



Group Tax Policy

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entities.**

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1. Purpose and Scope

The purpose of this document is to set out the overall approach of Glencore Plc (“**Glencore**”) and companies controlled directly or indirectly by Glencore (together with Glencore, the “**Glencore Group**”) in respect of taxation. This document sets out Glencore’s approach towards management and control over its tax affairs and sets out the general framework within which the Glencore Group will operate when considering tax related issues.

This document is approved by Glencore’s Board of Directors on an annual basis and will periodically be reviewed by the CFO in conjunction with the Group Tax Team. Any amendments to this tax policy will be approved by Glencore’s Board of Directors.

The tax policy is mandatory and applies to **all Glencore Group entities**. The approach and principles described must be followed with respect to corporate income tax, withholding tax and all other direct and indirect government imposts, including royalties, wherever levied.

This policy applies to Glencore from 1 October 2019 and will continue to apply until superseded.

2. Group Approach to Tax

In accordance with our overarching group Code of Conduct, we are committed to comply with all applicable tax laws, rules and regulations, without exception.

Glencore aims to achieve an optimal tax position for the Glencore Group, which does not mean the lowest tax result possible in the short term, but rather the optimal tax result, taking into account sustainability and continuity of the positions taken over the longer term. Glencore may seek to take steps to procure advantage of reliefs and incentives available under applicable laws and double tax treaties. Any corporate and / or transaction structuring is to be undertaken with an economic and commercial substance, consistent with Glencore’s commitment to be characterized as a “good corporate fiscal citizen”.

Glencore does not (and will not) therefore enter into artificial arrangements in order to avoid taxation or to defeat the stated purpose of the tax legislation, nor does it (nor will it) undertake aggressive tax planning. When deemed necessary, external advice will be sought in relation to areas of complexity or uncertainty to support the Glencore Group in understanding the tax consequences of its commercial and economic activities and complying with those effects.

3. Prevention of Facilitation of Tax Evasion

Glencore does not tolerate tax evasion of any kind, including facilitation of tax evasion by any person employed or contracted to Glencore or acting on Glencore's behalf ("Associated Persons").

Facilitation of tax evasion may expose the Glencore Group and Associated Persons to significant adverse consequences such as serious damage to the Glencore Group's reputation as well as civil and criminal liability.

Glencore is committed to adopt procedures which seek to prevent any such facilitation and will take appropriate action against any Associated Person who is found to have facilitated tax evasion of any kind.

4. Tax Risk Management and Governance

As tax legislation is often complex and its application may be unclear, it is impossible to ensure that our interpretation of our obligations will always be accepted by tax authorities. Therefore, Glencore aims to ensure it is aware of all relevant tax risks, including in relation to compliance matters, financial reporting, tax planning, tax audits and legislative developments.

Glencore has established policies which govern our approach to identify, manage and mitigate tax risks. Identified tax risks are actively managed within an appropriate tax risk framework and control procedures. Significant risks are routinely reported to the Board and Audit Committee. Potential material risks are to be assessed for the likelihood of occurrence and the negative financial or reputational impact on the Glencore Group and its objectives.

5. Tax Compliance

Glencore aims to minimize the administrative burden involved in tax compliance while fully and efficiently complying with the tax laws, rules and regulations in the jurisdictions in which the Glencore Group operates. In particular, tax returns, claims, elections and payments should be made accurately and on time, while interest charges and penalties suffered should be avoided or minimized.

6. Tax Authorities

Glencore recognizes the important role of all tax authorities in the various jurisdictions in which the Glencore Group operates, confirming them as stakeholders in its business. It is Glencore's policy to be transparent and proactive in all interactions with tax authorities. Therefore, all Glencore Group companies should seek to maintain constructive, collaborative and professional relationships with local tax authorities based on transparency and trust.

We recognize that on occasion there will be areas in which our legal interpretation may differ from that of tax authorities and where the tax treatment of activities and transactions is uncertain. In such cases, Glencore will engage in proactive discussions with the relevant tax authority with a view to bringing matters to a reasonable conclusion as rapidly and equitably as possible.

Glencore is committed to being characterized as a "good corporate fiscal citizen" aiming for sustainability in relation to tax.¹

¹ In particular, by complying with this Group Tax Policy, we expect to fully adhere to the HMRC Framework for Co-operative Compliance

7. Tax Resources

Any tax work should be prepared by personnel with an adequate technical understanding of local tax legislation and then reviewed by an experienced tax specialist. As a general / preferable rule, where possible, Glencore seeks to perform this work in-house.

Where the required expertise is not available in-house, external tax advisors may be mandated on the condition that they understand and comply with all aspects of Glencore's Group Tax Policy.

8. Transfer Pricing

Transactions between Glencore Group companies must comply with the arm's length principle as defined in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and included in Article 9 of the OECD Model Tax Convention. There should be no exceptions to this rule.

Having local transfer pricing documentation ("**Local File**") is mandatory within the Glencore Group and legally required by many tax jurisdictions. Apart from limited exceptions approved by the Group Tax Team, every relevant transaction must be addressed in a relevant Local File.

9. Roles and Responsibilities

The Group CFO has overall responsibility for tax matters and is specifically responsible for approving the Group Tax Policy and informing the Audit Committee of material tax planning developments and substantial tax risks.

The Group Tax Team is responsible for day-to-day tax work, development of the Group Tax Policy implementation and tax risk management.

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