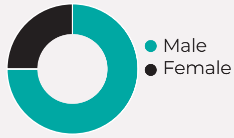
- Ensuring that Board procedures are complied with and that papers are provided in sufficient detail and on time
- Informing and advising the Board on all governance matters
- Informing the Board on all matters reserved to it
- Assisting the Chairman and the Board regarding the annual performance evaluation process

Board diversity and experience

Tenure



Gender



	Tony Hayward British	Ivan Glasenberg[1] S. African	Martin Gilbert British	Leonhard Fischer German	Peter Coates Australian	John Mack American	Gill Marcus S. African	Patrice Merrin Canadian
Experience								
Resources	●	●			●			●
Non-executive directorship	●	●	●	●	●	●	●	●
C-suite	●	●	●	●	●	●	●	●
Global transactions	●	●	●	●	●	●		●
Technical Skills								
Leadership & Strategy	●	●	●	●	●	●	●	●
Financial Expertise	●	●	●	●		●	●	
Ethics & Governance	●	●	●	●	●	●	●	●
Health & Safety	●	●	●		●			●
Investor Relations	●	●	●	●	●	●		●
Communications & Reputation	●	●	●			●	●	●
Risk Management	●	●	●	●	●	●	●	●

1 Mr Glasenberg was appointed CEO and Director of Glencore International AG in 2002, and Glencore plc in 2011.

Senior Independent Director

Martin Gilbert is the Senior Independent Non-Executive Director. He is available to meet with shareholders and acts as an intermediary between the Chairman and other independent Directors when required. This division of responsibilities, coupled with the schedule of reserved matters for the Board, ensures that no individual has unfettered powers of decision.

Non-Executive Directors

The Company's Non-Executive Directors provide a broad range of skills and experience to the Board (see table above), which assists in their roles in formulating the Company's strategy and in providing constructive challenge to executive management.

Glencore regularly assesses its Non-Executive Directors' independence. Except for Peter Coates, due to his employment by the Group during 2013, they are all regarded by the Company as Independent Non-Executive Directors within the meaning of "independent" as defined in the Code and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

Management of conflicts of interest

All Directors endeavour to avoid any situation of conflict of interest with the Company. Potential conflicts can arise and therefore processes and procedures are in place requiring Directors to identify and declare any actual or potential conflict of interest. Any such notifications are required to be made by the Directors prior to, or at, a Board meeting and all Directors have a duty to update the whole Board of any changes in circumstances. Glencore's Articles of Association and Jersey law allow for the Board to authorise potential conflicts and the potentially conflicted Director must abstain from any vote accordingly. During 2018, no abstention procedures for conflicts had to be activated.

Related Party Transactions

In the course of its business, the Group enters into transactions with organisations which may constitute related parties.

All material related party transactions are required to be reviewed and approved by the Board. In the event that a conflict exists for a Director, he or she will not be allowed to vote on the resolution approving the transaction, as noted above. Additionally, the Board seeks advice whenever an assessment is to be made as to whether any material transaction may be a related party transaction under the terms of FCA Listing Rule 11.

Transactions between the Group and its significant joint ventures and associates are summarised in Note 32 to the Financial Statements.

Acquisition and disposal of assets

The Board reviews and approves all material proposed transactions, including acquisitions and disposals of assets. Additionally, the Board assesses whether material transactions comply with FCA Listing Rule 10 requirements.

If required, the Board may engage an independent third party as consultant to review the proposed transaction and provide an independent opinion for the Board to consider before making a decision.

Board Committees

The following permanent Committees are in place to assist the Board in exercising its functions: Audit, Nomination, Remuneration, Health, Safety, Environmental and Communities ("HSEC"). The Board may also establish temporary Committees for specific purposes, such as the Investigations Committee. As each Committee reports to the Board, meetings are held prior to Board meetings, during which the chairman of each Committee leads a discussion concerning the Committee's activities since the previous Board meeting.

In addition, the Board has established a fifth permanent Committee, the Ethics, Compliance and Culture ("ECC") Committee, which began its work in 2019. The ECC Committee takes responsibility for ethics and compliance in lieu of the audit committee, and will also oversee the Group's culture and related matters.

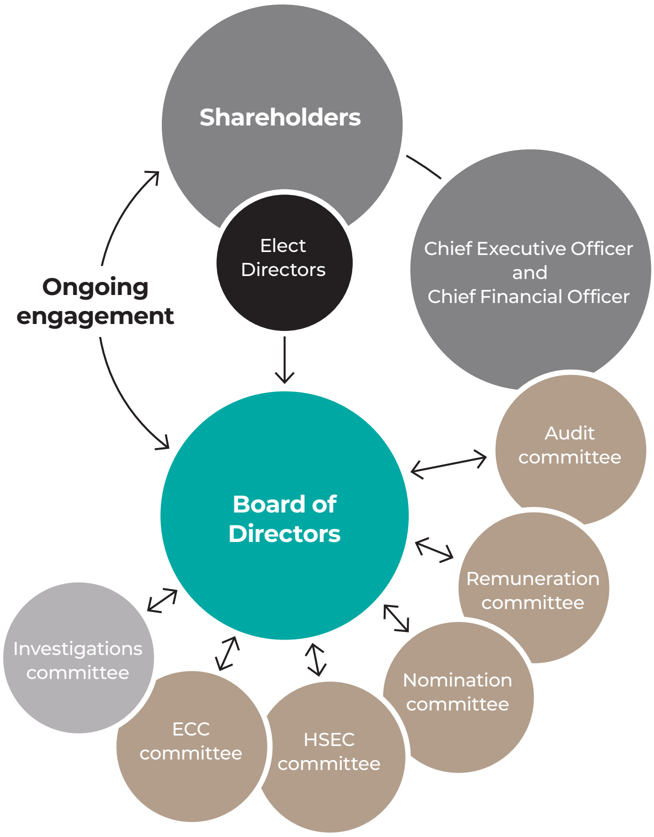
A report for 2018 from each Chairman of the permanent Committees is set out later in this Corporate governance report.

All Committees' terms of reference are available at: **glencore.com/who-we-are/governance**

Each Committee reports to, and has its terms of reference approved by, the Board and the minutes of the Committee meetings are circulated to the Board. Each Committee regularly review its terms of reference to ensure they reflect the Board's expectations as to the Committee's role.

In July 2018, following receipt of a subpoena from the US Department of Justice, the Board established an Investigations Committee to direct the Company's response. This Committee also took over the responsibilities of the committee established in 2017 to monitor the investigation by the Ontario's Secretaries Commission into allegations concerning Katanga Mining Limited, which led to the settlement by Katanga in December 2018, as reported on page 29.

Corporate Governance



Board meetings

The Board has approved a schedule that sets out the matters solely reserved for its approval, including Group strategy, financial statements and annual budget, risk appetite, material acquisitions and disposals. Meetings are usually held at the Company's headquarters in Baar, Switzerland. Details of the Board and Committee meetings held during the year are detailed below.

The Board and its Committees have standing agenda items to cover their proposed business at their scheduled meetings. The Chairman seeks to ensure that the very significant work of the Committees feeds into, and benefits as to feedback from, the full Board. The Board and Committee meetings receive support from senior management through reports and presentations, which among others vary from operational, financial, audit, risk, legal and compliance, governance, and investor relations. These reports and presentations allow Directors to further their understanding of the business and provide the insights necessary for defining the Company's strategy and objectives, in turn contributing to a more effective Board. A summary of the Board's main activities during 2018 is set out on the next page.

Appointment and re-election of Directors

All Directors will be offering themselves for re-election at the 2019 AGM.

All of the Non-Executive Directors have service agreements or letters of appointment and the details of their terms are set out in the Directors' remuneration report. No other contract with the Company or any subsidiary undertaking of the Company in which any Director was materially interested existed during or at the end of the financial year.

Information, management meetings, site visits and professional development

It is considered of great importance that the Non-Executive Directors attain a good knowledge of the Company and its business and allocate sufficient time to Glencore to discharge their responsibilities effectively. The Board calendar is planned to ensure that Directors are briefed on a wide range of topics.

Board activities during 2018

Below are details of the main topics which were reviewed, discussed, and when required, approved by the Board during 2018:

Regular updates

- Chairman's report
- Reports from Committee Chairmen
- Reports from CEO, CFO, Company Secretary, General Counsel and Senior Management
- Group performance report
- Customer performance dashboard

Financial & Risk

- Finance reports, forecasts and capital position updates
- 2019 budget/2020–22 business plan
- Dividend & buyback programmes
- Financial statements
- Group risk appetite
- Group risk management framework

Strategy

- Strategic objectives
- Balance sheet and shareholder returns
- M&A reviews

Health, Safety & Environment

- Fatalities, major incidents and other safety issues
- Environmental incidents reports
- Human Rights and Communities reports
- Carbon/Climate reports

Governance & Stakeholders

- Annual report
- AGM and voting results
- Investor relations reports
- Analysts updates
- Corporate governance framework

Legal, Regulatory & Compliance

- Group policies
- Legal matters updates and investigations
- Regulatory & Compliance updates
- Group Compliance Programme
- *Raising Concerns* reports

Other activities

- Board and Directors' performance
- Chairman's performance
- Succession planning

Directors are also given the opportunity to visit Group operations and discuss aspects of the business with employees, and regularly meet the heads of the Group's main departments and other senior executives. As well as internal briefings, Directors attend appropriate external seminars and briefings.

Meetings with heads of commodities and other senior Group functions take place alongside scheduled Board meetings. In addition, in order to better familiarise themselves with the industrial activities, regular site visits take place. During 2018 three operations were visited.

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring the Board procedures are complied with, and have access to independent and professional advice at the Company's expense, where they judge this to be necessary to discharge their responsibilities as Directors.

Director induction and training

New Directors receive a full, formal and tailored induction on joining the Board, including meetings with senior management.

The induction process for Gill Marcus in 2018 provided a comprehensive introduction to the Group, its businesses and the markets in which it operates; the opportunity to meet with Glencore employees, particularly senior management; and a clear appreciation of the Company's principal risks. In addition, training was provided on the roles and responsibilities of a UK listed company director and the Company's Code of Conduct.

Board effectiveness

In the final quarter of 2018 an evaluation was conducted by Spencer Stuart, an external board review specialist.

The evaluation took place against the backdrop of a difficult year which has included major regulatory investigations and several challenges concerning the Group's DRC assets.

The Board was assessed as performing well, with confidence also in the effectiveness of its Audit and HSEC Committees (its main risk and oversight committees). The evaluation was carried out while the Board has been assessing what changes should be put in place to properly address the requirements of the new UK Corporate Governance Code and therefore the recommendations of the review partly reflect the conclusions of those deliberations – see details on the next page.

External Board evaluation 2018

The Board is subject to an independent external performance evaluation every three years. Evaluations for 2016 and 2017 were conducted internally.

The Company engaged Spencer Stuart to conduct the review which took place in Q4 2018.

The evaluation covered a broad range of areas

- Board Mechanics
- Board Composition
- Board Performance
- Board Committees
- Board Communication
- Board and CEO Succession Planning
- Stakeholder Relations
- New Code requirements

Overview of the process

1. Spencer Stuart attended Board and all permanent Committee meetings as observer
2. Spencer Stuart interviewed each Director individually. They also provided commentary on the Chairman's and their fellow Directors' performance
3. Spencer Stuart also interviewed the Chief Financial Officer, the General Counsel and the Company Secretary
4. Spencer Stuart interviewed the lead partner of the Company's external auditor and representatives of two institutional investors
5. Wide ranging Board discussion on the evaluation report and suitable actions to reflect its findings
6. Individual feedback shared with each Director including the Chairman (via the Senior Independent Director)

Outcome and outlook

Operation of Board and Committees

- Board and main Committees performing effectively
- Incremental improvements to operation and performance discussed and agreed
- Increased scope of some Committees to reflect the requirements of the new Code

Increased focus on compliance and culture

- Since January 2019, a dedicated Board Committee (the Ethics Compliance and Culture Committee) has been established to oversee compliance, business ethics and corporate culture
- Co-operating with DoJ on its subpoena

Improving engagement with stakeholders

- Appointing Engagement Directors who will be responsible for oversight of engagement with the Group's global workforce
- Review engagement with other key stakeholders

Succession planning

- Board succession plan now concentrating on the Directors who will reach the maximum recommended tenure
- CEO and senior executives succession planning to ensure appropriate transition of executives

Engagement with investors

- Maintain open and regular dialogue with investors and stakeholders
- Consider increased engagement from Senior Independent Director and Committee Chairmen

Risk – Board leadership

The Board provides leadership and oversight on risk management. Specifically it:

1

provides a robust assessment of the principal risks facing the Group

The Board has carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This assessment is essential in enabling the Board to determine the Group's risk appetite, which is one of the critical factors used when setting the Group's strategy and objectives. The Directors' description of those risks and how they are being managed or mitigated is set out on pages 24–35.

2

reassesses the Group's long-term viability

Taking account of the Group's financial position and principal risks, the Directors assess the prospects of the Group and conclude whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. Their conclusions are set out on page 26.

3

monitors the Group's risk management and internal control systems

The Board monitors the soundness of the Group's risk management and internal control systems and carries out regular reviews of their effectiveness, including reviewing the Group's internal financial controls. This monitoring and review covers all material controls relative to financial, operational and compliance functions. Further details on pages 104–106.

Remuneration

Remuneration is covered in the Directors' remuneration report which follows this section and includes a description of the work of the Remuneration Committee.

Diversity

The diversity policy which is applied to appointments to our administrative, management and supervisory bodies with regard to aspects such as, for instance, age, gender, or education and professional backgrounds is the same as for all Group employees, as described on page 47.

The Board is very cognisant of the ongoing desire from stakeholders for greater diversity in senior management and boards. In particular, leading UK institutional shareholders have set a target for women to comprise 30% of senior management and boards of FTSE100 companies by 2020. While we support the aims of diversity, we do not believe that a one size fits all policy is appropriate. Still today we find it challenging to fill senior positions in remote mining locations and for the marketing of commodities, by women.

Accountability and audit

Financial reporting

The Group has in place a comprehensive financial review cycle, which includes a detailed annual planning/budgeting process where business units prepare budgets for overall consolidation and approval by the Board.
The Group uses a large number of performance indicators to measure both operational and financial activity in the business. Depending on the measure, these are reported and reviewed on a daily, weekly or monthly basis. In addition, management in the business receives weekly and monthly reports of indicators which are the basis of regular operational meetings, where corrective action is taken if necessary. At a Group level, a well-developed management accounts pack, including income statement, balance sheet, cash flow statement as well as key ratios is prepared and reviewed monthly by management. As part of the monthly reporting process, a reforecast of the current year projections is performed. To ensure consistency of reporting, the Group has a global consolidation system as well as a common accounting policies and procedures manual. Management monitors the publication of new reporting standards and works closely with our external auditors in evaluating their impact, if any.

Risk management and internal control

The Board has applied Principle C.2 of the Code by establishing a continuous process for identifying, evaluating and managing the risks that are considered significant by the Group in accordance with the revised Guidance on Internal Control published by the Financial Reporting Council. This process has been in place for the period under review and up to the date of approval of the Annual Report and financial statements. The process is designed to manage and mitigate rather than eliminate risk, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Directors confirm that they have carried out a robust assessment of the principal risks facing the Group and have reviewed the effectiveness of the risk management and internal control systems. This review excludes associates of the Group as Glencore does not have the ability to dictate or modify the internal controls of these entities. This report describes how the effectiveness of the Group's structure of internal controls including financial, operational and compliance controls and risk management systems is reviewed.

Katanga – OSC Investigations

In November 2017, Glencore announced the existence of a formal investigation launched by the Ontario Securities Commission ("OSC") into Katanga Mining Limited ("Katanga"), following the completion by Katanga of an internal review of certain of its historic accounting and the restatement of Katanga's financial statements.

In December 2018, Katanga and the OSC entered into a settlement agreement as described on page 29.

Since the start of the investigation, Glencore has implemented various structural and control changes across its wider copper department to enhance and strengthen its financial processes and procedures. Additionally, It has also improved its compliance programme across the Group.

Approach to risk management

Effective risk management is crucial in helping the Group achieve its objectives of preserving its overall financial strength for the benefit of all stakeholders, and safeguarding its ability to continue as a going concern, while generating sustainable long-term profitability. Spanning the organisational structure, Glencore's disciplined approach to risk management and control originates with strategic responsibility in the hands of the Board, which also retains operational authority on matters exceeding agreed thresholds of materiality.

The Board retains the authority for assessing and approving the Group's overall risk appetite and sets overall limits which are reviewed annually. It is assisted by the work of the Audit Committee for oversight and by senior management for day-to-day operational matters, in order to maintain an effective risk management governance apparatus for the Group.

Additionally, the Group General Counsel, in his capacity of Head of Compliance, reports at each scheduled meeting of the ECC Committee (formerly to the Audit Committee) on all material compliance risks and matters.

Risk Management Framework

Management engagement

The Company's senior management reviews the major risks facing the Group and decides if the level of risk fits within the appetite approved by Board or whether further steps need to be taken to mitigate these risks.

Together, central and business management risk culture aims to strike an appropriate balance between the level of risk assumed and the expected return.

Board committees

The Audit Committee is responsible for reviewing the risk management framework and internal controls.

Mandated by the Board, the Audit and HSEC Committees were responsible in 2018 for ensuring that the significant risks identified are properly managed. From 2019, the ECC Committee assumes the compliance and ethics remit.

Group functions

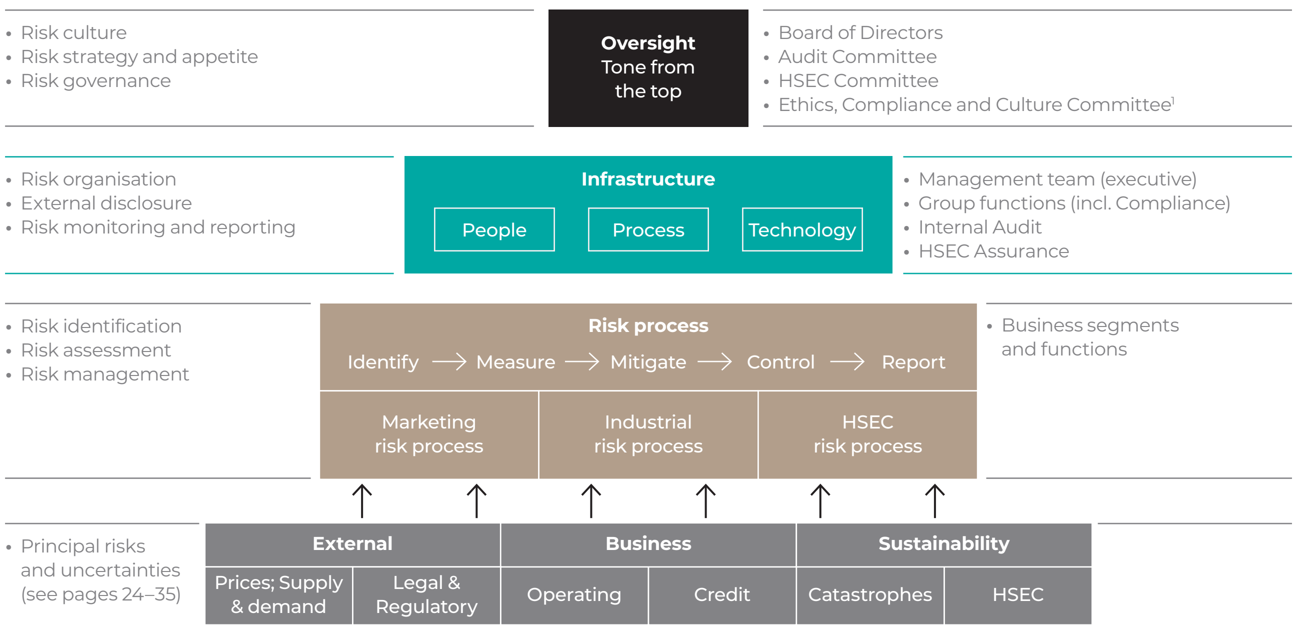
Group functions (Risk Management, Compliance, Legal and Sustainable Development) support the Business Risk Owners and senior management in mitigating risk across the Group.

Internal Audit

Internal Audit, as an independent assurance provider, reviews the risk management process and internal controls established by management.

A risk-based audit approach is applied in order to focus on high risk areas during the audit process. It involves discussions with management on key risk areas identified in the business risk registers, emerging risks, operational changes, new investments and capital projects.

Risk Management Framework



1 Effective from 1 January 2019.

The key results from this process are forming the audit plan and scope, which are reported to the Audit Committee for their review and ratification.

Industrial risk management

We believe that every employee should be accountable for the risks related to their role. As a result, we encourage our employees to escalate risks (not limited to hazards), whether potential or realised, to their immediate supervisors. This enables risks to be tackled and mitigated at an early stage by the team with the relevant level of expertise.

The management teams at each industrial operation are responsible for implementing processes that identifies, assesses and manages risk.

Any significant risks are reported to Management and the Audit or HSEC Committee as appropriate. A Corporate Risk Management Framework is implemented on a Group-wide basis to ensure consistency in the assessment and reporting of risks.

The risks that may impact on business objectives and plans are maintained in a business risk register. They include strategic, compliance, operational and reporting risks.

HSEC risk management

These risk management processes are managed at asset level, with the support and guidance from the central sustainability and HSEC teams, and subject to the leadership and oversight of the HSEC Committee.

The Group's internal assurance programme assesses compliance with leading practices in health and safety, environment and communities, but mainly focuses on catastrophic risks.

Further information is provided in the report from the HSEC Committee below and will be published in the Group's sustainability report for 2018.

Marketing risk management

Glencore's marketing activities are exposed to a variety of risks, such as commodity price, basis, volatility, foreign exchange, interest rate, credit and performance, liquidity and regulatory. Glencore devotes significant resources to developing and implementing policies and procedures to identify, monitor and manage these risks.

Glencore has a disciplined and conservative approach to Marketing Risk ("MR") management supported by its flat organisational structure. Glencore continues to update and implement policies that are intended to mitigate and manage commodity price, credit and other related risks.

Glencore's MR is managed at an individual, business and central level. Initial responsibility for risk management is provided by the businesses in accordance with and complementing their commercial decision-making. A support, challenge and verification role is provided by the central MR function headed by the Chief Risk Officer ("CRO") via its daily risk reporting and analysis which is split by market and credit risk.

The CEO, as the central figure of commercial leadership and control, drives functional risk management policy, supported by the CFO and the CRO, with data and reporting from the central risk team and the other key functional units. In turn the CEO reports to, and seeks authority limits from, the Board. The main oversight role is performed by the Audit Committee which receives a report from the CRO at each of its scheduled meetings. It also approves the Group-wide risk profile, and any exceptions to agreed positional thresholds.

At the heart of the risk management regime is the process of continuous challenge that takes place between the CEO, the CRO and the business heads which sets risk appetite in accordance with Group requirements and market conditions for each commodity, subject to the Audit Committee's oversight. The objective is to ensure that an appropriate balance is maintained between the levels of risk assumed and expected return, which relies on the commodity-specific expert knowledge provided by business heads. This is then subject to challenge from the CEO based on his overall Group knowledge and experience. This healthy tension is designed to manage risk effectively while facilitating the fast, commercial decision-making that is required in a dynamic commodity marketing company.

Another important consideration of the MR team is the challenge of dealing with the impact of large transactional flows across many locations. The function seeks to ensure effective supervision by its timely and comprehensive transaction recording, ongoing monitoring of the transactions and resultant exposures, providing all encompassing positional reporting, and continually assessing universal counterparty credit exposure.

Key focus points

Market Risk limits and reporting

The MR team provides a wide array of daily and weekly reporting. For example, daily risk reports showing Group Value at Risk ("VaR") as shown on page 107 and various other stress tests and analysis are distributed to the CEO, CFO and CRO. Additionally, business risk summaries showing positional exposure and other relevant metrics, together with potential margin call requirements, are also circulated daily. The MR function strives to enhance its stress and scenario testing as well as improving measures to capture risk exposure within the specific areas of the business, e.g. within metals, concentrate treatment and refining charges are analysed.

Credit Risk Management

The Group continues to make extensive use of credit enhancement tools, seeking letters of credit, insurance cover, discounting and other means of reducing credit risk from counterparts. In addition, mark-to-market exposures in relation to hedging contracts are regularly and substantially collateralised (primarily with cash) pursuant to margining agreements in place with such hedge counterparts.

The Group-wide Credit Risk Policy governs higher levels of credit risk exposure, with an established threshold for referral of credit decisions by business heads to the CFO and the CEO (relating to unsecured amounts in excess of $75 million with BBB (or equivalent) or lower rated counterparts). At lower levels of materiality, decisions may be taken by the business heads where key strategic transactions or established relationships suggest that an open account exposure may be warranted.

Compliance Risk

The Group has dedicated Legal and Compliance resources to assist Group businesses in complying with regulatory obligations and internal policies, procedures and guidelines.

A Group compliance risk register is maintained by Group Compliance to identify, assess and evaluate compliance risks. The risks identified in the Group compliance risk register are considered when drafting policies and procedures applicable to the business. Group Compliance conducts local/office compliance risk assessments at appropriate intervals to understand and record compliance risks faced by individual operations as well as the controls necessary to mitigate them.

Group Compliance accounts for changes and external factors affecting the business which may create compliance risk, and avoids preconceptions regarding control effectiveness or integrity of employees or third parties.

Furthermore, the Group conducts training and awareness, with active monitoring.

Systems and reporting

The Group has not yet identified a single trading system able to manage the broad range of requirements that its different business profiles operate within. Therefore, interfacing with multiple source systems and transferring data from one system to another heightens risks relative to data integrity, granularity, consistency and timeliness.

Dealing with requirements arising from recent regulatory reform, Glencore continued to implement the requirements of financial regulatory reform, including:

- The European Market Abuse Regulation (MAR) which affects the protection and disclosure of inside information and the prevention of market manipulation
- The Dodd-Frank Act, the European Market Infrastructure Regulation (EMIR) and the Swiss Financial Market Infrastructure Act (FMIA) which affect in particular the areas of risk mitigation (trade confirmation timeframes, portfolio reconciliation, portfolio compression and dispute resolution) and trade reporting

Upcoming financial regulatory reform proposals or requirements include:

- Further requirements under EMIR including mandatory clearing and margining requirements
- Further requirements under FMIA including trade reporting, risk mitigation, margin requirements and mandatory clearing
- MIFID II including EU authorisations and position limits

The impact of certain aspects of these and other new regulations to commodity market participants is potentially considerable. The impact on our marketing business will largely be in the form of compliance requirements (with associated costs), rather than meaningful commercial limitations. Glencore's compliance, finance, IT and risk teams continue to work together in monitoring and advising management on these developments.

Internal Audit

Glencore has a dedicated Internal Audit Activity reporting directly to the Audit Committee. The role of Internal Audit is to evaluate and improve the effectiveness of risk management, control, and business governance processes, and thus enhance and protect organisational value.

Internal Audit reviews areas of potential risk within the business and suggests control solutions to mitigate exposures identified. The Audit Committee considers and approves the risk-based audit plan, areas of audit focus and resources and is regularly updated on audits performed and relevant findings, as well as the progress on implementing the actions arising. In particular, the Committee considered Internal Audit's main conclusions, its KPIs and the effectiveness and timeliness of management's responses to its findings.

The Audit Committee has concluded that the Internal Audit function remains effective, taking into account the successful review undertaken in 2017 by KPMG. As part of this work, it considered the function's management framework and its improvement programme.

Interactions with shareholders

The Board aims to present a balanced and clear view of the Group in communications with shareholders and believes that being transparent in describing how we see the market and the prospects for the business is extremely important.

We communicate with shareholders in a number of different ways. The formal reporting of our full- and half-year results and quarterly production reports is achieved through a combination of releases, presentations, group calls and individual meetings. The full- and half-year reporting is followed by investor meetings in a variety of locations where we have institutional shareholders. We also regularly meet with existing and prospective shareholders to update or to introduce them to the Company and periodically arrange visits to parts of the business to give analysts and major shareholders a better understanding of how we manage our operations. These visits and meetings are principally undertaken by the CEO, CFO and senior members of the Investor Relations team and an array of business heads. In addition, many major shareholders have meetings with the Chairman and appropriate senior personnel of the Group including other Non-Executive Directors, the Company Secretary and senior Sustainability managers.

AGM

The Company's next AGM is due to be held in Zug on 9 May 2019. Full details of the meeting will be set out in the AGM notice of meeting, which will be sent to shareholders in April. Shareholders unable to attend are encouraged to vote by proxy as detailed in the notice.

All documents relating to the AGM will be available on the Company's website at: **glencore.com/agm**

Value at risk

The Group monitors its commodity price risk exposure by using a VaR computation assessing "open" commodity positions which are subject to price risks. VaR is one of the risk measurement techniques the Group uses to monitor and limit its primary market exposure related to its physical marketing exposures and related derivative positions. VaR estimates the potential loss in value of open positions that could occur as a result of adverse market movements over a defined time horizon, given a specific level of confidence. The methodology is a statistically defined, probability based approach that takes into account market volatilities, as well as risk diversification benefits by recognising offsetting positions and correlations between commodities and markets. In this way, risks can be compared across all markets and commodities and risk exposures can be aggregated to derive a single risk value.

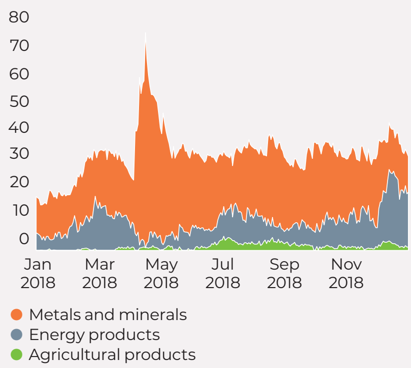
Last year, the Board approved the Audit Committee's recommendation of a one day, 95% VaR limit of $100 million for 2018, consistent with the previous year. This limit is subject to review and approval on an annual basis. The purpose of this Group limit is to assist senior management in controlling the Group's overall risk profile, within this tolerance threshold. During 2018 Glencore's reported average daily VaR was approximately $33 million, with an observed high of $76 million and a low of $16 million.

There were no breaches in the limit during the year.

The Group remains aware of the extent of coverage of risk exposures and their limitations. In addition, VaR does not purport to represent actual gains or losses in fair value on earnings to be incurred by the Group, nor are these VaR results considered indicative of future market movements or representative of any actual impact on its future results. VaR remains viewed in the context of its limitations; notably, the use of historical data as a proxy for estimating future events, market illiquidity risks and risks associated with longer time horizons as well as tail risks. Recognising these limitations the Group complements and refines this risk analysis through the use of stress and scenario analysis. The Group regularly back-tests its VaR to establish adequacy of accuracy and to facilitate analysis of significant differences, if any.

The Board has again approved the Audit Committee's recommendation of a one day, 95% VaR limit of $100 million for 2019.

VaR development ($m)



Audit Committee report

Chairman
Leonhard Fischer

Other members
Martin Gilbert
Gill Marcus

Mr Fischer and Ms Marcus served throughout the year. Mr Gilbert was granted a leave of absence from the Board between May and October 2018. During that period, Ms Merrin served as member of the Committee. Mr Peter Grauer retired in March 2018, and participated in one meeting prior to this date. All are considered to be Independent Non-Executive Directors and deemed to be financially literate by virtue of their business experience. Additionally, all Committee members are considered by the Board to have recent and relevant financial experience and have competence in accounting. The Committee held four scheduled meetings during the year, which all the then current Committee members attended. John Burton is Secretary to the Committee.

Governance processes

The Audit Committee usually invites the CEO, CFO, General Counsel, Group Financial Controller, CRO and Head of Internal Audit and the lead partner from the external auditor to attend each meeting. Other members of management and the external auditor may attend as and when required. Other Directors also usually attend its meetings. The Committee also holds private sessions with the external auditors and the Head of Internal Audit without members of management being present. The Committee has adopted guidelines allowing non-audit services to be contracted with the external auditors on the basis set out below.

Role, responsibilities and main activities

The primary function of the Audit Committee is to assist the Board in fulfilling its responsibilities with regard to financial reporting, external and internal audit, risk management and controls.

During the year, the Committee's principal work included the following:

- Reviewing the full-year (audited), and half-year (unaudited), financial statements with management and the external auditor
- Considering the scope and methodologies to determine the Company's going concern and longer-term viability statements
- Reviewing and agreeing the preparation and scope of the year-end reporting process
- Considering applicable regulatory changes to reporting obligations
- Evaluating the Group's procedures for ensuring that the Annual Report and accounts, taken as a whole, are fair, balanced and understandable
- Reviewing the Group's financial and accounting policies and practices including discussing material issues with management and the external auditors, especially matters that influence or could affect the presentation of accounts and key figures
- Reviewing Glencore's internal financial and compliance controls and internal controls and risk management systems
- Considering the output from the Group-wide processes used to identify, evaluate and mitigate risks, including credit and performance risks, across the industrial and marketing activities
- Monitoring and reviewing the effectiveness of Glencore's internal controls for which there were no significant failings or weaknesses noted
- Determining the global audit plan, scope and fees of the audit work to be undertaken by the external auditor
- Recommending to the Board a resolution to be put to the shareholders for their approval on the appointment of the external auditor and to authorise the Board to fix the remuneration and terms of engagement of the external auditor
- Monitoring the independence of the external auditor and reviewing the operation of the Company's policy for the provision of non-audit services by it

- Considering and approving two assignments above the approval threshold with the external auditors in respect of non-audit services
- Evaluating the effectiveness of the external auditor
- Reviewing the Internal Audit department's annual audit plan and reviewing the effectiveness of the Internal Audit function
- Reviewing reports on the operation of the Group's Compliance programme, including material reports under the Group's Raising Concerns whistleblowing programme

Risk analysis

The Committee receives reports and presentations at each meeting on management of marketing and other risks (excluding sustainability risks which are reviewed by the HSEC Committee) and at least once a year considers an in-depth study of the perceived main risks and uncertainties and the Group's risk management framework as a whole.

Significant issues related to the financial statements

The Committee assesses whether suitable accounting policies including the implementation of new accounting standards – IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' have been adopted and whether management has made appropriate estimates and judgements. They also review the external auditor's reports outlining audit work performed and conclusions reached in respect of key judgements, as well as identifying any issues in respect of these.

During the year, the Committee has focused in particular on these key matters:

1. DRC Developments

The Committee considered the impacts of the 2018 Mining Code, which became effective on 10 July 2018, including the provisions relating to mining permits and renewals, royalties and taxation and additional regulatory controls. The Committee noted that Glencore has advised the DRC authorities that immediate introduction of the 2018 Mining Code is in breach of the pre-existing stabilisation provisions. The Group will comply with the code's provisions "under protest" to avoid penalties for non compliance while it investigates its various options.

2. Acquisitions and disposals

Accounting for acquisitions involves significant management judgements and estimates. In 2018, the Committee analysed the accounting treatment of the Hail Creek and HVO (coal), Volcan (zinc), and ALE Combustiveis (oil downstream) acquisitions and the dissolution of the QIA and Rosneft strategic partnership.

3. Impairment

The Committee considered whether the carrying value of goodwill, industrial assets, physical trade positions and material loans and advances may be impaired as a result of commodity price volatility and some asset specific factors. The Committee reviewed management's reports, outlining the basis for the key assumptions used in calculating the recoverable value for the Group's assets. Future performance assumptions used are derived from the Board approved business plan. As part of the process for approval of this plan, the Committee considered the feasibility of strategic plans underpinning future performance expectations, and whether they remain achievable. Considerable focus was applied to management's commodity price and exchange rate assumptions and their sensitivities within the models. Assets based in DRC and Zambia were subject to particular scrutiny. The Committee discussed with the external auditor their work in respect of impairment review, which was a key area of focus for them.

4. Taxation

Due to its global reach, including operating in high risk jurisdictions, the Group is subject to enhanced complexity and uncertainty in accounting for income taxes, particularly the evaluation of tax exposures and recoverability of deferred tax assets. The Committee has engaged with management to understand the potential tax exposures globally and the key estimates taken in determining the positions recorded, including the status of communications with local tax authorities and the carrying values of deferred tax assets.

5. Counterparty exposures

The Group's global operations expose it to credit and performance risk, which result in the requirement to make estimates around recoverability of receivables, loans, trade advances and contractual non-performance. As part of an ongoing review, the Committee considered material continuing exposures, the robustness of processes followed to evaluate recoverability and whether the amounts recorded in the financial statements are reasonable.

Following its analysis of these matters, the Committee satisfied itself that the estimates made by management are reasonable and that financial statements disclosures included in the accounts are appropriate.

Compliance

The Committee monitored the effectiveness of Compliance controls through the reports it received from management at every meeting. These reports focus on key compliance risks to the Group, such as anti-corruption, sanctions and money-laundering. They also cover updates to the Group Compliance programme, including its policies, procedures and guidelines, as well as updates on the training and awareness activities across the Group.

These responsibilities have now been transferred to the new Ethics, Compliance and Culture Board Committee.

Internal Audit

The Committee monitored the internal audit function as described under Internal Audit on page 106.

External Audit

The Committee has evaluated the effectiveness of the external auditor and as part of this assessment, has considered:

- The steps taken by the auditor to ensure their objectivity and independence
- The deep knowledge of the Company which enhances Deloitte's ability to perform as external auditor
- Competence when handling key accounting and audit judgements and ability to communicate these to the Committee and management
- The extent of the auditor's resources and technical capability to deliver a robust and timely audit including consideration of the qualifications and expertise of the team
- Auditor's performance and progress against the agreed audit plan, including communication of changes to the plan and identified risks and the proven stability that is gained from the continued engagement of Deloitte as external auditor
- The benefit of lead audit partner rotation

The Committee assesses the quality and effectiveness of the external audit process on an annual basis in conjunction with the senior management team. Key areas of focus include consideration of the quality and robustness of the audit, identification of and response to areas of risk and the experience and expertise of the audit team, including the lead audit partner.

Provision of non-audit services by the external auditor

The Group's policy on non-audit services provided by the external auditor is designed to ensure the external auditor independence and objectivity is safeguarded. A specified wide range of services may not be provided as they have the potential to impair the external auditor's independence (Excluded Services). The Audit Committee's approval is required for (1) any Excluded Service (2) any other engagement where either (i) the fee is contingent, (ii) the fee may exceed $500,000, or (iii) where the fees for all non-audit work may exceed $15 million in a particular year. Subject to these restrictions and other safeguards in the policy, the external auditor may be permitted to provide certain non-audit services when it is concluded that they are the most appropriate supplier due to efficiency and status as a leading firm for those specific services. For 2018, fees paid to the external auditor were $30 million, the total non-audit fees of which were $6 million; further details are contained in note 29 to the financial statements.

Reappointment of the external auditor

Deloitte has been the auditor of the listed entity since its IPO in 2011. In 2018, a lead audit engagement partner rotation occurred.

Since Mr Fischer will step down from the Board by the 2020 AGM, a new chairman of the Audit Committee will be appointed, probably with effect from that date. The Audit Committee has concluded that an audit tendering process should be led by its new chair. Accordingly following that appointment the Committee will determine the timetable for a tender process.

The Committee has determined that it is satisfied that the work of Deloitte LLP is effective, the scope is appropriate and significant judgements have been challenged robustly by the lead partner and team. Additionally, there are no contractual restrictions on the Company's choice of external auditor. The Committee has therefore recommended to the Board that a proposal be put to shareholders at the forthcoming AGM for the reappointment of Deloitte LLP as external auditor.

Leonhard Fischer
Chairman of the Audit Committee
28 February 2019

Nomination Committee report

Chairman
Anthony Hayward

Other members
John Mack
Leonhard Fischer
Gill Marcus

Mr Mack, Mr Fischer and Ms Marcus served on the Committee throughout the year. Dr Hayward was appointed as Chairman of the Committee in May 2018 and attended two meetings during the year. Mr Peter Grauer retired in March 2018, and participated in one meeting prior to this date. The Committee only comprises Independent Non-Executive Directors. The Committee met three times during the year and all members attended these meetings, when eligible. In addition, some of the discussions and deliberations in respect of the matters summarised below were carried out at Board meetings. John Burton is the Secretary of this Committee.

Roles and responsibilities

The main responsibilities of the Nomination Committee are to assist the Board with succession planning and with the selection process for the appointment of new Directors, both Executive and Non-Executive, including the Chairman. This involves:

- Evaluating the balance and skills, knowledge and experience of the Board and identifying the capabilities required for a particular appointment
- Overseeing the search process
- Evaluating the need for Board refreshment and succession planning generally

Main activities

The Committee focused on two main tasks during this year. Firstly, prior to the notice of 2018 AGM being compiled, the Committee considered the performance of each Director. It concluded that each Director is effective in their role and continues to demonstrate the commitment required to remain on the Board. Accordingly, it recommended to the Board that re-election resolutions be put for each Director at the 2018 AGM.

Secondly, the Committee considered the composition of the Board and refreshment. The Committee continued its work on succession planning.

The Committee notes the recommendations of the Hampton Alexander Review on gender and the Parker Review on ethnic diversity. It is part of the Committee's policy when making new Board appointments to consider the importance of diversity on the Board, including gender and ethnicity. This is considered in conjunction with experience and qualifications.

Anthony Hayward
Chairman of the Nomination Committee
28 February 2019

Health, Safety, Environment & Communities (HSEC) report

Chairman
Peter Coates

Other members
Ivan Glasenberg
Anthony Hayward
Patrice Merrin

The Committee met five times during the year. Each Committee member served throughout the year and attended all of the meetings, except for one meeting that Mr Glasenberg could not attend. Every scheduled meeting had a substantial agenda, reflecting the Committee's objective of monitoring the achievement by management of ongoing improvements in HSEC performance. John Burton is the Secretary of this Committee.

Responsibilities

The main responsibilities of the Committee are:

- Ensuring that appropriate Group policies are developed in line with our Values and Code of Conduct for the identification and management of current and emerging health, safety, environmental, community and human rights risks
- Ensuring that the policies are effectively communicated throughout the Company and that appropriate processes and procedures are developed at an operational level to comply and evaluate the effectiveness of these policies through:
  - assessment of operational performance
  - review of updated internal and external reports
  - independent audits and reviews of performance in regard to HSEC matters, and action plans developed by management in response to issues raised
- Evaluate and oversee the quality and integrity of any reporting to external stakeholders concerning HSEC matters
- Reporting to the Board

Main activities

During the year, the Committee:

- Reviewed and approved the Group's HSEC strategy
- Continued its work on reducing fatalities, especially at the higher risk assets. For this purpose it received a report on, reviewed and made recommendations in respect of, each fatality
- Provided leadership for catastrophic hazard management which is the most important non-financial risk management issue for the Group
- Continued oversight of the SafeWork programme implementation, focusing on identification of fatal hazards and an appropriate safety culture
- Oversaw the operation of the Group's assurance programme for sustainability matters with an emphasis on catastrophic hazards and approved the assurance plan for 2019
- Provided ongoing support for management's carbon/climate policies. This included reviewing the work of the climate change working group, chaired by Dr Hayward
- Considered engagement with communities and NGOs on sustainability matters
- Reviewed and oversaw the Group's sustainability report
- Held an investor roadshow to inform and receive feedback on the Company's sustainable development strategy and approach to HSEC management
- Advised on the programme and hosted the internal HSEC Summit for the year, and
- Considered a variety of other material HSEC issues such as resettlement programmes, incident reporting and health strategy

Peter Coates
Chairman of the HSEC Committee
28 February 2019

Directors' remuneration report

For the year ended 31 December 2018

Chairman
John Mack

Other members
Leonhard Fischer
Martin Gilbert

Introduction

On behalf of the Remuneration Committee, I am pleased to present our Directors' Remuneration Report for the year ended 31 December 2018. Consistent with prior years, we have sought to make this report as short, simple and straightforward as possible.

This report is prepared in full compliance with applicable UK rules, unless stated otherwise. Accordingly, over the following pages, we have set out details of the implementation of our reward policy in 2018 including the governance surrounding pay decisions, members of the Committee and its advisers and details of what was paid to Directors during the year.

At the 2018 AGM, shareholders approved the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) with a vote of almost 99% in favour.

The Committee continues to ensure that the Directors' Remuneration Policy and its implementation are attractive to shareholders in reflecting good governance, reasonable terms and complete transparency.

John Mack
Remuneration Committee Chairman
28 February 2019

Basis of reporting

We have prepared this Remuneration Report to reflect the reporting requirements on remuneration matters for companies with a UK governance profile, particularly the UK's Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "UK Remuneration Regulations"). The report also describes how the Board has complied with the provisions set out in the UK Corporate Governance Code relating to remuneration matters.

Our auditors have reviewed and reported on certain parts of the Directors' Remuneration Report and stated whether, in their opinion, those parts of the report have been properly prepared. Those sections of the report which have been subject to audit are clearly indicated.

Part A – Directors' Remuneration Policy

The Directors' Remuneration Policy was approved by shareholders at the 2017 AGM and the Company continues to abide by its terms. The Policy will be put to a shareholder vote the earlier of once every three years or when an amendment to the Policy is proposed or required. As the Policy is not being put forward for shareholder approval at the 2019 AGM, it has not been included in this Annual Report. A summary is set out below and it is reproduced in full on our website at: **glencore.com/who-we-are/governance**.

Summary of Directors' Remuneration Policy

General Policy for Executive Directors

To facilitate the attraction, motivation and retention of Executive Directors and other senior executives of high calibre and enable them to implement the Group's strategy and achieve its objectives. In practice, the CEO has continued to waive participation in bonus or LTI arrangements.

Base salary

Provides market competitive fixed remuneration. The Committee has not increased the salary level for any Executive Director since May 2011.

Benefits

To provide appropriate supporting non-monetary benefits. Benefits received by Mr Glasenberg comprise salary loss (long-term sickness) and accident insurance/travel insurance with a cost limit of $20,000 p.a.

Pension

Provides basic retirement benefits which reflects local market practice. Mr Glasenberg participates in the standard pension scheme for all Baar (Switzerland) -based employees with an annual cap on the cost of provision of retirement benefits of $150,000 p.a.

Annual Bonus Plan (STI)

Supports the delivery of short-term operational, financial and strategic goals. The Committee has set a maximum annual bonus level of 200% of base salary.

Long-Term Incentives
Glencore Performance Share Plan incentivises the creation of shareholder value over the longer-term. The Committee has set a maximum annual grant level of 200% of base salary.

Significant Personal Shareholdings
Aligns the interests of executives and shareholders. The Committee has set a formal shareholding requirement for Executive Directors of 300% of salary. The CEO has a beneficial ownership of over 8% of the Company's issued share capital.

Chairman and Non-Executive Director fees
Reflects time commitment, experience, global nature and size of the Company. Chairman receives a single inclusive fee. Senior Independent Director and Non-Executive Directors receive a base fee. Additional fees are paid for chairing or membership of a Board committee. Non-Executive Directors are not eligible for any other remuneration or benefits of any nature.

Potential rewards under various scenarios
Under the formal policy, consistent with other large FTSE companies, the total available variable pay (i.e. the maximum amount payable in respect of bonus and long-term incentives) available to Mr Glasenberg would be approximately $5,790,000 (being four times base salary). As Mr Glasenberg continues to waive entitlement to all variable elements, including both bonus and long-term incentives, his base salary and all benefits are set at less than 25% of the aggregate remuneration which would potentially have been available to him had he not waived participation in these aspects. These waivers are considered appropriate as the level of his personal shareholding is sufficient to provide a keen alignment of interest between him and of shareholders more generally without the need to add additional aspects to his package (and cost to other shareholders). His fixed remuneration set out below was set at a modestly below market level so the waivers do not reflect any element of an excessive bias to fixed pay in the traditional sense. Consistent with UK legislation, it has been prepared using the following assumptions.

In 2018, Mr Glasenberg's base salary was paid in US dollars and his benefits and pension contributions were paid in Swiss francs, as described in this report.

Fixed	• Consists of base salary, benefits and pension • Base salary is applicable to both 2017 and 2018 • Benefits measured as benefits figure in the single figure table • Pension measured as pension figure in the single figure table			
Ivan Glasenberg	**Base Salary $'000**	**Benefits $'000**	**Pension $'000**	**Total Fixed $'000**
	1,447	**4**	**52**	**1,503**
On-target and Maximum	Based on what the Executive Director would receive if performance was on-target (whether inclusive or exclusive of share price appreciation and dividends): • STI: Mr Glasenberg currently waives any right to participate in the annual bonus plan • LTI: He does not currently participate in the Performance Share Plan			

Executive Directors' contracts
The table below summarises the key features of the service contract for Ivan Glasenberg, the only person who served as an Executive Director during the year.

All Non-Executive Directors' contracts and letters of appointment will be available for inspection on the terms to be specified in the Notice of 2019 AGM.

Provision	Service contract terms
Notice period	• Twelve months' notice by either party
Contract date	• 28 April 2011 (as amended on 30 October 2013)
Expiry date	• Rolling service contract
Termination payment	• No special arrangements or entitlements on termination. Any compensation would be limited to base salary only for any unexpired notice period (plus any accrued leave)
Change in control	• On a change of control of the Company, no provision for any enhanced payments, nor for any liquidated damages

External appointments
The Executive Director's external appointments are noted on page 94. He assigns to the Group the compensation received in relation to each appointment. The appropriateness of these appointments is considered as part of the annual review of Directors' interests/potential conflicts.

Non-Executive Directors' Letters of appointment and re-election

All Non-Executive Directors have letters of appointment with the Company for an initial period of three years from their date of appointment, subject to reappointment at each AGM. The Company may terminate each appointment by immediate notice and there are no special arrangements or entitlements on termination except that the Chairman is entitled to three months' notice.

The annual fees are paid in accordance with a Non-Executive Director's role and responsibilities. The Chairman's fee is inclusive of all his committee responsibilities. The fees payable for 2018, which were unchanged from 2017 except for the addition of fees for membership of the Investigations Committee, are as follows:

US$'000	
Directors	
Chairman	1,150
Senior Independent Director	200
Non-Executive Director	135
Committee Fees:	
Remuneration	
Chairman	45
Member	25
Audit	
Chairman	60
Member	35
Nomination	
Chairman	40
Member	20
HSEC	
Chairman	125
Member	40
Investigations	
Member	40

Part B – Implementation Report

Implementation Report – Unaudited Information

Remuneration Committee

Membership and experience of the Remuneration Committee

The members of the Committee provide a useful balance of skills, experience and perspectives to provide the critical analysis required in carrying out the Committee's function. Each of John Mack, Leonhard Fischer and Martin Gilbert has had a long career in the management of large financial services organisations and therefore provides considerable experience of remuneration analysis and implementation. All members of the Remuneration Committee are considered to be independent. Further details concerning independence of the Non-Executive Directors are contained on page 99.

Role of the Remuneration Committee

The terms of reference of the Committee set out its role. They are available on the Company's website at: **glencore.com/who-we-are/governance**

Its principal responsibilities are, on behalf of the Board, to:

- Determine and agree with the Board the framework for the remuneration of the Company's Chairman, the Chief Executive and the Executive Directors
- Regularly review the appropriateness and relevance of the remuneration policy
- Establish the remuneration package for the Executive Directors including the scope of pension benefits
- Determine the remuneration package for the Chairman, in consultation with the Chief Executive
- Oversee schemes of performance related remuneration (including share incentive plans) for, and determine awards for, the Executive Directors (as appropriate)
- Ensure that the contractual terms on termination for the Executive Directors are fair and not excessive
- Monitor senior management remuneration

The Committee considers corporate performance on HSEC and governance issues when setting remuneration for the Executive Director. Additionally, the Committee seeks to ensure that the incentive structure for the Group's senior management does not raise HSEC or governance risks by inadvertently promoting and/or rewarding behaviours that are not aligned with the Group policies, values and culture.

Remuneration Committee meetings

The Committee met two times during the year and considered, amongst other matters, the remuneration policy and the packages applicable to the Chairman, the CEO and senior management, and the content and approval of the Remuneration Report.

The Chairman, CEO and CFO are usually invited to attend some or all of the proceedings of Remuneration Committee meetings, however they do not participate in any decisions concerning their own remuneration.

Advisers to the Remuneration Committee

The Committee appointed and received independent remuneration advice during the year from its external adviser, FIT Remuneration Consultants LLP (FIT). FIT is a member of the Remuneration Consultants Group (the UK professional body for these consultants) and adheres to its code of conduct. The Committee was satisfied that the advice provided by FIT was objective and independent.

FIT's fees for this advice in respect of 2018 were $13,921 (2017: $4,872). FIT's fees were charged on the basis of the firm's standard terms of business for advice provided. FIT provided no other services to the Group in the year.

The Committee also receives advice from the Company Secretary.

Directors' remuneration report
For the year ended 31 December 2018 continued

Relative importance of remuneration spend
The table below illustrates the change in total remuneration, distributions paid and net profit from 2017 to 2018.

	2018 US$m	2017 US$m
Distributions and buy-backs	4,841	998
Net income attributable to equity holders	3,408	5,777
Total remuneration	5,063	4,656

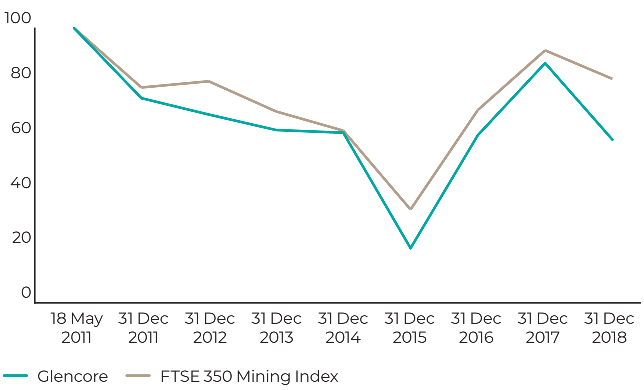
The figures presented have been calculated on the following bases:

- **Distributions and buy-backs** – distributions paid and shares bought back during the year
- **Net income attributable to equity holders** – our reported net income in respect of the financial year. The Committee believes it is a good indicator of ongoing relative statutory performance
- **Total remuneration** – represents total personnel costs as disclosed in note 23 to the financial statements which includes salaries, wages, social security, other personnel costs and share-based payments

Performance graph and table
This graph shows the value to 31 December 2018, on a total shareholder return (TSR) basis, of £100 invested in Glencore plc on 24 May 2011 (our IPO date) compared with the value of £100 invested in the FTSE 350 Mining Index. The FTSE 350 Mining Index is considered to be an appropriate comparator for this purpose as it is an equity index consisting of companies listed in London in the same sector as Glencore.

The UK reporting regulations also require that a TSR performance graph is supported by a table summarising aspects of CEO remuneration, as shown below for the same period as the TSR performance graph:

Performance



		Single figure of total remuneration[1] (US$'000)	Annual variable element award rates against maximum opportunity[2]	Long-term incentive vesting rates against maximum opportunity[2]
2018	Ivan Glasenberg	**1,503**	**–**	**–**
2017	Ivan Glasenberg	1,513	–	–
2016	Ivan Glasenberg	1,509	–	–
2015	Ivan Glasenberg	1,510	–	–
2014	Ivan Glasenberg	1,513	–	–
2013	Ivan Glasenberg	1,509	–	–
2012	Ivan Glasenberg	1,533	–	–
2011	Ivan Glasenberg	1,483	–	–

1 The value of benefits and pension provision in the single figure vary as a result of the application of exchange rates although in the relevant local currency these parts of Mr Glasenberg's remuneration have not altered since May 2011. In this table the figures are reported in US dollars, the currency in which Mr Glasenberg received his salary in 2018. The salary was payable in pounds sterling prior to 2014. Therefore those figures have been translated into US dollars at the exchange rates used for the preparation of the financial statements in those years. Mr Glasenberg's pension and other benefits are charged to the Group in Swiss francs and these amounts are translated into US dollars on the same basis.
2 The CEO has requested not to be considered for these potential awards.

Percentage change in pay of Chief Executive Officer and comparative ratios
The UK Remuneration Regulations provide for disclosure of percentage changes of the CEO's remuneration against the average percentage change for employees generally or an appropriate group of employees. In addition, the UK Investment Association's 2016 Remuneration Principles recommend disclosure as to how the remuneration out-turn for a Company's CEO compares with that of a) its median employee and b) its Executive Committee. Given that the CEO has, since May 2011, waived any entitlement to any increase in salary (and given that his only other unwaived benefits are those provided to all employees at the Company's head office in Baar) no such comparisons or ratios have been made.

Most recent shareholder voting outcomes
The votes cast to approve the Directors' remuneration report, for the year ended 31 December 2017 at the 2018 AGM were:

Votes "For"	Votes "Against"	Votes "Withheld[1]"
Directors' Remuneration Report		
98.94%	1.06%	
(10,489,162,726)	(112,257,632)	(87,366,733)

1 A vote withheld is not counted in the calculation of the proportion of votes for and against the resolution.

The Committee continues to seek a productive and ongoing dialogue with investors on the Directors' Remuneration Policy, remuneration aspects of corporate governance, any changes to the Company's executive pay arrangements and developments as to executive remuneration issues in general.

Implementation of policy in 2018

There have been no changes to the Directors' remuneration policy in 2018 and none is envisaged for 2019.

Implementation Report – Audited Information

Single figure table	Salary		Benefits		Annual Bonus		Long-term incentives		Pension		Total	
US$'000	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Ivan Glasenberg	1,447	1,447	4	4	–	–	–	–	52	62	1,503	1,513

The notes to the performance table above also apply in relation to the compilation of this table. As no bonuses or long-term incentives have been granted to Mr Glasenberg, there are no relevant performance measures to be disclosed although the first page of this report notes the alignment of his position with that of other shareholders.

Non-Executive fees

The emoluments of the Non-Executive Directors for 2018 were as follows:

Name	**Total 2018 US$'000**	Total 2017 US$'000
Non-Executive Chairman		
Anthony Hayward	1,150	1,150
Non-Executive Directors		
Peter Coates	260	260
Leonhard Fischer	280	240
Martin Gilbert[1]	157	127
Peter Grauer[2]	48	275
William Macaulay[3]	n/a	57
John Mack	200	200
Patrice Merrin	224	175
Gill Marcus[4]	190	n/a

1 Appointed on 5 May 2017. Leave of absence 16 May–10 October 2018.
2 Retired on 3 March 2018.
3 Retired on 14 April 2017.
4 Appointed with effect from 1 January 2018.

The aggregate fees for all Non-Executive Directors for 2018 were $2,509,000 (2017: $2,484,000).

The total emoluments of all Directors for 2018 (including pension contributions for Mr Glasenberg) were $4,012,000 (2017: $3,997,000).

Directors' interests

The Directors' interests in shares are set out in the Directors' report which is set out after this report. Mr Glasenberg's holding is considerably in excess of the formal share ownership guideline for Executive Directors of 300% of salary.

Approval

This report in its entirety has been approved by the Committee and the Board of Directors and signed on its behalf by:

John Mack
Remuneration Committee Chairman
28 February 2019

Directors' report

For the year ended 31 December 2018

Company Secretary
John Burton

Introduction

This Annual Report is presented by the Directors on the affairs of Glencore plc (the "Company") and its subsidiaries (the "Group" or "Glencore"), together with the financial statements and auditor's report, for the year ended 31 December 2018. The Directors' report includes details of the business, the development of the Group and likely future developments as set out in the Strategic Report, which together form the management report for the purposes of the UK Financial Conduct Authority's Disclosure and Transparency Rule (DTR) 4.1.8R. The notice concerning forward-looking statements is set out at the end of the Annual Report.

Corporate structure

Glencore plc is a public company limited by shares, incorporated in Jersey and domiciled in Baar, Switzerland. Its shares are listed on the London and Johannesburg Stock Exchanges. On 31 January 2018 the Company delisted its shares from the Hong Kong Stock Exchange.

Financial results and distributions

The Group's financial results are set out in the financial statements section of this Annual Report.

A total distribution of US$0.20 per share was paid in two instalments in 2018.

The Board is recommending to shareholders an aggregate distribution of US$0.20 per share in respect of the 2018 financial year as further detailed on page 58.

Review of business, future developments and post balance sheet events

A review of the business and the future developments of the Group is presented in the Strategic Report.

A description of acquisitions, disposals, and material changes to Group companies undertaken during the year is included in the Financial review and in note 25 to the financial statements.

Financial instruments

Descriptions of the use of financial instruments and financial risk management objectives and policies, including hedging activities and exposure to price risk, credit risk, liquidity risk and cash flow risk are included in notes 26 and 27 to the financial statements.

Corporate governance

A report on corporate governance and compliance with the UK Corporate Governance Code is set out in the Corporate Governance report and forms part of this report by reference.

Health, safety, environment & communities (HSEC)

An overview of health, safety and environmental performance and community participation is provided in the Sustainable Development section of the Strategic report. The work of the HSEC Board committee is contained in the Corporate Governance report.

Taxation policy

Our Tax Policy: **glencore.com/group-tax-policy** and our second Payments to Governments report: **glencore.com/payments-to-governments-report** set out the Company's approach to tax and transparency and disclose the payments made by the Group on a country-by-country and project-by-project basis.

Exploration and research and development

The Group's business units carry out exploration and research and development activities that are necessary to support and expand their operations.

Employee policies and involvement

Glencore operates on diversity and recruitment policies that aim to treat individuals fairly and not to discriminate on the basis of gender, race, ethnicity, disability, religion or beliefs, or on any other basis. Applications for employment and promotion are fully considered on their merits, and employees are given appropriate training and equal opportunities for career development and promotion.

If disability occurs during employment, the Group seeks to accommodate that disability where reasonably possible, including with appropriate training.

The Group's Code of Conduct and other policies support and protect the interests of employees in a number of ways such as requiring open, fair and respectful communication, zero tolerance for human rights violations, fair remuneration and, above all, a safe working environment.

Employee communication is mainly provided by the Group's intranet, corporate website and via emails. A range of information is made available to employees including all policies and procedures applicable to them as well as information on the Group's financial performance and the main drivers of its business. Employee consultation depends upon the type and location of operation or office. Further information on our people is set out on pages 47–48.

Directors' conflicts of interest

Under Jersey law and the Company's Articles of Association (which mirror section 175 of the UK Companies Act 2006), a Director must avoid a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. The duty is not infringed if the matter has been authorised by the Directors. Under the Articles, the Board has the power to authorise potential or actual conflict situations. The Board maintains effective procedures to enable the Directors to notify the Company of any actual or potential conflict situations and for those situations to be reviewed and, if appropriate, to be authorised by the Board. Directors' conflict situations are reviewed annually. A register of authorisations is maintained.

Directors' liabilities and indemnities

The Company has granted third party indemnities to each of its Directors against any liability that attaches to them in defending proceedings brought against them, to the extent permitted by Jersey law. In addition, Directors and Officers of the Company and its subsidiaries are covered by directors & officers liability insurance.

Directors and Officers

The names of the Company's Directors and Officers who were in office at the end of 2018, together with their biographical details and other information, are shown on pages 94–95.

Directors' interests

Details of interests in the ordinary shares of the Company of those Directors who held office during 2018 are given below:

Name	Number of Glencore Shares	Percentage of Total Voting Rights
Executive Directors		
Ivan Glasenberg	1,211,957,850	8.69
Non-Executive Directors		
Anthony Hayward	244,907	0.00
Peter Coates	1,585,150	0.01
Leonhard Fischer	–	–
Martin Gilbert	50,000	0.00
Peter Grauer[1]	129,792	0.00
John Mack	750,000	0.00
Gill Marcus	–	–
Patrice Merrin	43,997	0.00

1 Retired from the Board on 3 March 2018. Figures provided at date of retirement.

No Director has any other interest in the share capital of the Company whether pursuant to any share plan or otherwise.

No changes in Directors' interests of those in office at the date of this report have occurred between 31 December 2018 and 28 February 2019.

Share capital and shareholder rights

As at 31 January 2019, the issued ordinary share capital of the Company was $145,862,001 represented by 14,586,200,066 ordinary shares of $0.01 each, of which 632,503,005 shares are held in treasury and 140,406,542 shares are held by Group employee benefit trusts.

Major interests in shares

Taking into account the information available to Glencore as at 31 January 2019, the table below shows the Company's understanding of the interests in 3% or more of the total voting rights attaching to its issued ordinary share capital:

Name of holder	Number of shares	Percentage of Total Voting Rights
Qatar Holding	1,221,497,099	8.75
Ivan Glasenberg	1,211,957,850	8.69
BlackRock Inc	820,422,580	5.88
Daniel Maté	454,136,143	3.25
Aristotelis Mistakidis	450,175,134	3.23
Harris Associates	429,121,654	3.08

Share capital

The rights attaching to the Company's ordinary shares, being the only share class of the Company, are set out in the Company's Articles of Association (the "Articles"), which can be found at **glencore.com/who-we-are/governance/**. Subject to Jersey law, any share may be issued with or have attached to it such preferred, deferred or other special rights and restrictions as the Company may by special resolution decide or, if no such resolution is in effect, or so far as the resolution does not make specific provision, as the Board may decide.

No such resolution is currently in effect. Subject to the recommendation of the Board, holders of ordinary shares may receive a distribution. On liquidation, holders of ordinary shares may share in the assets of the Company.

Holders of ordinary shares are also entitled to receive the Company's Annual Report and Accounts (or a summarised version) and, subject to certain thresholds being met, may requisition the Board to convene a general meeting (GM) or submit resolutions for proposal at AGMs. None of the ordinary shares carry any special rights with regard to control of the Company.

Holders of ordinary shares are entitled to attend and speak at GMs of the Company and to appoint one or more proxies or, if the holder of shares is a corporation, a corporate representative. On a show of hands, each holder of ordinary shares who (being an individual) is present in person or (being a corporation) is present by a duly appointed corporate representative, not being himself a member, shall have one vote. On a poll, every holder of ordinary shares present in person or by proxy shall have one vote for every share of which he is the holder. Electronic and paper proxy appointments and voting instructions must be received not later than 48 hours before a GM. A holder of ordinary shares can lose the entitlement to vote at GMs where that holder has been served with a disclosure notice and has failed to provide the Company with information concerning interests held in those shares. Except as (1) set out above and (2) permitted under applicable statutes, there are no limitations on voting rights of holders of a given percentage, number of votes or deadlines for exercising voting rights.

The Directors may refuse to register a transfer of a certificated share which is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis or where the Company has a lien over that share.

The Directors may also refuse to register a transfer of a certificated share unless the instrument of transfer is:

(i) lodged, duly stamped (if necessary), at the registered office of the Company or any other place as the Board may decide accompanied by the certificate for the share(s) to be transferred and/or such other evidence as the Directors may reasonably require as proof of title; or

(ii) in respect of only one class of shares.

Transfers of uncertificated shares must be carried out using CREST and the Directors can refuse to register a transfer of an uncertificated share in accordance with the regulations governing the operation of CREST.

The Directors may decide to suspend the registration of transfers, for up to 30 days a year, by closing the register of shareholders. The Directors cannot suspend the registration of transfers of any uncertificated shares without obtaining consent from CREST.

There are no other restrictions on the transfer of ordinary shares in the Company except: (1) certain restrictions may from time to time be imposed by laws and regulations (for example insider trading laws); (2) pursuant to the Company's share dealing code whereby the Directors and certain employees of the Company require approval to deal in the Company's shares; and (3) where a shareholder with at least a 0.25% interest in the Company's issued share capital has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares. There are no agreements between holders of ordinary shares that are known to the Company, which may result in restrictions on the transfer of securities or on voting rights.

The rules for appointment and replacement of the Directors are set out in the Articles. Directors can be appointed by the Company by ordinary resolution at a GM or by the Board upon the recommendation of the Nomination Committee. The Company can remove a Director from office, including by passing an ordinary resolution or by notice being given by all the other Directors. The Company may amend its Articles by special resolution approved at a GM.

The powers of the Directors are set out in the Articles and provide that the Board may exercise all the powers of the Company including to borrow money. The Company may by ordinary resolution authorise the Board to issue shares, and increase, consolidate, sub-divide and cancel shares in accordance with its Articles and Jersey law.

Purchase of own shares

In July 2018, the Company started a $1 billion buy-back programme, which was extended by a further $1 billion in September 2018. Under the programme, the Company purchased 422,113,105 of its own ordinary shares in 2018, and an additional 83,900,992 shares between 1 January 2019 and 26 February 2019. The authority to purchase own shares was approved by the shareholders on 2 May 2018. The Directors will seek a similar authority at the Company's AGM to be held in 2019.

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Strategic Report. Furthermore, notes 26 and 27 to the financial statements include the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to credit and liquidity risk. Significant financing activities that took place during the year are detailed in the Financial review section, which starts on page 52.

The results of the Group, principally pertaining to its industrial asset base, are exposed to fluctuations in both commodity prices and currency exchange rates whereas the performance of marketing activities is primarily physical volume driven with commodity price risk substantially hedged.

The Directors have a reasonable expectation, having made appropriate enquiries, that the Group has adequate resources to continue its operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The Directors have made this assessment after consideration of the Group's budgeted cash flows and related assumptions including appropriate stress testing of the identified uncertainties (being primarily commodity prices and currency exchange rates) and undrawn credit facilities, monitoring of debt maturities, and after review of the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting 2014 as published by the UK Financial Reporting Council.

Longer-term viability

In accordance with paragraph C2.2 of the Code, the Directors have assessed the prospects of the Group's viability over a longer period than the 12 months required by the going concern assessment above. A summary of the assessment made is set out on page 26 in the Principal risks and uncertainties section.

Based on the results of the related analysis, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the four-year period of this assessment. They also believe that the review period of four years is appropriate having regard to the Group's business model, strategy, principal risks and uncertainties, and viability.

Auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

a. so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

b. the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming AGM.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for the Company for each financial year.

The financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards as adopted for use in the European Union (together "IFRS"). The financial statements are required by law to be properly prepared in accordance with the Companies (Jersey) Law 1991. International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's *Framework for the preparation and presentation of financial statements*.

In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

However, the Directors are also required to:

- Properly select and apply accounting policies
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance
- Make an assessment of the Company's ability to continue as a going concern

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The legislation governing the preparation and dissemination of the Company's financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board

John Burton
Company Secretary
28 February 2019

Directors' report

For the year ended 31 December 2018 continued

Information required by Listing Rule LR 9.8.4C

In compliance with UK Listing Rule 9.8.4C the Company discloses the following information:

Listing Rule	Information required	Relevant disclosure
9.8.4(1)	Interest capitalised by the Group	See note 8 to the financial statements
9.8.4(2)	Unaudited financial information as required (LR 9.2.18)	See Chief Executive Officer's review
9.8.4(5)	Director waivers of emoluments	See Directors' remuneration report
9.8.4(6)	Director waivers of future emoluments	See Directors' remuneration report
9.8.4(12)	Waivers of dividends	See note 18 to the financial statements
9.8.4(13)	Waivers of future dividends	See note 18 to the financial statements
9.8.4(14)	Agreement with a controlling shareholder (LR 9.2.2A)	Not applicable
There are no disclosures to be made in respect of the other numbered parts of LR 9.8.4.		

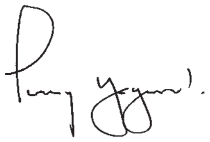
Confirmation of Directors' responsibilities

We confirm that to the best of our knowledge:

- the consolidated financial statements, prepared in accordance with International Financial Reporting Standards and interpretations as adopted by the European Union, International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board and the Companies (Jersey) Law 1991, give a true and fair view of the assets, liabilities, financial position and income of the Group and the undertakings included in the consolidation taken as a whole
- the management report, which is incorporated in the Strategic Report, includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face
- the Annual Report and consolidated financial statements, taken as a whole, are fair and balanced and understandable and provide the information necessary for shareholders to assess the performance, position, strategy and business model of the Company

The consolidated financial statements of the Group for the year ended 31 December 2018 were approved on the date below by the Board of Directors.

Signed on behalf of the Board:



Anthony Hayward
Chairman
28 February 2019

Ivan Glasenberg
Chief Executive Officer