BASE PROSPECTUS

TRAFIGURA FUNDING S.A.

(incorporated with limited liability in Luxembourg)

Guaranteed by

Trafigura Group Pte. Ltd.

(incorporated with limited liability in Singapore)

Trafigura Trading LLC

(incorporated with limited liability in Delaware)

and

Trafigura Pte Ltd

(incorporated with limited liability in Singapore)

EUR 3,000,000,000

Euro Medium Term Note Programme

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (as amended or superseded) (the "**Prospectus Regulation**"). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantors or the quality of the securities that are subject to this Base Prospectus. Investors should make their own assessment as to the suitability of investment in the securities. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for notes (the "**Notes**") issued under this Euro Medium Term Note Programme (the "**Programme**") within 12 months of this Base Prospectus to be admitted to the Official List (the "**Official List**") and to trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**"). Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Euronext Dublin or other regulated markets for the purposes of MiFID II or which are to be offered to the public in any Member State of the European Economic Area (the "**EEA**").

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

This Base Prospectus is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. For these purposes, reference(s) to the EEA include(s) the United Kingdom. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The Notes are issued by Trafigura Funding S.A. (the "**Issuer**") and are unconditionally and irrevocably guaranteed on a joint and several basis by each of Trafigura Group Pte. Ltd., Trafigura Trading LLC and Trafigura Pte Ltd (each, a "**Guarantor**" and together, the "**Guarantors**").

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law. The Notes are unconditionally and irrevocably guaranteed, jointly and severally, on a senior unsecured basis by each of the Guarantors. The guarantee of the Notes (the "**Guarantee**") will rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantors, save for such obligations as may be preferred by mandatory provisions of law.
Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantors to fulfil their respective obligations under the Notes and the Guarantee are discussed under "Risk Factors" below.

Arranger

ING

Dealers

Citigroup	**Credit Suisse**	**Deutsche Bank**
ING	**Société Générale Corporate & Investment Banking**	

11 September 2020

IMPORTANT NOTICES

Responsibility for this Base Prospectus

The Issuer and each Guarantor accepts responsibility for the information contained in this Base Prospectus and any Final Terms and declares that the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Final Terms/Drawdown Prospectus

Each Tranche (as defined herein) of Notes will be issued on the terms and subject to the conditions set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below.

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer and the Guarantors have confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Market data and certain industry forecasts used throughout this Base Prospectus have been obtained from internal surveys, market research and publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Guarantors or the Dealers make any representation as to the accuracy of that information.

Substantially all the information contained in this Base Prospectus concerning the position of the Group vis-à-vis its competitors is based on internal analysis derived from publicly available information. The Group believes that these sources and estimates are reliable, but the Group and the Dealers have not independently verified them. Any discussion of matters in this Base Prospectus relating to competitive position is, therefore, subject to uncertainty due to concerns about the completeness or reliability of available official and public information.

Unauthorised information

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

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for any acts or omissions of the Issuer, the Guarantors or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or the Guarantors since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantors and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and may not be offered or sold in the United States other than pursuant to an exemption from the registration requirements of the Securities Act. Securities may also be subject to U.S. tax law requirements.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Guarantors, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantors.

MiFID II product governance / target market – The Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

IMPORTANT – EEA AND UK RETAIL INVESTORS – If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA and UK Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.

Benchmark Regulation

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Product Classification pursuant to Section 309B of the Securities and Futures Act (Chapter 289) of Singapore

The Final Terms in respect of any Notes may include a legend entitled "Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**"). The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for the purposes of section 309B(1)(c) of the SFA.

Unless otherwise stated in the Final Terms or the Drawdown Prospectus in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Alternative Performance Measures

In addition to the financial performance measures established by IFRS, this Base Prospectus contains certain financial measures that are presented for the purpose of assisting securities analysts, investors and other interested parties in understanding the Group's financial performance. The relevant metrics are identified as Alternative Performance Measures ("**APMs**") for the purposes of the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority and are accompanied by an explanation of each metric, see "*Key Performance Indicators*" on pages 217 to 220.

Such measures should not be considered as a substitute for those required by IFRS.

Notes may not be a suitable investment for all investors

Each of the risks highlighted in the section of this Base Prospectus headed "*Risk Factors*" could adversely affect the trading price of the Notes or the rights of investors under any Notes and, as a result, investors could lose some or all of their investment. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes, which are complex financial instruments, unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Programme limit

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed EUR 3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement as defined under "*Subscription and Sale*")). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

Certain definitions

In this Base Prospectus, unless otherwise specified:

- references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" and "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to "**U.S.$**", "**USD**", "**U.S. dollars**" and "**dollars**" are to United States dollars and references to "**sterling**", "**Pound Sterling**" and "**£**" are to the lawful currency of the United Kingdom;

- references herein to "**billions**" are to thousands of millions; and

- references herein to the "**Group**" or "**Trafigura**" are to Trafigura Group Pte. Ltd. and its consolidated subsidiaries.

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

Stabilisation

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

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OVERVIEW OF THE PROGRAMME

The following overview is a general description of the Programme, must be read as an introduction to this Base Prospectus, and is qualified in its entirety by, the remainder of this Base Prospectus and in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this overview unless otherwise defined herein.

Issuer:	Trafigura Funding S.A.
Guarantors:	Trafigura Group Pte. Ltd. ("**TGPL**" or the "**Company**"), Trafigura Trading LLC ("**TTL**") and Trafigura Pte Ltd ("**TPTE**").
Arranger:	ING Bank N.V.
Dealers:	Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank Aktiengesellschaft, ING Bank N.V., Société Générale and any other Dealer appointed from time to time by the Issuer and the Guarantors either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Trustee:	Citicorp Trustee Company Limited, or any successor trustee appointed pursuant to the Trust Deed (as amended and/or supplemented and/or restated) from time to time.
Principal Paying Agent:	Citibank N.A., London Branch, or any successor principal paying agent appointed pursuant to the Paying Agency Agreement (as amended and/or supplemented and/or restated) from time to time.
Irish Listing Agent:	Walkers Listing Services Limited.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Conditions as completed by the relevant Final Terms or, as the case may be, as supplemented, amended and/or replaced by the relevant Drawdown Prospectus.
Listing and Trading:	Application has been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List and to trading on the regulated market of Euronext Dublin. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
Clearing Systems:	Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**" and together with Euroclear, the "**ICSDs**") and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Initial Programme Amount:	Up to EUR 3,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time. The Issuer may increase the

	amount of the Programme in accordance with the terms of the Dealer Agreement.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Forms of Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.
Currencies:	Notes may be denominated in euro, U.S. dollars or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Status of the Notes:	Notes will be issued on an unsubordinated basis.
Status of the Guarantee:	Notes will be unconditionally and irrevocably guaranteed by each Guarantor, on an unsubordinated and joint and several basis.
Issue Price:	Notes may be issued at any price. The price and amount of Notes to be issued under the Programme will be determined by the Issuer, the Guarantors and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Maturities:	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
	Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of

	investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act (the "**FSMA**") by the Issuer.
Redemption:	Notes will be redeemable at par.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
Early Redemption:	Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons, as described in Condition 9(b) (*Redemption and Purchase - Redemption for tax reasons)*, or if the aggregate principal amount of outstanding Notes of the relevant Series is less than 10 per cent. of the aggregate principal amount of such Series, as described in Condition 9(f) (*Redemption and Purchase – Redemption in the case of Minimal Outstanding Amount*).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:	Notes issued under the Programme which are to be admitted to trading on the regulated market of Euronext Dublin and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system which is a regulated market situated or operating in a Member State and/or offered to the public in any Member State, in each case in circumstances which require the publication of a prospectus under the Prospectus Regulation, may not have a minimum denomination of less than EUR 100,000 (or its equivalent in any other currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge)*.
Cross-Default:	The Notes will have the benefit of a cross-default as described in Condition 12 (*Events of Default)*.
Taxation:	All payments of principal and interest in respect of Notes by or on behalf of the Issuer or the Guarantors will be made free and clear of withholding taxes of Luxembourg and Singapore, as the case may be, unless the withholding is required by law. In that event, the Issuer or (as the case may be) the relevant Guarantor will (subject as provided in Condition 10 (*Payments*) and Condition 11 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in

respect of such Notes had no such withholding been required.

Substitution:	The Trustee shall, in certain circumstances without the consent of the Noteholders, agree to the substitution of the Issuer or any Guarantor as described in Condition 16(c) (*Substitution*).
Governing Law:	English law.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the European Economic Area, the United Kingdom, Australia, Belgium, Denmark, France, Germany, Hong Kong, the Republic of Italy, Japan, Jersey, Korea, the Grand Duchy of Luxembourg, The Netherlands, Norway, the People's Republic of China, the Republic of China (Taiwan), Singapore, Spain, Switzerland, the United Arab Emirates (excluding the Dubai International Financial Centre) and Dubai International Financial Centre, see "*Subscription and Sale*".

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the Guarantors and the industry or industries in which each of them operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer and the Guarantors that are not currently known to the Issuer or the Guarantors, or that any of them currently deem immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and/or the Guarantors and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

The risk classifications below are for ease of reference only. Some risks (although listed under the heading of a certain risk classification) may in fact involve different categories. Investors should not rely on the headings to classify the relevant risks and should read each risk factor carefully.

CONTENTS OF THE RISK FACTORS

1. Financial Market and Economic Risks

Trafigura is exposed to declines in the current and expected volumes of supply or demand for commodities, to commodity prices and to deterioration in economic and financial conditions.

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

Declines in the volume of each commodity produced or traded by Trafigura, as well as declines in the price of commodities, could materially adversely impact Trafigura's business, results of operations and earnings. These declines could result in a reduction in the average trading unit margin achieved in respect of the volumes handled by Trafigura's trading activities, or a reduction in the volume and/or margin in respect of commodities produced by Trafigura's industrial assets.

Sustained increases in the price of commodities may require higher levels of working capital to be put in place in order to finance Trafigura's trading activities. Although Trafigura expects the continued support of financial institutions, there can be no assurance that additional credit or funding will be made available to Trafigura in the abovementioned circumstances or that the cost of such funding will not have a negative impact on the profitability of its trading activities. See "*Liquidity risk and a failure to obtain funds could limit Trafigura's ability to engage in desired activities and grow its business*."

In addition, a decline in economic and financial conditions globally or in a specific country, region or sector may have a material adverse effect on Trafigura's business, results of operations or earnings. For example, although most commodities' fixed pricing periods are relatively short, a significant rapid reduction or increase in commodity prices could result in customers or suppliers, as the case may be, being unwilling or unable to honour their contractual commitments to purchase or sell commodities on pre-agreed pricing terms. In addition, a tightening of available credit may make it more difficult for Trafigura to obtain, or may increase the cost of obtaining, financing for its trading activities and capital expenditures at its industrial assets.

Liquidity risk and a failure to obtain funds could limit Trafigura's ability to engage in desired activities and grow its business.

Liquidity, or ready access to funds, is essential to Trafigura's business. Liquidity risk is the risk that Trafigura is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments. A lack of liquidity may mean that Trafigura will not have funds available to maintain or increase its trading activities, meet margin requirements, grow its industrial activities as planned or take advantage of other opportunities that may arise in its trading or industrial activities.

Trafigura's trading activities employ significant amounts of working capital to fund purchases of commodities for future delivery to Trafigura's end customers, to meet margin requirements under derivative contracts and to fund the acquisition and maintenance of certain transport and storage assets which complement its trading activities. Continued funding of and access to working capital is critical for Trafigura to maintain its historic levels of trading activity and increase such levels in the future. Trafigura's industrial activities are also capital intensive and the continued funding of such activities is critical for Trafigura to maintain its ownership interests in its industrial assets, to maintain production levels in periods when net operating cash flow is negative or insufficient to cover capital expenditures, to develop its activities or increase production levels in the future in accordance with its business plan and to grow its industrial activities through the acquisition of new assets. Prudent liquidity risk management requires Trafigura to maintain sufficient cash and cash equivalents through the accumulation of retained earnings and to have ready sources of committed funding available to meet anticipated and unanticipated funding needs. While Trafigura adjusts its minimum internal liquidity targets in response to changes in market conditions, its liquidity may be impaired due to circumstances it is unable to control, such as general market disruptions, increases in the prices of commodities or an operational problem that affects its suppliers or customers or Trafigura itself.

In addition to maintaining a cash position, Trafigura relies on two other principal sources of liquidity: (i) borrowings under various short-term and long-term bank and asset-backed facilities and (ii) issuance of notes in the debt capital markets. An inability to raise money in the long-term and short-term debt markets could have a material adverse effect on Trafigura's liquidity. Trafigura's access to debt in amounts adequate to finance its activities could be impaired by factors that affect Trafigura in particular or the industries or geographies in which it operates. For example, lenders could develop a negative perception of Trafigura's short-term or long-term financial prospects if Trafigura incurred large losses, if the level of its trading activities were to materially decrease due to a market downturn in the demand for commodities, or if its business was otherwise materially adversely affected. Lenders could also develop a negative perception of the commodities trading industry if, for example, a competitor suffers from financial difficulties. Although Trafigura expects the continued support of financial institutions, there can be no assurance that additional credit or funding will be made available in the future.

Future debt financing, if accessible, may result in increased borrowing costs, increased financial leverage, decreased income available to fund further acquisitions and expansions and the imposition of restrictive covenants on Trafigura's businesses and operations. In addition, future debt financing may limit Trafigura's ability to withstand competitive pressures and render its businesses more vulnerable to economic downturns by exposing it to volatile interest rates, tighter credit markets and potentially reduced access to funding that may be needed to take advantage of future business opportunities.

Trafigura is exposed to geopolitical risk.

Trafigura operates and owns assets in a large number of geographic regions and countries and, as a result, is exposed to a wide range of political, regulatory and tax environments. These environments are subject to change in a manner that may be materially adverse for Trafigura, including changes to government policies and regulations governing industrial production, foreign investments, price controls, export controls, tariffs, income and other forms of taxation (including policies relating to the granting of advance rulings on taxation matters), nationalisation or expropriation of property, repatriation of income, royalties, the environment and health and safety.

Many of the commodities that Trafigura sources and markets are considered strategic resources for particular countries. Governments in these countries may decide not to recognise previous arrangements if they regard them as no longer being in the national interest. Governments may also implement export controls on commodities regarded by them as strategic (such as oil) or place restrictions on foreign ownership of industrial assets or other assets considered strategic resources. Renegotiation or nullification of existing agreements, leases, permits or tax rulings, changes in fiscal policies (including new or increased taxes or royalty rates or the implementation of a windfall tax) and currency restrictions imposed by the governments of countries in which Trafigura operates could have a material adverse effect on Trafigura.

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

International trade disputes could result in tariffs and other protectionist measures that could adversely affect Trafigura's business. Tariffs could increase the cost of the commodities that Trafigura trades. Tariffs could also make commodities more expensive for customers, which could reduce demand from customers and consumers. In the United States, the current administration has publicly supported, and in some instances has already proposed or taken action with respect to, significant changes to certain trade policies, including import tariffs and quotas, modifications to international trade policy, the withdrawal from or renegotiation of certain trade agreements and other changes that may affect international trade relations, any of which may require Trafigura to significantly modify Trafigura's current business practices or may otherwise materially and adversely affect Trafigura's business. Such changes could also result in retaliatory actions by United States' trade partners. For example, in 2018, the United States imposed tariffs and proposed quotas on aluminium imports to the United States. These actions and the possibility of trade conflicts stemming from these actions could negatively impact global trade and economic conditions in many of the regions where Trafigura does business. Countries may also adopt other protectionist measures that could limit Trafigura's ability to trade or reduce the viability of Trafigura's mining operations, which could have a material adverse effect on Trafigura's business.

The geopolitical risks associated with operating in a large number of regions and countries, if realised, could affect Trafigura's ability to manage or retain interests in its industrial activities and could have a material adverse effect on the profitability, ability to finance or, in extreme cases, viability of one or more of its industrial assets.

Trafigura has significant outstanding indebtedness.

Trafigura has a significant amount of indebtedness, which could potentially impair its operating and financial flexibility and could adversely affect its business and financial position. A high level of indebtedness could potentially require Trafigura to use a substantial portion of cash flow from operations to service its debt, which could reduce the funds available for capital expenditure, acquisitions and other general corporate purposes. This could also potentially limit Trafigura's ability to borrow additional funds and increase its vulnerability to adverse economic conditions.

Trafigura's financial performance is exposed to the level of treatment charges.

Due to the acquisition of Nyrstar and the subsequent integration of Nyrstar into the Group, Trafigura is exposed to additional risks related to commodity prices. Nyrstar's profitability, and consequently Trafigura's profitability, is highly sensitive to the market price of zinc and lead (which determines the amount of value available to be shared between the miner and the smelter) and treatment charges ("**TCs**") (which determine how that value is shared between the miner and the smelter). The market price of zinc and lead impacts both (i) the TC contribution and (ii) the contribution of refined metals produced and sold over and above the metal content paid for in concentrates purchased from the miner ("**free metal**"), in each case, impacting Nyrstar's revenues. TC levels and the amount of free metal available each has a significant impact on Nyrstar's financial performance given that Nyrstar's revenues are mainly generated from smelting activities. In addition, Nyrstar's results are impacted by the prices of copper, silver, gold and other metals.

The prices of zinc, lead, copper, silver, gold and other metals have historically been subject to fluctuations in response to market forces. Factors largely beyond Nyrstar's control, such as the cyclicality of consumption, actual or perceived changes in levels of supply and demand, the availability and cost of substitute materials, inventory levels maintained by producers, trading on the metals market and exchange rates, all influence metal prices. In addition, Nyrstar's results remain closely linked to the levels of TCs that it charges zinc miners to refine their zinc concentrates and lead miners to refine their lead concentrates. TCs are, in effect, paid by the miner to the smelter in the form of a concession (or deduction) on the price of the zinc or lead concentrates that the miner sells to the smelter. A decrease in TCs can be expected to have a material adverse effect on Nyrstar's business, results of operations and financial condition.

TCs are subject to fluctuations based on the supply and demand dynamics of the global zinc, lead or copper concentrate market. TCs are typically negotiated annually between individual miners and smelters in view of the anticipated supply and demand of concentrates and the likely metal price; a "benchmark" level of TCs is typically set in the first or the second quarter of each year. When supplies of concentrates (i.e., the mines' output) exceed available smelting capacity utilisation, there typically is a positive impact on the TCs realised by the smelters, and the smelters are able to obtain a larger portion of the value of the contained metal. Conversely, when supplies of concentrates are less than available smelting capacity utilisation, there usually is a negative impact on the TCs for smelters, and a greater share of the metal value is retained by miners. Depending on timing and overall circumstances, an increase in smelting capacity utilisation, particularly in regions like China where production costs are lower compared to operations in more mature regions, could therefore significantly and adversely affect TCs. The impact of TC levels on Nyrstar's revenues is expected to further decrease in the future in line with the completion of the Port Pirie Redevelopment.

Trafigura is exposed to fluctuations in currency exchange and interest rates.

The significant majority of transactions undertaken by both Trafigura's trading and industrial activities are denominated in U.S. dollars. However, Trafigura is exposed to fluctuations in currency exchange rates:

- through its industrial activities, because a large proportion of the operating costs of these assets are denominated in the currency of the country in which each asset is located;
- through the costs of Trafigura's global office network, which are denominated largely in the currency of the country in which each office is located, the largest of such currency exposures being to the Swiss Franc, the Pound Sterling, the Singapore Dollar and the Euro; and
- through its trading activities, although only a small minority of purchase or sale transactions are denominated in currencies other than U.S. dollars.

The reporting currency and the functional currency of the majority of Trafigura's operations is the U.S. dollar, as this is assessed to be the principal currency of the economic environment in which Trafigura operates. The exchange rates between relevant local currencies and the U.S. dollar have historically fluctuated, and the translation effect of such fluctuations may have a material adverse effect on Trafigura's consolidated results of operations or financial condition.

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

COVID-19 Pandemic and Possible Similar Future Outbreaks

Different regions in the world have from time to time experienced outbreaks of various viruses and other transmissible diseases. As of the date of this Base Prospectus, a wide-spread global pandemic of severe acute respiratory syndrome coronavirus 2 (commonly known as SARS-CoV-2) and the infectious disease COVID-19, caused by the virus, is taking place. As the virus and diseases it causes are relatively new, effective cure and vaccines are yet to be developed. There have been rapid developments in the spread of COVID-19, which the World Health Organisation declared a pandemic on 11 March 2020. Since then, the pandemic has caused various emergency measures being applied by various countries around the world and brought along substantial volatility in financial markets globally.

While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, it is clear that it will affect the lives of a large portion of the global population and cause significant disruption. At this time, the pandemic has caused state of emergencies being declared in various countries, travel restrictions being imposed, quarantines been established and various institutions and companies being closed.

The ongoing COVID-19 pandemic and any possible future outbreaks of viruses may have a significant adverse effect on the Group. Firstly, a spread of such diseases amongst the employees of the Group, as well any quarantines affecting the employees of the Group or the Group’s facilities, may reduce the possibility of the Group’s personnel to carry out their work and thereby affect the Group’s operations. Secondly, the current pandemic and any possible future outbreaks of viruses may have an adverse effect on the Group’s suppliers or other counterparties, interfering with the ability of Trafigura’s suppliers to manufacture the products it buys and the ability to transport commodities across borders. Thirdly, any quarantines or spread of viruses may affect the possibility of the customers of the Group to carry out their work, which may adversely affect the possibility to sell the Group’s products to end-consumers. The Group is actively assessing and responding, where possible, to the effects of the COVID-19 pandemic on employees, customers, suppliers and service providers, and evaluating governmental actions being taken to curtail its spread.

The impact of COVID-19 in emerging market countries where Trafigura operates may also be greater due to generally less established healthcare systems. Further, public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally.

Further to the above, the Group may be adversely affected by the wider macroeconomic effect of the ongoing COVID-19 pandemic and any possible future outbreaks. While the final effects of the COVID-19 pandemic are at this stage difficult to assess, it is likely that it will have substantial negative effect on the economies where the Group operates in. Any negative effect on the economy may decrease incomes of the end-customers of the Group and the demand for the Group’s products. Such effects may also result in the insolvency of the Group’s business partners, which could affect the operations of the Group, as well as its financial standing. Depending on the duration and severity of the current COVID-19 pandemic, it may also have the effect of heightening many of the other risks described in this document, such as risks relating to the successful completion of expansion projects, the Group’s ability to maintain adequate internal controls in the event that employees are restricted from accessing offices for a significant period of time; restricted access to capital and increased borrowing costs; and complying with the covenants contained in the agreements that govern our existing indebtedness. For an update on how the Group is dealing with the COVID-19 outbreak, see “*Industry Overview – Recent Update*”.

Even after the COVID-19 outbreak has subsided, the Group may continue to experience material adverse impact to our businesses as a result of its global economic impact, including any related recession, as well as lingering effects on demand for or oversupply of its products, suppliers, third-party service providers and/or customers. Further, the market disruption and volatility caused by the COVID-19 pandemic has increased the complexity of determining the value of the Group’s assets. The adverse impact caused by plant closures, supply chain disruptions, travel and import/export restrictions, could potentially lead to significant impairments of the Group’s assets. Lastly, the price of the Group’s securities and the possibility of the Group to acquire further financing may be adversely affected. Any of the factors above could have an adverse effect on the Group’s profits and financial position, and thereby affect the Group’s ability to make the payments under the Notes.

2. Industry and Business Risks

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

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

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

The commodities industry is competitive and Trafigura may have difficulty effectively competing with other commodity trading and industrial companies.

Trafigura faces strong competition in each of its business segments. In addition, some of these competitors or existing producers may, in the future, use their resources to broaden into all of the markets in which Trafigura operates and therefore compete further against Trafigura. These competitors may also expand and diversify their commodity sourcing, processing or trading operations, or engage in pricing or other financial or operational practices that could increase competitive pressure on Trafigura across each of its business segments. Increased competition may result in losses of market share for Trafigura and could materially adversely affect Trafigura's business, results of operations and financial condition.

Trafigura is exposed to counterparty risk in its trading activities.

Trafigura's trading and industrial activities are subject to non-performance risk by its suppliers, customers and hedging counterparties. For example:

- a significant rapid increase in commodity prices could result in suppliers being unwilling to honour their contractual commitments to sell commodities to Trafigura at pre-agreed prices;
- a significant rapid reduction in commodity prices could result in customers being unwilling or unable to honour their contractual commitments to purchase commodities from Trafigura at pre-agreed prices;
- customers may take delivery of commodities from Trafigura and then find themselves unable to honour their payment obligations due to financial distress or any other reasons; and
- hedging counterparties may find themselves unable to honour their contractual commitment due to financial distress or other reason.

Trafigura seeks to reduce the risk of customer non-performance by requiring credit support from creditworthy financial institutions, where appropriate, and by imposing limits on open accounts extended. In addition, mark-to-market exposures in relation to hedging contracts are regularly and substantially collateralised (primarily with cash) pursuant to margining arrangements in place with such hedge counterparts. However, no assurance can be given that Trafigura's attempts to reduce the risk of customer non-performance will be successful in every instance or that its financial results will not be adversely affected by the failure of a counterparty or counterparties to fulfil their contractual obligations in the future. Such failure could have an adverse impact on Trafigura's business, results of operations and financial condition, including by creating an unintended, unmatched commodity price exposure.

Trafigura's risk management policies and procedures may not be fully effective.

Trafigura has devoted significant resources to developing and implementing policies and procedures to manage commodity price, foreign exchange, interest rate, counterparty (include credit), operational and regulatory risks, and expects to continue to do so in the future. Nonetheless, Trafigura's policies and procedures to identify, monitor and manage risks may not be fully effective.

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

Trafigura's hedging strategy may not always be effective.

Trafigura's trading activities involve a significant number of purchase and sale transactions across multiple commodities. In order for Trafigura to mitigate the risks in its trading activities related to commodity price fluctuations and potential losses, Trafigura has a policy, at any given time, of hedging all index price exposure of its trading inventory not already contracted for sale at pre-determined prices through futures and swap commodity derivative contracts, either on commodities' exchanges or in the over the counter ("**OTC**") market. In the event of disruptions in the commodity exchanges or markets on which Trafigura engages in these hedging transactions, Trafigura's ability to manage commodity price risk may be adversely affected and this could in turn materially adversely affect its business, financial condition and results of operations.

In addition, Nyrstar continues to be exposed to the shape of the forward price curve for underlying metal prices. The volatility in the London Metal Exchange price creates differences between the average price Nyrstar pays for the contained metal and the price Nyrstar receives for it. Nyrstar engages in transactional hedging which means that it undertakes short-term hedging transactions to cover the timing risk between raw material purchases and sales of metal and to cover its exposure on fixed-price forward sales of metal to customers.

Trafigura's trading and industrial activities involve operating risks and hazards, many of which are outside Trafigura's control.

Trafigura's business is subject to numerous operating risks and hazards normally associated with the development and operation of natural resource or other industrial projects, many of which are beyond Trafigura's control. These operating risks and hazards include unanticipated variations in grade and other geological problems, seismic activity, climatic conditions such as flooding or drought, metallurgical and other processing problems, technical failures, unavailability of materials and equipment, industrial actions or disputes, industrial accidents, labour force disruptions, unanticipated transportation constraints, tribal action or political protests, environmental hazards, fire, explosions, vandalism and crime and other force majeure factors. These risks and hazards could result in damage to, or destruction of, properties, ships, storage facilities or production facilities, may cause production to be reduced or to cease at properties or production facilities, may result in personal injury or death, environmental damage, business interruption and legal liability, may result in actual production differing from estimates of production or may impede Trafigura's ability to deliver products on time to customers.

Smelters, an important part of Nyrstar's operations, are especially vulnerable to interruptions, particularly where events cause a stoppage which necessitates a shutdown in operations. Stoppages in smelting, even if lasting only a few hours, can cause the contents of furnaces to solidify, resulting in a plant closure for a significant period and necessitating expensive repairs, any of which could adversely affect Nyrstar's business, results of operations or financial condition.

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

Risks relating to the integration of Nyrstar within Trafigura.

Following completion of the Nyrstar debt restructuring (the "**Nyrstar Debt Restructuring**") on 31 July 2019, the Group owns and controls substantially all of Nyrstar's operating business (the "**Nyrstar Operating Business**").

Following the Nyrstar Debt Restructuring, the Group's increased control of the Nyrstar Operating

Business involves risks that the acquired business will not operate in accordance with expectations and that business judgments concerning the value, strengths and weaknesses of the Nyrstar Operating Business acquired will prove to be incorrect. If the Group's increased interest in the Nyrstar Operating Business does not perform to expectations, the Group's results of operations and financial condition may be adversely affected. Furthermore, the Group may incur a number of significant unforeseen costs, including integration costs, in order to consolidate the Nyrstar Operating Business with its own business and operations. The successful integration of new businesses depends on the Group's ability to manage these new businesses, including cutting excess overheads and other costs. The successful integration of Nyrstar's operating business may also require substantial attention from the Group's senior management and the management of the Nyrstar Operating Business, which could disrupt the Group's operations by decreasing the time available that senior management dedicates to the management of the Group and on other acquisition opportunities.

There is no assurance that Trafigura will successfully or cost effectively integrate the Nyrstar Operating Business. If Trafigura is unable to successfully integrate the Nyrstar Operating Business or the acquisition otherwise does not perform to Trafigura's expectations, results of operations and financial condition may be adversely affected. It is also possible that the substantial management attention required by, and the indebtedness to be incurred in connection with, the Nyrstar Debt Restructuring could cause Trafigura to forgo other acquisition opportunities, particularly if the acquisition does not perform to Trafigura's expectations.

Trafigura has paid, and expects to continue to pay, significant costs in connection with the Nyrstar Debt Restructuring and other transactions related thereto. As a result of the Nyrstar Debt Restructuring, Trafigura may also incur costs associated with integrating the Nyrstar Operating Business, and these costs may be significant and may have an adverse effect on Trafigura's future operating results if the anticipated returns from the Nyrstar Operating Business are not achieved. Although Trafigura expects that the elimination of duplicative costs and the realisation of other efficiencies related to the integration of the Nyrstar Operating Business should allow Trafigura to offset these incremental expenses over time, the net benefit may not be achieved in the near term, or at all. Furthermore, Trafigura may also be liable for the past acts, omissions or liabilities (including environmental liabilities) of Nyrstar, which may be unforeseen or greater than anticipated at the time of the completion of the Nyrstar Debt Restructuring.

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

Any accidents or hazardous incidents causing personal injury, death or property or environmental damage at or to Trafigura's logistics and storage facilities, mines, concentrators, refineries or related facilities or surrounding areas may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. Risks associated with Trafigura's logistics and storage operations may include the risk of ruptures and spills from crude oil and other product carriers; spillage, leakage or seepage of solid materials or process water remaining after the extraction of metals and minerals from mined ore (tailings) or other hazardous substances found in storage or disposal facilities; and failure of tailings dams during the operating life of the mines or after closure.

Risks associated with Trafigura's mining operations include, but are not limited to, flooding, underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharges of gases or toxic chemicals, sinkhole formation and ground subsidence.

If accidents occur in the future, Trafigura's business and results of operations may be adversely impacted.

Trafigura's assets are subject to environmental hazards through their shipping, transportation and storage activities, and through their mining and smelting activities.

Where Trafigura holds or has interests in industrial activities, these assets are generally subject to environmental hazards as they involve the storage, disposal and transportation of hazardous materials. For example, Trafigura is the largest investor in Puma Energy Holdings Pte. Ltd. (together with its subsidiaries, the "**Puma Energy Group**", "**Puma**" and "**Puma Energy**"). Puma Energy's focus is in the oil storage and distribution business and, in particular, it is responsible for the storage, transport and retail distribution of large quantities of oil products which by their nature present such potential environmental risks. Through IWL Holding BV (Netherlands) (together with its subsidiaries, the "**Impala Terminals**

Group"), Trafigura's bulk commodity terminals and warehousing business is responsible for extensive terminals, warehousing facilities and blending operations as well as the operation of a major deep water terminal, which similarly poses potential environmental hazards, as does DT Group, an indirect subsidiary of the Company, which has interests in shipping, trucking and recycling and among its other activities is involved in the transport of bitumen.

In addition, its mining activities are subject to environmental hazards through the processes and chemicals used in traditional extraction and production methods, environmental hazards may exist on Trafigura's owned or leased properties or at those of the industrial activities in which it holds an interest, or may be encountered while its products are in transit. Nyrstar faces additional environmental risks both through its mining operations as discussed below, but also in its smelting operations where the economics of such operations are reliant in part on the prices achievable for the marketable by-products of smelting. Nyrstar generates large quantities of by-products such as sulfur dioxide gas in its zinc and lead production process, as well as solid residues with zinc, lead, copper, silver, gold and other minor metal values. In order to maximise recovery of resource components, minimise emissions and comply with its environmental commitments, it processes these by-products into forms that facilitate further metals recovery or render them suitable for sale to external parties.

Damage to refineries, bulk storage depots, offshore mooring systems or vessels carrying oil or to a facility where it is stored could lead to a spill, causing environmental damage with significant clean-up or remediation costs and legal costs.

Trafigura, including through its acquisition of the Nyrstar Operating Business, also owns mining assets. The processes and chemicals used in traditional extraction and production methods in respect of such mining assets as well as the engineering design of its mining infrastructure (e.g. tailing dams) are subject to environmental hazards. In addition, the storage of tailings at Trafigura's industrial assets may present a risk to the environment, property and persons. There remains a risk of leakage from or failure of Trafigura's tailings dams, as well as theft and vandalism during the operating life of the assets or after closure. Trafigura may be liable for losses associated with environmental hazards, have its licences and permits withdrawn or suspended or may be forced to undertake extensive remedial clean-up action or to pay for government-ordered remedial clean-up actions, even in cases where such hazards have been caused by any previous or subsequent owners or operators of the property, by any past or present owners of adjacent properties, by independent third party contractors providing services to Trafigura or by acts of vandalism by trespassers. Any such losses, withdrawals, suspensions, actions or payments may have a material adverse effect on Trafigura's business, results of operations and financial condition.

Estimates of ore reserves are based on certain assumptions, and changes in such assumptions could lead to reported ore reserves being restated at a lower level.

The value of Trafigura's mining activities is linked to its ore reserves. Trafigura's recoverable reserves decline as the commodities are extracted. These reserves represent the estimated quantities of minerals that the Group believes could be mined, processed, recovered and sold at prices sufficient to cover the estimated future total costs of production, remaining investment and anticipated additional capital expenditures. For as long as Trafigura continues to own its respective mining assets, its future profitability and operating margins depend partly upon its ability to access mineral reserves that have geological characteristics enabling mining at competitive costs either by conducting successful exploration and development activities or by acquiring properties containing economically recoverable reserves. Replacement reserves may not be available when required or, if available, may not be of a quality capable of being mined at costs comparable to existing mines. Trafigura's mining operations utilise the services of appropriately qualified experts to ascertain and verify the quantum of reserves and resources including ore grade and other geological characteristics under relevant global standards for measurement of mineral resources.

Resource and reserve information is based on engineering, economic and geological data assembled and analysed by third parties. Estimates as to both quantity and quality are periodically updated to reflect extraction of commodities and new drilling or other data received. There are numerous uncertainties inherent in estimating quantities and qualities of reserves and costs to mine, including many factors beyond Trafigura's and Nyrstar's control. Estimates of reserves necessarily depend upon a number of variable factors and assumptions, all of which may vary considerably from actual results.

Further, mineral resource estimates are based on concentrations or occurrences of minerals that are judged to have reasonable prospects for economic extraction, but for which the economics of extraction cannot be assessed, whether because of insufficiency of geological information or lack of feasibility analysis, or for which economic extraction cannot be justified at the time of reporting. Consequently, mineral resources are of a higher risk and are less likely to be accurately estimated or recovered than mineral reserves.

Assumptions that are valid at the time of estimation may change significantly when new information becomes available. This may, ultimately, result in the reserves or resources needing to be restated. Such changes in reserves or resources could also impact depreciation and amortisation rates, asset carrying values, deferred stripping calculations and provisions for close down, restoration and environmental clean-up costs. If the prices of the commodities produced by Trafigura and/or Nyrstar decrease, or if there are adverse changes in TCs, foreign exchange rates or other variables, certain of the Group's reserves which are currently classified as proved or probable may cease to be classified as recoverable as they become uneconomic to mine. In addition, changes in operating, capital or other costs may have the same effect by rendering certain mineral reserves or resources uneconomic to mine in the future. Should such reductions occur, further material write downs of its investment in mining properties or the discontinuation of development or production might be required, and there could be material delays in the development of new projects, increased net losses and reduced cash flow.

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

Trafigura relies on a network of processing, transportation and storage facilities that are subject to numerous risks and hazards. If any of these risks materialise Trafigura's business, results of operations and financial condition could be materially adversely affected.

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

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

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

Industrial activities are exposed to an increase in operating costs, including as a result of increased energy costs or shortages of equipment, spare parts and labour.

In relation to Trafigura's industrial activities, Trafigura's main production expenses include transportation costs, personnel expenses, maintenance and repairs, raw materials, energy and contractor expenses. Increased costs could arise from a number of factors which are beyond Trafigura's control, including: (i) increased fuel costs as well as the costs of other consumables, electricity, transport or site contractors; or (ii) increased processing or storage costs for such commodities.

In particular, electricity costs represent a very significant part of Nyrstar's production costs, especially in relation to the operation of smelters. Increases in energy, particularly electricity, prices would significantly increase Nyrstar's production costs and reduce its margins. Nyrstar attempts to limit its exposure to short term energy price fluctuations through forward purchases, long term contracts and participation in energy purchasing consortia. Further, Nyrstar is dependent on a limited number of suppliers for zinc and lead concentrates. Nyrstar is partially dependent on the supply of zinc and lead secondary feed materials. A disruption in supply could have a material adverse effect on Nyrstar's production levels and financial results. Unreliable energy supply at any of the mining and smelting operations requires appropriate emergency supply or will result in significant ramp up costs after a major power outage.

Further, shortages of certain equipment, spare parts or specialised labour may increase the costs of Trafigura's mining operations as a result of equipment, spare parts or labour becoming more expensive due to increased demand and tight supply. Such shortages may also cause delays to, and quality issues in respect of, Trafigura's operations either as a result of equipment used in Trafigura's operations being temporarily unavailable or not being available at all or there being insufficient resources to operate equipment or maintain production at the optimum capacity. Any resulting increase in costs or production delays could have a material adverse effect on Trafigura's business, results of operations and financial condition.

Trafigura is reliant on third parties and non-controlled entities to source the majority of the commodities purchased by its trading operations.

Trafigura purchases a minority portion of the physical commodities sold by its trading operations from its controlled industrial operations and associates. The remainder of the commodities sourced by its trading operations are purchased from third party suppliers or entities in which Trafigura may have a minority stake. Trafigura is exposed to both price and supply risks with respect to commodities sourced from third parties and entities in which it holds a minority stake, including joint ventures and non-controlled associated entities. The supply agreements between Trafigura and such third parties or non-controlled entities range from short-term spot contracts to multiple years in duration and have historically been renewed by Trafigura and the suppliers on commercially acceptable terms. However, in general, these companies have no obligation to renew their supply agreements. Trafigura may not be able to compel the relevant company to enter into or renew a supply agreement with it in cases where Trafigura does not own 100 per cent. of the company or where related party transaction minority shareholder approval requirements apply. Trafigura relies on these agreements to source some of its key commodities and any termination or failure to renew such agreements at the end of their terms could have an adverse effect on the Trafigura's business, results of operations and financial condition.

Any increases in Trafigura's purchase price relative to the price at which Trafigura trades a commodity could adversely affect Trafigura's margins. Trafigura's business, results of operations, financial condition and prospects could be materially adversely impacted if it is unable to continue to source required volumes of commodities from its suppliers on reasonable terms or at all.

Any disruptions in the supply of such products by factors such as weather and other natural disasters, insolvency or business failure of its third party suppliers, unexpected maintenance problems, damage to production sites, collapse of mines, labour disruptions and changes in laws and regulations could adversely affect Trafigura's margins. Trafigura's business, results of operations, financial condition and prospects could be materially adversely impacted if it is unable to continue to source the required volumes of commodities from its third party suppliers on reasonable terms, without interruption, or at all.

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

Trafigura's trading activities entail shipments of commodities in large quantities, often by ocean-going transport. Trafigura often competes with other producers, purchasers or traders of commodities or other products for limited storage and berthing facilities at ports and freight terminals, which can result in delays in loading or unloading Trafigura's products and expose Trafigura to significant delivery interruptions. Limitations or interruptions in rail, shipping or port capacity could impede Trafigura's ability to deliver its products on time. In addition, increases in the costs of freight could adversely affect Trafigura's business, results of operations or financial condition.

Trafigura also requires significant storage capacity for its commodities, which it sources both through facilities in which Trafigura holds equity stakes and pursuant to rental agreements with, among others, oil terminals and tank farms and metal and other warehouses. Any decrease in Trafigura's ability to access its customary levels of capacity from these storage facilities or an increase in the price at which Trafigura can acquire storage capacity could have an adverse effect on Trafigura's business by forcing Trafigura to use storage facilities in less advantageous locations or at prices that make it less profitable for Trafigura to supply its customers.

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

Trafigura has some significant expansions planned for its existing operations and plans for certain new greenfield projects. Trafigura has undertaken certain expansion initiatives through the acquisition of various companies and the establishment of joint ventures, and as part of its strategy, Trafigura intends to continue pursuing a policy of measured expansion and development through asset acquisition.

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

In addition, there can be no assurance that Trafigura will be able to effectively manage the risks arising from expansion of its operations. Trafigura's expansion initiatives involve numerous risks, including but not limited to, the financial costs of investment in machinery and equipment, construction of new facilities and working capital requirements. As part of the acquisition process, Trafigura conducts business, legal and financial due diligence with the goal of identifying and evaluating material risks involved in any particular transaction. Despite Trafigura's efforts, Trafigura may be unsuccessful in ascertaining or evaluating all such risks. As a result, the intended advantages of any given acquisition may not be realised. If Trafigura fails to identify certain material risks from one or more acquisitions, its business, results of operations and financial position could be adversely affected.

Trafigura's current systems, procedures and controls may need to be expanded and strengthened to support Trafigura's future operations. Any failure of Trafigura to effectively manage its expansion plans or expanded operations could have a material adverse effect on Trafigura's business and results of operations.

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

From time to time, Trafigura considers the acquisition of complementary and synergistic businesses or assets. Business combinations entail a number of risks, including the ability of Trafigura to integrate effectively the businesses acquired with their existing operations (including the realisation of synergies, significant one-time write-offs or restructuring charges, difficulties in achieving optimal tax structures and unanticipated costs), problems with the retention of select personnel and issues arising from the co-ordination of sales and marketing efforts All of these may be exacerbated by the diversion of the Directors' attention away from other ongoing business concerns. These risks are magnified in the case of a sizeable transaction. This is particularly the case if the target company operates in an area ancillary to the Group's core business or substantially expands the Group's presence in a particular geographic or product market. While Trafigura believes it has the required expertise to manage the integration of such large new businesses or is able to identify, hire and retain the necessary additional expertise required, no assurance can be given that any significant acquisition will realise the positive results originally envisioned or that such an acquisition will be successfully integrated within the Group.

In addition, although Trafigura does not currently have significant shares of the total market for commodities which it trades, further acquisitions to be made by Trafigura may be subject to certain approvals (for example, competition approvals) which may or may not be obtained. Trafigura may also be liable for the past acts, omissions or liabilities of companies or businesses it has acquired, which may be unforeseen or greater than anticipated at the time of the relevant acquisition. In addition, various factors could impact Trafigura's estimated synergies for potential acquisitions and have a material adverse impact on Trafigura's business, results of operations and financial condition.

Additionally, Nyrstar's growth strategy relies in part on the ramp-up of the Port Pirie Redevelopment and the restart and ramp-up of the Myra Falls and the Middle Tennessee Mines respectively. Delay, technical issues or cost overruns in these projects could adversely impact the original business cases which justified these projects and impact Nyrstar's financial position. These risks are being carefully managed by a dedicated technical/project team in smelting (including external resources where needed) and mining segments. All investments leverage internal know-how, "off the shelf" technology or a different application of an existing technology.

The success of Trafigura's acquisition and investment strategy depends on a number of factors, including: Trafigura's ability to identify suitable opportunities for investment or acquisition; whether Trafigura is able to complete an acquisition or investment agreement on terms that are satisfactory; the extent to which Trafigura is able to exercise control over the acquired company or business; the economic, business or other strategic objectives and goals of the acquired company or business compared to those of Trafigura; and Trafigura's ability to successfully integrate the acquired company or business with Trafigura's own business.

In addition, there is no assurance that the initiatives undertaken will result in increased revenues or cost cutting or other synergies commensurate with the investment costs. If Trafigura is unable to do so or cannot manage its costs, its business and profitability will be adversely affected as Trafigura will not able to recover the costs of its investment.

Trafigura holds some of its industrial assets through non-controlling stakes or joint ventures and strategic partnership arrangements.

Trafigura does not fully control some of its industrial investments. Although Trafigura has sought to take steps to protect its industrial activities where it does not exercise control, the boards of these companies may:

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

Where projects and operations are controlled and managed by Trafigura's co-investors or where control is shared on an equal basis, Trafigura may provide expertise and advice, but it has limited or restricted ability to mandate compliance with Trafigura's policies and/or objectives. Trafigura may conduct business with these entities in which it has an economic interest; however, such business is conducted on an arm's length basis and in accordance with Trafigura's own policies and objectives. Nevertheless, such joint ventures may undertake business operations or make investment decisions which conflict with Trafigura's own businesses to Trafigura's detriment. Moreover, improper management or ineffective policies, procedures or controls of a non-controlled entity could adversely affect the business, results of operations and financial condition of the relevant investment and, therefore, of Trafigura.

3. Regulatory, Legal and Other Risks

Trafigura may be subject to the laws of various countries imposing sanctions for conducting business with certain persons.

Certain countries in which Trafigura currently does business, or may consider doing business in the future, are or may become subject to various trade sanctions including, but not limited to sanctions administered by the United States Treasury Department's Office of Foreign Assets Control, and European Union, United Kingdom and United Nations sanctions programmes. While Trafigura employs dedicated resources to ensure that it is in compliance, there can be no assurance that Trafigura will not in the future enter into transactions that breach these sanctions. In the event of any non-compliance with applicable sanctions, Trafigura may be subject to the imposition of significant fines, as well as negative publicity and reputational damage. Any of the foregoing could result in a material adverse effect on Trafigura's business, results of operations and/or financial condition.

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

As a diversified sourcing, trading and distribution company conducting complex transactions globally, Trafigura is exposed to the risks of fraud and corruption.

Trafigura's trading operations are large in scale, which may make fraudulent or accidental transactions difficult to detect. In addition, some of Trafigura's trading and industrial activities take place in countries where corruption is generally understood to exist.

Trafigura seeks to comply fully with all applicable legislation such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and any applicable sanctions and has put in place internal control policies and external diligence and compliance policies. However, there can be no assurance that such procedures and established internal controls will adequately protect it against fraudulent and/or corrupt activity and such activity could have an adverse effect on Trafigura's business, reputation, results of operations, financial condition and/or prospects.Trafigura could also be affected indirectly by the fraudulent actions of its competitors which affect the commodities industry as a whole, which may lead to reduced liquidity. See "*Liquidity risk and a failure to obtain funds could limit Trafigura's ability to engage in desired activities and grow its business*."

Trafigura's reputation, including in the communities in which it operates, could deteriorate.

If it is perceived that Trafigura is not respecting or advancing the economic and social progress and safety of the communities in which it operates, Trafigura's reputation and shareholder value could be damaged, which could have a negative impact on its "licences to operate", its ability to secure new resources and its financial performance.

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

There is an increasing level of public concern relating to the effect of mining and smelting on adjacent surroundings and the environment. Certain non-governmental organisations are vocal critics of the industries in which Trafigura operates. In particular, Nyrstar has in the past been subject to adverse publicity relating to, among other things, environmental issues and incidents relating to operating equipment failures. While the Group seeks to operate in a socially responsible manner, adverse publicity, including that generated by non-governmental organisations, related to extractive industries generally or the Group's operations specifically, could have an adverse effect on the Group's reputation or results of operations or its relationships with the communities in which it operates.

Any change to Trafigura's ability to attract, retain and compensate key employees may impact its business.

Trafigura operates within a private company structure and as an employee-owned company. Any significant organisational or cultural change could result in certain key employees, whether skilled traders, or otherwise, leaving the Group. There are a number of other reasons why such personnel may leave, for example, an employee may leave Trafigura to go to a competitor, to start their own business, to retire or for other reasons.

Trafigura seeks to provide competitive compensation arrangements to retain and attract highly skilled personnel that are important to its business, including salaries and bonus and shareholding arrangements. While the Directors believe that Trafigura's current compensation arrangements are competitive and adequate to allow Trafigura to retain and attract the necessary calibre of employees, developments in the market or changes in internal culture may mean that these compensation payments may not be as effective as had been the case before and, as a result, Trafigura may need to change its compensation arrangements to make them more attractive to such employees which could be at an increased cost to Trafigura. The loss of any senior manager or other key personnel, as well as the inability to retain and/or attract new highly skilled personnel, could have a material adverse effect on Trafigura's business.

Trafigura is subject to a significant number of laws and regulations including extensive health, safety and environmental regulations and legislation.

Trafigura's trading and industrial activities are subject to extensive laws and regulations governing various matters across multiple jurisdictions. These include laws and regulations relating to taxation, competition, environmental protection, management and use of hazardous substances and explosives, management of natural resources, licences over resources owned by various governments, exploration, development of projects, production and post-closure reclamation, the employment of expatriates, labour and occupational health and safety standards, and historic and cultural preservation. Additionally, in many of the developing countries where Trafigura operates, the legal systems may not be mature and legal practice may not be developed, such that, in certain cases, there may be significant uncertainty as to the correct legal position as well as the possibility of laws changing or new laws and regulations being enacted, which has the potential to increase risk and compliance costs.

These laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety and other impacts of Trafigura's past and current operations, and could lead to the imposition of substantial fines, penalties, other civil or criminal sanctions, the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and/or orders to take preventative steps against possible future violations. Moreover, the costs associated with compliance with these laws and regulations are substantial. More stringent enforcement or restrictive interpretation of current laws and regulations by governmental authorities or rulings or clearances obtained from such governmental authorities could cause additional expenditure (including capital expenditure) to be incurred or impose restrictions on or suspensions of Trafigura's operations and delays in the development of its properties.

Trafigura's subsidiaries and the companies in which Trafigura holds investments are generally required, under applicable laws and regulations, to seek governmental licences, permits, authorisations, concessions and other approvals in connection with their activities. Obtaining the necessary governmental permits can be a particularly complex and time-consuming process and may involve costly undertakings. The duration and success of permit applications are contingent on many factors, including those outside Trafigura's control. Failure to obtain or renew a necessary permit could mean that such companies would be unable to proceed with the development or continued operation of a storage facility, mine or project, which, in turn, may have a material adverse effect on Trafigura's business, results of operations, financial condition and prospects.

In addition, the enactment of new laws and regulations and changes to existing laws and regulations (including, but not restricted to, environmental laws, the imposition of higher licence fees, mining and hydrocarbon royalties or taxes, financial markets), compliance with which could be expensive or onerous, could also have a material adverse impact on Trafigura's ability to operate its business and/or the profitability of its industrial investments. For example, on 1 January 2020, the International Maritime Organisation ("**IMO**") will implement a new regulation under which ships will have to use marine fuels with a sulphur content of no more than 0.50 per cent. ("**IMO 2020**"). Compliance with IMO 2020, through sourcing new and alternative fuels for its ships, may increase the costs of Trafigura's trading operations and have a negative impact of Trafigura's results of operations.

The methods of transportation used by Trafigura's trading operations in order to deliver commodities to customers around the world depend heavily on fossil fuels. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets in numerous jurisdictions in which Trafigura operates is likely to raise energy costs and costs of production in the future. Regulation of greenhouse gas emissions in the jurisdictions of Trafigura's major customers and in relation to international shipping could also have a material adverse effect on the demand for Trafigura's products.

Moreover, numerous governmental permissions, approvals, licenses and leases are required for Trafigura's operations. These permissions, approvals, licenses and leases are subject, in certain circumstances or on the occurrence of certain events, to modification, renewal or revocation. Nyrstar is required to prepare and present to national, state or local authorities data pertaining to the anticipated effect or impact that any proposed exploration, mining or production activities may have upon the environment. Compliance with environmental, health and safety laws and regulations requires ongoing expenditure and considerable capital commitments. In addition, because many of Nyrstar's sites have been operating in their current capacity for relatively long periods of time, including during periods when environmental, health and safety laws and regulations were not as stringent as they are today, they may incur relatively high compliance costs. Furthermore, Nyrstar has operations in various jurisdictions, including the European Union and Australia, that may be subject to national, regional or local laws, regulations, taxes and policies aimed at limiting or reducing greenhouse gas emissions. The combined impact of direct and indirect greenhouse gas related costs across Nyrstar's business could have a material adverse effect on Nyrstar's business, results of operations or financial condition. Further, Nyrstar may be required to change operations, reduce production capacity or make additional investments or increase tax payments to adapt to new or amended environmental laws and regulations, which could also have a material adverse effect on Nyrstar's business, results of operations or financial condition.

Furthermore, the regulations to which Trafigura is subject differ from one jurisdiction to the other, as may the implementation or interpretation of seemingly similar regulations. Moreover, these regulations are often highly complex and are subject to changes in both substance and interpretation. In particular, areas such as taxes (and especially VAT), export and import duties and quotas and environmental compliance are characterised by a high degree of complexity. Changes in investment policies or shifts in the prevailing political climate in any of the countries in which Trafigura operates, buys from or sells to, including through Nyrstar, could result in the introduction of increased government regulations, including embargos with respect to, among other things:

- price controls;
- export, import and throughput controls, duties, tariffs and quotas;
- mining duties and royalties;
- income, withholding, VAT and other taxes;
- electricity and energy supply;
- environmental legislation;
- foreign ownership restrictions;
- foreign exchange and currency controls;
- financial, commercial or disclosure rules;
- labor and welfare benefit policies; and
- land and water use.

A number of countries, including Australia, Canada, Brazil, China, India, Mexico and Russia are considering or have recently introduced or increased the level of duties they impose on the mining industry. While the recent duties imposed in Canada and Mexico have not been material, it is possible that any future changes could have a material adverse impact on Nyrstar's, operations.

Trafigura is exposed to litigation risk.

Trafigura conducts its operations globally in a wide variety of jurisdictions and may potentially face litigation in any of them, including governmental or regulatory investigations or class actions. Damages or penalties claimed under any litigation are difficult to predict, and may be material. The legal infrastructure in certain of these jurisdictions may be less developed than in others and the legal process may be more uncertain or subject to extensive delay.

While Trafigura will assess the merits of each lawsuit and defend itself accordingly, it may be required to incur significant expenses or devote significant resources to defending itself against such litigation and the conduct of such defence may be a distraction for senior management from the running of the business. In addition, adverse publicity surrounding such claims may have a material adverse effect on Trafigura's business, prospects, financial condition and results of operations. The outcome of such litigation if adversely determined may materially impact Trafigura's business, results of operations or financial condition.

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

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

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

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

Products sold by Trafigura are in many cases covered by national and international product safety and dangerous goods regulations. In some instances, product safety regulations (for example, the European Union ("**EU**") chemicals legislation and EU regulation concerning the Registration, Evaluation, Authorisation & Restriction of Chemicals (REACH)) oblige manufacturers and importers to register their products and to regularly monitor and evaluate the risks and hazards of substances (chemicals, metals, etc.) to protect humans and the environment from harm during handling, storage and use. Any failure in complying with these obligations could result in a delay of Trafigura's product delivery, a loss of insurance coverage, business interruption on the customer side, administrative or criminal sanctions and, in the extreme, banning (temporarily) from a marketplace. Such events could have a material impact on the local or global demand, reducing Trafigura's trading opportunities for such a product, or at least increase the handling costs while shipping and placing the product in the market, all of which could have a material adverse effect on Trafigura's reputation, business, results of operations and financial condition.

Trafigura relies on its financial, accounting, trading and other data processing information systems to conduct its business.

Trafigura's software applications for areas such as traffic, accounting and finance are primarily based on integrated standard components. Trafigura's key business processes rely on in-house developed modules and are regularly adapted to suit its business needs. Trafigura has duplicated data centres on the outskirts of London, with further data centres providing local services in Asia and in North America. If any of these systems does not operate properly or is disabled, Trafigura could suffer, among other things, financial loss, a disruption of its business, liability to its counterparties, regulatory intervention or reputational damage.

The industries in which Trafigura operates are subject to a wide range of risks as described elsewhere in this section, not all of which can be covered, adequately or at all, by Trafigura's insurance programme.

Trafigura has a broad insurance programme in place which provides coverage for operations at a level believed by the Directors to be appropriate for the associated risks. Such insurance protection is maintained with leading international insurance providers and includes coverage for physical loss and damage to owned vessels and kidnap and ransom, as well as third party liability, including for pollution. However, although Trafigura's insurance is intended to cover the majority of the risks to which Trafigura is exposed, it cannot account for every potential risk associated with its operations. Adequate coverage at reasonable rates is not always commercially available to cover all potential risks and no assurance can be given that, where available, such coverage would be sufficient to cover all loss and liability to which Trafigura may be exposed. The occurrence of a significant adverse event not fully or partially covered by insurance could have a material adverse effect on Trafigura's business, results of operations and financial condition.

Trafigura's profitability may be affected by changes in tax regimes and certain special tax incentives.

Trafigura's operations in various countries are subject to different tax regimes. Changes in local tax regulations, or the interpretation thereof, might adversely affect Trafigura's business, results of operations and/or financial condition.

Trafigura is owned by its management and key senior employees.

Trafigura is exclusively owned by its management and key senior employees. As a private company with no equity listing Trafigura is not subject to the extensive laws and regulations relating to corporate governance and transparency applied to publicly owned companies or by companies with equity listings on major stock exchanges. While Trafigura applies a prudent corporate governance model and believes that it is transparent in its dealings with its investors and other stakeholders, such as its banking group, its obligations in this regard are potentially less transparent than those legal and regulatory regimes associated with public companies.

The Issuer has requested a derogation letter in respect of the financial statements included in this Base Prospectus, so that the separate financial statements of TPTE and TTL are not included in this Base Prospectus

The Issuer has applied to the Central Bank of Ireland requesting the omission of each of TPTE and TTL's (as subsidiary Guarantors) individual financial statements from this Base Prospectus and the Central Bank of Ireland has granted such omission request. As all of the Group's operations are consolidated under TGPL, it is the Group's view that the inclusion of the consolidated Group Financial Statements provides substantial information about the Group's revenues and earnings by the Group's operating divisions and the geographic areas in which the Group operates, which reflects how the Group manages its business. The Group believes this is the information investors require to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantors, and that the inclusion of separate financial statements of each subsidiary Guarantor would not provide additional information which would materially affect such an assessment. Moreover, the inclusion of TPTE and TTL as guarantors primarily ensures that the Notes remain pari passu with the Group's bank facilities which also include these entities as guarantors.

Risks relating to the Notes

4. Risks related to the market generally.

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

Interest rate risks

The price of the Notes may be affected by any changes in the market interest rates. For example, should the market interest rates increase, the price of the Notes would typically fall and should the market interest rates decline, the price of the Notes would typically increase. Noteholders should be aware that any detrimental fluctuations in the applicable market interest rates could adversely affect the value of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The United Kingdom's Withdrawal from the European Union

On 31 January 2020 the United Kingdom ceased to be a member state of the European Union. The United Kingdom has now entered a transition period under 31 December 2020 (or such later date as may be agreed between the United Kingdom and the European Union), during which European Union law will continue to apply to the United Kingdom (the "**Transition Period**"). Once the Transition Period has ended, investors should be aware that United Kingdom law may diverge from European Union law. As at the date of this Base Prospectus, it is not possible for the Issuer to predict (i) the extent or materiality of any such divergence; (ii) the precise impact of any such divergence on the regulatory environment in which the Issuer and the Group operates; (iii) the impact of any such divergence on the Terms and Conditions of any Notes issued under the Programme; or (iv) the impact on the regulatory treatment of an investor holding any Notes issued under the Programme. Investors are urged to make their own assessment, and seek independent advice, regarding the impact of the UK's exit from the European Union on their acquisition and/holding of any Notes issued under the Programme.

5. Risks related to the Notes and the Guarantee generally.

Set out below is a brief description of certain risks relating to the Notes and the Guarantee generally:

Notes may be redeemed prior to maturity

In the event that the Issuer or the Guarantors would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of (in the case of the Issuer) Luxembourg, (in the case of TTL) the State of Delaware or (in the case of TGPL or TPTE) Singapore or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

Modification and Waivers

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

Change of law

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

Neither the Issuer nor the Notes are rated

Investors should not assume or infer that any rating ascribed to the Issuer or any of its indebtedness or credit would apply to the Notes. No corporate public rating has been assigned to the Issuer or the Issuer's indebtedness and the Issuer does not currently intend to apply for any such rating.

Investors in the Notes must rely on clearing system procedures

Because the Global Notes are held by or on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other clearing system, investors will have to rely on their procedures for transfer, payment and communication with the Issuer and/or the Guarantors. The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other clearing system. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg and/or any other clearing system will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg and/or any other clearing system.

The Issuer and the Guarantors will discharge their payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other clearing system for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg and/or any other clearing system to receive payments under the Notes. The Issuer and the Guarantors have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and/or Clearstream, Luxembourg and/or any other clearing system to appoint appropriate proxies.

Denominations

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus an integral multiple of another smaller amount in excess thereof, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in its account with the clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum Specified Denomination.

If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Liquidity risk and a failure to obtain funds could affect the Group's ability to meet repayments to Noteholders

Liquidity risk (as detailed in "*Liquidity risk and a failure to obtain funds could limit Trafigura's ability to engage in desired activities and grow its business*") could impact Trafigura's ability to make principal or interest payments when due on the Notes. In the event that Trafigura does not have sufficient available liquidity or is unable to refinance the Notes in the long-term and short-term debt markets, the ability of Trafigura to make principal or interest payments due on the Notes may be adversely impacted. As of 31 March 2019, Trafigura had USD 58.81 billion of credit facilities available to it, and USD 16.64 billion of these credit facilities had not been utilised and were available.

In addition, there can be no assurance that a material deterioration in Trafigura's operating results would not lead to violations of Trafigura's existing sources of liquidity, namely borrowings under various short-term and long-term bank and asset-backed facilities and the issuance of notes in the debt capital markets, which could have a material adverse effect on the financial position and prospects of Trafigura, and which could lead to Trafigura being unable to make the required payments to Noteholders pursuant to the Notes.

At the time of maturity of any other debt that Trafigura may incur, if Trafigura does not have sufficient cash flows from operations and other capital resources to pay its debt obligations, or to fund its other liquidity needs, it may be required to refinance its indebtedness. If Trafigura is unable to refinance its indebtedness or obtain such refinancing on terms acceptable to it, Trafigura may be forced to sell assets, or raise additional debt or equity financing in amounts which could be substantial. The type, timing and terms of any future financing will depend on Trafigura's cash needs and the prevailing conditions in the financial markets. Trafigura cannot guarantee that it would be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all and there can be no guarantee that the refinancing of such indebtedness, and the terms thereof, would not negatively impact Trafigura's ability to meet its obligations under the Notes.

6. Risks related to the structure of a particular issue of Notes.

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

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

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

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of such Notes are typically more volatile than the market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Risks related to Notes which are linked to "benchmarks"

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest provisions of the Conditions or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to floating rate notes whose interest rates are linked to LIBOR). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Future unavailability or discontinuance of certain benchmark rates (for example LIBOR or EURIBOR) may adversely affect the value of and return on the Notes which are linked to or which reference any such benchmark rate.

Investors should be aware that if LIBOR, or any other benchmark, were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which are linked to or which reference such benchmark will be determined for the relevant period by the fallback provisions applicable to such Notes. The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable. With respect to certain Notes issued under this Base Prospectus, these fallback arrangements may require or result in adjustments to the interest calculation provisions of the Terms and Conditions of the Notes. Even prior to the implementation of any changes to any benchmark, or to the interest calculation provisions based on such benchmark, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect the operation of such benchmark during the term of the relevant Notes, as well as potentially adversely affecting both the return on any Notes which are linked to or which reference such benchmark and the trading market for such Notes.

With respect to certain Notes issued under this Base Prospectus, in certain situations, including the relevant benchmark ceasing to be administered, where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the rate of interest is to be determined, the fallback arrangements referenced in the preceding paragraph will include the possibility that:

(A) the relevant rate of interest (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to an alternative rate determined by the Issuer after consultation with an Independent Adviser or, if the Issuer is unable to appoint an Independent Adviser, the Issuer; and

(B) in the case of Floating Rate Notes, an adjustment spread may be applied to such alternative rate by the Issuer after consultation with an Independent Adviser or, if the Issuer is unable to appoint an Independent Adviser, the Issuer, if such an adjustment spread is required to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors as a result of the replacement of the relevant benchmark, provided that if the Issuer after consultation with an Independent Adviser or, if the Issuer is unable to appoint an Independent Adviser, the Issuer is unable to determine such adjustment spread or decides that no such adjustment spread is required then such alternative rate will apply without adjustment for all future interest periods,

in each such case, with the Issuer and any Independent Adviser acting in good faith and in a commercially reasonable manner, and all as more fully described in the Terms and Conditions of the Notes.

No consent of the Noteholders shall be required in connection with effecting any alternative rate. In addition, no consent of the Noteholders shall be required in connection with any other related adjustments and/or amendments to the Terms and Conditions of the Notes (or any other document) which are made in order to effect any alternative rate.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should note that the Independent Adviser or the Issuer (as applicable) will have discretion to adjust the relevant alternative rate in the circumstances described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder. In addition, if an amendment is made to the Notes to change the reference rate/benchmark from LIBOR, or any other benchmark, to an alternative base rate, such amendment could have adverse tax consequence to certain holders.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Notes.

INFORMATION INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with Euronext Dublin and the Central Bank shall be incorporated by reference in, and form part of, this Base Prospectus:

(a) the annual reports of Trafigura Group Pte. Ltd. for the years ended 30 September 2019 and 2018 (together, the "**Group Annual Reports**") (which include the audited consolidated financial statements of the Group (including the audit reports thereon and the notes thereto) for the financial years ended 30 September 2019 and 30 September 2018, respectively (together, the "**Group Financial Statements**"));

(b) the interim report of Trafigura Group Pte. Ltd. for the six month period ended 31 March 2020 (the "**Group Interim Report**") (which includes the unaudited consolidated financial statements of the Group for the six month period end 31 March 2020 (the "**Group Interim Financial Statements**")); and

(c) the audited financial statements of the Issuer (including the audit reports thereon and the notes thereto) for the financial years ended 30 September 2019 and 30 September 2018 (together, the "**Issuer Financial Statements**").

Such documents shall be deemed to be incorporated in, and form part of, this Base Prospectus, save that any statement contained in a document which is deemed to be incorporated by reference in this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

The Group Financial Statements, the Group Interim Financial Statements and the Issuer Financial Statements are available on the website of the Euronext Dublin.

https://www.ise.ie/debt_documents/Trafigura%20Group%20Pte%20Ltd%20-%202019%20Annual%20Report_0d8bb2e8-42c4-408d-862c-923c82f5e4d3.pdf

https://www.ise.ie/debt_documents/2018.12.10%20-%202018%20Trafigura%20Annual%20Report%20-%20Final_2752b398-747c-40dc-9ee2-a4f0bde8e60c.pdf

https://www.ise.ie/debt_documents/Trafigura%20Group%20Pte.%20Ltd.%20-%202020%20Interim%20Report_2dd74065-c7ab-47f3-887a-c52cfe831d74.pdf

https://www.ise.ie/debt_documents/Trafigura%20Funding%20S.A.%202019%20Financial%20Statements_0bc4428a-e73d-4170-8848-8c3d507299b0.pdf

https://www.ise.ie/debt_documents/Trafigura%20Funding%20SA%202018%20Annual%20Report_e1d12447-a104-40d4-858e-d3f5ea99572e.pdf

Copies of the documents incorporated by reference may be inspected, free of charge, during normal business hours at the offices of Trafigura Group Pte. Ltd. at 10 Collyer Quay, #29-00 Ocean Financial Centre, Singapore 049315. To the extent that only part of a document is incorporated by reference in this Base Prospectus, the non-incorporated part of such document is either not relevant to investors or is covered elsewhere in this Base Prospectus.

No websites referred to herein, or any information contained therein (except as otherwise specified herein), form part of this Base Prospectus and the Group does not accept any responsibility for any information contained in such websites.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantors and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuer and the Guarantors have included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the Guarantors and the relevant Notes or (2) by a registration document containing the necessary information relating to the Issuer and the Guarantors, a securities note containing the necessary information relating to the relevant Notes and, if necessary, a summary note.

FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**"), will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the Temporary Global Note **provided**, **however**, **that** in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**") if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note" and either of the following events occurs:

(a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system terminates without a successor or announces an intention permanently to cease business; or

(b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

For the avoidance of doubt, Notes will only be issued with a minimum Specified Denomination and in integral multiples of another smaller amount in excess thereof if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note" in accordance with the paragraph above.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

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

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

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

In the event that a Temporary Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations. Such Definitive Notes may only be issued to be held in clearing systems if in denominations equal to EUR 100,000 (or equal to £100,000, as applicable) and integral multiples thereof.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note" and either of the following events occurs:

(a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system terminates without a successor or announces an intention permanently to cease business; or

(b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

For the avoidance of doubt, Notes will only be issued with a minimum Specified Denomination and in integral multiples of another smaller amount in excess thereof if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note" in accordance with the paragraph above.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Terms and conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the Conditions and the provisions of the relevant Final Terms which complete those terms and conditions.

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

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, any Global Notes as to which TEFRA D is applicable and any Definitive Notes (as defined herein) and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

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

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions, which, as completed by Part A of the relevant Final Terms, will apply to each Tranche of Notes issued pursuant to this Base Prospectus.

In the case of any Tranche of Notes which are being (a) offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 1.4 of the Prospectus Regulation) or (b) admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Base Prospectus. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. **Introduction**

(a) ***Programme***: Trafigura Funding S.A. (the "**Issuer**") and Trafigura Group Pte. Ltd., Trafigura Trading LLC and Trafigura Pte Ltd (each a "**Guarantor**" and together, the "**Guarantors**") are party to a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 3,000,000,000 in aggregate principal amount of notes (the "**Notes**") unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors.

(b) ***Final Terms***: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of the applicable final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) ***Trust Deed***: The Notes are subject to and have the benefit of an amended and restated trust deed dated 11 September 2020 (as further amended and/or supplemented and/or restated from time to time, the "**Trust Deed**") made between the Issuer, each Guarantor and Citicorp Trustee Company Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees appointed under the Trust Deed).

(d) ***Paying Agency Agreement:*** The Notes are the subject of an amended and restated issue and paying agency agreement dated 28 February 2018 (as further amended and/or supplemented and/or restated from time to time, the "**Paying Agency Agreement**") between the Issuer, each Guarantor, the Trustee and Citibank N.A., London Branch (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in accordance with the Paying Agency Agreement in connection with the Notes) and the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in accordance with the Paying Agency Agreement in connection with the Notes).

(e) ***The Notes***: All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for inspection during normal business hours at the Specified Office of the Trustee and the Principal Paying Agent, the initial Specified Offices of which are set out below.

(f) ***Summaries***: Certain provisions of these Conditions are summaries of the Trust Deed, and the Paying Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Paying Agency Agreement applicable to them. Copies of the Trust Deed and the Paying Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

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

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

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

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

"**Authorised Signatory**" has the meaning given in the Trust Deed;

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

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

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

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided**, **however**, **that**:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred;

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

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

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Clearstream, Luxembourg**" means Clearstream Banking, S.A.;

"**Consolidated Net Earnings**" means, for a Measurement Period, the consolidated net income (or loss) of the Parent and the Subsidiaries for such period (taken as a cumulative whole), all determined in accordance with GAAP (without duplication) on a consolidated basis after deducting portions of income properly attributable to minority interests, if any, in the shares and surplus of Subsidiaries and excluding any net income (or loss) of SPE;

"**Consolidated Net Worth**" means, at any time:

(i) the total consolidated assets of the Parent which are shown as assets on a consolidated balance sheet of the Parent as of such time prepared in accordance with GAAP, after eliminating the assets of SPE,

Minus

(ii) the total consolidated liabilities of the Parent which are shown as liabilities on a consolidated balance sheet of the Parent as of such time prepared in accordance with GAAP, after excluding (i) the liabilities of SPE and (ii) for the avoidance of doubt, instruments classified as equity in accordance with GAAP in force prior to 1 January 2019;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

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

(i) when the 2000 ISDA Definitions are specified in the relevant Final Terms as being applicable:

(A) if "**Actual/Actual (ICMA)**" is so specified, means:

(1) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and

(2) where the Calculation Period is longer than one Regular Period, the sum of:

i. the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

ii. the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

(B) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(C) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(D) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(E) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(F) if "**30E/360**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or

(ii) when the 2006 ISDA Definitions are specified in the relevant Final Terms as being applicable:

(A) if "**Actual/Actual (ICMA)**" is so specified, means:

(1) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and

(2) where the Calculation Period is longer than one Regular Period, the sum of:

i. the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

ii. the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

(B) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by

366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(C) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(D) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

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

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be

30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Default**" means,

(i) an Event of Default; or

(ii) an event or circumstance which would be (with the expiry of a grace period, the giving of notice or the making of any relevant determination) an Event of Default;

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

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

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

"**Financial Indebtedness**" means with respect to any person, at any time, without duplication:

(i) its liabilities for borrowed money and its redemption obligations in respect of any mandatorily redeemable class of shares (or similar equity interests) of such person that is preferred over any other class of shares (or similar equity interests) of such person as to the payment of dividends or payment of any amount upon liquidation or dissolution of such person;

(ii) its liabilities for the deferred purchase price of property acquired by such person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(iii) all liabilities appearing on its balance sheet in accordance with GAAP in respect of capital leases and all liabilities which would appear on its balance sheet in accordance with GAAP in respect of synthetic leases assuming such synthetic leases were accounted for as capital leases (other than any liability in respect of a lease or hire purchase contract which would, in accordance with GAAP in force prior to 1 January 2019, have been treated as an operating lease);

(iv) all liabilities for borrowed money secured by any Security Interest with respect to any property owned by such person (whether or not it has assumed or otherwise become liable for such liabilities);

(v) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money);

(vi) the aggregate swap termination value of all swap contracts of such person; and

(vii) any Guarantee of such person with respect to liabilities of a type described in any of paragraphs (i) to (v) hereof.

Financial Indebtedness of any person shall include all obligations of such person of the character described in paragraphs (i) through (vi) to the extent such person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**GAAP**" means generally accepted accounting principles in the jurisdiction of the Parent from time to time (including, at the Parent's option, IFRS);

"**Group**" means the Parent and its Subsidiaries;

"**Group Member**" means a member of the Group;

"**Guarantee**" means, with respect to any person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such person:

(i) to purchase such indebtedness or obligation or any property constituting security therefor;

(ii) to advance or supply funds:

(A) for the purchase or payment of such indebtedness or obligation; or

(B) to maintain any working capital or other balance sheet condition or any income statement condition of any other person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(iii) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other person to make payment of the indebtedness or obligation; or

(iv) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guarantee, the indebtedness or other obligations that are the subject of such Guarantee shall be assumed to be direct obligations of such obligor;

"**Guarantee of the Notes**" means the guarantee of the Notes given by the Guarantors in the Trust Deed;

"**Holding Company**" of any person, means a company in respect of which that other person is a Subsidiary;

"**IFRS**" means international accounting standards within the meaning of Commission Regulation (EC) 1606/2002 (as amended from time to time) to the extent applicable to the relevant financial statements;

"**Insignificant Subsidiary**" means, at any time, a Subsidiary of the Parent, of which either (or both):

(i) the net worth is less than two per cent. of Consolidated Net Worth at that time; or

(ii) the net income for the Measurement Period then most recently ended is less than three per cent. of Consolidated Net Earnings for that Measurement Period,

and, in either case, whose Financial Indebtedness in excess of the greater of US$50,000,000 and three per cent. of Consolidated Net Worth at that time is not guaranteed or supported in a similar manner by any other Group Member, unless that Group Member is also an Insignificant Subsidiary.

For the purposes of this definition, net worth for a Subsidiary will be calculated on the same basis as Consolidated Net Worth (but in this case calculated for an individual Subsidiary), with figures being taken from its latest available financial statements (whether year end or semi-annual, and whether audited or otherwise);

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

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

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

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

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

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

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

"**Investment**" means any investment, made in cash or by delivery of property, by the Parent or any of its Subsidiaries:

(i) in any person, whether by acquisition of stock, Financial Indebtedness or other obligation or security, or by loan, Guarantee, advance, capital contribution or otherwise; or

(ii) in any property;

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

"**Islamic Financing Transaction**" means a sukuk (or Islamic bond) or similar Islamic debt capital markets instrument which complies with Shari'a where:

(i) an asset of the Parent or any of its Subsidiaries is transferred or otherwise disposed of to a special purpose company;

(ii) the Parent or a Subsidiary has an obligation to (and will) re-acquire that asset upon maturity of the relevant debt capital market instrument; and

(iii) the beneficiaries of the special purpose company:

    (A) have no entitlement or rights to the asset, by way of a Security Interest or otherwise; and

    (B) have no right to prevent the re-transfer of the asset back to the Parent or Subsidiary;

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Limited Group Member**" means a member of the Group other than an Insignificant Subsidiary;

"**Limited Recourse Trade Finance Indebtedness**" means Financial Indebtedness:

(i) incurred by the Parent or any Subsidiary in respect of a commercial transaction pursuant to which the risk of non-performance by a party to such commercial transaction (the "**Third Party**") other than the Parent or such Subsidiary (as the borrower of such Financial Indebtedness) or the lender financing such Financial Indebtedness, is apportioned (the amount of such Financial Indebtedness apportioned to the Parent or any Subsidiary herein, the "**Apportioned Amount**") between the Parent or such Subsidiary (as the borrower of such Financial Indebtedness) and the lender; and

(ii) in respect of which, upon the non-performance of the Third Party of its contractual obligations in respect of such commercial transaction, the Parent or such Subsidiary (as the borrower of such Financial Indebtedness), as the case may be, is liable to the lender solely for the monetary value of its Apportioned Amount;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Material**" means material in relation to the business, operations, affairs, financial condition, assets, properties or prospects of the Group taken as a whole;

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

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

"**Measurement Period**" means a period of 12 months ending on the last day of a financial half-year of Parent;

"**Meeting**" has the meaning given to it in the Trust Deed;

"**Member State**" means a Member State of the European Economic Area;

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

"**Non-Recourse Group Member**" means any member of the Group other than (i) any Project Company or (ii) any Holding Company of a Project Company incorporated solely for the purpose of, and whose sole or principal activity consists of, the incurrence of Financial Indebtedness and making that Financial Indebtedness available to that Project Company;

"**Nyrstar Debt Restructuring**" means the restructuring of the indebtedness of Nyrstar N.V. and its consolidated subsidiaries implemented pursuant to a scheme or schemes of arrangement under section 899 of the Companies Act of NN2 Newco Limited.

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

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

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Parent**" means Trafigura Group Pte. Ltd. or any entity which is substituted for Trafigura Group Pte. Ltd. (or for any previously Substituted Guarantor for Trafigura Group Pte. Ltd. in accordance with Condition 16(c) (*Substitution*);

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in London, in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Permitted Indebtedness**" means any Financial Indebtedness:

(i) incurred to finance, hedge or execute commodity transactions (including, without limitation, working capital facilities, recourse discounting of receivables, prepayment or similar transactions, take or pay transactions, storage financing, sale and repurchase transactions and commodity inventory and trade receivable borrowing base financing) entered into in the ordinary course of the Parent's or one of its Subsidiary's business, consistent with past practices;

(ii) which is non-recourse or limited recourse trade finance Financial Indebtedness incurred in connection with structured transactions entered into in the ordinary course of the Parent's or one of its Subsidiary's trading business;

(iii) owed by the Parent to any Wholly-Owned Subsidiary or by any Subsidiary of the Parent to the Parent or any Wholly-Owned Subsidiary;

(iv) which is Project Finance Indebtedness incurred in connection with the purchase or refinancing of an Investment, **provided that** the Financial Indebtedness under this paragraph (iv) does not exceed 100 per cent. of the aggregate consideration payable to acquire such Investment;

(v) which is existing at, or entered into upon, the issue date of a Note, incurred or entered into, or incurred or drawn under any facility put in place, in connection with as part of the Nyrstar Debt Restructuring (and any extensions, or renewals, replacements or refinancings (on one of more occasions, including, for the avoidance of doubt, any subsequent refinancing of any such refinancing, and so on) of any such Financial Indebtedness or of such a facility; or

(vi) owed by a Subsidiary and which existed and was outstanding at the time such Subsidiary became a member of the Group and any extensions or renewals thereof;

"**Permitted Securitisation**" means the sale of inventory, receivables or other assets of the Group pursuant to which:

(i) a member of the Group disposes of such inventory, receivables or other assets in a true sale on a non-recourse basis to SPE; and

(ii) SPE incurs Financial Indebtedness to finance its acquisition of such inventory, receivables or assets;

"**Permitted Security Interest**" means:

(i) any Security Interest listed in a Schedule of a Principal Banking Facility setting forth existing Security and Indebtedness of the Group as such Schedule may be updated from time to time by reference to any equivalent Schedule contained in any subsequent agreement recording any Principal Banking Facility entered into after the date of the Trust Deed provided that the Company has delivered to the Trustee a signed copy of such agreement, except to the extent the principal amount secured by that Security Interest exceeds the amount stated in the then applicable Schedule;

(ii) Security Interests over any property for taxes or assessments or other governmental charges or levies, either not yet due or payable to the extent that non-payment thereof is permitted;

(iii) any liens arising by operation of law and in the ordinary course of business, and any rights of set-off arising by operation of law and in the ordinary course of business in each case, which have not been foreclosed or otherwise enforced against the assets to which they apply;

(iv) Security Interests created by or resulting from any litigation or legal proceedings which are being contested in good faith by appropriate proceedings and with respect to which the relevant member of the Group has established adequate reserves on its books in accordance with applicable accounting principles;

(v) Security Interests incidental to the normal conduct of business of any member of the Group or the ownership of its property, which are not incurred in connection with the incurrence of Financial Indebtedness and which do not (taken as a whole) materially impair the use of such property in the operation of the business of the Group taken as a whole or the value of such property for the purposes of such business;

(vi) Security Interests on property or assets of the Parent or any of its Subsidiaries securing Financial Indebtedness owing to the Parent or a Wholly-Owned Subsidiary;

(vii) Security Interests to secure Permitted Indebtedness (other than Permitted Indebtedness pursuant to paragraph (v) of the definition of that term), **provided that** the aggregate fair market value of the assets that are subject to any such Security Interest does not exceed:

(A) other than in the case of Short-Term Trade Finance and Project Finance Indebtedness and Permitted Indebtedness incurred or entered into, or incurred or drawn under any facility put in place, in connection with as part of the Nyrstar Debt Restructuring, 120 per cent. of the amount of such Permitted Indebtedness incurred by the relevant Subsidiary of the Parent and secured by such assets; or

(B) in the case of Project Finance Indebtedness, 200 per cent. of the amount of such Project Finance Indebtedness incurred by the relevant Subsidiary of the Parent and secured by such assets;

(viii) Security Interests granted by SPE over its assets to secure its Financial Indebtedness arising under a Permitted Securitisation;

(ix) the extension, renewal or replacement of any Security Interest permitted by subparagraph (i) above over the same property, **provided that** no Default would occur as a result;

(x) any Security Interest:

(A) over an asset or any proceeds or revenue derived from that asset to secure any Financial Indebtedness entered into in connection with the provision of all or a part of the purchase price or cost of the construction of such asset, **provided that** the Security Interest is created contemporaneously with, or within 120 days (or such longer period as it may take to perfect the Security Interest in the jurisdiction where such asset is located) after, such acquisition or the completion of such construction; or

(B) over an asset existing at the time of the acquisition of that asset by a member of the Group, whether or not the Financial Indebtedness secured thereby is assumed by that member of the Group; or

(C) existing over an asset of a company at the time such company is merged into or consolidated with a member of the Group, or at the time of a sale, lease or other disposal of the assets of a company or firm as a whole or substantially as a whole to a member of the Group,

provided in each case that the aggregate principal amount of the Financial Indebtedness secured by any such Security Interest does not exceed 100 per cent. of the fair market value of the relevant asset;

(xi) any asset transfer undertaken for the purpose of an Islamic Financing Transaction by the Parent or any of its Subsidiaries;

(xii) any Security Interest over any property required by and as a result granted in favour of governmental authorities in any relevant jurisdiction;

(xiii) any Security Interest to secure Financial Indebtedness of joint ventures in which a member of the Group has an interest, to the extent such Security Interest is on property or assets of or equity interests in such joint ventures;

(xiv) Security Interests over any property securing judgments (including judgment liens) not giving rise to an Event of Default, so long as any such Security Interest is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated, or the period within which such proceedings may be initiated has not expired;

(xv) any liens, charges or rights of set-off arising in the ordinary course of business and required by any exchange or settlement system used by a member of the Group in connection with its cash management arrangements and limited to the cash provided by the member of the Group to effect the relevant exchange or settlement;

(xvi) any Security Interest comprising a netting or set-off arrangement entered into by a member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;

(xvii) any Security Interest over any property created pursuant to any order of attachment, distraint, garnishee order or injunction restraining disposal of assets or similar legal process arising in connection with court proceedings not giving rise to an Event of Default;

(xviii) any bonds constituting Security Interests over cash deposits or marketable investment securities to procure the release from judicial arrest of an asset belonging to a member of the Group and not giving rise to an Event of Default;

(xix) any Security Interest over any goods to secure liabilities incurred on concessional terms in connection with the supply of those goods, being terms provided by any governmental or other similar export credit agency or official export-import bank or official export-import credit insurer;

(xx) any Security Interest created in respect of borrowings from any governmental or other similar export credit agency or official export import bank or official export-import credit insurer incurred on concessional terms by any member of the Group made to refinance any amount receivable under any export sales contract where the Security Interest consists only of a pledge or similar Security Interest granted by the member of the Group's claims under the contract against the foreign buyer and of any Security Interests or guarantee of those claims;

(xxi) any Security Interest created in connection with any arrangement entered into between a member of the Group with any person providing for the leasing by any member of the Group of any property which property has been or is to be sold or transferred by a member of the Group to such person, where such arrangement involves (i) a lease for a term, including renewal rights, of not more than 36 months, (ii) a lease of property within 18 months from the acquisition or, in the case of the construction, alteration or improvement of property, the later of the completion of the construction, alteration or improvement of such property or the commencement of commercial operation of the property, or (iii) leases between or among the Parent and any of its Subsidiaries);

(xxii) any liens, charges or rights of set-off arising in the ordinary course of business and required by any exchange or settlement system used by a member of the Group in connection with its cash management arrangements and limited to the cash provided by the member of the Group to effect the relevant exchange or settlement; and

(xxiii) any Security Interest securing Financial Indebtedness, **provided that** the aggregate outstanding amount of Financial Indebtedness secured by Security Interests under this paragraph (xxiii) does not exceed 25 per cent. of Consolidated Net Worth, determined as of the last day of the most recently ended Measurement Period of the Parent;

"**Permitted Transaction**" means:

(i) an intra-Group re-organisation of a Subsidiary of the Parent on a solvent basis **provided however that** any such re-organisation does not, subject to the provisions of Condition

16(c) (*Substitution*), extinguish, or result in a Guarantor being unable to perform or comply with, its obligations under the Guarantee; or

(ii) any other transaction approved by an Extraordinary Resolution of the Noteholders;

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

"**Principal Banking Facility**" means any senior unsecured funding facility provided to the Parent or any Guarantor of a size greater than USD 500,000,000;

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

(i) in relation to euro, it means the principal financial centre of such member state of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Issuer; and

(ii) in relation to Australian dollars, it means Sydney and, in relation to New Zealand dollars, it means either Wellington or Auckland, as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Issuer;

"**Project Company**" means a Subsidiary of the Parent that is incorporated with limited liability and whose sole or principal activity consists in the acquisition, development, operation and/or maintenance of an asset or project;

"**Project Finance Indebtedness**" means Financial Indebtedness incurred in order to finance the acquisition, development, operation and/or maintenance of an asset or project, the creditors of which have no recourse to any Non-Recourse Group Member other than:

(i) an amount which does not exceed all or part of the revenues generated by the operation of the relevant asset or project;

(ii) amounts incurred in respect of the enforcement of security over the asset, assets of the project or all or part of the revenues generated by the operation of the relevant asset or project;

(iii) amounts equal to damages (including liquidated damages) incurred in connection with the breach of a contractual undertaking (other than the undertaking to pay a sum of money not being an amount corresponding to the revenues referred to in paragraph (a) above); or

(iv) under any guarantee by any Non-Recourse Group Member:

(A) of Financial Indebtedness of a Project Company or a Holding Company of a Project Company incorporated solely for the purpose of, and whose sole or principal activity consists of, the incurrence of Financial Indebtedness and making that Financial Indebtedness available to that Project Company; and

(B) under which third party lenders or other creditors of the Project Company (x) prior to completion of the relevant project, have recourse against Non-Recourse Group Member, provided the aggregate exposure of all Non-Recourse Group Members in respect of all guarantees under this sub-clause (x) outstanding at any one time shall not exceed 15 per cent. of Consolidated Net Worth and (y) following completion of the relevant project have no recourse against any Non-Recourse Group Member in its capacity as guarantor other than:

(1) security granted over the share capital, dividends and other rights relating to such share capital of, or any claim against the Project Company or a Holding Company of the Project Company;

(2) undertakings to subscribe for equity, quasi-equity investments or make subordinated debt contributions for the benefit of the Project Company or the Holding Company of the Project Company; and/or

(3) any guarantee the exercise of which relates solely to the operational condition of the asset or project or the operation or maintenance of such asset or project of the Project Company or the Holding Company of the Project Company;

"**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended or superseded);

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

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

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

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

"**Reference Banks**" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer or an agent appointed at the time in the market that is most closely connected with the Reference Rate;

"**Reference Price**" has the meaning given in the relevant Final Terms;

"**Reference Rate**" means EURIBOR or LIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

"**Regular Period**" means:

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

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

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

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

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

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

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Reserved Matter**" means any proposal:

(i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;

(ii) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer, any Guarantor or any other person or body corporate formed or to be formed (other than as permitted under Clause 8.3 of the Trust Deed);

(iii) to change the currency in which amounts due in respect of the Notes are payable;

(iv) to modify any provision of the guarantee of the Notes (other than as permitted under Clause 8.3 of the Trust Deed);

(v) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or

(vi) to amend this definition;

"**Security Interest**" means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect;

"**Short-Term Trade Finance**" means Financial Indebtedness of a member of the Group having a maturity of 365 days or less and which is related to the purchase or sale (and any associated costs, including costs of any hedging arrangements) of commodities and in respect of which the borrower of such Financial Indebtedness has granted a Security Interest over such commodities or the receivables related thereto;

"**SPE**" means (a) Trafigura Securitisation Finance plc, an Irish public limited company, (b) Trafigura Commodities Funding Pte. Ltd., a Singapore private limited company, (c) Trafigura Global Commodities Funding Pte. Ltd., a Singapore private limited company, (d) Argonaut Receivables Company S.A., a Luxembourg public limited company, which, in each case, is neither a Subsidiary of the Parent nor under the control of the Parent, but which is consolidated in the financial statements of the Parent in accordance with GAAP, or (e) any similar vehicle which may or may not be a Subsidiary of the Parent or under its control or consolidated in its financial statements, in each case, established for the purposes of securitising receivables or inventory generated by the Parent or its Subsidiaries;

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

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

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

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

"**Subsidiary**" means as to any person, any other person in which such first person or one or more of its Subsidiaries owns more than 50 per cent. beneficial interest in the equity of such person and any partnership or joint venture if more than a 50 per cent. interest in the profits or capital thereof is owned by such first person or one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such person or one or more of its Subsidiaries). Unless the context otherwise requires, any reference to a "Subsidiary" is reference to a Subsidiary of the Parent;

"**Talon**" means a talon for further Coupons;

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

"**TARGET Settlement Day**" means any day on which the TARGET2 system is open for settlement of payments in euro;

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

"**Wholly-Owned Subsidiary**" means, at any time, any Subsidiary of which 90 per cent. or more of all of the equity interests (except directors' qualifying shares) and voting interests are owned, directly or indirectly, by the Parent; and

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

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

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions or the Guarantee of the Notes;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions or the Guarantee of the Notes;

(vi) references to Notes being "**outstanding**" shall be construed in accordance with the Trust Deed;

(vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "**not applicable**" then such expression is not applicable to the Notes; and

(viii) any reference to the Paying Agency Agreement or the Trust Deed shall be construed as a reference to the Paying Agency Agreement or the Trust Deed, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. Form, Denomination and Title

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue, **provided that** in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State in circumstances which require the publication of a prospectus under the

Prospectus Regulation, the minimum Specified Denomination shall be EUR 100,000 (or its equivalent in any other currency as at the Issue Date of the relevant Notes). In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder.

4. **Status and Guarantees**

(a) ***Status of the Notes***: The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) ***Guarantees of the Notes***: The Guarantors have in the Trust Deed unconditionally and irrevocably guaranteed, on a joint and several basis, the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes and the Trust Deed. The Guarantee of the Notes and amounts payable under the Trust Deed constitutes direct, general and unconditional obligations of each Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of such Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Negative Pledge**

So long as any Note remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantors shall, and the Issuer and Guarantors shall procure that no member of the Group (other than any Insignificant Subsidiary) will, create or allow to exist any Security Interest (other than a Permitted Security Interest) on any of its assets or undertaking without (a) at the same time or prior thereto securing the Notes equally and rateably therewith to the satisfaction of the Trustee or (b) providing such other security or other beneficial arrangement for the Notes as the Trustee may in its absolute discretion deem not to be materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution of Noteholders.

6. **Fixed Rate Note Provisions**

(a) ***Application***: This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***: The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Fixed Coupon Amount***: The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) ***Calculation of Interest Amount***: The amount of interest payable per Calculation Amount in respect of each Note for any period for which a Fixed Coupon Amount (or formula for its calculation) is not specified shall be equal to the product of the Rate of Interest, the Calculation Amount and the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(e) ***Net Interest Amount***: Subject to the terms at Condition 11 (*Taxation*) if any withholding or deduction for or on account of tax is required by law and is imposed by the jurisdiction of the Issuer or, as the case may be, any Guarantor on any payment of principal or interest in respect of the Notes, the Issuer or, as the case may be, the relevant Guarantor shall pay such additional amount as will result in receipt by the Noteholders and Couponholders of such amount as would have been received by them if no such withholding or deduction had been required.

7. **Floating Rate Note Provisions**

(a) ***Application***: This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***: The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Screen Rate Determination***:

(i) If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be:

(A) the offered quotation; or

(B) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of the London inter-bank offered rate ("**LIBOR**") or Brussels time in the case of the euro-zone inter-bank offered rate ("**EURIBOR**")) on the Interest Determination Date in question as determined by the Calculation Agent plus or minus (as indicated in the applicable Final Terms) the Margin (if any). If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(ii) If Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate and notifies to it.

(iii) If the Relevant Screen Page is not available or if sub-paragraph (i)(A) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (i)(B) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer (or an agent appointed to do so on its behalf) shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as calculated by the Calculation Agent.

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

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

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on LIBOR or on EURIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and

(iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate and notifies to it.

(e) ***Maximum or Minimum Rate of Interest***: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) ***Calculation of Interest Amount***: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of the Calculation Amount for such Interest Period. The Interest Amount will be equal to the product of the Rate of Interest for such Interest Period, the Calculation Amount and the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(g) ***Publication***: The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, Interest Period and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, each Guarantor, the Trustee and the Paying Agents, Euronext Dublin and each stock exchange (if any) on which the Notes are then listed and /or admitted to trading as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(h) ***Notifications etc***: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Trustee, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent or the Trustee in connection with the exercise or non- exercise by it of its powers, duties and discretions for such purposes.

(i) ***Net Interest Amount***: If any withholding or deduction is imposed under Condition 11 (*Taxation*), the Issuer shall increase the payment of principal or interest to such amount as will result in receipt by the Noteholders and Couponholders of such amount as would have been received by them if no such withholding or deduction had been required (except as provided in Condition 11 (*Taxation*)).

(j) ***Calculation Agent***: Notwithstanding any other provision of this Condition 7, if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 7, the Calculation Agent shall promptly notify the Issuer and the Independent Adviser thereof and the Issuer and the Independent Adviser shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or if otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer and the Independent Adviser thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

7A **Benchmark Discontinuation**

This Condition 7A applies only if "*Benchmark Discontinuation*" is specified to be applicable in the applicable Final Terms or the applicable Drawdown Prospectus and where Screen Rate Determination is specified in the applicable Final Terms or the applicable Drawdown Prospectus as the manner in which the Rate of Interest is to be determined.

(a) If the Issuer has determined that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall notify the Calculation Agent and shall use its reasonable endeavours to select and appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7A(b)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7A(c)) and/or any Benchmark Amendments (in accordance with Condition 7A(d)).

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

(b) If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines and notifies the Calculation Agent prior to the date which is five business days prior to the next Interest Determination Date that:

(i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7A(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Instruments (subject to the operation of this Condition 7A); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7A(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 7A).

(c) If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines and notifies the Calculation Agent prior to the date which is five business days prior to the next Interest Determination Date (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders or Couponholders as a result of the replacement of an Original Reference Rate and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(d) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7A and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 7A(e), but without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice (in accordance with Condition 7A(f) below). In connection with any such variation in accordance with this Condition 7A(d), the Issuer shall comply with the rules of any stock exchange on which the Instruments are for the time being listed or admitted to trading.

(e) If the Issuer is unable to appoint an Independent Adviser in accordance with this Condition 7A, the Issuer, acting in good faith and in a commercially reasonable manner, may still determine (i) a Successor Rate or Alternative Rate and (ii) in either case, an Adjustment Spread and/or any Benchmark Amendments in accordance with this Condition 7A (with the relevant provisions in this Condition 7A applying *mutatis mutandis* to allow such determinations to be made by the Issuer without consultation with an Independent Adviser).

Where this Condition 7A(e) applies, without prejudice to the definitions thereof, for the purposes of determining any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Amendments (as the case may be), the Issuer will take into account any relevant and applicable market precedents and customary market usage as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets.

(f) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7A will be notified promptly by the Issuer to the Trustee and, the Agents and, in accordance with Condition 20, the Noteholders. Such notice shall be irrevocable and shall specify the effective date, which shall not be less than five Business Days prior to the next Interest Determination Date of the Benchmark Amendments, if any.

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

(A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7A; and

(B) certifying that the Benchmark Amendments (if applicable) (i) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread and (ii) in each case have been drafted solely to such effect.

The Trustee shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof.

For the avoidance of doubt, the Trustee and the Agents shall, at the request and expense of the Issuer, without any consent or sanction of the Noteholders, concur with the Issuer in making any modification to these Conditions, the Agency Agreement or the Trust Deed with respect to the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and/or the Benchmark Amendments (if any) (which, for the avoidance of doubt, shall not be treated as being within the scope of the Reserved Matters (as defined in the Trust Deed)) specified in such certificate, and such modifications will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 7A, neither the Trustee nor the Agents shall be obliged to agree to any modifications, amendments and/or adjustments pursuant to this Condition 7A which, in the sole opinion of the Trustee and/or the Agents would have the effect of (i) exposing it to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of it in the Trust Deed, the Agency Agreement and/or these Conditions. For the avoidance of doubt, none of the Trustee, the Paying Agents or the Calculation Agent will be responsible for determining whether or not a Benchmark Event has occurred.

(g) Without prejudice to the obligations of the Issuer under Condition 7A, the Original Reference Rate and the fallback provisions provided for in Condition 7(c) will continue to apply unless and until either a Successor Rate or an Alternative Rate (and any associated Adjustment Spread and/or Benchmark Amendments) is determined pursuant to this Condition 7A.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of Condition 7A*, mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified (and, until such determination and notification (if any), the fallback provisions provided for in Condition 7(c) will continue to apply).

(h) As used in this Condition 7A:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate),

(ii) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied),

(iii) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 7A(b)(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 7A(d).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least five consecutive Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or

(v) an official announcement by the supervisor of the administrator of the Original Reference Rate, with effect from a date after (i) 31 December 2021 with respect to LIBOR or (ii) such other applicable date with respect to any other relevant benchmark rate, that the Original Reference Rate is no longer representative of its relevant underlying market; or

(vi) it has become unlawful for the Trustee, any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

In each case, as determined by the Issuer or, in the case of (vi) above, the relevant party and provided that in the case of sub-paragraphs (ii), (iii) and (iv), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 7A(a).

"**Original Reference Rate**" means: (i) the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes; or (ii) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 7A.

"**Relevant Nominating Body**" means, in respect of an Original Reference Rate:

(i) the central bank for the currency to which such Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such Original Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

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

8. **Zero Coupon Note Provisions**

(a) ***Application***: This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Late payment on Zero Coupon Notes***: If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or as the case may be the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

(a) ***Scheduled redemption***: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).

(b) ***Redemption for tax reasons***: The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

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

(A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of its jurisdiction of incorporation or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(B) (1) any Guarantor has or (if a demand were made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) or the Guarantee of the Notes, as the case may be, or any Guarantor has or will become obliged to make any such withholding or deduction as is referred to in Condition 11 (*Taxation*) or in the Guarantee of the Notes, as the case may be, from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Notes, in either case as a result of any change in, or amendment to, the laws or regulations of such Guarantor's jurisdiction of incorporation or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes, and (2) such obligation cannot be avoided by such Guarantor taking reasonable measures available to it,

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

(i) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or a Guarantor would be obliged to pay such additional amounts or the relevant Guarantor would be obliged to make such withholding or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantees of the Notes were then made; or

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

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (A) a certificate signed by an authorised signatory of the Issuer stating that the circumstances referred to in A(1) and A(2) prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by an authorised signatory of the relevant Guarantor stating that the circumstances referred to in B(1) and B(2) prevail and setting out the details of such circumstances and (B) an opinion satisfactory to the Trustee of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the relevant Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the circumstances set out in A(1) and A(2) above or (as the case may be) B(1) and B(2) above, in which event they shall be conclusive and binding on the Noteholders. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

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

(d) ***Partial redemption***: If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject in each case to compliance with applicable law and the rules of any stock exchange on which the Notes are then listed and/or admitted to trading, and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) ***Redemption at the option of Noteholders***: If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided**, **however**, **that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

(f) ***Redemption in the case of Minimal Outstanding Amount***: The Issuer may, at any time on giving not more than 60 nor less than 30 days' notice to the Noteholders and the Trustee in accordance with Condition 20 (*Notices*) (which notice shall be irrevocable) redeem all but not some only of the Notes of the relevant series at their principal amount, together with interest accrued to the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes of such series outstanding is less than 20 per cent. of the aggregate principal amount of such series originally issued (which shall, for the avoidance of doubt, include any further Notes issued pursuant to Condition 19 (*Further Issues*)).

(g) ***Redemption at the option of the Noteholders in the event of a Change of Control*****:** A Change of Control Event will be deemed to occur if a Change of Control occurs (a "**Change of Control Event**"). If a Change of Control Event occurs, each Noteholder will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the relevant Change of Control Put Option Notice (as defined below), the Issuer has given notice to redeem the Notes in accordance with Condition 9(b) (*Redemption for tax reasons*), (c) (*Redemption at the option of the Issuer*) or (f) (*Redemption in the case of Minimal Outstanding Amount*)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) the Notes held by it on the Change of Control Put Date at their principal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to but excluding the Change of Control Put Date.

Promptly upon a Change of Control Event having occurred, the Issuer shall give notice (a "**Change of Control Event Notice**") to the Noteholders in accordance with Condition 20 (*Notices*) specifying the nature of the Change of Control Event and the circumstances giving rise to it, the procedure for exercising the Change of Control Put Option and the Change of Control Put Date.

In order to exercise the Change of Control Put Option, the holder of the Note must deposit such Note with the Principal Paying Agent at its specified office at any time during normal business hours of the Principal Paying Agent, accompanied by a duly signed and completed Put Option Notice in the form (for the time being current) available from the specified office of the Principal Paying Agent (a "**Change of Control Put Option Notice**") within the period (the "**Change of Control Put Period**") of 45 days after a Change of Control Event Notice is given. No Note so deposited and option so exercised may be revoked or withdrawn.

The Notes should be delivered together with all Coupons, if any, relating to them maturing after the Change of Control Put Date, failing which the amount of any such missing unmatured Coupon will be deducted from the sum due for payment in the manner provided in Condition 10(e) (*Deduction for unmatured Coupons*). The Principal Paying Agent will issue to the Noteholder concerned a non-transferable Put Option Receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Option Notice to which payment is to be made, on the Change of Control Put Date, by transfer to that bank account and, in every other case, on or after the Change of Control Put Date against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the specified office the Principal Paying Agent. For the purposes of these Conditions, receipts issued pursuant thereof shall be treated as if they were Notes.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

For the purposes of this Condition 9(g):

"**Acting in Concert**" means acting together pursuant to an agreement or understanding (whether formal or informal).

A "**Change of Control**" occurs if any person or group of persons Acting in Concert (other than one or more Qualifying Employee(s) and/or Related Persons) acquires directly or indirectly shares to which attach more than 50 per cent. of the votes attaching to the entire issued share capital of the Parent.

"**Change of Control Put Date**" is the seventh day after the last day of the Change of Control Put Period.

"**Related Persons**" with respect to any Qualifying Employee means:

(i) in the case of any individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;

(ii) any trust, corporation, partnership or other person for which one or more of the Qualifying Employees and other Related Persons, directly or indirectly constitute the whole or entire stockholders, beneficiaries, partners or owners thereof, or persons beneficially holding in the aggregate the whole or entire controlling interest therein; or

(iii) any investment fund or vehicle managed, sponsored or advised by such Qualifying Employee on its behalf or any successor thereto.

"**Qualifying Employee**" means any director or employee of the Group who, on the date of the potential change of control, is employed by the Group and has been so employed for the previous one year without interruption.

(h) ***No other redemption***: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (f) above.

(i) ***Early redemption of Zero Coupon Notes***: Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(i) or, if none is so specified, a Day Count Fraction of 30E/360.

(j) ***Purchase***: The Issuer, each of the Guarantors or any Subsidiary of each of the Guarantors may at any time purchase Notes in the open market or otherwise (including by means of any tender or exchange offer) and at any price, **provided that** all unmatured Coupons are purchased therewith. The Notes so purchased or acquired may be submitted for cancellation, or held or resold, **provided that**, while held by or on behalf of the Issuer, the Guarantors or any of their respective Subsidiaries, the Notes shall not entitle the Noteholder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of the Trust Deed or the Paying Agency Agreement.

(k) ***Cancellation***: All Notes so redeemed or purchased by the Issuer, any Guarantor or any Subsidiary of any Guarantor and any unmatured Coupons attached to or surrendered with them may be held by the Issuer, any Guarantor or any Subsidiary of any Guarantor or resold or cancelled at the Issuer's, such Guarantor's, or such Subsidiary's option.

(l) ***Notice Priority*****:** In the event of more than one notice being delivered pursuant to this Condition 9, the first in time shall prevail.

10. **Payments**

(a) ***Principal***: Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with a bank in the Principal Financial Centre of that currency.

(b) ***Interest***: Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) ***Payments in New York City***: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) ***Payments subject to fiscal laws***: All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto ("**FATCA**"). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) ***Deductions for unmatured Coupons***: If the relevant Final Terms specify that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided**, **however**, **that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided**, **however**, **that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

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

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void Coupons.

(f) ***Unmatured Coupons void***: If the relevant Final Terms specify that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(e) (*Redemption at the option of Noteholders*), Condition 9(c) (*Redemption at the option of the Issuer*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) ***Payments on business days***: If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) ***Payments other than in respect of matured Coupons***: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(i) ***Partial payments***: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) ***Exchange of Talons***: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. Taxation

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

(i) by or on behalf of the Noteholder or Couponholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of such Note or Coupon; or

(ii) more than 30 days after the Relevant Date except to the extent that the Noteholder or Couponholder would have been entitled to such additional amounts if it had presented such Note or Coupon on the last day of such period of 30 days.

(b) ***FATCA****:* Notwithstanding anything in Condition 10 (*Payments*) to the contrary, none of the Issuer, any Guarantor, any paying agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction imposed pursuant to FATCA.

(c) ***Taxing jurisdiction***: If the Issuer or any of the Guarantors becomes subject at any time to any taxing jurisdiction other than, its jurisdiction of incorporation references in these Conditions to any jurisdiction shall be construed as references such other jurisdiction.

12. Events of Default

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

(a) ***Non-payment****:* the Issuer fails to pay:

(i) any amount of principal in respect of the Notes on the due date for payment thereof, unless the non-payment:

(A) is caused by technical or administrative error; and

(B) is remedied within five Business Days of the due date; or

(ii) any amount of interest in respect of the Notes on the due date for payment thereof, unless the non-payment:

(A) is caused by technical or administrative error; and

(B) is remedied within seven Business Days of the due date; or

(b) ***Breach of other obligations***: the Issuer or any of the Guarantors defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Trust Deed or the Guarantee of the Notes and such default (i) is, in the reasonable opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the reasonable opinion of the Trustee, capable of remedy, remains unremedied for 30 days after written notice thereof has been delivered by the Trustee to the Issuer and the Guarantors; or

(c) ***Cross-default***:

(i) any Financial Indebtedness (other than (i) Limited Recourse Trade Finance Indebtedness, (ii) any Project Finance Indebtedness or (iii) Financial Indebtedness incurred by a Limited Group Member which is not the Issuer or a Guarantor which is owed to another member of the Group which is not the Issuer or a Guarantor) of the Issuer or any Guarantor or any Limited Group Member is not paid when due (after the expiry of any originally applicable grace period);

(ii) any Financial Indebtedness (other than (i) Limited Recourse Trade Finance Indebtedness, (ii) any Project Finance Indebtedness or (iii) Financial Indebtedness incurred by a Limited Group Member which is not the Issuer or a Guarantor which is owed to another member of the Group which is not the Issuer or a Guarantor) of the Issuer or any Guarantor or any Limited Group Member:

(A) becomes prematurely due and payable;

(B) is placed on demand; or

(C) is capable of being declared by or on behalf of a creditor to be prematurely due and payable or of being placed on demand,

in each case, as a result of an event of default or any provision having a similar effect (howsoever described);

(iii) any commitment for Financial Indebtedness (other than (i) Limited Recourse Trade Finance Indebtedness, (ii) any Project Finance Indebtedness or (iii) Financial Indebtedness incurred by a Limited Group Member which is not the Issuer or a Guarantor which is owed to another member of the Group which is not the Issuer or a Guarantor) of the Issuer or any Guarantor or any Limited Group Member is cancelled or suspended as a result of an event of default or any provision having a similar effect (howsoever described); or

(iv) the Parent or any of its Subsidiaries is in default in the payment of the Apportioned Amount in respect of any Limited Recourse Trade Finance Indebtedness and that (A) such Apportioned Amount is outstanding in an aggregate principal amount of at least the greater of (x) US$50,000,000 (or its equivalent in the relevant currency of payment) and (y) three per cent. of Consolidated Net Worth and (B) is not paid by the Parent or such Subsidiary within five days of its appropriate demand by the lender of such Limited Recourse Trade Finance Indebtedness,

unless the aggregate amount of Financial Indebtedness falling within all or any of paragraphs (i) to (iii) above is less than the greater of (x) US$50,000,000 (or its equivalent in any other currency) and (y) three per cent. of Consolidated Net Worth; or

(d) ***Insolvency****:* any of the following occurs with respect to the Issuer or any Guarantor or any Limited Group Member:

(i) it is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or insolvent;

(ii) it admits its inability to pay its debts as they fall due;

(iii) by reason of actual or anticipated financial difficulties, it begins negotiations with any creditor for the rescheduling or restructuring of any of its indebtedness; or

(iv) a moratorium is declared in respect of any of its indebtedness **provided that** if a moratorium occurs in respect of the Issuer or any Guarantor or any Limited Group Member, the ending of the moratorium will not remedy any Event of Default caused by the moratorium; or

(e) ***Insolvency Proceedings***: any of the following occurs with respect to the Issuer or any Guarantor or any Limited Group Member:

(i) any step is taken with a view to a moratorium or a composition, assignment or similar arrangement with any of its creditors;

(ii) a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution for, to petition for or to file documents with a court or any registrar for, its winding-up, administration, dissolution or judicial management or any such resolution is passed;

(iii) any person presents a petition, or files documents with a court or any registrar, for its winding-up, administration, dissolution, judicial management or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);

(iv) any Security Interest is enforced over any of its assets having an aggregate book value of the greater of (x) US$50,000,000 (or its equivalent in any other currency) and (y) three per cent. of Consolidated Net Worth or more;

(v) an order for its winding-up, administration, judicial management or dissolution is made;

(vi) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, receiver and manager, judicial manager, manager or similar officer is appointed in respect of it or any of its assets;

(vii) its shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint, a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, receiver and manager, judicial manager, manager or similar officer; or

(viii) any other analogous step or procedure is taken in any jurisdiction.

In relation to the Issuer, the (insolvency) terms referred to above shall include any steps and actions under Luxembourg law which are analogous to those described above, in particular but without limitation of the scope of paragraphs (i) to (vii) of Condition 12(e), in respect of the following Luxembourg procedures: *faillite*, *gestion contrôlée*, *suspension des paiements*, *concordat judiciaire* or *liquidation judiciaire.*

This paragraph (e) (*Insolvency proceedings*) does not apply to:

1. any step or procedure which is part of a Permitted Transaction; or

2. a petition for winding-up presented by a creditor which is (A) being contested in good faith and with due diligence or (B) frivolous or vexatious and, in any such case, is discharged, struck out or withdrawn within 21 days (in the case of the Issuer or a Guarantor) or 60 days (in the case of any other Limited Group Member); or

(f) ***Creditors' process***: (A) any attachment or sequestration affects any asset of the Issuer, any Guarantor or a Limited Group Member where the claim relating to such attachment or sequestration is for an amount of at least the greater of (x) US$50,000,000 (or its equivalent in any other currency) and (y) three per cent. of Consolidated Net Worth and is not discharged within 60 days; or (B) any distress, execution or analogous event affects any asset of the Issuer, any Guarantor or a Limited Group Member having an aggregate value of at least the greater of (x) US$50,000,000 (or its equivalent in any other currency) and (y) three per cent. of Consolidated Net Worth, and is not discharged within 21 days; or

(g) ***Cessation of business***: the Issuer, any Guarantor or a Limited Group Member ceases, or threatens to cease, to carry on business, except:

(i) as part of a Permitted Transaction; or

(ii) as a result of any disposal not prohibited by these Conditions; or

(h) ***Analogous event***: any event occurs which under the laws of (in the case of the Issuer) Luxembourg, (in the case of Trafigura Trading LLC) the State of Delaware or (in the case of Trafigura Group Pte. Ltd. and Trafigura Pte Ltd) Singapore or the jurisdiction of incorporation of any Substituted Issuer or Substituted Guarantor has an analogous effect to any of the events referred to in paragraphs (d) (*Insolvency*) to (g) (*Cessation of business*) above; or

(i) ***Guarantee not in force***: the Guarantee of the Notes is not (or is claimed by any of the Guarantors not to be) in full force and effect and is not replaced within three Business Days by a valid and enforceable guarantee.

13. Prescription

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

14. Replacement of Notes and Coupons

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

15. Trustee and Agents

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

The Trustee shall be entitled to rely on reports and certificates of two Authorised Signatories of the Issuer and/or the Guarantors, as applicable, and other persons notwithstanding any limit on liability therein by reference to monetary cap or otherwise. The Issuer has entered into certain covenants in the Trust Deed to deliver a certificate to the Trustee on a semi-annual basis identifying those Subsidiaries of the Group whose net worth represents 10 per cent. or more of Consolidated Net Worth and whose net income for the relevant period represents 10 per cent. or more of Consolidated Net Earnings for such period (such certificate being referred to herein as the "**10 Per cent. List**") and who shall, for all purposes be deemed Limited Group Members. Each Subsidiary that is not on the 10 Per cent. List (the "**Other Subsidiaries**") shall be deemed a Limited Group Member unless the Trustee shall have received a certificate of two Authorised Signatories delivered to it by the Issuer within three Business Days of a request by the Trustee confirming that such Subsidiary is or was at such time or during such period an Insignificant Subsidiary.

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

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

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

(a) the Issuer and the Guarantors shall at all times maintain a Principal Paying Agent;

(b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantors shall at all times, whilst any relevant Note remains outstanding, maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing or trading on any stock exchange which requires the appointment of a Paying Agent in any particular place, the Issuer and the Guarantors shall maintain a Paying Agent having its Specified Office in the place required by the rules of such stock exchange.

Notice of any changes in any of the Paying Agents and Calculation Agents or in their Specified Offices shall promptly be given by the Issuer to the Noteholders in accordance with Condition 20 (*Notices*).

16. **Meetings of Noteholders; Modification and Waiver; Substitution**

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

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

(b) ***Modification and Waiver***: The Trustee may agree, without the consent of the Noteholders or the Couponholders, to (i) any modification of any provision of these Conditions, the Paying Agency Agreement, or the Trust Deed which is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law and (ii) any other modification (except as mentioned in the Trust Deed or in respect of a Reserved Matter) and any waiver or authorisation of any breach or proposed breach of any provision of these Conditions, the Paying Agency Agreement, or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders, **provided that** it shall not agree any such waiver in contravention of any express direction by an Extraordinary Resolution or of a request in writing by the holders of not less than 25 per cent. of the aggregate principal amount of Notes then outstanding. Any such modification, authorisation or waiver shall be binding on the Noteholders and Couponholders. Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.

Additionally, the Issuer may, subject to Condition 7A, vary or amend these Conditions, the Trust Deed and/or the Agency Agreement to give effect to certain amendments without any requirement for the consent or approval of the Noteholders as described in Condition 7A and the Trustee shall agree to such variations or amendments on the basis set out in Condition 7A.

(c) ***Substitution:*** The Trust Deed contains provisions whereby the Trustee shall agree, without the consent of the Noteholders, to the substitution of the Issuer or any Guarantor (or any substituted company for the Issuer or a Guarantor), in the case of the Issuer, for itself as principal debtor (a "**Substituted Issuer**") or, in the case of a Guarantor, as unconditional and irrevocable guarantor (a "**Substituted Guarantor**"), as the case may be, with any Subsidiary or Affiliate of the Parent in place of the Issuer or the relevant Guarantor (or any previously Substituted Issuer or Substituted Guarantor under this Condition) as a new principal debtor under the Notes and the Coupons or a new guarantor under the Guarantee of the Notes, **provided that** (i) the Parent shall have provided to the Trustee a certificate from two Authorised Signatories of the Parent confirming that the proposed substitution will not be materially prejudicial to the interests of the

Noteholders, (ii) the Substitution Conditions (as defined below) have been satisfied, and (iii) no payment in respect of the Notes or the Coupons is at the relevant time overdue or in default.

Such substitution may take place only if: (i) the Substituted Issuer or Substituted Guarantor, as the case may be, shall agree to indemnify and hold harmless each Noteholder and the Trustee against any tax, duty, assessment or governmental charge which is or may be imposed on, incurred by or levied on it by (or by any authority in or of) the jurisdiction of the country of the Substituted Issuer's or Substituted Guarantor's residence for tax purposes and, if different, of its incorporation with respect to any Note or Coupon or the Guarantee of the Notes and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any liability, charge, cost or expense, in connection with the substitution; (ii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents or approvals) to ensure that the Trust Deed, the Notes and Coupons represent valid, legally binding and enforceable obligations of the Substituted Issuer or the Trust Deed and the Guarantee of the Notes represents a valid, legally binding and enforceable obligation of the Substituted Guarantor, as the case may be, have been taken, fulfilled and done and are in full force and effect; (iii) the Substituted Issuer or Substituted Guarantor shall have become party to the Paying Agency Agreement and the Trust Deed with any appropriate consequential amendments, as if it had been an original party to it; (iv) the obligations of any Substituted Issuer under the Notes and the Coupons shall be unconditionally and irrevocably guaranteed by each of the Guarantors (unless a Guarantor has been substituted by another entity pursuant to the terms hereof, in which case, the Substituted Guarantor shall unconditionally and irrevocably guarantee the Notes and Coupons in place of such Guarantor); (v) legal opinions addressed to the Trustee shall have been delivered from independent legal advisers of recognised standing in each jurisdiction referred to in (i) above, the jurisdiction of the Issuer (if different) and in England as to the fulfilment of the preceding conditions of this Condition 16(c); and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders in accordance with Condition 20 (*Notices*), stating that copies, and pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents. Conditions (i) to (vi) shall together constitute the "**Substitution Conditions**".

In the event that an entity will be substituted as a guarantor in place of Trafigura Group Pte. Ltd., such entity shall (i) own directly or indirectly 100 per cent. of the issued and outstanding ordinary shares of the Issuer; (ii) have, pursuant to a voluntary corporate reorganisation of the Group (the "**Group**" for such purposes being Trafigura Group Pte. Ltd. and its consolidated subsidiaries as at the date hereof), become the principal consolidating entity of the Group; and (iii) consolidate substantially all of the consolidated assets and liabilities which appeared on the balance sheet of Trafigura Group Pte. Ltd. on the day immediately prior to the effective date of the voluntary corporate reorganisation. The Trustee shall be entitled to rely on a certificate from two Authorised Signatories of such Substituted Guarantor that such entity fulfils the requirement of this paragraph.

For the purposes of this Condition, "**Affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

The Issuer will notify the Trustee and Noteholders as soon as reasonably practicable following a substitution in accordance with Condition 20 (*Notices*) and such substitution shall become effective upon the publication of such notice.

In connection with any proposed substitution as aforesaid and in connection with the exercise of its trusts, powers, authorities and discretions (including but not limited to those referred to in this Condition 16(c) and the Trust Deed), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to the consequences of any substitution or such exercise for individual Noteholders. In connection with any substitution or such exercise as aforesaid, no Noteholder shall be entitled to claim, whether from the Issuer, the Substituted Issuer, any Guarantor or any Substituted Guarantor or the Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such substitution or any such exercise upon any individual Noteholders except to the extent already provided in Condition

16 and/or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

17. **Enforcement**

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

(a) it has been so requested in writing by the holders of at least one quarter in principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified, prefunded or provided with security to its satisfaction.

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

18. **Financial Information Covenant**

For so long as any Notes are outstanding the Issuer and the Guarantors will deliver to the Trustee and the Principal Paying Agent within 120 days of the end of each financial year a copy in the English language of the Group's audited consolidated annual financial statements and procure that copies of the same are made available (A) on the website of Euronext Dublin and (B) for inspection by Noteholders and Couponholders at the Specified Offices of the Paying Agents as soon as practicable thereafter.

In addition, for so long as any Notes are outstanding, the Issuer and the Guarantors will deliver to the Trustee and the Principal Paying Agent within 120 days of the end of the first six months in each financial year, a copy in the English language of the Group's unaudited consolidated half year financial statements and procure that copies of the same are made available (A) on the website of Euronext Dublin and (B) for inspection by Noteholders and Couponholders at the Specified Offices of the Paying Agents as soon as practicable thereafter.

19. **Further Issues**

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

20. **Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times) and, in the case of Notes which are listed on the Official List of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin, and for so long as the rules of that exchange so require, filed with the Companies Announcements Office of Euronext Dublin and published on the website of Euronext Dublin (*http://www.ise.ie*). If such publication is not practicable, publication will be made in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

21. **Currency Indemnity**

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

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

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

(a) ***Governing law***: The Notes, the Trust Deed and any non-contractual obligations arising out of, or in connection with them, are governed by, and shall be construed in accordance with, English law.

(b) ***Jurisdiction***: Each of the Issuer and the Guarantors (i) agrees for the benefit of the Trustee, the Paying Agents, the Noteholders and the Couponholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes); (ii) agrees that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; and (iii) designates a person in England to accept service of any process on its behalf. Nothing contained in this Condition shall limit the right of any of the Noteholders from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and that, to the extent allowed by law, any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

(c) ***Process Agent***: Each of the Issuer and the Guarantors agree that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on any of them by being delivered to Trafigura Limited at its registered office (being 14 St. George Street, London W1S 1FE, United Kingdom as of the Issue Date) or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer and the Guarantors may specify by notice to the Noteholders in accordance with Condition 20 (*Notices*).

Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

(d) ***Third Parties***: No person shall have any right to enforce any term or Condition of this Note, the Trust Deed or the Paying Agency Agreement under the Contracts (Rights of Third Parties) Act 1999.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.]

[MiFID II Product Governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU, as amended ("**MiFID II**")[[MiFID II]/; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][1]

Final Terms dated [•]

TRAFIGURA FUNDING S.A.
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

LEI: 549300IDCRNFW0C0TJ66

Guaranteed by TRAFIGURA GROUP PTE. LTD., TRAFIGURA TRADING LLC AND TRAFIGURA PTE LTD
under the EUR 3,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 11 September 2020 [and the supplemental base prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of [Regulation (EU) 2017/1129 (the "**Prospectus Regulation**")]/[the Prospectus Regulation]. [This document constitutes the Final Terms of the Notes described herein for the purposes of the

[1] Issuer to consider, prior to offer of Notes, whether the Notes are prescribed capital market products.

Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information].[2]

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of Euronext Dublin (*http://www.ise.ie*) and is also available for viewing, and electronic copies may be obtained at https://www.trafigura.com/financials/. Once issued, the Final Terms will be available on the website of Euronext Dublin (*http://www.ise.ie*) and at https://www.trafigura.com/financials/ .

[In accordance with the Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described herein.][3]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

1.	(i)	Issuer:	Trafigura Funding S.A.
	(ii)	Guarantors:	Trafigura Group Pte. Ltd., Trafigura Trading LLC and Trafigura Pte Ltd
2.	[(i)	Series Number:]	[•]
	[(ii)	Tranche Number:]	[•]
	[(iii)	Date on which the Notes become fungible:]	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about [•]].]
3.	Specified Currency or Currencies:		[•]
4.	Aggregate Nominal Amount:		[•]
	[(i)]	[Series]:	[•]
	[(ii)	Tranche:	[•]]
5.	Issue Price:		[[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
6.	(i)	Specified Denominations:	[•] *(N.B. Where multiple denominations above EUR 100,000 or equivalent are being used the following sample wording should be followed:* *"EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to EUR 199,000. No Notes in definitive form will be issued with a*

[2] Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation.

[3] Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation.

			denomination above EUR 199,000).[4]
	(ii)	Calculation Amount:	[•]
7.	(i)	Issue Date:	[•]
	(ii)	Interest Commencement Date:	[[•]/Issue Date/Not Applicable]
8.	Maturity Date:		[•] *[If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available].*
9.	Interest Basis:		[[•] per cent. Fixed Rate] [•] [EURIBOR/LIBOR]+/– [•] per cent. Floating Rate] [Benchmark Discontinuation: Condition 7A is applicable] [Zero Coupon] (further particulars specified in paragraph [14/15/16] below)
10.	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
11.	Change of Interest or Redemption/Payment Basis:		[Applicable/Not Applicable]
12.	Put/Call Options:		[Investor Put] [(Change of Control Put Option)] [Issuer Call] [(further particulars specified in paragraphs [17/18/19] below)]
13.	[Date [Board] approval for issuance of Notes [and Guarantee] [respectively]] obtained:		[•] [and [•], respectively

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**	[Applicable/Not Applicable]

[4] Note that the Specified Denomination plus integral multiples option should not be utilised in respect of Notes where item 22 specifies "Temporary Global Note exchangeable for Definitive Notes" or "Permanent Global Note exchangeable for Definitive Notes".

(i)	Rate[(s)] of Interest:	[•] per cent. per annum payable in arrear on each Interest Payment Date
(ii)	Interest Payment Date(s):	[•] in each year
(iii)	Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
(iv)	Broken Amount(s):	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
(v)	Day Count Fraction:	[30/360 / 30E/360 / 30E/360 (ISDA) / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/Actual / Actual/360 / Actual/365 / Actual/365 (Fixed) / Eurobond basis]
(vi)	ISDA Definitions	[2000/2006]

15. **Floating Rate Note Provisions** [Applicable/Not Applicable]

(i)	Interest Period(s):	[•]
(ii)	Specified Period:	[•] *(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
(iii)	Specified Interest Payment Dates:	[Not Applicable/[•], subject to adjustment in accordance with the Business Day Convention set out in (v) below] *(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention, or Eurodollar Convention, insert "Not Applicable")*
(iv)	[First Interest Payment Date]:	[•]
(v)	Business Day Convention:	[Following Business Day Convention/ Modified Following Business Day Convention/Modified Business Day Convention/Preceding Business Day Convention/FRN Convention/Floating Rate Convention/Eurodollar Convention/No Adjustment]
(vi)	Additional Business Centre(s):	[Not Applicable/[•]]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	[•] shall be the Calculation Agent

	(ix)	Screen Rate Determination:	[Applicable/Not Applicable]
		• Reference Rate:	[•] [EURIBOR/ LIBOR]
		• Interest Determination Date(s):	[•]
		• Relevant Screen Page:	[•]
		• Relevant Time:	[•]
		• Relevant Financial Centre	[•]
		• Benchmark Discontinuation	[Applicable/Not Applicable]
	(x)	ISDA Determination:	[Applicable/Not Applicable]
		• Floating Rate Option:	[•]
		• Designated Maturity:	[•]
		• Reset Date:	[•]
		• ISDA Definitions:	[2000/2006]
	(xi)	Linear Interpolation:	[Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(xii)	Margin(s):	[[+/-][•] per cent. per annum/Not Applicable]
	(xiii)	Minimum Rate of Interest:	[[•] per cent. per annum/Not Applicable]
	(xiv)	Maximum Rate of Interest:	[[•] per cent. per annum/Not Applicable]
	(xv)	Day Count Fraction:	[30/360 / 30E/360 / 30E/360 (ISDA) / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/Actual / Actual/360 / Actual/365 / Actual/365 (Fixed) / Eurobond basis]
16.	**Zero Coupon Note Provisions**		[Applicable/Not Applicable]
	(i)	Accrual Yield:	[•] per cent. per annum
	(ii)	Reference Price:	[•]
	(iii)	Day Count Fraction:	[30/360 / 30E/360 / 30E/360 (ISDA) / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/Actual / Actual/360 / Actual/365 / Actual/365 (Fixed) / Eurobond basis]
	(iv)	ISDA Definitions	[2000/2006]

PROVISIONS RELATING TO REDEMPTION

17.	Call Option		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[•]

	(ii)	Optional Redemption Amount(s):	[•] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[•] per Calculation Amount
		(b) Maximum Redemption Amount	[•] per Calculation Amount
	(iv)	Notice period:	[•]
18.	Put Option		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount(s):	[•] per Calculation Amount
	(iii)	Notice period:	[•]
19.	Change of Control Put Option		[Applicable/Not Applicable]
20.	Final Redemption Amount		[•] per Calculation Amount
21.	Early Redemption Amount (Tax)		[Not Applicable / [•] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
23.	Additional Financial Centre(s):	[Not Applicable/*give details*.]
24.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]
25.	Relevant Benchmark[s]:	[[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation]/[*Not Applicable*]]

THIRD PARTY INFORMATION

[(Relevant third party information) has been extracted from (specify source).] [Each of the] [The]

Issuer [and the Guarantor(s)] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

The Issuer and each Guarantor accepts responsibility for the information contained in these Final Terms.

Signed on behalf of **TRAFIGURA FUNDING S.A.**:

By: ....
Duly authorised

By: ....
Duly authorised

Signed on behalf of **TRAFIGURA GROUP PTE. LTD.**:

By: ....
Duly authorised

By: ....
Duly authorised

Signed on behalf of **TRAFIGURA TRADING LLC**:

By: ....
Duly authorised

By: ....
Duly authorised

Signed on behalf of **TRAFIGURA PTE LTD**:

By: ....
Duly authorised

By: ....
Duly authorised

PART B – OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING**	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin/[•] with effect from [•].] [Not Applicable.] The total expenses related to admission to trading are estimated to be [EUR1,000/[•]].

2. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business. (Amend as appropriate if there are other interests)]

[•]

3. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

Reasons for the offer:	[•] [See ["Use of Proceeds"] in [Base] Prospectus/Give details] (See ["Use of Proceeds"] wording in [Base] Prospectus – if reasons for offer different from what is disclosed in the [Base] Prospectus, give details here.)
Estimated net proceeds:	[•]

4. **[Fixed Rate Notes only – YIELD**

Indication of yield:

[Floating Rate Notes only – HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]

5. **OPERATIONAL INFORMATION**

ISIN Code:	[•]
Common Code:	[•]
[FISN:	[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
[CFI Code:	[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

		(If the CFI and/or FISN is not required or requested, it/they should be specified to be "Not Applicable".)

6. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated:	[Not Applicable]
	(a) Names and addresses of Managers and underwriting commitments:	[•]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/[•]]
(iii)	If non-syndicated, name and address of Dealer:	[Not Applicable/[•]]
(iv)	U.S. Selling Restrictions:	[TEFRA C/TEFRA D/TEFRA Not Applicable]
(v)	Prohibition of Sales to EEA and UK Retail Investors	[Applicable]/[Not Applicable]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Conditions to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, will be that depositary or common depositary.

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

Conditions applicable to Global Notes

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

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day: In the case of a Global Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Exercise of put option: In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that (i) for so long as the Notes are listed on the Official List of Euronext Dublin and its rules so require, all notices to holders will also be published by the Issuer by delivery to the Companies Announcement Office in Dublin and on the website of Euronext Dublin (*http://www.ise.ie*); and (ii) in the case of Notes listed, traded or quoted on any other listing authority, stock exchange and/or quotation system, the requirements of such other listing authority, stock exchange or quotation system are complied with.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be applied by the Group for general corporate purposes.

DESCRIPTION OF THE GROUP

Until 30 September 2015, the Group's reference parent company (meaning the Group's consolidating entity but not the top holding company) was Trafigura Beheer B.V. ("**TBBV**"), a company incorporated under the laws of the Netherlands. On 30 September 2015, an entity called Trafigura Group Pte. Ltd. (the "**Company**" or "**TGPL**") incorporated in Singapore under the Companies Act, Chapter 50 of Singapore (with registration number 201017488D) assumed the role of reference parent company for the Group. The Company is a private limited liability company incorporated on 18 August 2010 and existing under the laws of Singapore. The registered office of the Company is at 10 Collyer Quay, Ocean Financial Centre, #29-00 Singapore 049315 and its telephone number is +65 6319 2960. The Company was incorporated for an indefinite duration and has no other commercial name.

Competitive Strengths

The Company believes that the Group's success is built upon the following combination of key competitive strengths:

Leading market position in the global commodity trading industry

The Group is one of the leading traders in the segments in which it operates.

The global competitive environment for physical commodities traders has evolved over the last few years. The Group operates today in the market space previously dominated by the major producers that are now predominantly focusing on upstream exploration and production, and have reduced their involvement in distribution. There is also an increasing view that genuine global scale is required for commodity traders to be successful, apart from specific niche players. Indeed, larger firms, with greater access to liquidity and logistics assets, significant IT infrastructure and better access to proprietary information, on commodity flows across geographies and commodities, can access and capture the strategic trading volumes and continue to be profitable; in particular, in times of lower volatility, when global commodity margins are under pressure. As a result, a consolidation in the industry is being witnessed, putting mid-tier companies under pressure, while global players such as the Group are becoming more prominent. These changes provide the Group with scope for growth in its core commodity activities.

Long-term competitiveness in the industry is achieved through trade volume and market share. The Group's scale is a significant advantage versus product focused niche traders that profit more from regional logistics than global arbitrage.

In the financial year ended 30 September 2019, the Group traded approximately 6.1 million barrels of physical oil per day. Although there is no published market share information, the Group estimates that its volumes represent about 3-5 per cent. of the highly fragmented world oil market, or around 7-10 per cent. of the 'tradable market' (i.e. volumes that are not handled by producers directly to consumers). The Group trades the second largest volume of oil and petroleum products for an independent trading company. In addition, based on its own market intelligence, the Group believes to be world's second largest independent trader of Liquified Natural Gas ("**LNG**"). In non-ferrous metals, the Group is also the second largest independent trader, with estimated market shares in the tradable market ranging from 15 to 50 per cent. depending on the commodity.

The Group is one of the only three truly global oil and metals traders, the others being Glencore (although it has become more of a marketer of its own production) and Vitol.

Extensive global network

The Group's operations are geographically diversified with exposure to high growth supply and demand regions. The Group has an extensive global network and manages its activities via 80 offices in 41 countries organised across Europe, Asia, Australia, North America, Latin America and Africa (as at 30 September 2019), employing over 5,106 full-time employees on average over the financial year. Noting that, as at 30 September 2019, total number of Group employees was 8,824 (4,615 the Group and 4,209 Nyrstar).

The Group believes that its scale and global footprint represent a key strength allowing it to improve its access to constantly evolving global commodity trade flows while helping to mitigate its exposure to regional risks. The Group's local presence, knowledge and relationships in different regions provide it with first hand market intelligence and information to enable it to identify and execute arbitrage opportunities. Furthermore, its local presence provides insight into macro drivers such as foreign exchange fluctuations, government policies, upstream commodity operations, and transport.

Highly diversified business model

The Group's business activities are focused on two main areas, namely trading, and industrial assets and investments that complement and enhance the trading activities. These activities are complementary to each other and help smooth income volatility resulting from the natural cycles of the commodities trading industry. Within its trading and industrial assets businesses, the Group's activities are diversified in terms of products traded and handled as well as geographical presence and types of supplier/customer base.

The Group is one of the most diverse global commodities firms in terms of products, geographies, suppliers and customers and one of few physical commodities firms with such breadth. It focuses on two asset classes: oil and petroleum products, and metals and minerals. It covers the main product categories within these fields, including some of the world's most actively traded commodities such as: crude oil, gasoline, distillates, alumina, non-ferrous concentrates, aluminium, copper, zinc and coal.

The Group has a diverse customer base with no single external customer representing more than four per cent. of turnover for oil and petroleum products (apart from the Group affiliated company, Puma Energy), and two per cent. for metals and minerals. In the oil and petroleum products business, the Group transacts with a diverse customer base located around the globe, including electricity utilities, oil refiners, major distributors, and state owned oil companies. In metals and minerals, the Group's broad customer base ranges from mining companies to smelters, and refined metals retailers. For the year ended 30 September 2019, the Group's top 10 customers (excluding Puma Energy) in either business constitute less than 30 per cent. of revenues for respective divisions.

The diversity of the Group's commodities offerings contributes to a reduced risk profile, both on the market side and in terms of spreading credit risk among a wider base of market counterparties.

Solid industrial asset base

The Group's business model is focused on balancing global supply and commodity trade flows and exploiting natural, low risk physical arbitrage opportunities.

The key to creating arbitrage opportunities is through increasing trading volumes by securing supply and off take contracts, as well as controlling logistical instruments (e.g. time charters, storage facilities, ports etc.). The Group's investments, whether in the oil or metals and minerals sector are focused on opportunities that provide complementary volume flow to the trading business, open up new markets and create recurrent, sustainable income sources.

The Group's trading activities are supported by a solid base of fixed midstream, downstream and mining assets. Through its selected asset investments, the Group has an established global presence throughout the value chain. The Group's industrial assets amounted to USD 9,079 million as of 30 September 2019 and USD 8,031 million as of 31 March 2020. These fixed assets correspond to the Group’s investment in Puma Energy Group, the Group’s oil storage and distribution assets, of which the Group holds a legal beneficial interest of 49.98 per cent. in Puma Energy Group; Impala Terminals, the Group’s metals and minerals warehousing division and logistics provider; Nyrstar, the world’s third largest producer of zinc metal; the Group’s oil storage and export terminals (e.g. fully owned Petromining terminal in Argentina); 24 per cent. owned Indian refiner Nayara Energy and other assets held as part of its mining portfolio.

In addition to trading synergies, the cash flows generated by the Group's industrial assets portfolio have been growing significantly and now contribute substantially to the Group's profitability, resulting in an additional source of profitability and further diversification.

Conservative risk management and strong governance standards

The Group has put in place and adheres to comprehensive and clear compliance and risk management procedures which are monitored on a daily basis.

Prudent risk management is integral to the Group's business model and has been entrenched since its foundation. Risk management is a central focus for the Group's Board of Directors (the "**Board of Directors**") and the Group's Management Committee (the "**Management Committee**") and a crucial consideration in the Group's overall trading strategy. The Group operates a policy of hedging all its physical positions for price risk. All trading positions are monitored on a daily basis through various metrics, including a VaR soft limit target of less than one per cent. of equity. Operational risk is proactively managed through comprehensive vetting and due diligence procedures, which are continuously reviewed and updated to reflect the evolving nature of the regulatory environment. For further information on the Group's risk management policies and procedures please refer to "*Risk Management*".

The Group also has strict compliance policies in place, operating an overarching code of business conduct, which enforces a zero tolerance approach to bribery and corruption, promotes honest and ethical conduct and serves as a guide for all employees on how to comply with laws and regulations and exercise good business judgement. The Group also operates a strict know your counterparty ("**KYC**") process necessitating the successful completion of credit and compliance checks before transacting with a new counterparty. For further information on corporate governance and compliance policies and procedures please refer to "*Management Structure and Corporate Governance*".

The Group's risk management framework is supported by its proprietary IT systems which record transactions from the point of trade capture through to accounting entries and provide maximum transparency and control by ensuring different levels of access and automatic dissemination of key information to all concerned parties.

The Group believes that its sound risk management policies have contributed to its positive performance through the volatile market environment over the last few years and helped to mitigate earnings volatility.

Strong leadership and ownership by management and key employees

The Group management team has substantial experience in the commodity sector and a proven track record in the development of the business. The Company's Board of Directors has significant experience both in the commodities sector and within the Group with an average of approximately 23 years' experience in the commodities sector. Since the foundation of the Group in 1993, the management team has overseen the consolidation and expansion of its trading activities across various commodity products and geographies. The Group is exclusively owned by its management and employees. This shareholding structure aligns individual aspirations with the long term interests of the Group. By virtue of having its own capital at risk, senior management is motivated to take a long term view on the Group's overall performance and to protect its capital.

Track record of sustainable profitable growth and financial strength

As a result of its position in the global commodity trading industry, its business model and diversified activities, the Group has been profitable every year since inception in 1993 and has significantly grown shareholders' equity, demonstrating strong performance and business model resilience, with net worth increasing year-on-year. The resilience of the Group's business model has been demonstrated by its steady growth and strong performance through various commodity cycles and periods of price volatility as well as during periods of economic, financial, and sovereign debt crises. The Group's EBITDA (Earnings before interest, taxes, Depreciation and Amortisation) increased at a 13.0 per cent. compound annual growth rate ("**CAGR**") over 2014-2019.

The Group believes that its robust and highly diversified funding model and access to liquidity have contributed to the Group's strong financial performance and flexibility. The Group has a three-pillar funding model based on short term transactional facilities, securitisation, and corporate credit facilities. As of 30 September 2019, the Group sourced funds from about 140 banks in various markets including Europe, Asia Pacific and the United States, providing it with significant diversification both in terms of funding sources and geographies thereby allowing the Group to expand whilst managing its liquidity position. Since December 2012, the Group has increased its available facilities by 61 per cent., from USD 38.2 billion to approximately USD 61.5 billion as of 31 March 2020.

The significant expansion of the Group's sources of financing over the years has been achieved on the basis of maintaining an acceptable and sustainable credit standing in the absence of a corporate rating.

Group Strategy

The Group does not speculate on price direction. The Company profits from optimising the supply chain to its customers and from exploiting natural, low risk, physical arbitrage opportunities. All physical positions are systematically hedged for index price risk and no outright price risk is taken other than through limited speculative positions which are subject to defined risk limits. Profit is generated from the volatility of supply/demand and the value generated by control and management of the supply chain.

Unlike the derivatives markets, where transactions (and arbitrage opportunities) are closed within seconds, physical arbitrage of this kind requires actual delivery of the physical commodity. As a result, value can only be extracted by having access to physical commodities and adequate logistical assets. Therefore, in order to generate and maximise arbitrage opportunities the Group's strategy is to grow volumes and optimise logistics operations in its markets.

Key Industrial Assets Providing Arbitrage Opportunities and Income Diversification

The key to creating arbitrage opportunities is through increasing trading volume by securing as many supply and offtake contracts as possible, as well as having the control of logistics tools (e.g. time charter, storage facilities, ports, etc.). The Group's investments, whether in the oil or the metals and minerals sector, are focused on opportunities that provide complementary volume flow to the trading business, open up new markets and create recurrent, sustainable income sources. In addition to the trading benefits, the cash flows generated by these investments have been growing significantly and they now contribute to the Group's profitability, resulting in an additional source of profitability and further diversification.

The Group's industrial assets have increased from USD 4,620 million as of 30 September 2012[5] to USD 9,079 million as of 30 September 2019 and to USD 8,031 million as of 31 March 2020. These fixed assets correspond to the Group's investment in Puma Energy Group, the Group's oil storage and distribution assets, of which the Group holds a legal beneficial interest of 49.98 per cent. in Puma Energy Group; Impala Terminals, the Group's metals and minerals warehousing division and logistics provider; Nyrstar, the world's third largest producer of zinc metal; the Group's oil storage and export terminals (e.g. fully owned Petromining terminal in Argentina); 24 per cent. owned Indian refiner Nayara Energy and other assets held as part of its mining portfolio, notably 50 per cent. ownership in MATSA (as defined below).

The Group has demonstrated its ability to divest fixed assets and recycle capital, allowing the Group to crystallise gains from its investments and generate substantial cash flows and profits (over USD 3 billion in aggregate over the years). It enables the Group to maintain discipline in capital expenditure, to share risk and to realise timely returns on its asset investments, while establishing a broader investment platform than would be possible on a stand-alone basis. Significant divestment included the full or partial sale of mining assets (Volcan, Anvil, Tiger and CMC); more than 50 per cent. of Puma Energy in 2013; the creation of an oil storage and export facility at Corpus Christi, Texas; the subsequent sale of a majority stake to Buckeye Partners L.P., with ongoing retention of commercial rights, in 2014, and the sale of the residual 20 per cent. stake in 2018; and the establishment of joint ventures with Mubadala to invest in the Porto Sudeste iron ore export facility in Brazil and the Minas Aguas Tenidas "**MATSA**" mine in Spain in 2015. In September 2018, the Group signed an agreement with IFM to create a 50:50 joint venture to operate Impala Terminal assets in Mexico, Spain, Peru, Paraguay, and the multimodal freight forwarding operation in Africa. A pre-tax profit contribution amounting to USD 191 million was realised from the sale of some of the infrastructure assets to a newly formed joint venture with IFM in the fiscal year 2018.

Ownership Model and Experienced Management Team whose Interests are Aligned to Long Term Growth Performance

The Group is owned exclusively by approximately 700 senior employees. This ownership model ensures focus on the long term success of business, promoting management depth and stability and managing risk. By virtue of having capital at risk, senior management is motivated to take a long-term view of the Group's overall performance and to protect its capital.

The Group has an experienced management team which has developed the expertise required to manage a commodities trading business over a number of years.

[5] Equal to the total fixed assets of the Group disclosed in its FY2012 Annual Report.

Maintenance of Prudent Financial Profile

Prudent risk management is integral to the Group's business model and has been deeply rooted in the Company's business principles since its foundation. Guidelines are established at the senior management level and the credit and finance department retains a veto right on any transaction.

The Group maintains a diversified funding model, both in terms of the type of financing available and the geographic location of its banks. This broad funding base helps to increase the Group's access to liquidity and provides funding flexibility. The Group has demonstrated its ability through various market conditions to raise ample and appropriate types of financing to meet the business funding requirements and to tap various investor bases, maturities and geographies. The Group has successfully managed its liquidity positions throughout commodity, economic, financial and banking cycles and crises. The Group's strategy is to continue to focus on maintaining such a prudent financial policy and to sustain its liquidity buffer allowing it to be ready to capitalise on opportunities when they arise.

The Group manages its treasury and liquidity risks, maintaining a strong liquidity position through the following:

- Ensuring that a sufficient amount of immediately-available cash remains on hand in order to be prepared for a potential volatile period, and associated possible margin calls, or any urgent cash outflow. As of 30 September 2019 and as of 31 March 2020, the Group maintained USD 3.2 billion and USD 4.0 billion, respectively, of immediately available cash in liquidity funds;

- Maintaining bilateral lines which allow the Group to mark-to-market financings to the value of the underlying physical assets. Mark-to-market financing is performed weekly (or intra-weekly in the case of extreme volatility) and provides an additional source of liquidity which is not available to competitors which are financed purely from revolving credit facilities ("**RCF**");

- Committed unsecured credit facilities, with a focus on new sources of financing that lengthen the maturity profile of the Group's debt;

- Utilisation of bilateral trade finance lines for the first half of the fiscal year 2020 averaged about 56 per cent. Average utilisation of revolving credit facilities over the same period was approximately 50 per cent.;

- Advanced funding sublimit incorporated in the Asian RCF, allowing same-day drawing of funds (otherwise T+3); and

- Balanced distribution of profit (significant retained earnings) and subordination of repurchased equity.

Recent Financial Results for the financial years ended 30 September 2019 and 30 September 2018[6]

Profit and Loss

Revenue for the fiscal year ending September 2019 was USD 171.5 billion, a decrease of 5 per cent. from the figure of USD 180.7 billion recorded in 2018 even though the total traded volumes increased. This reflected lower average prices of many of the commodities traded by the Group compared to 2018. The total volume of commodities traded rose by 4 per cent. to 389 million tonnes from 371 million tonnes. Oil and petroleum products volume rose by 6 per cent. to 292 million tonnes, representing an average daily volume of 6.1 million barrels. Metals and minerals volume was just 1 per cent. higher at 97 million tonnes.

Gross profit in 2019 increased by 25 per cent. to USD 2,978 million from USD 2,384 million in 2018. This represented a gross profit margin of 1.7 per cent. compared to the margin of 1.3 per cent. registered in 2018, reflecting the strong performance of both Oil and Petroleum Products and Metals and Minerals trading divisions. In divisional terms, the gross profit figure reflected a 64 per cent. increase in gross profit in Oil and Petroleum products to USD 1,681 million and a 5 per cent. decrease in Metals and

[6] References to "2019" or "2018" in this section entitled "Recent Financial Results for the financial years ended 30 September 2019 and 30 September 2018" are to the financial year ended 30 September 2019 or 30 September 2018, respectively.

Minerals with gross profit at USD 1,297 million, slightly below the strong performance recorded in 2018. Oil and Petroleum Products benefited from heightened market volatility having repositioned the trading books to reflect the shift of market structure to backwardation (from contango). Further, this was the third consecutive year in which the gross profit in Metals and Minerals exceeded USD 1 billion, showing an exceptionally strong and steady performance by that division.

EBITDA for 2019 was USD 2,129 million, compared to USD 1,712 million for 2018, an increase of 24 per cent. from the previous year, continuing a strong run of EBITDA performance in recent years. From an operating profit perspective, the Group believes that EBITDA is the most appropriate measure to assess its operating performance. See further "*Key Performance Indicators*".

Results from operating activities were USD 1,649 million in 2019, an increase of 11 per cent. from USD 1,492 million recorded in 2018. General and administrative expenses rose to USD 1,157 million (which is equivalent to a 10 per cent. increase excluding the consolidation of Nyrstar) and is due primarily to the consolidation of Nyrstar and to an increase in compensation paid to the Group's staff. Gross financing costs were 18 per cent. higher than in 2018 at USD 1.4 billion, driven by the sharp increase in USD Libor compared to 2018.

In 2019, the Group realised significant gains as a result of two transactions with ship owners, Frontline Ltd. and Scorpio Tankers Inc, selling 29 oil tankers through the sale of two subsidiaries and the exercise of purchase options embedded within the existing lease agreements, in exchange for equity in those companies, generating an exceptional gain of USD 201 million. However, this did not fully compensate for the impairments, value adjustments and write-offs relating to the continuing equity investment in Nyrstar and other investments, which totalled USD 315 million.

The Group delivered a healthy financial performance in 2019, with a profit for the year of USD 868 million, a decrease of 1 per cent. from the figure of USD 873 million recorded in 2018. This is a satisfactory result and in line with performance in each of the two previous years. The fact that it does not fully reflect the strong trading performance is due to financial impairments and write-offs related to some of the Group's industrial assets and investments.

Assets and Liabilities

As at 30 September 2019, the Group's total assets amounted to USD 54,151 million, largely unchanged from the figure of USD 53,801 million as at 30 September 2018, despite the full consolidation of Nyrstar. Fixed and non-current assets were 22 per cent. higher at USD 10,777 million, reflecting the inclusion of Nyrstar's fixed assets in the balance sheet. Equity-accounted investees were valued at USD 3,417 million, compared to USD 3,361 million a year earlier: this reflects the net effect of additions, disposals, impairments, and income and losses from various investments. It includes, for instance, the reduction in the value of the Group's stake in Puma Energy, from USD 1.95 billion as at 30 September 2018 to USD 1.75 billion as at 30 September 2019. Other non-current assets were USD 348 million as at 30 September 2019, significantly lower than the USD 1,095 million recorded as at 30 September 2018, leading to the recovery of cash collateral posted against hedges.

Current assets as at 30 September 2019 were slightly down by 3 per cent. from 30 September 2018 at USD 43,372 million, with inventories decreasing by 9 per cent. at USD 13,435 million, reflecting lower average commodity prices. In line with the Group's risk management policies, all stock was either presold or hedged at all times throughout the year. Trade and other receivables as at 30 September 2019 were also lower by 7 per cent. at USD 18,517 million.

Group equity was USD 6,805 million as at 30 September 2019, up from USD 6,250 million as at 30 September 2018. It is the Group's policy to continue to grow its equity base. Equity increased year on year by USD 555 million, which is mainly explained by the retained earnings and by the net proceeds from perpetual bonds. The Group redeemed its SGD 200 million perpetual bond at its first call date in February 2019 and on 31 July 2019, issued a EUR 262.5 million perpetual bond as part of the acquisition of the Nyrstar operating companies, valued at USD 267 million in the balance sheet as at 30 September 2019. Current liabilities, including short-term bank borrowings, as at 30 September 2019 were USD 37,379 million, down from USD 38,576 million as at 30 September 2018.

Cash Flow

Operating cash flow before working capital changes was USD 1,993 million in 2019, 20 per cent. up from the figure of USD 1,655 million in 2018. The Group believes its financial performance is best assessed on the basis of cash flow before working capital changes, since the level of working capital is predominantly driven by prevailing commodity prices and volume variations are financed under the Group's self-liquidating finance lines. This means that holding prices constant, an increase in volumes should lead to an increase in working capital outflow. Holding volumes constant, a decrease in price should lead to a working capital inflow. If the trend of price decline continues, a net working capital inflow can be anticipated which can be expected to be somewhat compensated by growth in volumes traded.

Working capital needs decreased with a significant year-on-year net working capital release of USD 3,153 million for 2019 compared to a USD 702 million requirement for 2018, leading to the equivalent repayment of working capital financing lines.

Investing activities resulted in a net cash use of USD 285 million in 2019, compared to a net use of USD 95 million in 2018, well within the USD 500 million limit targeted by the Group. The net cash used in financing activities was USD 3,074 million in 2019, compared to the USD 148 million generated in 2018, in line with the USD 3 billion release of working capital mentioned above. The overall balance of cash and cash equivalents as of 30 September 2019 was USD 6,267 million, an increase of USD 911 million from the figure of USD 5,356 million as of 30 September 2018.

Recent Financial Results for the half years ended 31 March 2020 and 31 March 2019[7]

Like-for-like comparisons between the first half of 2020 and previous periods are complicated by the fact that results incorporate for the first time the IFRS 16 reporting requirement on lease arrangements. Unless otherwise indicated, the first half of 2020 figures include the effect of IFRS 16. Moreover, Nyrstar was fully consolidated in the first half of 2020 and not in previous period.

Profit and Loss

Revenue for the first half of 2020 was slightly down at USD 83.0 billion compared to USD 86.3 billion recorded in the first half of 2019, reflecting lower average commodity prices over the period. Yet, the Group recorded a healthy net profit of USD 542 million in the first half of 2020, an increase of 27 per cent. from the figure of USD 426 million in the first half of 2019, led by an exceptionally strong performance in physical oil trading in the volatile markets that characterised the period.

Both core trading divisions performed well. Metals and Minerals division maintained a robust profitability, trading higher volumes in refined metals and bulk minerals, while Oil and Petroleum Products turned in its strongest first-half profit performance on record, in the context of significant volatility and dislocations in the global market for crude oil and refined products. Noting that, in the October-December 2019 quarter, political events in the Middle East and the US-China trade conflict had already created heightened volatility in oil and other commodity markets. Then in March 2020, the shock to global oil demand resulting from the Covid-19 pandemic, combined with a jump in supply (caused by price wars between major producing countries), drove prices sharply down. During this period, the company maintained a strong financial position, enabling us to provide vital services to the market in the face of geopolitical turbulence and the Covid-19 crisis.

In the first half of 2020 and the financial year 2019, the Group traded on average approximately 5.9 mbpd and 6.1 mbpd, a slight increase from the 5.8 mbpd in the financial year 2018, confirming a plateau in oil traded volumes around 6.0 mbpd. Total volume of metals and minerals traded increased by 6 per cent. to 49.0 million tonnes in the first half of 2020 as compared to the first half of 2019. Gross profit for the first half of 2020 was USD 3,126 million, a sharp increase of 112 per cent. from the USD 1,472 million recorded in the first half of 2019. This increase of the gross profit in the first half of 2020 includes the effects of the consolidation of Nyrstar (USD 370 million) and the IFRS 16 implementation which led to lower cost of sales (USD 481 million). In divisional terms, the gross profit figure for the first half of 2020 reflected a 106 per cent. increase in gross profit in Oil and Petroleum Products from USD 1,035 million in

[7] References in this section "Recent Financial Results for the half years ended 31 March 2020 and 31 March 2019" to first half of 2020 or first half of 2019 are to the six months ended 30 March 2020 or six months ended 31 March 2019, respectively.

the first half of 2019 to USD 2,128 million in the first half of 2020, and a 129 per cent. increase in gross profit in Metals and Minerals from USD 437 million in the first half of 2019 to USD 998 million in the first half of 2020. This translates into a record gross margin level at 3.8 per cent., up from 1.7 per cent. in the first half of 2019.

EBITDA was a record USD 2,411 million (USD 1,926 million excluding the impact of IFRS 16), an increase of 117 per cent. compared to USD 1,112 million in the first half of 2019, continuing a strong run of EBITDA performance in recent years.

Results from operating activities were USD 1,275 million in the first half of 2020, an increase of c. 43 per cent. from USD 894 million recorded in the first half of 2019. General and administrative expenses were at USD 1,453 million in the first half of 2020, significantly up from USD 510 million in the first half of 2019, an increase largely resulting from the first time application of IFRS 16 (USD 450 million) and the consolidation of Nyrstar (USD 404 million, mostly related to staff and depreciation costs).

The Statement of Income shows a loss of USD 398 million under "other income/expenses", compared to USD 68 million in the first half of 2019, which includes Nayara Energy impairments of USD 287 million and foreign exchange losses equating to USD 69 million. Net financing costs increased to USD 432 million from USD 316 million, largely because of the effect of IFRS 16 (USD 56 million) and Nyrstar (USD 57 million). Share of profit/loss of equity-accounted investees includes USD 150 million losses relating to the Group's investment in Puma Energy.

Assets and Liabilities

As at 31 March 2020, the Group's total assets stood at USD 54,416 million compared to USD 54,151 million on 30 September 2019. Fixed and non-current assets were USD 12,528 million as at 31 March 2020 compared to USD 10,777 million as at 31 March 2019. The difference was largely accounted for by the effect under IFRS 16 of booking leasing arrangements as "right of use" assets (USD 2,545 million). For the same reason, non-current liabilities rose to USD 11,802 million as at 31 March 2020 from USD 9,968 million as at 30 September 2019. Current assets fell slightly to USD 41,886 million as at 31 March 2020 from USD 43,372 million as at 31 March 2019, principally reflecting a shrinkage in inventories (to USD 11,550 million from USD 13,435 million) and receivables due to lower commodity prices.

Total Group equity grew by USD 173 million to USD 6,977 million as at March 2020, lower than the USD 542 million profit for the first half of 2020 mainly due to losses recorded in other comprehensive income related to associates (USD 208 million representing the Group's share of their other comprehensive income) and negative fair value movements on cash flow hedges (USD 199 million), mostly relating to hedging of price exposure on future purchases and sales of commodities.

Current liabilities, including short-term bank borrowings, at 31 March 2020 were USD 35,637 million, slightly down from USD 37,379 million at 30 September 2019.

Cash Flow

After adjusting profit before tax for non-cash items, the operating cash flow before working capital changes for the first half of 2020 rose to USD 2,345 million, including the IFRS 16 impact of USD 495 million. On a like-for-like basis, excluding the impact of IFRS 16, the total was USD 1,850 million, compared to USD 1,079 million in the first half of 2019. The Group believes its financial performance is best assessed on the basis of operating cash flow before working capital changes, as the level of working capital is primarily determined by prevailing commodity prices and price variations are financed through the Group's self-liquidating finance lines. Working capital needs reduced year-on-year with a net working capital requirement of USD 769 million in the first half of 2020, compared to USD 1,778 million in the first half of 2019. Cash flow from operating activities after working capital changes was a net inflow of USD 1,036 million in the first half of 2020, including the USD 439 million impact of IFRS 16, compared to a net outflow of USD 1,135 million in the first half of 2019.

Investing activities showed a net outflow of USD 171 million in the first half of 2020 (the first half of 2019: net outflow of USD 5 million), including USD 153 million of net investments in property, plant and equipment, of which USD 96 million is related to sustaining capital expenditure of the Nyrstar industrial facilities. The net outflow was well below the run-rate for the annual threshold of USD 500 million Capex (net of divestments) set by the Group back in the financial year 2017. Financing activities showed a net outflow in the first half of 2020 of USD 415 million, mostly due to IFRS 16 negative impact of USD 439 million. Thanks to the solid operating cash flow generation and this limited amount of investments, Operating FCF (defined as operating cashflow before working capital changes, minus net interest paid, tax and net cash used in investing activities) for the period was USD 1,634 million – including the impact of IFRS 16 amounting to +USD 439 million.

The overall balance of cash and cash equivalents as of 31 March 2020 was USD 6,717 million, including USD 4.0 billion of immediately (same day) available cash in liquidity funds.

Operating Free Cash Flow ("Operating FCF")

The Group's funding model is structurally designed to absorb significant working capital requirements, as demonstrated over time. Therefore, the Group's underlying financial performance and leverage position is better assessed on the basis of Operating FCF generation, which is defined as operating cashflow before working capital changes, minus net interest paid, tax and net cash used in investing activities.

To understand the Group's underlying cash flow generation, one should focus on the Operating FCF generation. Movements in underlying commodity prices, alongside changes in volume, can cause significant swings in cash flow generated by changes in working capital. These drivers have little impact on underlying performance, given price risk is systematically hedged. Short-term financing is used to finance outflows where required and these items therefore largely net off from a cash flow perspective.

Following a phase of strategic investment in industrial assets, peaking in 2013, the Group has generated over USD 5 billion of Operating FCF since the financial year 2016. This reflects the Group's consistent cash flow generation in conjunction with an updated investment approach, i.e. reduction in annual Capex spend, often including partners when directly making new investments and disposal of non-core assets. It is also worth noting that Operating FCF has also more than covered the Company's share buybacks over the years, which further demonstrates the Group's commitment to a conservative capital structure, increasing the Group's equity from USD 5.8 billion as at 30 September 2016 to USD 7.0 billion as at 31 March 2020.

Adjusted Debt to Group Equity Ratio

As a physical trading group, the Group relies on a specific funding model. Therefore, a number of adjustments should be made to better gauge the financial leverage of a physical commodities trading company:

- Pre-sold or hedged stock should be deducted from debt (including purchased and pre-paid inventories being released). This reflects the great liquidity of the stock and the ease at which this could be converted to cash. As previously described, the Group's policy is to have 100 per cent. of stock hedged at all times;
- Cash and short-term deposits should be deducted from debt;
- Non-recourse invoice discounting or portion of loans (for example non-recourse portions of bank financings used to extend prepayments to counterparties) should be deducted; and
- The Trade Receivables Securitisation Programme should be taken out on the basis it is an entirely distinct legal entity from the Group, with no recourse to the Group, and is only consolidated into the financial statements in accordance with the Group's accounting rules.

The ratio of adjusted debt to Group equity stood at 1.04x as of 31 March 2020, compared to 0.78x as of 30 September 2019. The increase in the ratio was mostly due to an increase in adjusted debt, only partly offset by the limited increase in Group equity. Indeed, adjusted debt increased by c. USD 1.9 billion, was primarily driven by:

- USD 867 million reduction in receivables securitisation (due to low commodities prices while keeping stringent eligibility criteria under the programme) and non-recourse debt; and
- USD 1.9 billion increase in the difference of 'trade receivables in excess of trade payables', typically compensated by short term debt;

partly offset by a strong cash generation with USD 1,195 million of Operating Free Cash Flow over the first half of 2020 (excluding IFRS 16 impact).

The nature of this ratio means it fluctuates over time, as it is highly correlated to commodities prices. However, the Group is committed to maintaining a disciplined approach to leverage and it is already seeing the results of the stated plan to reduce Capex and in turn, leverage. The Group will continue to manage the business in order to ensure that this ratio does not stay significantly above 1.0x for a sustained period.

Corporate Debt to EBITDA Ratio

As mentioned above, there are some limitations to using the Adjusted Debt metric principally as it does not fully account for the Group's approach to working capital financing and therefore remains correlated to moves in commodity prices and traded volumes.

Over time, the Group has reviewed the adequacy of the adjusted debt concept and introduced a leverage ratio referred to as the corporate debt to EBITDA ratio in 2015. The Group believes this is a more relevant ratio for senior unsecured creditors than the typical adjusted debt to Group equity ratio.

In particular, the adjusted debt to Group equity ratio does not take into account the excess of trade receivables over trade payables, which would be available to senior creditors in the case of a liquidation. Commodity receivables typically have a short duration (of 1 to 3 months) and very low default rate due to the strategic nature of the goods. By removing the trade receivables in excess of trade payables, the corporate debt excludes any working-capital debts which are repaid through resale of the commodity (self-liquidating debts), and rather focuses on debt which is repaid by cash flow generation (which EBITDA provides a proxy for).

The corporate debt considers all debt, whether short-term or long-term, and removes:

- Cash and short-term deposits;
- Pre-sold or hedged stock (including purchased and pre-paid inventories being released);
- Trade receivables in excess of trade payables (including derivatives); and
- Any corporate debt for which lenders do not have recourse to the Group (e.g. non-recourse portion of bank financings used to extend prepayments to counterparties).

Noting that, in this case, the Trade Receivables Securitisation Programme does not need to be deducted separately since the excess trade receivables would capture it. Likewise, non-recourse debt relating to invoice discounting is not considered, avoiding double counting (as receivables in excess of payables are already deducted).

The increase in corporate debt until the end of the financial year 2016 was related to the end of the intensive cycle of investment in industrial and logistical assets that the Company had started in 2012. Following the decision in 2017 to limit total annual Capex (net of divestments) to USD 500 million for the years to come, and thanks to a strong Operating FCF generation in 2016-17, corporate debt level significantly decreased as of the end of the financial year 2017. The increase of c. USD 1.2 billion in corporate debt during 2018 was mainly related to an increase in long term loans and borrowings, as a result of a USD 500 million perpetual bond repayment and significant collateral posting in relation to long term LNG and US Crude hedges. Further, the increase of c. USD 450 million in corporate debt during 2019 was primarily driven by higher prepayments and the repayment of the SGD 200 million perpetual bond.

As of 31 March 2020, corporate debt stood at around USD 4.3 billion, compared to USD 5.3 billion as of 30 September 2019. This decrease in corporate debt was accompanied by a record EBITDA generation, with a 38 per cent. increase in EBITDA (last 12 months, excluding the impact of IFRS 16) over the last six months, resulting in drop of corporate debt to EBITDA ratio to 1.5x as of 31 March 2020, a level consistent with an investment grade profile – while the company keeps its long term target in the range of 2.0x to 3.0x.

Description of the Group

History of the Group

The Group was established in 1993 as a private group of companies owned by its core founding shareholders, and today remains exclusively owned by its management and key senior employees. It has transformed from a niche trader into a worldwide player, one of the few independent global trading houses. At its creation, the Group started by focusing on three markets in which it had extensive expertise: oil and minerals in South America, metals in Eastern Europe and oil in Africa. The Group rapidly expanded its activities geographically through internal growth, marginal acquisitions and strategic alliances to create a globally diversified company.

The Group has been profitable every year since inception in 1993. The Group has performed strongly throughout various commodity cycles and periods of high price volatility as well as during the economic, banking and financial crisis, with all key metrics improving.

Today, the Group operates in the market space previously dominated by the major producers which in recent years have increasingly focused on upstream exploration and production and reduced their involvement in distribution. As a consequence of these changes, only a handful of global players remain (including the Group), providing the Group with significant scope for growth in its core commodity activities. Since the Group is exclusively owned by its management and employees, it is therefore focused on the long term success of the business, promoting management depth and stability, and encouraging prudent risk management.

Business Model Principles

The Group pursues a low risk physical arbitrage model, purchasing and delivering products to customer specifications. The Group systematically hedges all index price exposure related to its physical business and consequently movements in the index price do not impact profitability. The Group is a commodity logistics company, which works with real commodities for real industrial clients and whose paper trading activities relate predominantly to the hedging of its physical business and not to speculative trading.

The Group profits from optimising the supply chain of its customers and exploiting natural, low risk, physical arbitrage opportunities in the marketplace. The Group's principal activity involves the "slow pace, high touch" distribution and logistics of physical commodities, purchasing commodities as principal and supplying them to customers at the right time, the right location and with the right specifications as well as managing all aspects related to the trade flows including logistics, price and counterparty risk management and financing. Profit is, therefore, generated from the volatility of supply and demand, and the value generated through the control and management of the supply chain.

The Group's business model is built on four pillars:

- Non speculative arbitrage based model whereby the embedded price risk in the physical flows is systematically hedged;
- Strong risk management philosophy which has been institutionalised since the Group's foundation.
- Diversification in terms of product range, geography and clients which balances revenues and absorbs volatility in cycles; and
- Private ownership structure which promotes management depth and stability and ensures business continuity as employee shareholders' long term interest is fully aligned with the sustained performance of the Group.

Physical Arbitrage Based Model

Unlike the derivatives markets where transactions (and arbitrage opportunities) are closed within seconds, capitalising on physical arbitrage opportunities requires delivery of the commodity over time and therefore value can only be extracted by those who have access to physical commodities and an extensive logistics network. While increased market volatility can generate a larger number of opportunities, the Group remains profitable during periods of lower volatility due to its global presence and diversification of geographical markets, customers and products.

Arbitrage opportunities exist in several forms and can be related to geography, product specs, timing and optionality of contract.

Geographical Arbitrage

The Group's global reach means it sources and sells products in every region of the world. The combination of the expertise of its traders and knowledge of the global freight markets allows it to constantly optimise the geographical location of its supply and demand, so reducing logistical costs. This allows the Group to provide products to its customers quickly and at a competitive price, emphasising the effectiveness of its business model.

Technical Arbitrage

Due to the Group's extensive logistics and storage networks, the Group is able to blend products in order to meet individual customer's specifications. This allows the Group the flexibility to offer tailor-made products to its customers and obtain on-specification products at the lowest possible cost. The Group is able to capitalise on such opportunities by virtue of its deep understanding of both market requirements for specific products and its technical comprehension and ability to blend products to required specifications.

Time Arbitrage

The Group's cost efficient storage network affords the opportunity to take advantage of changes in market conditions over a period of time. In a contango market, where forward prices are higher than current spot prices, the Group is able to buy and place cargoes in storage whilst selling the equivalent forward contract. As long as the cost of the transaction, which includes storage, insurance and financing, does not exceed the price differential between the forward and spot rates, the Group is able to lock in profit with very little risk.

Importantly, the Group can benefit from such arbitrages in a variety of ways by combining geographical, technical and time arbitrages according to each specific market opportunity. The Group's strength lies in being able to resort to its extensive logistics and warehousing network, the Group's experience with blending material to customers' required specifications and the Group's strong local network that provides a key advantage in accessing first-hand market intelligence.

Contractual Arbitrage

Contractual arbitrage is linked to pricing options provided in the contract between the Group and the buying or selling party in a transaction. For some customers, the Group can choose the pricing period for a given contract. This can include, for example, pricing based on an average price of the month before or after the loading of a cargo. Such flexibility in pricing provides an extra level of optionality.

Company Structure

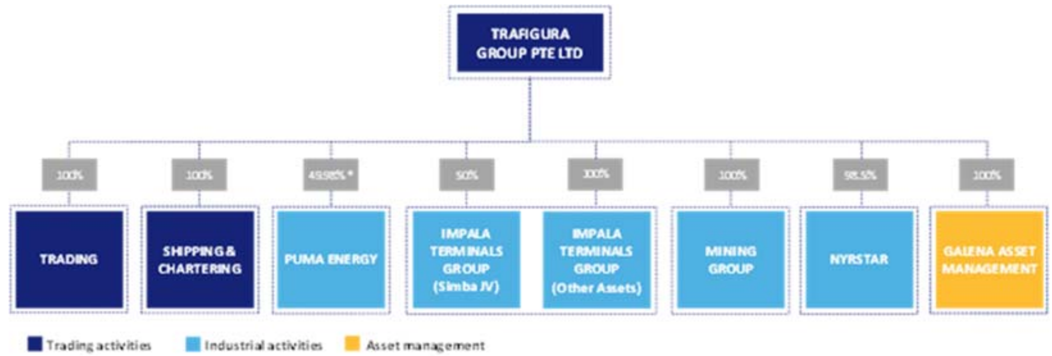
The Group's parent company, TGPL, is a company incorporated under the laws of Singapore.

The Group is composed of a number of trading companies and industrial asset based businesses related to its core trading activities. TPTE, incorporated in Singapore, is the entity through which the majority of the Group's physical trades are booked, with US trading booked through its US-domiciled entity TTL (as defined below), a company incorporated under the laws of Delaware. In addition, the Group directly or indirectly owns stakes in different assets (including oil storage, metals warehousing and mining assets) that allow the Group to improve logistics, increase volumes, reduce costs or add a new revenue generating activity to its trading portfolio.

At the end of the Group's fiscal year 2015 (30 September) the Group's incumbent reference parent entity, TBBV, was converted into a holding company and another existing Singaporean entity, TGPL, became the reference parent entity and the consolidating entity for the Group. The reorganisation was an important step in creating greater consistency across the Group's structure. The decision to make Singapore the domicile of the main trading entity was commercially driven and reflects the Group's commitment to the strategically important and rapidly growing Asian market.

A simplified summary chart of the Group structure is provided below:

THE GROUP'S CORPORATE STRUCTURE



(*) The Group's legal beneficial interest – post the shareholding restructuring transaction, involving Cochan Holdings, completed in June 2020

Source: Company

The Group trades globally, so to consider the trading volumes and related financial statements of individual regionally focused subsidiaries is less important because these depend on the structure of the global market itself and as such, the Group believes it is best considered as a consolidated entity. For example, the financial statements of TTL will depend on the oil market demand and arbitrage opportunities available in the United States. As a result, the profitability and cash flow generation of individual subsidiaries can vary considerably year on year.

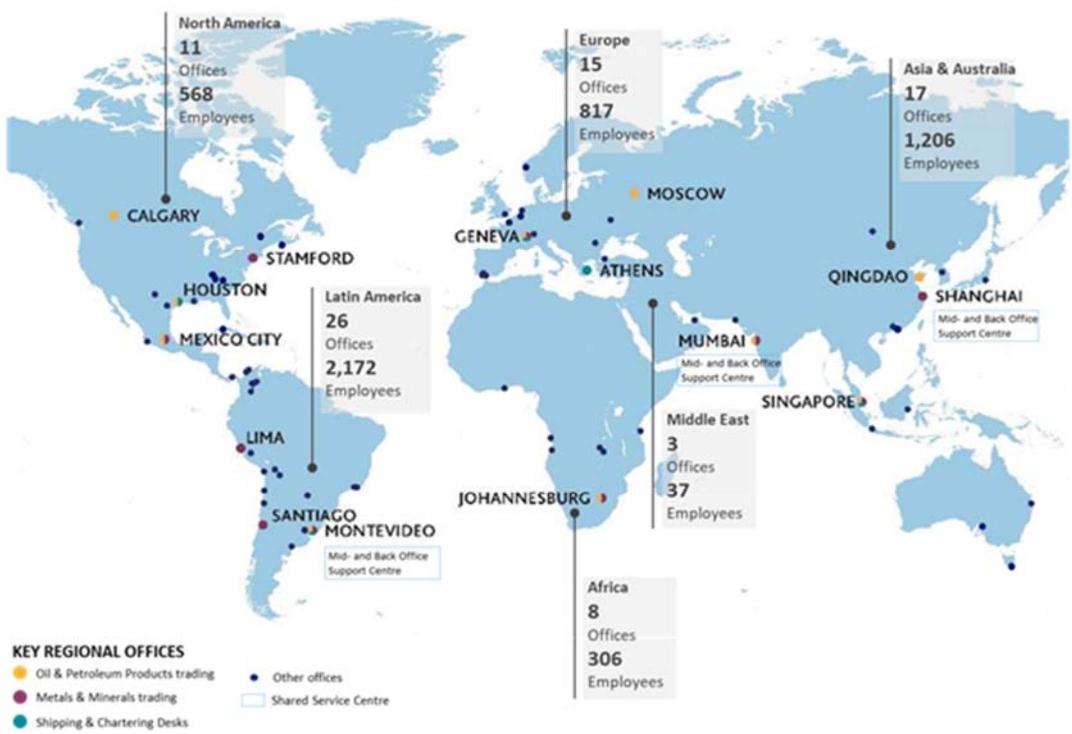
Within the consolidated Group, the principal entities are as follows:

Trafigura Group Pte. Ltd. ("TGPL")	• Corporate head office • Parent company and consolidating entity for the Group (effective from 30 September 2015)
Trafigura Funding S.A. ("TFSA" and the "Issuer")	• Wholly owned indirect subsidiary of TGPL • Engaged in capital market transactions and private placements for the Group
Trafigura Pte. Ltd ("TPTE")	• Wholly owned indirect subsidiary of TGPL • Engaged in buying and selling commodities (TPTE is the Group's main trading company), operating through key offices in Singapore and Geneva (Switzerland). • Booking centre for all derivative transactions within the Group.
Trafigura Trading LLC ("TTL")	• Wholly-owned indirect subsidiary of TGPL • Engaged in buying and selling commodities • Responsible for conducting trading business in the U.S.
Trafigura Investment China Co Ltd. ("TIC")	• Wholly-owned indirect subsidiary of TGPL • Engaged in buying and selling commodities • Responsible for conducting trading business in China
IWL Holding B.V. ("Impala Terminals Group"")	• Wholly-owned indirect subsidiary of TGPL • Consolidates the bulk-commodity warehousing and logistics activities which do not fall under the joint

	venture agreement with IFM investors (the 'Simba' JV)
Urion Holdings (Malta) Ltd. ("Mining Group")	• Wholly-owned subsidiary of TGPL • Manages the Group's mining related investments
Nyrstar Holdings Plc (Malta) ("Nyrstar")	• Wholly-owned indirect subsidiary of TGPL • Holding of the Group's 98 per cent. ownership in the operating business of Nyrstar

The Group also holds a legal beneficial interest of 49.98 per cent. in Puma Energy Holdings Pte. Ltd., a leading midstream and downstream oil company, and 50 per cent. interest in Impala Terminals Group S.à R.L., the joint venture with IFM investors, which owns and operates Impala Terminals assets in Mexico, Spain, Peru and Paraguay, together with a global freight forwarding operation.

KEY HUBS



Office Network

As at 30 September 2019, the Group's network of 80 offices, located in 41 countries, employs local marketing representatives who are the main day-to-day contacts with the customers in their given regions. This network provides the main traders with "hands-on" market knowledge (trading conditions and characteristics) and valuable contacts in every jurisdiction. Relationships with suppliers and customers are also enhanced by this close proximity generating significant benefits for the Group's sourcing and distribution capabilities. These field offices and agencies liaise directly with the main offices and trade under the supervision of the main trading centres, although all contracts are executed centrally. They report regularly to the entire Group as well as on an ad-hoc basis. This method of organisation allows for a combination of access to high expertise and flexibility so that the Group can benefit from market opportunities while efficiently controlling risk.

Finance, liquidity management, risk management and legal functions are centralised in Geneva with local representatives in the main trading offices. This centralisation enables the Group to have strict control over its financial position and its risk exposure.

Business Operations

Oil and Petroleum Products

The Group's petroleum-related trading activities are conducted through its key regional offices in Beijing, Calgary, Geneva, Houston, Montevideo, Moscow, Mumbai and Singapore.

Revenue generated by the oil and petroleum products business (including industrial activities) makes up the majority of Group turnover. The division reported revenue of USD 111.3 billion (65 per cent. of total revenue) in the financial year 2019, a decrease of 10 per cent. over the previous year. Oil and petroleum products volume rose by 6 per cent. year on year to 292 million tonnes – an average daily volume of 6.1 million barrels. The division performed strongly over the financial year 2019, benefiting from heightened market volatility and having repositioned the trading books to reflect the shift of market structure to backwardation from contango back in the financial year 2018. Indeed, at the time, a timely and radical restructuring of the trading book enabled a material improvement in profitability during the second half of the year, which continued during the financial year 2019. Gross profit from oil and petroleum trading rose by 64 per cent. to USD 1,681 million from USD 1,022 million in the financial year 2018.

The Group is primarily active in physical oil trading including transportation by vessel, pipeline or railcar and is correspondingly active in the futures, swaps, and options markets, predominantly for physical hedging purposes.

The Group trades crude and refined products with a diverse customer base including electricity distribution utilities, oil refiners, distributors and state monopolies. Clients include BP, Exxon Mobil, Royal Dutch Shell and Total amongst others, while key suppliers include names such as Rosneft, SK Energy or Total amongst others.

About a third of the volumes traded are on one year contracts or more, with the rest on shorter term contracts or on a spot basis. In this market, however, it is important to note that due to control over the logistical chain and assets, spot purchases/sales are often recurring and can be viewed as stable long-term positions. Therefore, while these contracts are short-term and on a revolving basis, they can be thought of as de-facto recurring. This structure provides the Group with a flexible trading portfolio with a near term maturity bias, while simultaneously avoiding sole dependency on spot trades or risk associated with long-term maturities.

Many of these trading relationships are further cemented by the giving and receiving of credit lines. These significant relationships all span in excess of a decade and represent a cross section of business activities ranging from spot and term business in different product lines. The Group’s top ten clients (excluding affiliated companies such as Puma Energy) in the oil division made up c. 27 per cent. of overall oil revenue in the financial year 2019 (financial year 2018: 23 per cent.). No single external customer accounted for more than 4 per cent. of overall oil and petroleum products turnover.

The Group’s oil volumes have increased significantly and consistently in recent years along with its corresponding market share. In the financial year 2019 and the financial year 2018, the Group traded on average c. 6.1 million barrels per day (**"mbpd"**) and c. 5.8 mbpd respectively, a strong increase from the 5.3 mbpd of physical oil traded in the financial year 2017 and 4.3 mbpd in the financial year 2016. The Group estimates its current oil volumes amount to circa 3-5 per cent. of the world oil market or around 7-10 per cent. of the ‘tradable market’[8].

After four years of rapid volume growth, the Group is in a phase of consolidation across its trading book. In the first six months of the fiscal year 2020, the Group traded on average approximately 5.9 mbpd, confirming a plateau in oil traded volumes around 6.0 mbpd.

[8] Defined as volumes which are not distributed by producers directly to consumers.

The Group estimates that it trades the second largest volume in oil and petroleum products for an independent trading company after Vitol Group of Companies ("**Vitol**"). The entire market remains very fragmented with no company representing more than 10 per cent. of total physical trading market volume.

Metals and Minerals

Centralised in Geneva, Switzerland, the Group's non-ferrous metals activities comprise 4 main trading books including copper, lead and zinc, alumina and aluminium, and nickel and cobalt. Post-restructuring in 2019, the division formally integrated the concentrates and refined books for each product – noting that the Group also trades silver as a by-products. The company's minerals activities include the iron ore and coal trading books. Similar to the oil business, no price-risk is taken on the physical business and the hedging of the index price on physical trades occurs through Trafigura Pte. Ltd., which acts as an internal broker. Apart from Geneva, other key trading offices for the metals and minerals commodities business include Johannesburg, Houston, Lima, Mexico City, Montevideo, Mumbai, Shanghai and Singapore.

Revenue generated by the metals and minerals trading division and related industrial activities represented 35 per cent. of total turnover in the financial year 2019. The division reported revenue of USD 59.1 billion, an increase of 6 per cent. over previous year. After years of growth, the profitability generated by the metals and minerals division has plateaued in the financial year 2019, with a reported gross profit of USD 1,297 million, slightly down from USD 1,362 million in the financial year 2018.

Metals and minerals are traded with a diversified client base ranging from mining and integrated mining companies to smelters and refined metals retailers. Major clients include Tongling Nonferrous Metals Group, Aurubis Group, China-Base Ningbo, amongst others.

Similar to previous years, the relationship with Nyrstar, third largest zinc smelting companies, in which the Group used to hold a 24.4 per cent. share, helped to boost the Group's presence in the European refined zinc metal market. Over the years, the Group developed its commercial relationship with Nyrstar through financing and agreements to offtake refined metals and to supply its smelters with concentrates. However, in July 2019, the Group became 98 per cent. owner of the operating business of Nyrstar, following a financial restructuring agreement with the company's creditors and bondholders, triggered by the inappropriate capital structure of the company (with an unsustainable debt load). Over the first half of 2020, Nyrstar made a positive contribution to the Group's gross profit and EBITDA for the first time, showing the benefits of the turnaround plan being implemented since its consolidation.

The importance of Asian metals consumption, driven by significant smelting and refining capacity in China and India can be seen in the Group's metals and minerals revenue breakdown. Indeed, the proportion of the Group's revenue generated in Asia is a reflection of the global market rather than the build-up of a niche trading geography. The Group's bulk-commodity revenue remains very diverse on a customer-basis.

Approximately half of the Group's refined metals contracts are on a one-year basis, with contracts typically agreed around October or November for the coming year. Other contracts are traded on a spot basis. In the concentrates business around half of contracts are annual or multi-year including evergreen (i.e. indefinite) with negotiated pricing for up to three years ahead. Again, other contracts are traded on a spot basis.

In the financial year 2019, the Group's top ten clients in the metals business made up approximately 14 per cent. of overall turnover (financial year 2018: 12 per cent.) and are listed below. No one customer accounted for more than 4 per cent. of overall metals and minerals turnover.

Despite challenging market conditions, the Metals and Minerals division had a robust year, slightly growing volumes and retaining profitability comparable to that of 2018. The Group traded 97.2 million metric tons ("**MMT**") of metal concentrates, refined metals, iron ore and coal during the financial year 2019, compared to 95.9 MMT in the financial year 2018. The division's contribution to gross profit decreased by 5 per cent. to USD 1,297 million, from USD 1,362 million in the financial year 2018.

Regarding non-ferrous concentrates and refined metals, the commodities showing the sharpest moves were zinc and lead concentrates, nickel and cobalt concentrates and copper metal in the financial year 2019. The three main factors that shaped the non-ferrous concentrates and refined metals markets in 2018 continued to do so throughout 2019: global trade tensions, tighter Chinese environmental regulations and low supply. Current trade tension – most notably between the US and China – coupled with the continued slowdown of the Chinese economy, created a stagnation of global trade, substantially reducing metals consumption and negatively impacting base metal prices. Secondly, China's sustained emphasis on improving environmental conditions continued to curb production at the country's mines and smelters over the year. Thirdly, a combination of under investment, weather-related disruptions and changing government policy meant that percentage growth in mine supply on a year-on-year basis was in the low single digits.

In bulk minerals, the iron ore business had another strong year in 2019. Iron ore traded volumes increased by 6 per cent. in the financial year 2019 to 17.9 million tonnes from 16.9 million tonnes in the financial year 2018, developing new outlets in Europe for supplies from the Porto Sudeste facility in Brazil, further expanding the Group's domestic spot business out of Chinese ports, and continued development of flows from sources outside of Brazil – including Australia, South Africa, India, Mauritania and Mexico. On the other hand, the coal market was faced with a number of ongoing challenges. Traded volume slightly fell, by 2 per cent., to 59.4 million tonnes, as switching from coal to gas in power generation, combined with a mild winter and less hot summer, led to a significant supply overhang, resulting into a collapse of prices.

During the first half of 2020, the Group traded 10.0 million tonnes of refined metals and 39.0 million tonnes of coal and iron ore, to be compared with 9.6 million tonnes and 36.6 million tonnes respectively in the first six months of 2019.

In the metals and minerals sector, similarly to the energy sector, market share statistics are not freely available. Based on market knowledge, the Group estimates that its share of the freely traded market for copper, lead and zinc metal roughly represents 20 to 25 per cent. and even more in the copper, zinc and lead concentrates market.

The Group considers that in the metals and minerals sector it ranks as the second largest independent trader behind Glencore, with Glencore largely acting as a marketer of its own captive production. The Group is active in all main producing areas such as South and Central America, the Far East and Eastern Europe and sells worldwide to industrial customers.

Power & Renewables Trading Division

In October 2019, the Group established a new Power and Renewables Division with the following objectives and activities:

- Establish a Power trading platform, focusing initially on key derivative contracts, primarily in European and US markets, with a view to then consider other regions where the Group believes trading opportunities will arise. This activity complements growth in physical transactions as demand develops for merchant and intermediary services in electricity markets;
- Secure sourcing of power through investments in different types of electricity generation across the world; and
- Grow the Group's investments in renewable energy generation, with plans to build at least a 2-gigawatt portfolio over the next five to seven years.

Investing in renewable energy

In order to support this project, the Group's investment subsidiary, Galena Asset Management, is launching a Renewables Fund to allow the Group and selected third-party investors to invest through the fund into promising renewable projects, including solar photovoltaic, onshore wind, and energy storage, sourced both from the Group's extensive network of industrial assets as well as external projects. This fund, when launched, will have immediate access to 350 megawatts of renewable energy projects already in the pipeline.

As part of this development plan, in January 2020, the Group invested into a new 50-megawatt solar photovoltaic farm project in Mali, through the part-ownership of renewable energy developer Pan-African Soleil Holdings (PASH Global). Construction should be completed in 2020, and the project will become the largest solar farm in West Africa and one of the largest in the Sub-Saharan Africa. The solar PV farm project is intended to generate social benefits including creating local and sustainable jobs in Mali. At full capacity, it is planned to provide over 91,700 households in Mali with green electricity and save nearly 52,000 metric tonnes of carbon emissions each year.

Development is also underway for large-scale installations of photovoltaic panels at energy-intensive users among the Group's investments and owned assets, including mines and logistics terminals. Metal processing is one of the most energy-intensive of all industrial activities. The Group's zinc and lead smelting operation Nyrstar is investing in large-scale batteries and renewable energy generation at its global network of plants. It is developing over 100-megawatts of sustainable energy for its own operations, with surplus power to be sold back to the grid, assisting in the expansion of its trading business.

Investing in disruptive renewable technologies and energy storage

The Group has created a venture capital-type fund to invest in a number of early-stage disruptive renewable technologies including hydrogen power and alternative fuels, renewable energy storage technologies and carbon utilisation. The Group will support these companies by leveraging its expertise and global network, all in an effort to bring their technologies to market at scale and help accelerate the energy transition.

More specifically, efficient energy storage has a critical role in the low carbon economy. Effective storage systems are essential in integrating intermittent renewable energy into grids by aligning peaks and troughs in power generation with changing patterns of demand. The Group's strategic investment in Quidnet Energy, a clean energy business, is helping to deliver a cost-effective alternative to hydro-pump storage, the only existing long-duration storage solution at the moment. Quidnet's geomechanical pumped storage (GPS) system is based on hydro-power principles. It pumps water underground to be stored in rock formations at high pressure. At times of high demand this is released to the surface, where it powers electricity turbines.

Strategic stakes in the hydrogen sector

Hydrogen, especially green hydrogen, which is produced from renewable energy sources, has significant potential to accelerate the energy transition as the world moves towards lower-carbon economies. Its greater energy density-to-weight ratio makes it more suitable for higher energy industrial uses than the lithium-ion based technologies that feature in many of today's electric vehicles. Hydrogen fuel-cell powered electric engines also benefit from higher efficiencies than internal combustion engines and the market for this type of technology has grown substantially in recent years. In addition, the Group sees potential applications for hydrogen in running off-grid mines and producing chemicals.

As a result, in December 2019, the Group has taken an equity stake in start-up Hy2gen. The German-based company brings together specialists with experience of developing, building and operating plants for the production of green hydrogen and hydrogen-based e-fuels, offering better ways to achieve CO2-free or CO2 neutral fuels and storage solutions. The first plants will be built in Canada, followed by other plants in France, Mexico, Norway and South Africa. The company aims to become a leader in the hydrogen and e-fuels market for mobility and industry, areas where it is currently proving difficult to significantly reduce emissions.

Asset Based Business

The principal driver of the Group's investment strategy is its arbitrage-based business model which relies, amongst other things, on the control of storage and logistics to generate or enhance arbitrage opportunities and create long-term recurring income, making the company's business more sustainable. The Group seeks investment opportunities that can offer synergies with its core trading activities by facilitating recurrent supplies and outlets, whilst having their own industrial rationale. These assets bring optionality and flexibility to the trading books and are barriers to entry if they are not available to competitors. In this respect, the Group has taken ownership or interests in companies or assets which have 'stand-alone' capacity but largely remain within the same commodities industry as its core trading business.

The Group has established three main industrial groups: Puma Energy, which manages the Group's oil storage and distribution assets; Impala Terminals, which manage the Group's bulk-commodity warehousing and infrastructure assets; and the Mining Group, which manages the Group's existing mining operations as well as sources and develops new mining exploration opportunities. In July 2019, a fourth group was added with the consolidation of Nyrstar, the world's third largest producer of zinc metal, following a restructuring process. The four industrial groups are structured as independent companies with their own dedicated management and resources, transacting with the Group on an arm's length basis, with service level agreements in place where appropriate.

The financials of three of the four industrial divisions: Impala Terminals, the Group's Mining Group and Nyrstar are consolidated into the Group's financial statements. The Group's fourth industrial division, Puma Energy, is minority owned, following a sale of a portion of the Group's stake to existing shareholders in 2013 (bringing Group's share below 50 per cent.) and a pro rata capital increase in 2015. Puma Energy results are therefore no longer consolidated into the Group's accounts, but rather are represented as an equity-accounted investee.

The Group's industrial assets generate substantial profit in their own right, either through recurring income generation or profit on disposals, further diversifying the Group's sources of income. Total industrial assets amounted to USD 8,031 million as at 31 March 2020, an important decrease from September 2019 mainly driven by reduction in the value of the Group's stake in Nayara Energy and Puma Energy. Indeed, an assessment of the negative impact of the Covid-19 pandemic on global energy demand, and increased global crude oil supplies causing refinery margins to reach record lows, led to an impairment of USD 287 million in the value of the Group's stake in the Nayara Energy oil refining operation. At the same time, the value of the Group's holding in the downstream company Puma Energy, which is being restructured having reported a loss for its 2019 financial year, was USD 1,452 million on 31 March 2020. A USD 293 million reduction from 30 September 2019, as a result of losses recorded over the period and a negative foreign currency translation impact.

Puma Energy Group: Trafigura's Oil Storage and Distribution Affiliate

Puma Energy is a leading integrated storage and distribution company focused on safely providing energy solutions to customers in 46 countries across the Africa, Central and Latin America, Europe, Middle East and Asia Pacific. The company has 2,900 retail sites, operations in 84 airports and a network of 103 storage terminals, with a total capacity of 7.5 million m^3. In 2019, Puma Energy sold 22.4 million m^3 of oil products and its facilities handled 14.2 million m^3 of petroleum products.

Since the Group acquired the rights to the Puma brand in 1997, Puma Energy has expanded its activities worldwide achieving rapid growth, diversification and product line development to become one of the largest independent global midstream and downstream companies. In 2000, Puma Energy came under the direct ownership and management of the Group, one of its original founding partners. In 2008, Puma Energy was reorganised as a separate and standalone division of the Group with a detailed carve-out plan and independent balance sheet. In order to support the growth of Puma Energy's fixed asset infrastructure development and acquisition strategy, the Group opened up the capital of Puma Energy to selected investors in 2010.

In 2013, the Group further reduced its ownership in Puma Energy by selling a portion of its stake to existing minority shareholders, including the Angolan state-owned energy company Sonangol Holdings Lda ("**Sonangol**") and Cochan Holdings LLC. Puma Energy also benefited from a capital contribution of USD 500 million from Sonangol. As a result of the sale and the capital contribution, the Group's stake in Puma Energy reduced below 50 per cent., leading to the deconsolidation of Puma Energy from the Group financial statements. In 2015, Puma Energy's main shareholders subscribed pro rata to a further USD 350 million capital increase undertaken by Puma Energy. This enabled the company to maintain its growth momentum by capitalising on opportunities to expand its portfolio of mid- and downstream assets. Puma Energy remains a very important part of the Group's business model; indeed, Puma Energy is the largest customer of the Group's oil and petroleum products trading division, accounting for c. 6.7 per cent. of the division's turnover in 2019.

For the year ended 31 December 2019, Puma Energy generated sales of USD 14,598 million; whilst EBITDA recorded USD 530 million.

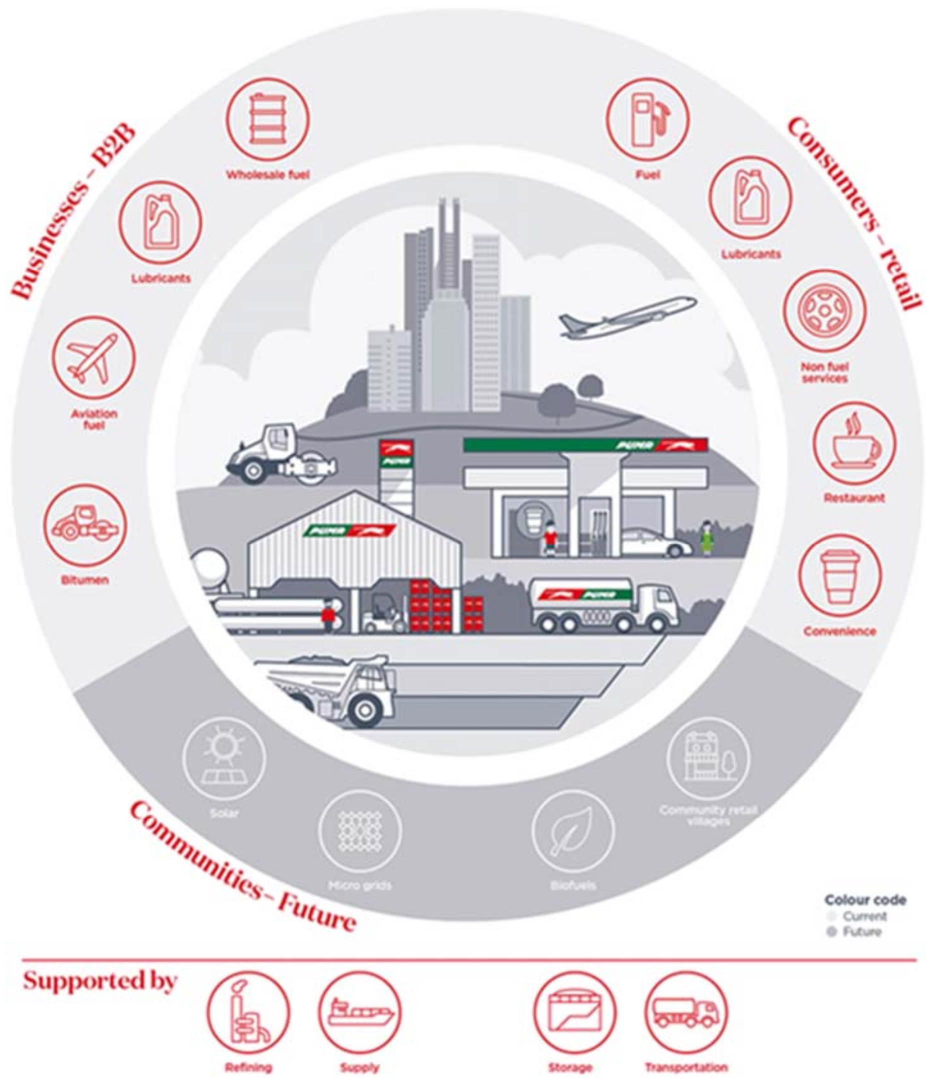
Puma Energy Business Model

Puma Energy is highly diversified in terms of business lines, geographies and customers, serving more than 20,000 B2B customers from various countries and industries, with no single customer accounting for more than 3 per cent. of sales. The company delivers for its customers through a range of global business lines, including retail, B2B, lubricants, aviation and bitumen. Those customer-focused lines of business are supported by global refining, supply, storage and transportation infrastructure. Also, in the future, the company is looking to serve the energy needs of towns and other local communities, with solutions such as solar, micro grids and biofuels.

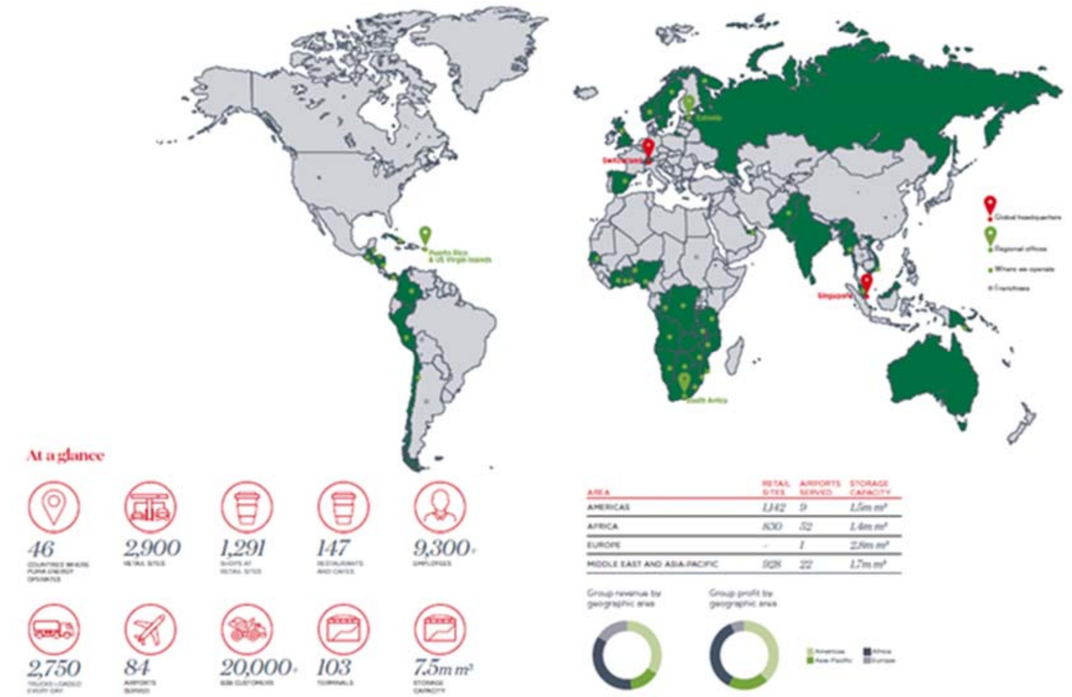
As of 31 December 2019, Puma Energy directly employed over 9,300 people. To support its activities, Puma Energy maintains regional offices in Johannesburg, South Africa (for Africa), San Juan, Puerto Rico (for Central and Latin America), Tallinn, Estonia (for Europe) and Singapore (for Middle East and Asia Pacific).

Puma Energy's unique business model combines downstream and midstream operations in strategic locations across emerging markets. The company's core business activities can be depicted as follows:

BUSINESS MODEL ACROSS THE VALUE CHAIN



PUMA ENERGY GROUP'S GLOBAL LOCATIONS AS AT 2019 END



Puma Energy provides customers around the world with secure access to a wide range of fuel and non-fuel products and services through its business lines supported by its global refining, supply, storage and transportation infrastructure:

- **Business lines**: Puma Energy's customer-focused business lines include Retail, B2B, Lubricants, Aviation and Bitumen. These activities represent Puma Energy's core business and accounted for about 79 per cent. of gross profit and 66 per cent. of EBITDA in 2019. It encompasses:
  - **Retail**: Puma Energy provides quality fuels, non-fuel products and additional services to end customers through its extensive network of over 2,900 service stations, which includes c. 1,300 convenience stores (under the Super7, Shop Express, or 7th Street brands), 150 restaurants and 185 car washes
  - **B2B:** Puma Energy supplies clean and/or heavy petroleum products to about 20,000 customers, which are highly diversified across geographies and industries. The distribution of bitumen is also included under the B2B segment
  - **Lubricants:** Puma Energy provides a range of high performance lubricants to consumers and businesses in over 30 countries around the world
  - **Aviation:** Puma Energy operates in 84 airports across Latin America, Africa, Asia Pacific and Europe, providing high quality fuel products and services to airlines, aircraft operators and aircraft owners
  - **Bitumen:** Puma Energy is a global market leader in bitumen, supplying customers around the world, who benefit from the integrated logistics services available at the company's terminals.
  - **Others:** the distribution of LPG, wholesale, and bunkering activities
- **Infrastructure:** Puma Energy's integrated global infrastructure includes refining, supply, storage and transportation. It ranges from storage terminals to transportation fleets to two refineries, in Papua New Guinea and Nicaragua. Puma Energy capitalises on its sourcing, storage and transportation capabilities to deliver fuel products to customers safely, reliably and cost effectively

Retail

- **Fuel**

Puma Energy sells fuel through 2,900 retail sites, which are mainly own-branded. These are located in the Americas, Africa, Australia and Papua New Guinea. The company has 1,291 shops at retail sites, as well as 147 restaurants or cafés. In 2019, 270 million drivers passed through Puma Energy's retail sites.

Puma Energy's retail business is focused on servicing customers in high margin growth markets. The company targets a market share of around 15-30 per cent. in the countries in which it operates, translating into economies of scale and higher margins.

Puma Energy operates different models for its retail operations from company owned and operated through to dealer owned and operated retail stations. The company supplies retail sites with quality fuels and offers customers competitive prices and friendly and efficient services in well-lit, clean and safe service station environments.

- **Non Fuel**

Alongside its fuel offer, Puma Energy provides a high quality retail experience to customers in its convenience stores, cafes, restaurants and other food options at welcoming and secure sites. As an energy business, Puma Energy understands the value of limited natural resources and therefore is always looking for ways to reduce its energy and water use, to this effect the company has rolled out energy efficient LED lighting across its network of retail sites.

Business-to-business (B2B)

Puma Energy supplies clean and/or heavy fuel products to over 20,000 B2B customers, typically covered by three- to five-year contracts. Its customers include many of the world's leading mining companies, and major businesses in key sectors, such as transport, power generation, industry, manufacturing, agriculture and construction.

The company's key competitive advantage in the B2B sector is its ability to ensure constant and reliable supply in an environment where logistics and infrastructure are highly constrained.

Lubricants

Puma Energy supplies own-branded lubricants and is the exclusive marketer of Castrol lubricants in certain Southern African and Central American countries. Puma Energy has a strong lubricants presence in more than 30 countries globally, serving the agricultural, construction, mining, industrial and transportation sectors of the market, as well as providing automotive lubricants.

Aviation

Puma Energy operates in 84 airports across Latin America, Africa and Asia Pacific, providing high quality products and services to airlines, aircraft operators and aircraft owners efficiently, safely and at competitive prices. Typically, services include the importation, handling, storage, bridging and transportation and onto-planes operations. In Central and South America, Puma owns and operates the fuel facilities at airports in El Salvador and Colombia and operates through joint operations in Belize, Nicaragua, and Guatemala. In the Caribbean, Puma operates in Puerto Rico, St Thomas Island and St. Croix in the US Virgin Islands. In Asia, the company supplies fuel at 11 airports in Papua New Guinea and distribute jet fuel to all of Myanmar's 11 airports. Puma also operates in Namibia, Botswana, Zambia, Malawi, Mozambique, South Africa (including O.R. Tambo International Airport in Johannesburg), Benin, Ghana, Zimbabwe, Democratic Republic of Congo, Senegal, Tanzania, Angola, Burundi, Nigeria and Swaziland, supplying fuel to airlines at 52 airports across Africa.

Bitumen

Puma Energy is a global market leader in bitumen, supplying customers around the world with high performance product safely, efficiently and on time. Customers benefit from the integrated logistics services available, through Puma Energy's own carrier fleet and state-of-the-art-terminals, including the largest private bitumen terminal in Europe (Cadiz, Spain). Puma Energy also has bitumen storage and distribution facilities in Angola, Nigeria and Mozambique, Vietnam, Australia, Guatemala, and the United Kingdom.

Other activities

Other activities include:

- **Wholesale:** The supply of petroleum products to local distributors, which sell to independent retailers, commercial and industrial companies.
- **Bunkering:** Includes the supply of fuels and lubricants to shipping and rig operators, as well as logistics and management services to a fleet of bunker barges in Angola and supply of marine oil in the Republic of Congo.
- **LPG:** Storage, bottling and distribution of liquefied petroleum gas in Latin America, the Caribbean, West Africa and Papua New Guinea. The future focus lies on developing LPG bulk storage and wholesale operations in target markets.

Refining, storing and transporting fuel through an integrated global infrastructure

Given the accelerated closure of existing refineries and the resulting concentration towards 5-6 global refining hubs, there is an increasing need for physical transportation, as well as efficient and safe storage and handling of these products.

Across the world, Puma Energy owns and operates 103 terminals globally with a total storage capacity of 7.5 million m^3. These terminals handled 15.1 million m^3 of products for external customers in 2019, while focusing mainly on supporting Puma Energy's own downstream activities.

Refining is not part of the Puma Energy core business model. Puma Energy owns and operates refining assets selectively, depending on the supply logistics in that specific region and price regulation by local governments. Currently, the company operates two small refineries, one in Nicaragua and one in Papua New Guinea.

Global Presence

Puma Energy Group owns assets located worldwide and is organised into five key regions. The below diagram illustrates how Puma Energy's assets work together to facilitate global supply routes:

PUMA ENERGY GLOBAL NETWORK

Puma Energy Global Supply

Puma Energy's operations depend on a steady supply of refined oil products, and as a result, its supply activities are organised as separate business lines within downstream, retail and distribution operations. The supply business managed on both a regional and global level. Ultimately, the role of the supply function is to ensure that:

- requirements are managed at regional, rather than country level to capture economies of scale and to avoid unutilised space on vessels;
- develop expertise in inland logistics to optimise supply chain costs, truck routes and scheduling;
- price exposure is controlled using hedging instruments with a maturity between three months and one year; and
- products are sourced at competitive price levels.

Puma Energy Organisational Structure

Puma Energy is coordinated from its global headquarters in Geneva, Switzerland and directly employs over 9,300 people in 46 countries. Puma Energy is managed as an independent industrial group, with its own dedicated management, which transacts with its shareholders, the Group and Sonangol, on an arm's length basis. Puma Energy operates a two-tier management structure comprising a Board of Directors and an Executive Committee.

In March 2020, Puma Energy agreed to a shareholding restructuring transaction with the Group and Cochan Holdings. Cochan Holdings reduced its stake in Puma Energy from 15 per cent. to less than 5 per cent., by selling shares in Puma Energy to the Group. Thereafter, Puma Energy bought back and cancelled these shares. Puma Energy funded the re-purchase with a subordinated shareholder loan from the Group with an initial tenor of c. seven years. The parties completed the transaction in June 2020.

As a result of this transaction, the Group's shareholding in Puma Energy increased to 55.5 per cent. from 49.4 per cent as at 31 December 2019. However, following this transaction, the Group transferred approximately 5.5 per cent. beneficial interest to a trust and now owns a legal beneficial interest of 49.98 per cent. in Puma Energy.

Based on agreement between the shareholders, the power to direct the relevant activities of Puma Energy lies solely with its Board of Directors, and shareholders' rights are only protective in nature. The Group appoints three out of eight directors, and decisions by Puma Energy's Board of Directors are taken by simple majority. The Group therefore does not have the majority of decision-making power in the Board of Directors. It should also be noted that this transaction did not alter the existing shareholder agreement. Therefore, the increase in the Group's shareholding did not result in the Group gaining control over Puma Energy. Consequently, the equity investment in Puma Energy will continue to be accounted for under the equity method.

Recent Board or Management Changes

In March 2020, Mr. René Médori's appointment as Chairman of the Puma Energy Board of Directors came at a time when the company's executive management team focuses on accelerating delivery of its customer-led five-year growth strategy and balance sheet rationalisation. Mr Médori brings significant experience to the Board from his executive roles in the energy and natural resources sectors.

Impala Terminals: Trafigura's Bulk-Commodity Terminals, Warehousing and Logistics Assets

Impala Terminals is a multimodal logistics provider and infrastructure development group focused on export-driven emerging markets, through the ownership and operation of ports, terminals, warehouses and transport assets which offer end-to-end logistics solutions for dry and liquid bulk cargoes, general cargo and containers. Impala currently operates in 30 locations worldwide; including 13 owned and operated port assets.

In 2018, the decision was taken to bring in a strategic partner who would support the growth of the Impala Terminals business into new markets and services, through handling increased volumes from the Group and third parties. In September 2018, the Group agreed to establish a long-term partnership with global fund manager IFM to invest in and operate certain Impala Terminals assets. A 50:50 joint venture – Impala Terminals Group S.à r.l, incorporated in Luxembourg – was created to own and operate a network of concentrates terminal infrastructure in Mexico, Spain and Peru, which plays a key role in the movement of copper, lead and zinc in the global market. The joint venture also included fluvial operations in Paraguay and a Swiss-based operation providing global freight forwarding, as well as multimodal transportation services in the African Copperbelt for the Group and third party clients.

The agreement, which closed in December 2018, created the basis to bring together the Group trading know-how, the Impala Terminals operations expertise with the investment experience of IFM. The chosen partner, IFM, is an experienced and well-respected fund manager, backed by 27 Australian pension funds. IFM has a specialist focus on infrastructure investment and a 23-year track record, mainly in investments in Australia, North America and Europe. It contributes its own expertise to the joint venture as well as leveraging the accumulated skills and know-how in Impala. This is a partnership with two-high quality complementary parties with a shared focus on long-term success.

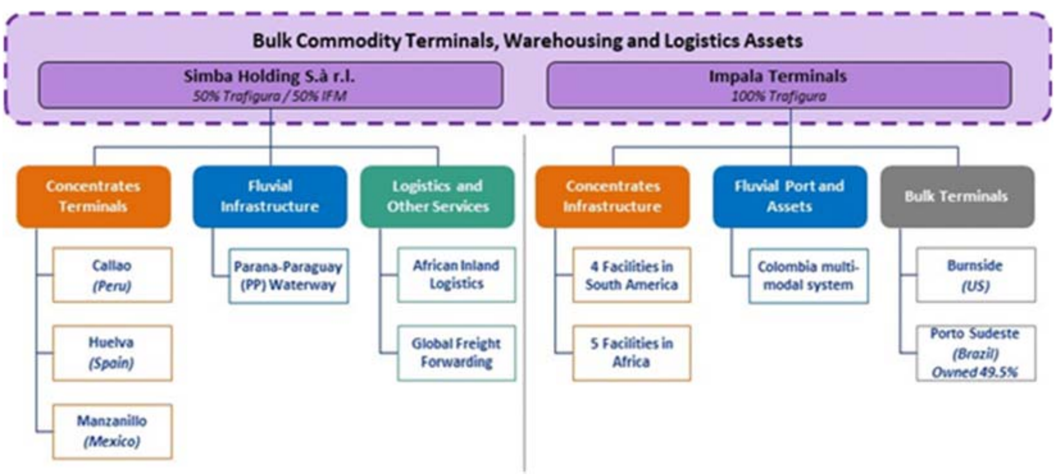
The transaction generated USD 191.2 million of exceptional profit for the Group, and the Group received a total consideration of USD 247.9 million, which was recorded as a receivable from related parties as of 30 September 2018 (and received during the month of December). As of 30 September 2018, Simba was deconsolidated from the Group's balance sheet.

This transaction provides a tangible example of the value created at Impala over the years, enabling the Group to re-invest its funds into new projects to generate additional trade flows. It also creates a robust governance framework at Impala, which operates at arm's length with the Group under, an independent management team, specific corporate governance and clear board rules.

The joint venture also created a new partnership for future investments in infrastructure related to commodities as well as a solid platform for future growth – both in existing Impala locations and markets, and in neighbouring countries – as demonstrated in October 2019 with the purchase of Puma Energy's business in Paraguay, including two fuel storage terminals and c. 180 retail sites.

The bulk commodity terminals, warehousing and logistics facilities of Impala Terminals and the Simba joint venture are outlined below:

IMPALA TERMINALS GROUP STRUCTURE



Assets operated under the joint venture with IFM

The assets operated by Impala Terminals Group S.à r.l. include three concentrates terminals strategically located in Mexico, Spain and Peru – countries well positioned on copper, zinc and lead concentrate export markets – with a total throughput capacity of approximately 6.4 million tonnes. Simba also manages a fluvial transportation network located on the Parana-Paraguay River and recently acquired Puma Energy's storage and distribution business in Paraguay. Finally, the joint venture provides end-to-end logistics solutions for stranded mineral resources and value-add central services of consulting and freight forwarding.

Simba also provides logistics and multi-modal services in various region, of which Africa, comprising solution for warehousing, short and long hauls, via trucks and trains, as well as sea freight. Moreover, the company offers end-to-end delivery solutions for imports and exports via a combination of road and rail networks combined with onward ocean container freight services.

Concentrates Terminal in Peru

Impala in Latin America originated in Peru with a non-ferrous concentrates warehousing and blending operation in Callao, Peru's main commercial port. This terminal is the largest facility in Latin America for handling copper, zinc and lead concentrates. In 2017, Impala completed a project to cover 175,000 m^2 of warehousing space (the largest covered warehouse in Latin America). The warehouse is the most environmentally compliant in Peru as it controls and measures air, water and soil particles to ensure that protection extends from both inside to outside the walls of the facility. The operation at Callao includes a participation in a consortium which operates a circa 3-km conveyor, which transports bulk metal concentrates safely and efficiently to a dedicated berth. It has throughput capacity of 2.8 MMT and per-hour conveyor belt capacity of 2,300 MT.

Concentrates Terminal in Spain

Impala Terminals has further developed its operations in Europe through the construction of a bulk concentrates terminal in the Port of Huelva, Spain. The facility started operations in September 2015 and handles about 1 million tonnes of import and export product per year. The 240,000 MT of warehouse static capacity allows for the storage and blending of these products, which can then be loaded onto ocean going vessels via a 550-metres long private berth. Impala also has the option to develop circa 70,000 sqm of land adjacent to the berth, thereby potentially expanding the capacity of the terminal.

Fluvial Infrastructure at Parana

The fluvial transportation network located on the Parana-Paraguay River, one of South America's most important waterways connecting Argentina, Uruguay, Paraguay, Brazil and Bolivia and has become one of the most important economic development areas enabling domestic and international trade. With an investment of over USD 100 million, Impala Terminals created a reliable fluvial corridor, shipping liquid products including diesel and gasoline fuel over a distance of 2,785 km. Current fleet is composed of 4 pushers and 27 double hulled tanker barges (with approximately 530,000 cubic meters throughput capacity) and could grow over the next few years as the Group and third party volumes are steadily increasing.

In October 2019, Impala acquired Puma Energy's business in Paraguay for c. USD 200 million, which includes two fuel storage terminals with c. 72,300 cubic meters and a network of retail sites. This acquisition presents good synergies with the existing fluvial logistics operations along the Parana-Paraguay waterway.

Global Freight Forwarding

Impala Terminal's ability to secure competitive rates is aided by the strong relationships with all the major shipping lines and Impala Terminals expertise in world-class logistics solutions. Through large global captive volumes and a continuous drive for operational excellence, the container bookings are growing substantially, particularly across Latin America, Europe, Africa and Middle East. Besides offering freight forwarding services, through the extensive network and terminal assets Impala Terminals offers various value added services such as container stuffing and un-stuffing, container storage, sampling and testing and documentation formalities.

Non-Impala Terminals Joint Venture assets

Fluvial and Port Infrastructure in Colombia

In Colombia, Impala has invested around USD 1.1 billion in an unprecedented project to transform the country's commodity transport network. This investment has allowed the company to develop best-in-class infrastructure and warehousing services, which are underpinned by a world-class multimodal logistics system. Together these elements connect Colombia's inland areas of production and consumption to international markets via the ocean ports of Barranquilla and Cartagena on the Caribbean coast. By having this oversight of the entire logistics chain, Impala provides its customers with safe, efficient and economic delivery of products. Moreover, by switching the dominant mode of transport from trucking to barging in the north of the country, Impala Colombia is creating a more environmentally responsible form of trade. Significantly safer than transporting products purely by truck, this fluvial system not only reduces freight costs but is also inherently much more efficient. The inland port has a storage capacity of over 780,000 barrels of crude oil and naphtha and disposes of over 150,000 TEU of container storage. Impala also owns and operates a fluvial fleet of 100 double hull oil and dry barges and 18 pushers. The products handled are diverse combining crude oil, naphtha, fuel oil, LPG and Dry Bulk Steel, showing the added value of Impala logistics in the Magdalena River.

In October 2019, the National Infrastructure Agency (ANI) launched the prequalification process for the long-anticipated project to dredge and dyke the Magdalena River, which will enable deeper draught and therefore increased operational efficiencies and volumes carried by the fluvial fleet. The concession contract is expected to be awarded for a duration of 15 years, aiming at guaranteeing 24/7 navigation from Barrancabermeja, where the inland port is located, to Barranquilla/Cartagena (Atlantic coast). Impala is well positioned operationally and commercially to derive the benefits as soon as the project begins.

NON-JOINT VENTURE ASSETS (100% OWNED)

Bulk Terminals in Brazil

In 2014, the Group acquired indirectly a c. 50 per cent. equity stake in Porto Sudeste do Brasil ("**PSB**") alongside Mubadala Development Company ("**Mubadala**"), the Abu Dhabi sovereign development fund. In parallel to acquiring c. 99 per cent. of the PSB equity, the Group and Mubadala purchased c. 90 per cent. of the PSB (FPOR11/PSVM11) debt securities on a combined basis. Those debt securities, which are junior to debt but senior to equity, provide cash flow benefits whereas equity provides control of PSB. Indeed, holders of the debt securities are entitled to receive quarterly variable income based on the volumes handled by PSB and a fixed royalty, payment being made subject to availability of cash, and otherwise accrued. The combined holding of PSB debt securities and PSB equity provides full benefit of ownership (i.e. both economic and control).

PSB is a USD 2 billion iron ore export terminal, which is located in Itaguaí, about 90 km west of Rio de Janeiro, Brazil. The port commenced operations in August 2015 and has the capacity to handle 50 million tonnes of iron ore per year and scope to expand to 100 million tonnes. The port gives Brazil's independent miners a competitive alternative to existing export terminals and offers them unprecedented access to global markets, for the 2nd largest producing country, representing 22 per cent. of world supply.

In 2017, PSB's debt package was restructured in order to better match the port's expected operational performance with anticipated cash flows and debt repayment profile. In addition, Porto Sudeste signed new logistics contracts with Mineração Morro do Ipê S.A. ("**MMI**") in respect of the Ipe iron ore mine as well as a contract with Mineracao Usiminas separately. However, the ramp-up in volumes has been slower than initially expected and the Group's investment in PSB (in the form of equity and debt securities) has been gradually impaired from USD 906 million in 2015 (operational launch of the port) to USD 468 million at 30 September 2019, hence a 48 per cent. impairment to date. Noting that, being junior to the debt securities, equity is negatively impacted by accrued amounts due under such debt securities (e.g. when positively impacted by the de-risking of the port operations), and vice versa.

Since payment on the debt securities are dependent on PSB's handled volumes, they are classified at fair value through profit and loss (as per IFRS13). Considering FPOR11 free float is very thin (c. 10 per cent.) and traded volumes very limited (with average volume traded per day below USD 5,500), in the absence of normal market activity, it has been concluded that no active market exists for the FPOR11 and therefore the fair value should be determined based on a valuation model (level 3 approach) rather than relying on market price (level 1), that would be lacking economic ground. The fair value of FPOR11 is therefore based on a discounted cash flow calculation based upon the business plan of PSB. Periodic impairment testing is conducted and supported by third party independent valuation analysis.

However, the volumes handled at PSB reached around c. 16 MMT in calendar year 2019, c. 50 per cent. more than in 2018. In parallel, the Group and Mubadala are still planning to source additional volumes from mines they operate in the region (e.g. Tico Tico) for export through PSB in the mid-term, however noting that progress is still reliant on the speed of the permitting process.

Bulk Terminals in the United States

In June 2011, Impala acquired the Burnside coal terminal in Louisiana, USA. Located on the east bank of the Mississippi River at Mile 169.9, the terminal consists of a site of about 1,100 acres, with a deep-water berth and ship loading/unloading equipment. Impala Terminals Group has refurbished and expanded the facility into a state-of-the-art major bulk terminal for coal, bauxite and alumina. The facility has a capacity of circa 10 MMT annually and is capable of loading cape size class bulk vessels. Burnside has the potential to be the only coal terminal on the Mississippi with the capability to handle ocean vessels, barges and rail, thus allowing rail-to-vessel and barge-to-vessel capabilities. Phase 1 of the terminal was completed in June 2014 and the facility received its first million tonnes in March 2015. During 2019, the terminal operated well and launched a development project to diversify cargos handled in light of the drop in US coal exports.

Warehousing in Africa and Middle East

In Africa, Impala Terminals operates a portfolio of safe and efficient warehouses and port terminals, which provide handling, storage and other related services for both bonded and non-bonded cargoes. At its warehousing sites in the Democratic Republic of the Congo (DRC), Tanzania and Zambia, Impala Terminals offers enhanced services for the safe and secure handling of goods and employs the latest technology and processes.

Impala Terminals is a major player in the African Copper belt, Southern, Eastern and Central Africa and is currently expanding its logistics capacity serving these regions by rail, truck and ocean container freight. This will allow producers and consumers to access international markets with greater speed, efficiency and safety whilst reducing cost. As an example, a large new warehouse facility was opened near Lubumbashi to handle increasing volumes of copper exports from the DRC.

Impala Terminals also operates a dedicated warehouse in Jebel Ali Free Zone Area (JAFZA) in Dubai, operating storage and handling of refined metals and third-party goods. Impala Terminals is strategically located within 10 km of the two biggest container terminals within Jebel Ali free Port, which offers a great competitive import and export advantage to its customers.

Mining Group: Trafigura's Mining Assets

*The Mining Group ("**TMG**")* invests in mining assets that are closely related to and have strong synergies with the Group's core metals and minerals trading business. Encompassing operations in Europe, Latin America, North America and Africa, its investments include wholly owned subsidiaries in addition to cornerstone shareholdings in both private and publicly traded entities. TMG employs thousands of people worldwide (some on a consolidated basis, e.g. at Catalina Huanca), including highly skilled personnel such as geologists and engineers.

The Mining Group focuses on the participation in and development of mining projects globally. The flagship MATSA copper mine in Spain, a 50-50 joint venture with Mubadala, had a solid year for production and for metallurgical yield, with increased cost control contributing to a satisfactory financial result. For most of the other TMG's assets, stabilisation and improvement of operations and satisfactory performance were the themes of the year.

Similar to the rest of the Group, TMG has demonstrated its ability to divest fixed assets and recycle capital over the years, completing the successful (partial) divestment of a number of investments, such as Anvil, the Compañia Minera Condestable SA ("**CMC**") and MATSA.

Iberian Minerals / MATSA

In 2013, the Group completed the purchase of Iberian Minerals Corp ("**Iberian**") following a squeeze out process, giving the Group 100 per cent. ownership in the mining group. Iberian's main asset was the company Minas de Aguas Tenidas SAU ("**MATSA**") , but it also held a mine in Peru at the time the Group purchased Iberian. MATSA owns and operates mines located on the Iberian pyrite belt in Southern Spain. The Iberian pyrite belt is well known amongst the international mining community, since it hosts one of the largest occurrences of volcanic massive sulphide ("**VMS**") deposits in the world. This belt extends from north of Seville, Spain to almost the west coast of Portugal spanning an area approximately 250 km long and 50 km wide.

MATSA started production in 2009 with the Aguas Tenidas mine and is now operating two additional mines, called Magdalena and Sotiel. Magdalena commenced production towards the end of 2016 following its discovery in 2014; such turnaround from discovery to start of operation is an industry record. Sotiel is an older mine reactivated in 2015.

Over the years, MATSA has accumulated exploration permits in Spain, mainly located around the Aguas Tenidas mine. The expertise and success acquired by MATSA's operational and metallurgical teams in mining and processing these sulphide ores created a bigger incentive for MATSA to become more aggressive in its exploration activities, leading to some important finds. The Magdalena mine is one important find, along with increased resources and reserves at Aguas Tenidas and further exploration of other ore bodies located nearby.

MATSA produces mainly copper and zinc concentrates, along with lead concentrate on a small-scale. The Group completed a EUR 300 million expansion project including a new treatment plant which increased treatment capacity from 2.3 million tonnes per year in 2014 to 3.6 million tonnes in 2015 and 4.4 million tonnes in 2016 (flat since then).

In June 2015, Iberian signed a share purchase agreement with Mubadala. Under the agreement, MATSA was transferred to a joint venture held 50-50 by the Group and Mubadala and, by September 2015, MATSA had been deconsolidated from TGPL's balance sheet. The restructuring of ownership at MATSA, with the arrival of Mubadala, prompted a comprehensive review of the mine's governance in order to align its objectives and culture with those of both its shareholders. A new General Manager was appointed, who is an experienced mining professional with a strong track record at mining majors. Some other members of the management team were also changed, sharpening the focus on cost control and safety management. The cultural challenge came on top of an economic one, with the fall in copper prices during the financial year 2016 creating a fresh need for cost efficiencies.

MATSA is by now a world class mining and processing complex, using state of the art technology, including driverless loaders underground, remote control mine ventilation and water pumping, and a very high level of automation in the plant that has allowed rising metallurgical recovery up by c. 10 per cent. points over the last few years, despite the metallurgical complexity of the ore. Also worth noting was a continued improvement in safety performance, with a continued reduction in the lost time injury frequency rate.

In 2019, the Group continued to invest in IT and automation, and combined with the improvements made over 2018, this should help the MATSA mines to further increase productivity next year, underlining resilience in the face of expected lower metal prices.

Catalina Huanca Sociedad Minera S.A.C.

Catalina Huanca is a wholly owned zinc and lead underground mine in Peru. A concentration plant treats around 700,000 tonnes of ore per year and produces high quality zinc and lead concentrates. The mine was acquired in 2005. At that time, the operation was artisanal in nature and the Group has progressively modernized it and brought it to international standards, in terms of mechanization, and also health, safety, environmental and community standards. The mine performed well in 2019, meeting its production targets, with step changes in safety performances. It is now undergoing another step change in its organisation, productivity and cost structure, with the implementation of a new mining method (open-stoping with paste-filling, similar to MATSA).

*Atalaya Mining Plc. ("**Atalaya**")*

The Group owns a 22.4 per cent. stake in Atalaya Mining Plc, formerly known as 'EMED'. Atalaya originally restarted the Rio Tinto mine in Southern Spain (mine is located c. 40 km away from MATSA operations). The Group has the offtake over c. 20 per cent. of the life of mine reserves. The mine restarted production during the third quarter of 2015 and reached commercial production in February 2016. In December 2017, Atalaya raised GBP 31 million via a share placement. As part of the placement, Trafigura Group Pte. Ltd., through its subsidiary Urion Holdings (Malta) Ltd, slightly increased its ownership to 22.4 per cent. Proceeds were used to increase the plant's capacity from 9.5 Mtpa to 15 Mtpa at its Rio Tinto mine.

Nyrstar

Nyrstar is presented in details in the following section "Nyrstar" – noting that the Mining Group is providing technical and operational services to Nyrstar, and manages directly, on behalf of Nyrstar, the Canadian mining operations. Most relevant, the Langlois mine (Quebec) was closed in December 2019 due to low reserves and complex ground control conditions. On the other hand, the Myra Falls mine (British Columbia) is ramping up towards its long-term target of 800k tpa.

*Empresa Minera del Caribe S.A. ("**Emincar**")*

The Castellanos zinc and lead project in Cuba consists of an open-pit mine and a concentration plant, in which construction began in 2015 and was completed in October 2017. The project is between the Group and the Cuban government and is the largest industrial investment in course on the island. It was delivered on time and within budget. The focus in 2018 was on ramping up production while addressing the inevitable initial operational and quality issues. By the end of the year, significant progress had been made and the plant was rising progressively towards its design capacity of 1 million tonnes per annum. For the full year 2018, 800,000 tonnes of ore were treated, and the mine already generated a profit. In 2019, the mine overcame some operational issues to achieve a significant improvement in plant performance, both in terms of overall throughput and concentrate quality, closing the year with favourable budgets. Total production rose to the original capacity level of 1 million tonnes, while ongoing work on increasing the capacity during the year has now raised potential production to 1.2 million tonnes for 2020. Emincar employs approximately 700 people and is another illustration of the Mining Group's ability to put its expertise and investment to work in challenging economic or political environments.

*Mineração Morro do Ipê S.A. ("**MMI**")*

In 2016, Mubadala and the Group acquired stakes in the Ipê and Tico-Tico mines and processing units located in the Serra Azul mining region of Minas Gerais, Brazil that were previously owned by MMX. To manage these assets a new company, Mineração Morro do Ipê S.A., has been established with Mubadala and the Group each holding 37 per cent. of shares and the remaining 26 per cent. owned by MMX's creditors, who approved the initiative following a judicial recovery plan. Following a capital increase during the year, Mubadala and the Group's shareholding increased to c. 40 per cent., diluting minority shareholders.

The majority shareholders have invested c. USD 69 million in the Ipê and Tico-Tico mines and processing facilities to date. MMI employs c. 200 people directly, and roughly the same amount of permanent contractors, and first ore was produced in March 2017. Up to 2021, operations are planned to focus on processing existing iron ore stocks. In 2019, the tailings dam incident at Vale's Brumadinho mine affected production at the Ipê mine directly and indirectly. Indeed, production was reduced to 1.5 million tonnes of iron ore compared to 1.9 million tonnes budgeted in 2019.

In parallel, MMI is working to conclude the permitting process to reopen the neighbouring Tico-Tico mine and build a new 5.5 Mtpa processing plant. Once the Tico-Tico plant is constructed in the course of

2021, it will process the mine's friable ore, a more competitive and better quality iron ore, enabling the production of high-quality pellet feed.

A new environmental licensing process is followed for the Tico-Tico mine, including the development of environmental impact studies that are appropriate for the scope of the new project. These include treating tailings from the processing of iron ore through a system of filtration, drying and stacking which is environmentally and socially friendly, removing the need for tailing dams. The Group received permission in the first half of 2020 and the mine is expected to start in early 2021.

Galena Asset Management

Galena Asset Management's teams operate wholly independently of the Group, but benefit from the TMG expertise. The Resources Fund raised USD 400 million in 2013, and additional USD 225 million in 2019, to invest in the equity and debt of metals and mining companies. Galena is discussed in details in a following section "Galena Asset Management".

Nyrstar

Nyrstar is a global multi-metals business, with a strong market position in zinc and lead, and growing positions in other base and precious metals. It is one of the world's largest zinc smelting company. Nyrstar's business has mining, smelting and other operations located in Europe, the Americas and Australia and employed approximately 4,200 people as at 30 September 2019.

Global Presence

Nyrstar has global operations, with smelters and mines close to key customers and major transport hubs to facilitate delivery of raw materials and distribution of finished products. The map below illustrates Nyrstar's current operations.

NYRSTAR GLOBAL PRESENCE

Note: As part of the restructuring process presented below, headquarters are being relocated from Zurich to Budel (The Netherlands), closer to the smelting assets

Nyrstar has two key operating segments: metals processing and mining.

Metals Processing

The metals processing segment comprises six smelters in Auby (France), Balen (Belgium), Budel (The Netherlands), Clarksville (U.S.), Hobart (Australia) and Port Pirie (Australia), and a fumer at Høyanger (Norway). Zinc smelting is the process of recovering and refining zinc metal out of zinc containing feed material such as zinc containing concentrates or zinc oxides. While Nyrstar's smelters are mostly primary zinc smelters, its smelter in Port Pirie is a primary lead smelter with multi-metal recovery capabilities, i.e. with the possibility to process a wide range of lead-containing feedstocks to produce refined lead, zinc in fume, silver, copper and gold (further information on the Port Pirie smelter is set out below).

Having produced approximately 1.0 million tonnes of zinc metal in 2019 (vs. 1.1 million tonnes in 2018), the company's share of the global zinc metal market in 2019 was 7.2 per cent. (vs. 8.1 per cent. in 2018). As a result, Nyrstar ranked as the third largest producer globally in 2019, after Korean Zinc Co., Ltd. and Glencore, which benefited from respectively a 8.9 per cent. and 7.5 per cent. market share in 2019 according to Wood Mackenzie.

The fumer provides technology to capture maximum value from Nyrstar's leach products (secondary by-products produced by the smelters). Nyrstar Høyanger makes use of the cleanest and most efficient technology available for recycling by-products of the primary zinc industry and zinc-containing alkaline batteries. Through the technologies of a furnace (using very high temperatures), Nyrstar Høyanger extracts valuable metals from the Nyrstar leach products. The new plant installation includes a highly energy efficient furnace and scrubbers, minimising SO2 emissions in the Høyanger area.

Mining

The mining segment currently consists of Nyrstar Tennessee Mines (U.S.A.), Myra Falls and Langlois (Canada). In the last four years, the mining segment sales to the metals processing division accounted for approximately 98 per cent. of the segment's revenue in each of those years. In 2018, according to Wood Mackenzie, Nyrstar's zinc mining operations were the fifteenth largest in the world (based on that year's production). Nyrstar is currently rolling out optimisation plans for its North American mining assets (see below).

Main economic drivers of Nyrstar's business

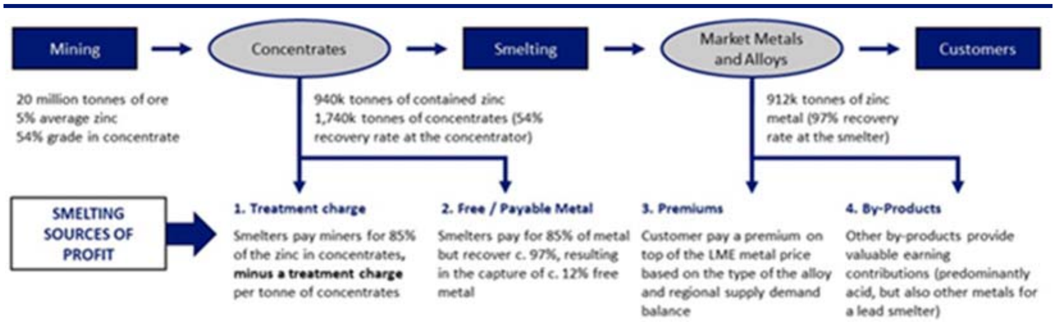
<u>General</u>

Smelters are essentially processing businesses that generate earnings on the concentrates and other feedstocks they convert to primary metal and valuable by-products. The mining segment generates earnings on the minerals it extracts and subsequently processes into concentrates. Profits that Nyrstar realises through the production and sale of refined zinc, lead and other metals (metals processing segment), and through the production and sale of concentrates (mining segment) are affected by a number of interrelated factors, most notably the commodity prices for zinc and lead and the treatment charges ("**TCs**") for processing of zinc and lead concentrates. These pricing dynamics are conceptually similar but differ in specifics for zinc, lead, and other base and precious metals. The focus in the discussion below is on the metal processing segment and the remuneration components.

<u>Economic drivers of the Metal Processing segment</u>

The below chart illustrates the elements of gross profit of the smelting business (rates presented below are indicative only).

ELEMENTS OF GROSS PROFIT OF THE SMELTING BUSINESS



A smelter earns revenue from the four following elements:

- The **TCs** received from the mine to process the metal in concentrate into the refined product;
- The value of **free metal** it can produce and sell over and above the metal content it has paid for in concentrates purchased from the miner;
- The **premium** it can earn on the refined products it sells to its customers (i.e. sales of refined metal made by the smelter at prices above the LME prices); and
- **Sale of by-products** extracted from the process of refining zinc and lead.

While the relative weight of the contributors to smelter margins will vary according to the relationship between metal prices and TCs, Nyrstar's metals processing segment and other smelters have historically obtained the majority of their margins from TCs and to a lesser extent from free metal, metal premiums and by-product sales.

Focus on TCs

The market price of zinc is a key component in determining the value of the zinc contained in concentrate. The dynamics of how that value is shared between mining companies and smelting companies are driven primarily by the relationship between the global supply of zinc concentrate from miners and the global demand for zinc concentrates by the smelters. In a market situation where the demand for zinc concentrates is greater than the supply, a relatively greater share of the zinc metal value and lead metal value will typically go to the miner. Conversely, when concentrates are relatively abundant, the opposite occurs and a greater share of such value is typically captured by the smelter.

Negotiation of the applicable TCs is a key mechanism by which the value of the contained zinc in concentrate shifts between the miner and the smelter. As is customary in the industry, smelting companies generally negotiate TCs with each supplier of zinc concentrate annually, early in the contract year, based on the smelting company's and the miner's expectations of future market conditions. In any given year, TCs tend to settle around norms established through negotiations between the major buyers and sellers of concentrate. These norms are commonly referred to as the "Benchmark" TC. A spot TC market also exists; however, it is relatively illiquid.

Nyrstar's results therefore correlate to the levels of TCs that it charges zinc miners to refine zinc concentrates and lead miners to refine their lead concentrates. These TCs are cyclical in nature – see below for more information on the Zinc TCs (historical level and outlook).

Other components of the smelting remuneration: free metal contribution, premiums and by-products

Free metal in relation to zinc is the value of the difference between the amount of zinc that is paid for in the concentrates and the total zinc recovered for sale by the smelter.

In a typical zinc concentrate contract, the metals processing segment pays the mine for 85 per cent. of the zinc contained in the purchased concentrate, which has historically been the industry standard. Assuming the zinc smelters achieve an average zinc recovery of approximately 97 per cent. (this would depend on the concentrate quality and production efficiencies), the value of the free zinc of 12 per cent. (being the difference between 97 per cent. and 85 per cent.) is retained by the smelter.

In a standard lead concentrate contract, the metals processing segment typically pays the mine for 95 per cent. of the lead metal contained in the concentrate. Accordingly, the proportion of free lead metal the metals processing segment obtains (being the difference between the amount of refined lead metal recovered for sale and the amount of lead metal paid for) is less than the equivalent proportion for zinc. If lead recoveries are approximately 98 per cent. to 99 per cent., the amount of free metal is c. 3 per cent. to 4 per cent. of the lead in the concentrates. In addition to lead concentrates, Port Pirie also feeds leach products with significantly lower lead payables, which results in higher amounts of free metal.

Nyrstar's focus on operational excellence aims to allow extracting maximum free metal to supplement earnings coming from TCs. Moreover, the free metal is expected to increase with Port Pirie fully operational and higher value feedstock processed.

A premium is the difference between the base LME price and the higher price that the metals processing segment achieves on sales of the refined zinc and lead metal. The premium reflects a combination of factors, including the service provided by the smelter in delivering zinc or lead of a certain size, shape or quality specified by its customers and transportation costs, as well as the conditions of supply and demand prevailing in the regional or local market where the metal is sold. Premiums tend to vary from region to region as transportation costs and the value attributable to customer specifications tend to be influenced by regional or local customs rather than being a function of global dynamics. Based on Nyrstar's Research & Development activities and technical know-how, a significant portion of Nyrstar's zinc and lead production is expected to be above standard commodity grade.

Although the metals processing segment's principal products are zinc and lead metal, it also sells silver, copper, gold, indium, sulfuric acid and other by-products from the process of refining zinc and lead. Nyrstar intends to further monetise these by-products. The quantity of by-products produced is dependent on a number of factors including the chemical composition of the concentrate and the recovery rates achieved. Concentrates from some mines contain higher levels of by-product metals than concentrates from other mines. In addition, the higher the rate of by-product recovery, the greater the amount of by-products that can be produced and sold. By volume, sulfuric acid is the major by-product the metals processing segment produces and sells.

Port Pirie redevelopment project and ramp-up

Port Pirie is an integrated multi-metals recovery plant with the flexibility to process a wide range of lead rich concentrates and smelting industry by-products. Port Pirie is one of the world's largest primary lead smelting facilities and the third largest silver producer, which allows it to generate significant economies of scale.

The Port Pirie redevelopment project, started in 2013 (feasibility studies), involved the conversion of the Port Pirie operations into an advanced metal recovery and refining facility enabling the facility to capture a greater proportion of the value contained within the feed material consumed by its global network of smelters as well as third party residues. Moreover, it aims to reduce environmental footprint, providing a step change reduction in airborne metal and dust emissions.

The redevelopment of the Port Pirie smelter was commissioned in January 2018. The smelter encountered some technical difficulties during the first months of its operation, including some technical process bottlenecks, which resulted into a reduction in free metal extracted from the feed processed by Port Pirie and periodic production outage.

In August 2019, an incident occurred with the hearth in the primary smelter which resulted in a forced shut down. The issue was related to the bricks that line the Top Submerged Lance ("**TSL**") furnace as those had been prematurely fatigued due to the thermal expansion and contraction of the bricks that had occurred over the past twelve months with the increased number of starts and stops caused by planned and unplanned outages. The company decided to stop the TSL furnace for approximately 3 months to manage the re-bricking.

In November 2019, the Port Pirie smelter was restarted and the site returned to full production. The recent investment and refurbishment of the primary TSL are expected to result in further reduction in emissions, improved operability and should contribute to more stable operations at the plant. As of today, the ramp-up at Port Pirie is proceeding according to plan with the availability rate in line with budget as of Q1 2020, and the Group is focused on environmental compliance and safety.

Operational and financial issues – 2019 restructuring process

For five years, the Group has been a significant shareholder of Nyrstar Group, initially acquiring its shareholding through various acquisitions between October 2014 and February 2016, to finally reach a circa 24.4 per cent. stake. The Group has had commercial arrangements with Nyrstar since its inception in 2007 and longer term-structured arrangements since acquiring a substantial shareholding in the company during 2015.

In 2018, Nyrstar was impacted by a number of operational and financial issues which negatively affected its performance, including:

- Cost overruns and delays in the completion of the redevelopment of Port Pirie smelting facility and subsequent ramp-up;
- Delays in restarting operations at the Myra Falls mine and weak operating performance at the "Middle Tennessee mines";

- Historically low TCs for zinc and lead concentrate over 2017 and the first six months of 2018 (see below); and
- Increased energy costs with respect to the smelting operations in Europe and Australia.

In October 2018, Nyrstar issued its third quarter interim management statement reporting that the company had performed materially below the results achieved in the first half of its 2018 financial year. As a result, as of the financial year 2018 end, the Group decided to take an impairment of USD 72 million on Nyrstar reducing the value of its equity investment in the company to USD 35 million. For the full year 2018, Nyrstar's underlying EBITDA was down 52 per cent. compared to 2017. Moreover, the company suffered from its capital structure, with a net debt at the end of 2018 at EUR 1,643 million, i.e. 49 per cent. higher compared to the end of 2017.

Thereafter, in light of the deterioration in revenues and cash flow that were experienced in the fourth quarter of 2018 and the first half of 2019, Nyrstar adopted a number of measures to address trading and short term liquidity challenges, including a review of its capital structure. The purpose was to explore the various options available to address the upcoming debt maturities in mid-late 2019. However, the company was burdened with an unsustainably heavy debt load due to overexpansion and encountered increasing financial difficulties. The significant deterioration of operational and financial performance lead to a loss of market confidence and available liquidity and necessitated a fundamental capital restructuring.

The restructuring involved many financial stakeholders. The main goal of this restructuring was to deliver a viable financial structure for Nyrstar business going forward. After several months of negotiation, the scheme of arrangement was sanctioned by the English Courts on 26 July and the restructuring became effective as at 31 July 2019. As a result, the Group became 98 per cent. owner of the holding company of the operating business of Nyrstar, now a non-listed company consolidated within the Group's balance sheet.

As a part of the restructuring and in exchange for the discharge of the Nyrstar's obligations under its previous outstanding bonds and convertible notes, the Group provided to the Nyrstar's bondholders and convertible noteholders a pro rata share of each of the following instruments: (i) EUR 262.5 million perpetual resettable step-up subordinated securities issued by TGPL; (ii) USD 88 million guaranteed senior notes issued by TSFA; and (iii) USD 251 million zero coupon commodity linked instruments guaranteed by the Group's entities (TPTE, TTLLC and TGPL).

Nyrstar also negotiated long-term bank financing with its bank creditors, including the reinstatement of financing facilities and completion of a USD 160 million new money facility, to ensure sufficient liquidity resources to operate the company on a long-term basis and permit higher smelter utilisation rates. The restructuring strengthened Nyrstar's balance sheet with a material reduction of its indebtedness considering the haircut on banks lines and investors notes. External liabilities reduced from over USD 3.1 billion pre-restructuring to c. USD 1.0 billion post-restructuring, considering the fact that the three bonds were restructured and reinstated at the level of the Group (outside the Nyrstar perimeter). Noting that the amount of debt post restructuring excludes Port Pirie's perpetual debt that was repaid in November 2019.

As a result of this restructuring, the Group wrote-off its remaining equity holding in Nyrstar N.V and other impairments which totalled USD 72 million as at 30 September 2019. The consolidation of Nyrstar was relatively neutral to the Group's financial ratios, thanks to the new capital structure (which included the issuance by the Group of the EUR 262.5 million perpetual bond).

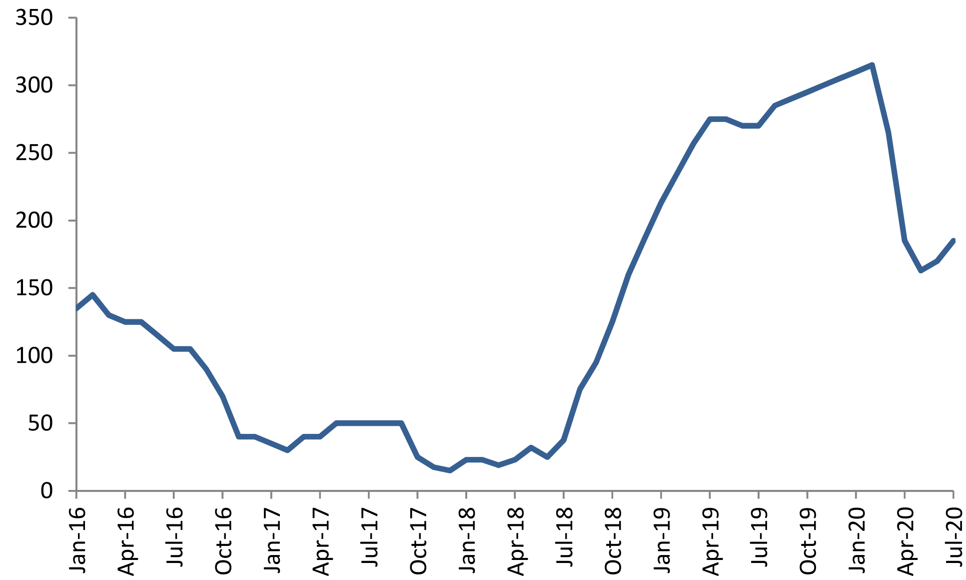
Positive market fundamentals

The Group acquired the operating assets of Nyrstar, as part of the restructuring, with a view to avoiding Nyrstar's insolvency and to protect its original investment, having determined that its global industrial multi-metal business is complementary to the existing trading activities of the Group.

The Group sees significant potential in the company, which benefits from world class facilities and a market leading position in zinc and lead and which should be well positioned for growth following the completion of the redevelopment of Port Pirie in Australia, alongside other operational improvements across the zinc smelters.

The Group's support to Nyrstar is first and foremost driven by a positive outlook for zinc smelting which should support the improvement in the Nyrstar's profitability. It is worth noting the conducive market backdrop with a significant increase of spot Zinc TCs that have climbed to more than 10-year highs, from a low of USD 20/tonne early 2018 to more than USD 300/tonne in January 2020, improving operational profit. The recent drop in TCs is a direct result of the Covid-19 pandemic, with a significant drop in refined metal's demand following quarantine measures implemented in China early 2020. TCs have now stabilised, around the USD 165-185/tonne level, as of May/July 2020, reflecting the strong restart of the Chinese economy.

ZINC TREATMENT CHARGES: JAN. 2016 – JULY 2020 (USD/TONNE)



Source: Wood Mackenzie

Zinc TCs recovery in 2018 is explained by a combination of rising mine supply and limited smelter capacity. The reduction of smelting capacity has notably been explained by a radical shift in the environmental policy championed by China as part of their new 2020 action plan for air pollution. Zinc smelting is less environmentally friendly than copper smelting because of larger proportions of noxious fumes and lead as by-product. Chinese authorities implemented a reduction of zinc smelting capacity in the country by introducing more cumbersome rules for smelters to operate. As a result, a number of zinc smelters in China were forced to shut down or significantly reduce their production.

Beyond this, other factors such as underlying metals prices, foreign exchange rates, lower interest rates (given the company's ongoing working capital requirements) are all currently at attractive levels for this business. The Group has taken advantage of this and implemented a risk management programme, hedging some key macro parameters in order to provide cash flow stability.

Nyrstar restructuring is well underway

As the change of ownership took effect, the Group appointed Daniel Vanin, a seasoned company executive with 40 years' experience in the metals industry, including leadership of mining and smelter development projects, as CEO of Nyrstar's operational business. Other senior appointments followed, including a new CFO, Karl Söderberg, who has more than 20 years of experience in the mining and metals industry. The new management team is composed of a mix of top industry professionals at the Group and Nyrstar, and former employees of the Group.

Nyrstar's management has a strategy aimed at positioning the business for a sustainable future as a leading metals processing business. Through its deep market insight and unique processing capabilities, Nyrstar aims to generate superior returns by extracting the maximum value inherent in the mineral resources and by-products it processes.

To realise its strategy, management has determined the following strategic priorities:

- Maintain Nyrstar's strong safety performance by improving visible safety leadership;
- Optimise the zinc smelters to deliver their full potential, underpinned by operational stability;
- Optimise the North American zinc mines to deliver their full potential;
- Ramp-up the Port Pirie redevelopment to deliver the guided earnings uplift; and
- Maintain a strong balance sheet with an appropriate maturity and liquidity profile.

Nyrstar's headquarters have now been relocated to be more aligned with operations at the Budel smelter (and within two hours of Balen and Auby). This relocation would also permit a significant overhead cost reduction. The management is implementing a more decentralised approach, and Nyrstar is being carved into three distinct operating regions, Europe, Australia and North America, each reporting to headquarters on its own profitability. The intention is to drive greater accountability and focus on profit margins.

Nyrstar will be one of the key areas of focus of the Group for 2020. Now that the company has been fully integrated into the Group, it will benefit from the Group's financial, commercial and technical expertise; together with a stronger balance sheet and a more serviceable level of debt going forward. Nyrstar is leveraging the Group's trading teams and best practice in terms of sourcing concentrates and marketing refined metal output and refined products.

In terms of operation, Nyrstar will focus on maximizing capacity utilization at each smelter and creating greater efficiencies in logistics, procurement and marketing. Capital investment is now being refocused on adapting smelters to be able to process and remove impurities from lower-grade concentrates and support strong increase in availability by replacing or upgrading non-performing equipment. The company is also focusing on waste creation reduction to improve environmental performance.

Regarding the mines, the Group is reviewing mining cost operations, putting some of the higher cost operations such as the Canadian Langlois mine on care and maintenance, whilst ramping up production in others such as the Myra Falls mine in Canada.

Galena Asset Management

Galena is the private investment arm of the Group, which has been providing investors with specialised alternative investment solutions in the energy, metals and minerals space through Private Equity Funds and Private Investments since 2003. Galena's strategy is to identify mispriced assets that have a strong potential for growth globally, relying on the Group's technical, commercial and financial resources to extract maximum value whilst managing the downside risk. The company has been regulated since 2003.

The Galena Private Equity Resources Fund raised USD 400 million in 2013 to invest in the equity and debt of metals and mining companies, of which, the Group has committed USD 100 million in the fund pari-passu to external investors. The fund became fully invested in 2017, holding positions in a number of assets in the Democratic Republic of Congo (Mawson West copper mine), the U.S. (bituminous coal producer Wolverine Fuels) and Finland (zinc, nickel and cobalt producer Terrafame). A successor fund was established in 2018, Terrafame II Investment Vehicle, to undertake a second investment in Terrafame, with the aim of adding a new production unit for nickel sulphate, a product in growing demand for use in batteries for electric vehicles. This fund closed with investment of USD 225 million during 2019.

In addition, in November 2018, the Galena Multistrategy Fund was established with an initial allocation of USD 45 million to invest in liquid, commodity-related strategies across multiple asset classes.

Looking forward, Galena continues to prospect for suitable resource investments offering strong underlying asset value and the opportunity to apply management and financial capabilities from the wider Group. Galena is regulated by the Swiss Financial Market Supervisory Authority (FINMA) and is carefully monitored by its own dedicated internal compliance department and supported by an external compliance consultant.

Terrafame

In February 2017, Galena Private Equity announced a 15.5 per cent. stake in Terrafame, a Finnish nickel, cobalt and zinc miner, via a EUR 75 million investment and a EUR 75 million trade finance loan. The operation has a large mineral resource of almost 2 billion tonnes, and mine life based on reserves of approximately 20 years. As part of the transaction, Galena took 2 out of 7 board seats for greater oversight and performance management, while the Group was granted the offtake of 100 per cent. of nickel precipitates and 80 per cent. of zinc precipitates produced over the next seven years. In November 2017, Galena increased its stake in Terrafame to 28.7 per cent. via a USD 100 million equity investment and additional funding package was announced to support the investment in a processing plant that will produce nickel and cobalt sulphate for use in electric batteries. This second investment was channelled through a USD 225 million special purpose vehicle, separate from the Private Equity Resources Fund. The ramp-up of production at Terrafame proceeded according to plan in 2018 and a feasibility study was concluded on the nickel sulphate plant. Also, at the time, the Group and Terrafame agreed to extend the offtake agreement concerning the zinc sulphide precipitates to 2027 and negotiated new commercial arrangements for future nickel and cobalt sulphate products. In 2019, metals production reached budget levels and the construction of the nickel and cobalt sulphate production unit started according to plan with a target delivery in 2021.

The Group's Capital Expenditure and Long-Term Equity Investment Programme

The Group's capital expenditure and long-term equity investment programme ("**Capex**") is mostly related to infrastructure projects within the Group’s industrial asset divisions (i.e. Impala Terminals, the Mining Group and, starting in 2019, Nyrstar), but also, more recently, increasingly in the form of joint ventures and partnerships including some that are specifically related to the development of the trading business. The Group’s Capex is largely of a discretionary nature, providing visibility on the Group’s liquidity requirements.

The Group has invested significant resources to develop its physical assets portfolio over the years. The Group’s strong performance and solid track record have helped open up new opportunities that might not be available to an entity of a smaller size or with a shorter track record. The assets often contribute not only on a standalone basis to the Group’s earning potential, but also offer important synergies with the Group’s trading activities, creating opportunities that support business development. These divisions, enable the Group is able to generate stable and recurring revenues irrespective of prevailing market conditions.

The Group’s Capex is executed and monitored in accordance with four core principles:

- A favourable assessment of the standalone profitability of each investment, meeting internal return on investment hurdles;
- Beyond a baseline of maintenance capital expenditure, certain other elements of planned capital expenditure are flexible and could be deferred if necessary in order to smooth the Group’s liquidity requirements. This is particularly true for investments made over several phases and expansionary capital expenditure which can be considered discretionary and uncommitted;
- Over time, Capex has a positive impact on the EBITDA of the Group’s industrial businesses resulting from productivity gains, increased volumes and synergies. The speed at which Capex is expected to turn into cash flows is also an important consideration; and
- Maintaining the Group’s credit standing with unsecured lenders is achieved by building value in the long run and managing the Group’s business and financial profile in a manner consistent with that of an investment grade company. There is management oversight over the Group’s Capex plan, ensuring that the impact of such spending would not compromise the compliance with the company’s financial covenants.

Investments in fixed assets and equity investments can be monetised and generate liquidity for the Group. The Group has demonstrated over the years its ability to make divestments. For instance, this has included the sale of (i) mining assets (Volcan, Anvil, Tiger, CMC and 50 per cent. of MATSA), (ii) equity investments (Corpus Christi Holdings, Chinalco Mining, Mexican Tuxpan pipeline), (iii) portions of its stake in Puma Energy in 2011 and 2013 to existing minority stakeholders and (iv) some of Impala Terminals’ logistics assets to a newly formed joint venture (Simba JV). These sales have generated substantial cash flows and profits for the Group and validate the Group’s strategy of investing in industrial and logistical assets to support its trading business and generate new revenue streams. The transactions also demonstrate the Group's rigorous approach to managing its portfolio of asset investments, using capital in a disciplined manner and releasing value when the opportunity arises to recycle capital into new projects with a view to creating further profitable growth.

In the financial year 2016, the Group reached the end of an intensive cycle of investment in industrial and logistical assets and accordingly booked a reduced level of Capex. The Group's Capex (net of divestments) amounted to USD 285 million in the financial year 2019, and USD 95 million and USD 412 million in the financial year 2018 and the financial year 2017, respectively – in each case, well within the stated budget of USD 500 million. The Group expects Capex to continue at or around this level in the near future. The Group will continue to invest in assets that offer opportunities, where appropriate, firstly in the form of joint ventures and partnerships. Indeed, the Group seeks to expand its business and trading flows with a more partnership oriented growth model, as opposed to the full asset ownership model that had been pursued in the past.

Similar to 2018, property, plant and equipment ***("PPE")*** expenditures were limited in 2019, with main items being the purchase of scrubbers and shipping equipment at a cost of USD 28 million, the construction in progress of a splitter unit (USD 32 million) and a new storage facility (USD 18 million) in Mexico, and the construction in progress of a new terminal facility in North America at a cost of USD 12 million. The significant increase in PPE over the year (USD 1.96 billion) related to the acquisition of 98 per cent. of the operating business of Nyrstar in July 2019 following a financial restructuring agreement with the company's creditors and bondholders. In relation to this transaction, the Group also recognised a limited goodwill of USD 42 million in its intangible assets, which comprises the value of expected synergies arising from the acquisition.

Additions to equity-accounted investees were also limited during the financial year 2019, amounting to USD 86 million and consisting mainly of additional investments in Nayara Energy (USD 42 million) and an additional capital contribution in PSB (USD 9 million). Finally, the increase in 'Other investments' mostly relates to (i) the investment in Frontline shares of (USD 126 million) and Scorpio shares (USD 163 million), and subsequent fair value revaluation of USD 29 million – following the sale of 29 oil tankers to these companies – and (ii) investments in Galena Multi Strategy fund and Galena Private Equity Resources Investment fund for a total of USD 101 million.

Industry Overview

Sections below "Oil Market" and "Metals and Minerals Market" provide an industry overview, for both Oil and Metals and Minerals, respectively, until 2019 calendar year-end. Please refer to the below "Recent Update" section for some additional comments on recent market developments.

Recent Update

The onset of the COVID-19 pandemic in the first two months of 2020 created a global economic and financial shock the like of which had not been seen in nearly one hundred years. The resulting dislocations of economic activity and trade were a severe test for global commodity markets. For the Group, these dislocations were an opportunity to demonstrate the relevance and resilience of its services to clients, and its capacity to help balance commodities supply and demand.

The pandemic, government measures to curb its spread and the consequent sharp reduction in global economic activity impacted almost all the commodities the Group trades - either on the supply side, the demand side or, in most cases, a combination of the two. In the oil market, we saw, for a time, prices and curves moving from backwardation (where forward prices are lower than spot prices) to contango (the reverse) and back again. Volatility broke all records.

Physical commodity trading firms are structured to deal with volatile conditions. The role of commodity traders is to address and rectify disconnects between supply and demand in global commodities markets, and the past few months have seen the largest-ever disconnect in the oil market, as a glut in supply collided with a drastic drop in demand. Those firms that operate on a global scale, with access to infrastructure, ample credit and a broad network of counterparties, were able to stabilise the market by storing various commodities, and then working to bring those inventories back into the market as demand has picked up.

Volatile conditions have continued, and although China and large parts of Europe appear to have been successful in bringing Covid-19 cases under relative control, the rest of the world is still in the grips of a global pandemic. Major markets are at ever-increasing risk from the spread of the virus, on both the demand and supply sides. As of the date of this Base Prospectus, the problem appears particularly acute in Brazil, Chile and other parts of Latin America, threatening mine closures and supply chain disruptions on the metals side. India also remains very much in the throes of worsening case growth and hospitalisation rates. Further, new cases have grown in the United States and states are having to pause or even rollback their re-openings, which is dampening enthusiasm for a rapid economic recovery.

Oil Markets

The oil market has experienced a change of fortunes that is truly extraordinary. In calendar 2019, average crude oil prices were USD 64.15 per barrel (Brent) and USD 57.04 per barrel (WTI), about 10 per cent. below their averages for 2018. But the market expected a somewhat stronger 2020 on the back of the apparent truce in the US-China trade conflict, OPEC+ production cuts and other relatively positive news. Instead, prices in May/June were about 50 per cent. below 2019 levels and until then the year-to-date average was about USD 20 below expectations.

The market started to be affected as China began exhibiting signs of a new viral pandemic gripping the country. A week after the city of Wuhan went into lockdown on 23 January 2020, prices had fallen 15 per cent. from their pre-quarantine peak. Chinese refining runs dropped by approximately 3.5 million barrels per day, close to 25 per cent. By mid-February, as cases proliferated in South Korea, Iran and Italy, fears grew over global demand and prices dropped again by 20 per cent. in a week. Prices continued to decrease when Saudi Arabia, Russia and other members of OPEC+ abandoned production quotas and embarked on a battle for market share. The day after that decision, prices saw their second-largest one day drop ever with prices falling by almost a third at the market open.

The advent of quarantines and lockdowns in Europe and the US then took an unprecedented hammer to demand. Normally in a crisis it is a slowdown in economic activity that creates a drag on oil demand; this time, oil demand was hit first, as movement literally came to a halt. Demand for jet fuel suffered especially, with 80 per cent. or more of the market disappearing virtually overnight as airlines grounded their fleets. Gasoline use also collapsed in many areas. The US, which accounts for approximately one-third of global gasoline demand, saw demand fall by 45 per cent., approximately 4.5 million barrels per day. Diesel use did not fall by quite as much but was also clearly impacted by the drop in trade and manufacturing, with global demand off by 25-30 per cent.

As excess production met collapsing demand, storage began filling up at previously unimagined rates and market players started booking oil tankers to hold unwanted barrels. So-called floating storage is significantly more expensive than holding oil onshore and is economically unviable in all but the most extreme circumstances. Remarkably, on this occasion, floating storage was activated well before onshore storage tanks were actually full. Rather, they were "virtually full" in that the space had already been booked and was not accessible to new players. The result was the previously unthinkable emergence of negative crude prices. While the fall below zero and the consequent rapid curtailment of production occurred after our fiscal six-month period closed, the conditions were already building at the end of March.

Since the close of the first half of calendar 2020, the Group has seen an historic pact between OPEC+ (OPEC, Russia, Kazakhstan and some other smaller producers) and G20 members including Norway, Brazil and Mexico, which slashed production by at least 10 mbpd, in an attempt to bring balance back to an oil market that was oversupplied by a record amount. Those production cuts, along with a rebound in demand as economies re-opened, have led to oil prices effectively doubling from 31 March 2020, moving from USD 22.7/barrel to a high of USD 43.3/bbl in early July.

However, along the way, the Group experienced something wholly unknown in modern oil markets: negative prices for a major global benchmark. As a result of the unprecedented mismatch between demand and supply, with the former falling precipitously as shutdowns and quarantines took effect, and the latter continued at historically high levels until the OPEC+ and G20 deal, storage began to fill up at a rapid rate. However, even before physical storage reached capacity, market players began to secure all available storage in anticipation of the wave of excess oil that was making its inexorable way through the supply chain. This race for storage space extended not only to onshore tanks but also to ships, as tankers were turned into floating storage. As such, it appeared that tanks at Cushing, the delivery point for physical settlement of WTI crude barrels, were full, meaning that any further barrels brought in would have no home and would need to be moved elsewhere. That is indeed what happened, as the low price print of -USD37.6/bbl yielded economics that made it feasible for physical traders, including the Group, to move the excess crude away from Cushing via a range of means (e.g. rail, truck or pipeline).

Three months of supply curtailments, by not only the OPEC+/G20 group, but also US and Canadian producers have helped stem the flow on one side of the equation, pushing prices significantly higher. However, the key risk remains demand, as the unfolding second wave of shutdowns in the US (noting that the country seems to have never exited the first wave of the virus) and the ongoing issues in ex-China Emerging Markets mean that the demand recovery can already be seen faltering. This is not due so much to official government restrictions, but rather self-quarantining by people concerned about exposure. We can see this in high-frequency data including restaurant bookings, retail foot traffic and road congestion. It is too early to tell whether this will lead to a repeat of widespread shutdowns and therefore a hard stop on transportation in key economies, including the largest oil consumer in the world, but such a scenario is rising in probability. If it comes to pass, we should expect to see a return to the price levels seen in April (although not into negative territory) and also of the volatility experienced earlier as well.

Metals Markets

Metals markets followed a different path, but were also heavily affected, not least because China consumes about 50 per cent. of most major metals, and in some cases much more. In the oil market, by contrast, China accounts for less than 15 percent of global demand. A major slowdown in China has an outsize impact on metals demand, so metals prices reacted earlier than oil. Similarly, as China started to emerge from COVID-19 quarantine much sooner than other regions, prices rebounded relatively quickly. One of the key themes in metals markets has been that the supply side has been impacted as much as the demand side, and more in some cases. This duality has helped balance these markets much more quickly than oil markets.

Copper had a particularly volatile ride. As the virus spread in China, prices plummeted by almost USD 1,000 per tonne in two weeks (13 per cent.). The closure of auto plants and other manufacturing facilities was a problem, but there were issues on the supply side as well. Given the restrictions on movement, smelters were unable to move the sulphuric acid that is a by-product of smelting. At the same time, copper mines were hit hard by the virus, particularly in Latin America, with about four million tonnes per annum of production capacity offline at the end of March.

As demand picked up with a resumption of Chinese economic activity, inventories were drawn down. By the end of March, prices had rebounded by more than seven per cent. to just below USD 5,000 per tonne. This more positive outlook looks set to continue, with demand outpacing supply, especially given the major stimulus programmes being rolled out across the globe, including infrastructure, grid buildout, 5G rollout and electric vehicles. One major risk to this positive outlook for copper and the other metals is the possible resurgence of trade issues between the US and China.

Metals markets have not been quite as volatile since the end of the first half of 2020; in fact, they have generally been on a steady march upwards. This is in no small part due to the fact that China has recovered quite well from the effects of the virus, helped along by significant monetary and fiscal support from the government. The resurgence of construction and real estate sales, accompanied by strong household appliance demand and recovering auto sales, has meant that demand for key industrial metals has been relatively strong, at least in China. Outside of China, the transportation sector has been weak, particularly in the US and to a lesser extent Europe. However, new stimulus measures supporting increased electrification and a concomitant building out of the grid, a broad based push to increase electrical vehicle adoption, 5G network rollout, housing redevelopment to improve efficiency and other myriad measures have seen copper in particular see very strong demand, with zinc following not too far behind. Copper and zinc have also seen significant supply side curtailments, but unlike the oil markets, these have not generally been voluntary, but rather the result of Covid-19 clusters appearing in key mines. Aluminium and nickel, on the other hand, have seen significant demand weakness in both the transportation (aluminium) and consumer (nickel) sectors, but also no supply side disruptions of note, and as a result remain potentially oversupplied.

Overall, the unprecedented monetary measures that central banks globally have enacted during this crisis have helped keep a floor under risk assets and thus boosted global outlooks, but now we move into an uncertain period, similar to the one we saw during the depths of the pandemic. As such, those firms that can help address historic market dislocations, can bridge unprecedented supply-demand gaps, and can mobilize financial heft and logistics infrastructure, both with alacrity and on a global scale, will be well placed in these times.

Oil Market

Crude Oil

Crude oil is a major commodity, traded on the international markets. There are numerous derivative products obtained from the processing of crude oil in refineries. These refined products are usable and tradable too. Such refined products from crude oil refining include naphtha, gasoline, distillates, fuel oil and bitumen. Gasoline and distillates are the most widely traded refined products, in terms of volumes traded.

The physical global supply and demand of crude oil determine its long-term price, like all commodities. However, given crude oil's role as one of the world's key economic drivers, its short-term price can become especially volatile due to geopolitical events, financial positioning, macro-economic developments and regulatory changes. These events can quickly shift the short-term supply and demand fundamentals or stroke fear into them causing a sharp price response.

The physical supply of crude oil is born from exploration and production projects that are executed by national energy companies, like Saudi Aramco, or private enterprise, which can be independent or integrated energy companies, like British Petroleum (BP). Oil producing nations are often differentiated as being part of the Organisation of the Petroleum Exporting Countries (OPEC) or not (non-OPEC). In 2018, OPEC countries held approximately 72 per cent. of the world's proven oil reserves, but they only accounted for around 42 per cent. of the world's oil production and possessed less than 15 per cent. of the refining capacity.

Although there is no consolidated data available regarding total volumes handled by traders, the Group's market experience approximates that between 50 to 60 mbpd are 'freely' traded, which equates to about half of the total market. These are volumes that the Group considers to be on the 'tradable market', or volumes that are not handled by producers directly to consumers. The tradable market holds significant opportunities for companies engaged in the physical trading of oil, such as the Group, Vitol and Glencore. Over the financial year 2019, the Group traded an average of 6.1 mbpd of physical oil, which equates to c. 7-10% of the market share of these tradable barrels.

There exists hundreds of different varieties or "grades" of crude oil, which are valued differently by refiners due to their chemical compositions and yields of refined products from the refining process. The pricing of the many varieties of crude oil amongst buyers and sellers is done on the basis premiums or discounts to a much smaller number of "benchmark" crude oils. Benchmark crude oils include Brent , Dubai, and West Texas Intermediate ("**WTI**"). Brent crude is estimated to price two thirds of internationally traded crude oil supplies, which is why a major international event is typically reflected in the price of Brent futures in the short-term. Dubai crude is used as a benchmark to price crude oils sold from the Arab Gulf into Asia. WTI is the benchmark for sales into the United States and is often compared to the price of Brent as a price differential. Most recently, the Shanghai crude futures were introduced to represent an Asian benchmark. OPEC produces its own benchmark price based on a basket of members' crudes as well as Mexico's Isthmus crude.

The vast majority of crude oil is refined into various fuel products, and a small fraction is used to produce chemicals, which are the basis for the petrochemical industry, which includes plastics, pharmaceuticals and cosmetics.

Oil Products

Global oil refined products ("**liquids**") demand growth generally trends with global economic growth given its role in the industrial, construction, and transportation sectors. Looking at the past twenty years, this trend has mainly been upwards except for the years of 2008 and 2009 when consumption of energy fell because of the global economic recession. Even then, the upward trend quickly resumed in the years that followed those two years of liquids demand contraction. A sizeable boost to oil liquids demand occurred in the years that followed 2015 as lower priced motor fuels benefited consumers in the OECD countries, plus China and India. This was a result of a sharp fall in the price of crude oil that began in late

2014, which trickled down to the prices of refined products, particularly gasoline and diesel. Since the lows in early 2016, a slow rise in oil price has occurred, but refined product demand growth continued while the world witnessed robust in-sync economic growth in 2016 and 2017 headlined by OECD countries. However, as central banks responded to economic strength with higher interest rates and oil prices climbed higher on tighter supply and demand balances, fears of refined product demand erosion started to arrive in 2018. The addition of a trade war narrative between the United States and China escalated the fears of economic decline quicker than originally surmised by the market. Now, the ripples of weakness throughout the global economy continue, which are amplified by the trade war currently in stalemate between the United States and China.

The response of oil liquids growth from global GDP growth has weakened, reflecting the increased use of alternative fuel types and improved efficiency. Oil liquids consumption increased by approximately 1.4 per cent. (compounded annually) since 2004, compared with a Purchasing Power Parity weighted increase in global GDP of 5.9 per cent. Over recent years, a 1 per cent. increase in global GDP has resulted in oil liquids consumption increase of approximately 200,000 barrels per day. Growth for oil liquids demand is now concentrated in non-OECD countries, where the growth and market share has overtaken OECD countries and will continue to do so.

Refining Capacity and Other Fundamental Factors

A clear view on refining capacity helps to shape the forward view on crude oil demand and refined oil products supply. For example, refining capacity becomes a bottleneck when crude supply is sufficient, but oil products demand outstrips the production capacity able to supply oil products demand. The historic pattern has been that when demand for refined products increases at a rate greater than additions in refining capacity, refining margins widen to incentivise additional refining capacity growth. Conversely, when additions in refining capacity exceed the growth rate in demand for refined products, refining margins contract to incentivise capacity rationalisation.

Other oil market fundamental factors include environmental seasonality and weather events, which can affect price similar to geopolitical risks given the unpredictability of such events. Cold weather regions experience a boost in demand for heating products. Surprise weather events, like hurricanes, can greatly affect both the production of crude oil and supply of refined products simultaneously, as offshore rigs and refineries need to be "shut in" in the Gulf of Mexico, creating high price volatility.

On a different scale, factors such as the U.S. Strategic Petroleum Reserve increasing or releasing stockpiles can influence the market within the North American region and beyond.

Although the market for producers and refiners is consolidated, the range of consumers is broad and fragmented. Consumers of products vary from automobile users to large petrochemical companies, which transform crude and refined products into sophisticated derivate such as cosmetics. The oil market is also unique in that the versatility of uses and characteristics of primary refined products allows industrial users to differentiate between their usage of crude and refined products, mainly in terms of price and capacity to produce further refined derivatives.

The Group benefits from this highly volatile price environment by being able to make trading transactions using its arbitrage expertise, geographical reach, storage blending capabilities and freight options. In addition, the use of financial derivatives provides the Group with the means to enhance opportunities in the market while hedging against outright price risk.

Crude Oil Price Analysis

Crude oil prices had been relatively stable in percentage terms from 2012 to the first half of 2014. However, a notable decline ensued in the second half of 2014. Brent fell from USD 115/bbl in June to around USD 55/bbl in December. Offline production in Libya and Iran masked rapid production growth in North America and other regional gains for some time. However, it was Libya increasing its exports in late 2014, in combination with the OPEC's uncharacteristic decision in late November to not limit production, which kicked off the rapid sell-off.

Prices recovered some 25 per cent. from early February until May 2015. This led to significant forward hedging by producers, which had been able to bring their costs down such that they were profitable at those levels. Producer hedging meant that production that was previously at threat of being turned off was able to keep going, adding supplies to the market, which put significant downward pressure on prices. By December 2015, Brent fell to USD 36.1/bbl, its lowest point in the 7-year period post-financial crisis, following news that OPEC would continue producing at will in order to defend market share and push out higher cost producers such as the US.

The price environment worsened following the removal of sanctions on Iran, which allowed more supply to flow into the market. It was during this period that there was the removal of the ban on US crude oil exports, which would play a major factor later.

In early 2016, the price of Brent crude oil dropped to new lows (of USD 27.88/bbl in late January), levels last seen in November 2003. This price volatility and ensuing fall was detrimental to producers. However, traders such as the Group, can play a vital role in addressing temporary market imbalances by storing surplus commodities and producing a profit in the process.

Since the beginning of 2016, when oil prices fell to the upper USD 20s/bbl range, Brent progressively increased upwards for two years. This was mainly the result of a deal announced between OPEC members and non-OPEC producers in late 2016 to cut 1.7 mbpd of production. The main drivers of this cut were Saudi Arabia, Kuwait, UAE, Iraq, and Russia (non-OPEC). OPEC members Nigeria, Libya, and Iran all increased their volumes during this time, offsetting the principal cutters. It was Venezuela, which deteriorated because of a failing socio-political environment, that tipped the scales as its production fell over 1.5 mbpd in this two-year span.

By mid-2018, when crude healthily recovered to USD 75/bbl, OPEC+ (OPEC plus Russia and others) countries decided to reverse course and increase production. This decision was driven in large part by expectations that U.S. sanctions would reduce Iranian oil exports by an amount that would significantly tighten global supplies if OPEC+ continued with their cut. At first, there was no significant market reaction, but strong rhetoric by the U.S. administration in the lead up to the return of Iranian sanctions spurred a crude oil rally to over USD 85/bbl. The timing of this rally coincided unfavourably with the U.S. midterm elections to occur in early November 2018 as gasoline prices rose to multi year highs. It was at this peak price that global refinery turnarounds and trade war fears weighed on crude oil demand. On the supply side, OPEC+ produced and exported crude oil quantities not seen since December 2016, while US reached record production of over 11 mbpd. Crude oil price fell 40% in two months (from October to December) to USD 50.8/bbl as crude oil stocks continuously built during this period and technical trading exacerbated the downward move. In 2018, the U.S. Permian Basin alone saw growth of 1.2 mbpd in 2018, meaning that if it were a standalone country, it would be the world's eighth largest producer.

The extreme price sell-off forced OPEC+ to revisit their strategy in December 2018 and agreed once again to cut oil production by 1.2 mbpd. This strategy helped crude oil gently climb back to a high of USD 72.8/bbl in mid-April. However, fears of economic concerns from the effects of the US and China trade war quickly sent crude oil back below USD 60/bbl in mid-2019. Nevertheless, this price reaction was relatively dull for such geopolitically significant events. It became evident that the robust US production growth, in addition to a breakdown in talks between the US and China over a trade deal would dominate price action through the summer of 2019 to a range of about USD 60/bbl.

However, on 14 September 2019, the 7 million barrel per day oil processing facility in Abqaiq, Saudi Arabia was attacked by drone, essentially shutting off c. 7% of global oil production. Oil price briefly spiked 20%, or nearly USD 11/bbl, at market open marking its biggest jump in 28 years' time before settling 10% higher, or USD 6/bbl, at around USD 66/bbl. It was a significant moment for Saudi Aramco as it was in the process of its launching the company's IPO and the world watched as it quickly handled the situation given the magnitude of the event shifting physical crude oil cargoes and restarting production in just weeks' time. Crude within a month's time fell back to levels before the event took place as the main themes of trade war and US production growth hampered a constructive flat price view, knocking it back below USD 60/bbl again. As the year of 2019 closed, the US and China trade talks took a positive turn with an announcement of a Phase 1 deal and crude oil traded back to around USD 65/bbl.

Shale Revolution Gas Side Effects and Opportunities

In addition to crude oil, increased US shale gas production has had an obvious effect on natural gas market development. In previous years, the natural gas market had been regionally isolated as global transportation of gas proved both difficult and expensive. However, the natural gas production boom from shale exploration has spurred recent infrastructure developments, quickly making the economics of global liquefied natural gas (LNG) trading increasingly attractive. The Group is well placed as the second largest physical global LNG trader in the world to take advantage of these opportunities as the US and other producing nations use their large reserves of shale gas to produce more liquefied products for export purposes.

As one of the main structural changes over the past decade, increased natural gas production has garnered greater attention as an alternative fuel source to coal for supplementing world energy demands. The Group continues to believe coal is likely to remain essential to worldwide energy consumption for the next decade. This is especially driven by the fact that drilling costs and associated capital expenditures for shale gas wells in China, the world's largest coal consumer, are too high to justify a quick move away from coal.

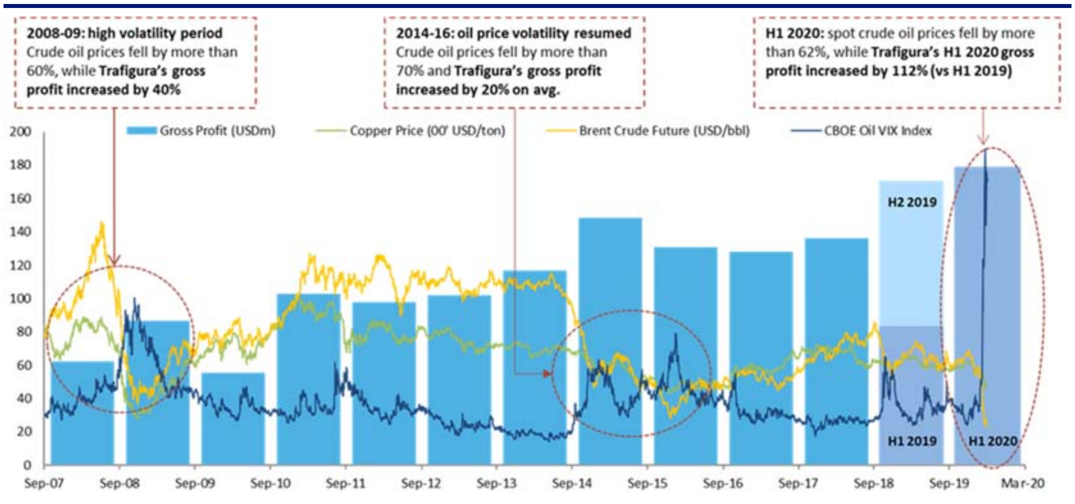
These developments suggest energy based commodity markets will remain dynamic going in the near future.

Analysis of the Impact of Declining Oil Prices on the Group

From September 2014 to September 2017, oil prices have declined by around 40 per cent. and there were points in 2015 when the scale of the fall was even greater. When oil prices hit a trough, history has shown that the energy industry's response is a flurry of mergers and acquisitions. Price crashes in the early 1980s and late 1990s sparked a wave of deal-making that reshaped the industry. A decline in the mid-2000s led the majors to pick up smaller producing companies. Previous consolidations took place after a prolonged slump in crude prices and often during a period of weak energy-stock market valuations. Bear in mind that the Group is not active in oil exploration and production.

Historically, declines in commodity prices have had almost no adverse effect on the way the Group conducts its day-to-day business. The Group hedges the risk embedded in its physical trade flows, therefore, commodity price decreases have no impact on the company's profitability. In fact, the Group's business model benefits from volatility in commodities markets. The Group has stabilised, if not slightly grown, its traded oil and petroleum volumes since the financial year 2018, and generally delivered strong profit performances during volatile periods. This has been clearly demonstrated since the Group's inception, in particular through historic oil price crashes, 2008-09, 2014-15 and the first half of 2020, as shown in the chart below. Indeed, at times like these, the Group's expertise to solve disconnects in global markets between supply and demand become more relevant than ever.

RESILIENCE IN A VOLATILE COMMODITY MARKET



Source:

- Company information: Gross profit figures exclude Puma gross profit for all years

- Public market data (Bloomberg): Brent – Generic 1st Crude Oil future ('CO1 Comdty') // Copper – LME cash price ('LMCADY Comdty') // CBOE Crude Oil ETF Volatility Index ('OVX Index') measures

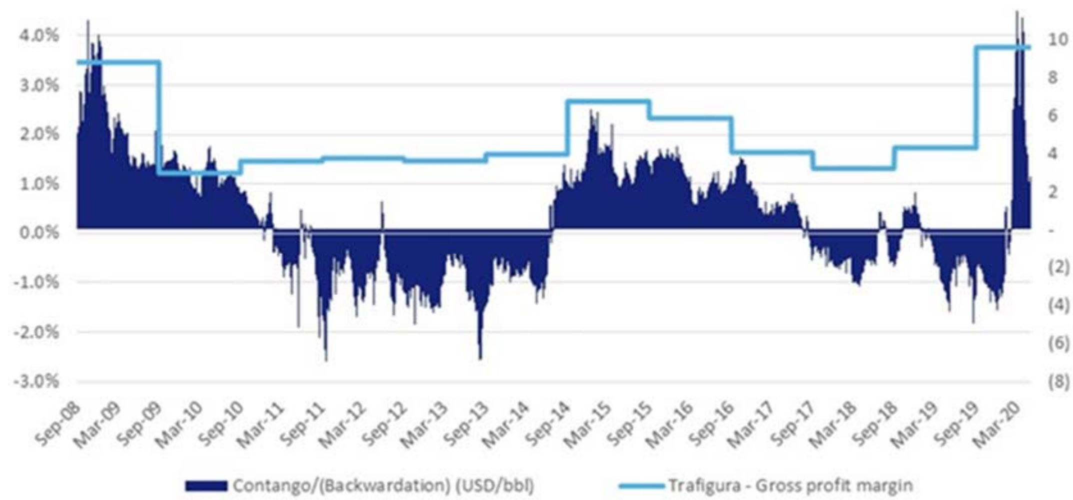
market's expectation of 30-day volatility of crude oil prices by applying the VIX® methodology to United States Oil Fund (USO) options spanning a wide range of strike price

Note: Only the first half of 2020 gross profit is included compared to previous annual totals; noting that gross profit for the first half of 2020 includes the impact of IFRS 16 amounting to +USD 481 million

The Impact of Contango and Backwardation

In a contango market, where forward prices are higher than current spot prices, the Group is able to buy and place cargoes in storage whilst selling the equivalent forward contract. As long as the cost of the transaction, which includes storage, insurance and financing, does not exceed the price differential between the forward and spot rates, the Group is able to lock in profit with very little risk. In 2018 and 2019, primarily driven by falling inventories and increased producer hedging activity, we have seen the global oil market forced into backwardation, i.e. when futures prices fall below the current spot price. In the scenario when a switch from contango to backwardation occurs, commodity traders often experience an impact on profit margins, as it takes time to unwind storage positions that had been attractive when forward prices were higher than spot. The below chart demonstrates the impact that the move from contango to backwardation, and vice versa, has had on the Group's gross profit margins over the last ten years.

THE IMPACT OF CONTANGO AND BACKWARDATION



Source: Public Market Data, Contango / (Backwardation) graph is calculated by subtracting CO1 (Generic 1st 'CO' Brent Future) from CO6 (Generic 6th 'CO' Brent Future). Gross profit figures exclude Puma Energy gross profit for all years

Metals and Minerals Market

Market Developments

Industrial metal prices have historically been volatile, reflecting the swings in the global economic cycle, often exacerbated by stocking and destocking cycles, supply-side changes and inflows and outflows of short-term and long-term speculative and investment flows. The key driver, however, remains the economic cycle and price movements which in recent years have reflected changes in both expectations and outturn growth.

Prices in the metals markets have seen similar levels of volatility to those seen in the oil markets, although metals have generally been slower than oil to react to weakness in China, the world's largest commodity market. From early 2015 until mid-year 2016, prices moved downward quite substantially before experiencing a surge similar to oil prices during 2017. As with oil, capacity has been ramping-up in recent years in the expectations of strong demand from China, only for that capacity to come on just as demand slowed. However, unlike in the oil market, metals producers reacted quickly to the lower price environment by announcing supply cuts in key metals. This has helped keep a floor under prices. As with oil, demand growth will have to do its part to help rebalance the market.

In 2018, global economic growth generally maintained its momentum, underpinning a decent year in terms of commodity demand growth. Despite rising interest rates, emerging market turmoil, geopolitical issues, a stronger US dollar and higher commodity prices, growth was above historic averages and was broad based across geographies and product types alike.

Growth in 2019 however was a different matter, as it was markedly less strong across commodities. The headwinds from the trade war between the US and China as well as lingering after-effects from the US Federal Reserve's tightening cycle over the previous years meant that demand globally slowed considerably. Global trade contracted for the first time since the 2008 global financial crisis, and vehicle sales, a significant contributor to demand across numerous commodities, fell sharply in every major market. Heading into 2020, the ceasefire in the trade war and the rolling back of some tariffs, combined with much looser monetary conditions globally in the form of low (or even negative in some places) rates means that demand should be stronger relative to last year.

Aluminium

LME 3 month forward aluminium prices fell rapidly towards the end of 2014, breaking through their average for the year of less than USD 1,900 per metric tonne (USD/MT) and continued to fall in 2015, reaching its lowest point in November below USD 1,450/MT, with the exception of a brief spike in May 2015 towards USD 2,000/MT. Prices stayed low in the early part of 2016, before beginning a sustained upward rally mid-year, along with the rest of the commodities complex. Prices averaged just under USD 2,000/MT in 2017, but saw a sharp rally in early 2018 to over USD 2500/MT as the result of sanctions being placed on Rusal in April 2018, one of the largest producers of aluminium in the world. Prices then steadily headed downward, trading below USD 2000/MT by the end of 2018 and reaching a low point around USD 1,700/MT during H2 2019.

In June 2014, market reacted strongly to the revelations of fraudulent metals practices at the Qingdao port, since China accounts for over 40 per cent. of primary aluminium consumption globally. The direct effect on the Group was not material, but market participants added additional processes and safeguards in place for their aluminium trading within China. In response to these issues across the aluminium market, including extended queues at some LME warehouses, the LME established new warehousing rules at the beginning of 2015. These rules have changed the market dynamics by subjecting warehouses with queues of over 50 days to strict load-in-load-out requirements, causing premiums to fall rapidly and sharply across the board.

New uses for aluminium, including in transportation and in high-voltage electricity grids, have meant that demand both inside and outside of China has been rising steadily, outperforming other base metals in 2015. Similarly in 2016, stronger vehicles sales in the US and Europe in particular contributed to this rising demand as companies such as Ford move their most popular models to aluminium-based designs.

China, however, moved from being the world's largest importer to being a growing exporter, as low-cost capacity built during the boom years continues to come online and add to global supplies, reversing the dynamic of the last decade to some extent. The shift left the market as a whole in surplus, which combined with significantly lower energy prices, brought prices down to the lowest levels since the global financial crisis. China began reducing aluminium capacity in late 2017, both in response to over-capacity concerns and also to target the atmospheric emissions from the sectors. The result was that the aluminium market began to tighten for the first time in many years, providing a floor for prices in 2018 and beyond.

The much anticipated environmental closures over the winter of 2017/2018 turned out to have very muted impact on overall production, resulting in a sell-off and a widening of the Chinese export arbitrage, as a solution was sought for winding down the large stock pile of metal built up in the country. Further disruption followed, with the US applying tariffs on the import of aluminium from March 2018, which sent US premiums soaring, and later applying sanctions on the largest shareholder of Russian smelting giant Rusal, which potentially could have left a significant gap in global supply.

Volatility came from raw materials as well, with the world's largest alumina refinery in Brazil having to curtail output following an environmental incident. While this put upward pressure on alumina prices, the raw material cost increase did not fully pass through to smelters, leading to margin contraction. This was felt in China in particular, where curtailed output finally allowed stocks to draw back towards more normalised levels.

Global demand for aluminium contracted in 2019, the first time in ten years this has happened. Weak demand from the automotive sector was primarily to blame, as car sales were weak in both China and Europe over the year. In the preceding several years, the automotive industry had been the largest contributor of demand growth in the aluminium industry. In 2020, car sales are expected to improve and aluminium demand in transport is expected to rise.

Looking forward, aluminium continues to see increased use in vehicle light-weighting and in transmission grid build-outs. Unusually, aluminium growth is beginning to be driven more by demand outside China rather than in it, providing a solid base for future growth.

Copper

In 2015, the copper price averaged approximately USD 5,500/MT, just less than 20 per cent. below its previous year average of approximately USD 6,830/MT. The year 2016 saw two distinct phases, with prices remaining around USD 4,700/MT for most of the year, before jumping up to average USD 5,600/MT after the US presidential election.

The steep change upward in prices hinged on hopes for increased infrastructure stimulus from the Trump administration. However, against the backdrop that the last few years had been a situation of oversupply due to increased production and the decline in Chinese demand growth rates, prices declined following the disappointment of the scale of the Trump administration stimulus.

The structural changes that China is experiencing as it moves from an investment-led model to a more consumer-based economy saw copper demand stagnate for most of 2015 in the world's biggest consumer of the metal. Electricity grid build-out in particular was much lower than expected in 2015, due in no small part to an ongoing corruption crackdown that appears to have stymied decision making. Furthermore, as the pace of China's urbanisation slows from breakneck to merely rapid, real estate activity slowed as well, leading to less demand for copper in housing. Over the medium term, the excess housing inventory in China should be absorbed, as workers continue to move from the countryside into cities. As inventories drop, construction activity should begin to pick up.

However, against this backdrop of structural slowing, the Chinese authorities put an unprecedented infusion of liquidity into the economy in 2016, amounting to over USD 3 trillion, with USD 1 trillion coming in the first quarter of 2016 alone. Economic activity was thus given a sharp stimulus. Industrial production, real estate activity and infrastructure development all rebounded sharply after the slumps in late 2014 and across 2015. The government then kept liquidity conditions loose throughout 2016 and 2017, allowing economic activity to rebound across the board, boosting demand for copper and other industrial materials.

Suppliers responded to the low price environment by announcing supply cutbacks and project delays which they hope will see them through to a more balanced market. Glencore in particular announced major cuts at the time, totalling some 400,000 MT, but others including Freeport McMoRan and First Quantum, followed suit as well. These cuts, combined with a general rebound in commodity prices due to the proposed infrastructure plan from the Trump administration, meant copper prices rebounded to trade above USD 6,000/MT in 2017. Copper demand in 2017 was mostly boosted by the recovery in Chinese real estate and by an accelerated build-out of the Chinese electricity grid.

Copper then started the 2018 fiscal year strongly, with prices rising to a high of USD 7,200/MT, a level not seen since 2014. The prices then dipped below USD 6,000/MT for a short time before recovering to between USD 6,200/MT and USD 6,400/MT. In 2018, despite concerns about slowing macro-economic trends demand remained healthy and import of cathode were strong. In June 2018, sentiment shifted as concern over the economic slowdown and the impact of deteriorating trade relations with the US led to broad sell-off in commodities.

Mine supply appeared to be tightening for most of 2018, with spot treatment and refining charges dropping to five-year lows in April. However, unexpected smelter outages and generally stronger mine supply led to the market softening into the summer months. On the mining side, expected disruptions due to labour disputes failed to materialise, allowing the concentrates side to stay fairly well supplied and mitigating some of the upside price risk.

In 2019, copper was driven by the trade war narrative, as prices rose from USD 5,700/MT at the start of the year to a high of just under USD 6,600/MT on the expectation of a possible Chinese stimulus effort to combat the trade war. However, the stimulus did not materialize, and instead the trade war escalated beginning in May. As a result, demand concerns came to the fore, and copper prices fell, reaching a low of around USD 5,600/MT in September. Prices began to recover along with the prospects for a deal on the trade war front, and the temporary resolution reached in December has pushed prices back towards USD 6,300/MT as expectations for more positive demand growth and likely tighter supply are painting a tighter market picture.

Lead

Lead finished 2014 at average yearly low of approximately USD 1,860/MT after peaking at USD 2,300/MT in July. Prices in 2015 averaged just under USD 1,800/MT, before seeing a steady upward climb to average USD 1,900/MT in 2016. In 2017, average price for lead has been above USD 2,200/MT. The main driver for the price rises was a reduction of primary production in China due to a combination of tight concentrates and environmental pressures. Meanwhile, local demand had grown by 2 per cent., primarily from the battery replacement sector. However, moving into 2018, LME prices eased from USD 2,590/MT in January to around USD 2,000/MT in September. In 2019, lead prices started and finished the year around USD 2,000/MT, reflecting a relatively balanced market.

In lead concentrates, the market transitioned from a tighter supply scenario in 2014 to a more balanced condition throughout 2015. The transition came as a result of the closure of the La Oroya smelter in Peru, which reduced competition for concentrate demand. In 2015, the lead concentrates market was impacted by the Chinese economic slowdown. After two years of stagnation, Chinese demand decreased year-on-year. Since Chinese consumption accounts for up to 70 per cent. of global lead concentrates demand, this led to a softer concentrate market. Similar market conditions to those experienced in 2015 were expected in 2016, with Chinese demand under pressure given financial constraints on consumers and increasing focus on environment impacts. However, lead rallied in 2016 along with other key commodities such as zinc and iron ore, as the expectation for demand growth on the back of a brighter macroeconomic picture boosted price outlooks and that rally continued into 2017 as mine supply constraints tightened the market.

In 2018, lead mine supply showed no sign of recovery after significant decreases in recent years, and the concentrates market remained tight. To add to the pressure, environmental inspections in China targeted secondary lead producers directly. The metal indeed falls within two major categories that face scrutiny from the central government: solid waste and heavy metal. This impacted smelters' ability to produce, while demand has remained strong, driven by replacement battery needs.

In 2019, market began the year with a very low stock base, particularly in China. Despite a relatively balanced market forecast, sporadic periods of tightness throughout the year were expected, particularly through the higher consumption season. As the year progressed, weak global consumption, exacerbated by Chinese vehicle sales that fell in 15 of the 16 months to September 2019, became the dominant factor, offsetting the unexpected supply disruption from the prolonged force majeure at Nyrstar's Port Pirie operation – which caused lead price to almost reach USD 2,300/MT late October. As a result, at year-end, the market remained balanced.

Zinc

The refined zinc market presented a difficult environment for trading in 2018, as supplies of both concentrates and refined metal remained tight for much of the year and refined price was backwardated, after showing strong performance in 2016 and 2017 with prices averaging around USD 2,700/MT. As the market tightened, prices surged to almost USD 3,600/MT in February 2018 but, from then on, supply recovered. By the end of September 2018, prices dropped all the way back to USD 2,500/MT. In 2019, zinc prices followed a similar trajectory as copper prices, rising in the early part of the year to over USD 2,900/MT before slumping on weak demand and trade war-related concerns, and falling down to USD

2,200/MT, the lowest levels since 2016. Unlike copper however, prices are yet to really recover and have continued to trade in a relatively narrow range, in the USD 2,300-2,400/MT level.

Concentrates supply had been constrained for two years as a result of the closure of the Century and Lisheen mines. However, as the year progressed this tightness started to ease as new zinc mine projects came on stream, while smelters within and outside China moved closer to producing at full capacity.

On the demand side, weakness in Chinese construction in 2018, which impacts steel and demand for the iron ore and zinc that go into galvanized steel, also helped to put downward pressure on zinc demand and prices. At the time, the decline in zinc took lead down with it. This weakness continued in 2019, but low stocks globally helped keep a floor under prices so the lows of 2015-2016 were not repeated. While supplies of zinc metal grew in China thanks to capacity additions, declines in production from the rest of the world meant that the supply picture was tighter than it might have otherwise been, helping to keep the market relatively more balanced in the face of weak demand (including in the automotive industry).

Looking ahead, global zinc consumption is estimated by Wood Mackenzie to grow by 4 per cent. in the medium term. The market expects the increased demand to be met by increased Chinese supply as very few new viable pure zinc mines exist and new mining prospects have proven to be highly capital intensive. Smelting capacity is also limited, particularly in the short term, meaning that even though concentrates look to be well supplied, refined metals prices are likely to be strong.

Nickel

After falling by 50 per cent. in 2015, nickel prices proceeded to rally over 40 per cent. after the Philippines announced limits on nickel mining activity. The ban has constrained the market supply, especially in China, of high quality nickel ore with no natural market substitute readily available. As such, LME nickel inventories decreased markedly and prices have endured significant bouts of volatility.

Supply growth in China has been constrained by environmental policy-related restrictions, leaving Indonesia as the main source of new nickel units, almost exclusively in the form of nickel pig iron. Longer-term concerns over the availability of supply were tempered somewhat by the announcement of low-cost, Chinese-led, high pressure acid leach projects. The feasibility of these plans remain uncertain and the speculative community has turned against nickel for now.

In 2018, nickel market saw its third consecutive year of significant deficit, with exchange stocks down by 350,000 tonnes from their peak in the fourth quarter 2015. In 2015, nickel was the hardest hit amongst the non-ferrous metals group over the year. Nickel inventories rose substantially on the back of weak demand, substantial de-stocking of stainless steel and less supply disruption than had been anticipated due to the ban on ore exports from Indonesia, leading to a price correction of closer to 47 per cent.. The lowest point was reached in November 2015, with a price at USD 8,300/MT. At year end, the nickel was priced at USD 8,820/MT. Over 2016 and 2017, stainless steel production recovered, allowing stocks to draw and nickel has traded in a range of USD 9,000/MT to USD 13,000/MT. In 2018, nickel has traded in a range USD 10,750/MT to USD 15,750/MT with the peak price reported in June 2018, prices slipped all the way to USD 10,750/MT. Nickel prices then went on a bit of a wild ride in 2019, rising all the way to USD 18,000/MT in mid-year on the back of supply restrictions imposed by Indonesia, but then falling back to USD 13,000/MT as the impact of the supply restrictions appeared to be less serious than first anticipated.

On the demand side, stainless steel production was strong over the year, although worries about an economic slowdown in China hurt consumption and prices later in the year. Asian stainless steel markets felt the pressure of rising low-cost Indonesian exports more broadly and the further addition of Filipino and Indonesian stainless steel capacity remains a key risk factor.

Battery demand continued to grow at a healthy rate. Electric vehicle production and sales beat consensus expectations yet again, with China leading the increase in adoption rates. The Group expects 2020 to be a pivotal year for nickel. On the one hand, demand for nickel in EVs is not yet having a material impact on the market and supplies are expected to increase. On the other hand, the implementation of Indonesia's ban on nickel ore exports from 2020 will offset any increase, and depleting ore and metal stocks are likely to support the price in expectation of a more robust 2021, when the effect of the strong demand fundamentals will be evident.

Cobalt

After several years of relatively weak demand, cobalt has been one of the best performing mined commodities over 2016 and 2017, with the LME cash price rising by almost 220 per cent. over the period. Traditionally, demand has been subdued due to the elevated price of the product – 50-60 per cent. of global reserves are owned by the DRC (Congo) where the industry is largely driven by small-scale artisanal miners, other than a few larger players. These small miners are typically price-sensitive and, in the past, we have seen them cut supply if prices drop below a certain level. Political instability in the country has also acted as a barrier to entry for global players, with limited investment in infrastructure meaning that margins come under pressure as soon as prices drop. Beyond the Congo market, supply has remained relatively limited as cobalt is typically obtained only as a by-product of nickel and copper-mining activities and cuts to base metals Capex in recent years, in the face of low copper and nickel prices, have had a knock-on impact on cobalt output from this source.

Cobalt prices were less volatile but nonetheless moved substantially, the first part of the 2018 fiscal year, before moving back down in the second half. Essentially, the market moved from concern over impending shortages to realising that short-term production can and had been ramped up, specifically in the Democratic Republic of the Congo. We witnessed a move in the price of cobalt from USD 60,000/MT to USD 95,000/MT between September 2017 and March 2018, and then a retracement from USD 95,000/MT to USD 60,000/MT between March 2018 and September 2018, as a result of higher supply and macroeconomic concerns. Prices are likely come under pressure in the short term as new supply continues to come online. However, in the longer-term, cobalt still looks to be undersupplied given the expected growth in electric vehicles and other uses. As such, prices expected to recover at some point.

Battery demand is crucial in terms of the evolution of global cobalt demand, with cobalt an important element within lithium-ion batteries, traditionally used in mobile phones, laptops, digital cameras etc. Demand from industrial sources and Electric Vehicles ("**EVs**") has been an important catalyst for the recent rise in prices and will be a key driver of demand in the years to come. Batteries remain expensive, and reducing costs is a critical precondition to boost EV sales. Changing metal intensities has been a focus for this, with reducing reliance on the expensive cobalt a particular focus, and many manufacturers are shifting from batteries with a 1:1:1 nickel/manganese/cobalt mix to a mix of 6:2:2 or even 8:1:1. Clearly, the mix of metal loadings will be a key factor in cobalt demand growth going forwards, with nickel, in particular, likely to be the key winner if the industry settles on the 8:1:1 weighting.

For much of 2019, the cobalt market was looking for direction as it worked through the oversupply built up in recent years. Then came news that Glencore is to halt production at its Mutanda cobalt mine in the DRC towards the end of the year. This, together with a decrease in artisanal supplies, triggered a much-needed market correction, further fuelled by a pick-up in cobalt demand in the fourth quarter. The fundamentals for the metal remain extremely strong. Indeed, in 2020, the Group expects demand growth to exceed incremental supply, pushing the recovery of the market and revealing the true need for additional units at a time when the EV growth projection is becoming a reality.

Iron ore

For bulk commodities, where 40-50 per cent. of costs were energy-related at the peak, the collapse in oil prices in late 2014 led to a strong decline in prices. For iron ore, a slowdown in Chinese demand in 2014, along with a 180 MMT supply increase from global suppliers, sent the market on a downward trend. Prices in 2015 came down by over 55 per cent. from 2014 average levels of USD 97/MT, ending 2015 trading around USD 44/MT, which had decreased 68 per cent. against average 2013 levels.

Despite depressed prices, major producers continued their ramp up stages in 2015 in an attempt to cut per tonne production costs and maintain revenue streams. Smaller producers and mines, however, which could not cut costs as easily, were forced to shut down. As a net effect, seaborne iron ore supply seemingly saw almost no growth in 2015. Yet, this masks a battle for market share between Australian and Brazilian suppliers that increased exports by 50 million tonnes in 2015, and a long tail of smaller producers that were displaced.

The year 2016 saw iron ore rally sharply, from under USD 40/MT to nearly USD 70/MT, as traders piled in on hopes that Chinese stimulus measures would boost demand. The election of Donald Trump in November 2016 spurred another leg upwards to over USD 80/MT on renewed optimism for the demand outlook in this market.

Better demand from both within China and externally has led to a sustained increase in volumes traded, although early in 2017 stockpiles began to build up in China as mills slowed activity due to Chinese New Year and also to pollution concerns, leading to a reduction in capacity. During 2017, the price of iron ore fluctuated in a range between USD 90/MT and USD 50/MT, reaching a price of USD 70/MT at the end of September. Against the backdrop of reduced capacity, margins in China look to be robust ahead.

Iron ore saw its usual seasonal ups and downs over the winter of 2017-2018. Prices rose into February 2018 as mills restocked ahead of a spring production ramp-up. Then with restocking complete, prices sank and from there, benchmark prices saw a period of historically low volatility. China's iron ore imports ended up being weaker in 2018. Part of the shortfall was filled by running down stocks of ore that had built up at ports, but 2018 also saw a large increase in the use of scrap steel as a raw material in China. Scrap metal offset is likely to remain a long-term theme in iron ore and steel markets in China. However, with rising consolidation and structurally higher capacity use in the global blast furnace fleet, demand for productive iron ore looks set to remain strong.

In 2019, the iron ore market was heavily influenced by supply side disruptions including the tragic collapse of the tailings dam at Vale's Brumadinho mine in Brazil in January 2019, which significantly reduced Brazilian ore exports in the second quarter and generally created a volatile pricing environment. In April, Brazil exported just 17.6 million tonnes – the lowest monthly total in more than 10 years. Australia was hit by a cyclone, which disrupted supply of ore from Rio Tinto, BHP and FMG. Knock-on effects included a sharp fall in Chinese stocks and a jump in spot prices from USD 75 per tonne in February to USD 120 per tonne in July. The Group expects the iron ore market to return to balance in 2020 as Brazilian supplies normalise.

Coal

Coal followed a trajectory very similar to iron ore, falling throughout 2014 and 2015, before rallying sharply in 2016 and 2017 following Chinese supply reform and global economic recovery. Prices of major seaborne indices for thermal coal range between USD 90/MT and USD 100/MT in 2017, after touching below USD 50/MT in early 2016. In 2018 thermal coal traded in the range of USD 90/MT to USD 120/MT as the coal markets remained tight, a situation shaped by little incremental supply growth outside of Indonesia and the adverse effect of ongoing safety and environmental inspections on domestic Chinese production.

Prior to the closures, the world was looking to be long on supply, hence the drop in prices. Most of this supply has been generated in Australia, where supply has been strong throughout the past two years as producers look to improve cost efficiency by maximising throughput. Australian supply had been supported by a weaker Australian dollar and improved cost efficiencies. Russian supply had also been strong, helped by a plunging rouble. Elsewhere, supply growth has been more muted. South Africa remains limited by infrastructure bottlenecks, Colombia failed to grow substantially from 2013 levels and US exports slowed as legacy hedge programmes have been exited. Indonesian supply also appears to have slowed down, hampered by a number of regulatory interventions and by market conditions.

Very strong Australian production coincided with a fundamentally weak China, which changed the recent flow of material around the world. Since the mid-2000s, coal flows have moved increasingly to the east, with up to one third of South African material flowing into Asia, as well as periods where both Colombian and the US tonnes have moved out of the Atlantic and into the Pacific market. There are almost no South African tonnes moving past India and there are more Australian tonnes having to flow west.

The weakness that has afflicted global coal markets for several years as a result of a structural surplus in supply, dramatically worsened in 2015. Demand for seaborne coal imports in China – previously the largest market by far – fell sharply as the weakness of the Renminbi rendered foreign coal uncompetitive with surplus domestic supplies. Prices dropped to levels last seen in 2007, increasing pressure on producers. On the other hand, currency weakness in many producing countries, coupled with lower fuel costs, enabled many mines that would otherwise have gone out of business, to carry on.

In 2018, demand for coal grew further for the two largest emerging economies, China and India. This resulted in strong seasonal price movements, with sharp increases over the winter period and ahead of the summer season. In addition, with supply growth limited to low-to-mid calorific qualities, the premiums for higher-quality coal widened sharply. Furthermore, efforts on the part of the Chinese to limit the coal imports and continuing rail logistics issues in India brought uncertainty and volatility to the market.

After a strong 2018, global thermal coal prices collapsed in 2019, as switching from coal to gas in power generation, combined with a mild winter and less hot summer, led to a significant supply overhang. Low-cost gas supplies from the US became an attractive alternative to coal on a global basis (it was the first time power utilities outside the US had switched baseload fuel) and demand suffered in all regions, including North America, Europe and Asia. Even in India, consumption dropped on the back of weaker macroeconomic performance.

Group Management of the Covid-19 Pandemic

Ensuring business continuity

As any company operating across the globe, the Group has adapted its activities and working methods to manage the constantly evolving circumstances related to the outbreak of the Covid-19, which was declared as a pandemic on 11 March 2020 by the World Health Organisation.

The first challenge was to ensure that the Group would continue running its global operations with minimal disruptions and on an unhindered basis. Thanks to a strong Business Continuity Plan (BCP), tested on a regular basis, the Group was able to manage the lockdown which started in early February in China, then followed by similar measures in Europe and the rest of the world, ensuring steady operations with a strong focus on its risk management framework.

The Group adopted a management plan with the aim to manage the response to Covid-19 in a responsible and pragmatic way. Company's policy is to comply with, or go beyond when considered necessary, governments' advice and recommendations, and to protect employees and contractors while maintaining business continuity. The Group adopted a policy of social spacing at many of its locations across the world, in line with guidances to limit the spread of the pandemic as much as possible. Significant numbers of employees have worked, currently work or will work for some time, from home. At a number of locations related to the Group's industrial assets, advanced continuity plans have been put in place to cope with social distancing requirements and heightened level of absenteeism due to the pandemic.

Restrictions are now being lifted in many places around the world where the Group operates, with social distancing is expected to continue for months, though the company also faces continued lockdown in many countries.

Unprecedented volatility and contango structure in the oil market

As explained in Section "Analysis of the Impact of Declining Oil Prices on Trafigura", the Group's business model benefits from volatility in the markets, as well as from a contango market structure. Oil market over the first half of 2020 combined these two conditions, which created favorable environment for the Group's profitability.

The commodity sector has seen unprecedented levels of volatility and dislocations in oil markets over the first months of 2020, which was profitably exploited by the Group's trading teams. The graph in Section "Analysis of the Impact of Declining Oil Prices on Trafigura" shows the clear connection between high volatility and gross profit generation since 2008, together with the extrordinary level of volatility (through the VIX index) observed in the first half of 2020.

The switch from backwardation to contango in the oil markets started in February 2020, when spot market prices for oil decreased and became cheaper than contracts for delivery in the future (e.g. 6 months). This contango structure steepened in March, when oil prices significantly dropped following the combination of a shock in demand – due to the shock of the coronavirus pandemic to the global economy – and in supply – as some countries decided to defend their market share (Saudi Arabia and Russia, in particular). This situation triggered a need to absorb excess supply and place it into storage. Companies such as the Group were able to store significant volumes of crude and oil products across the globe thanks to access to important storage capacities (which had been secured prior to the peak of the crisis).

In March and April 2020, at the peak of the global lockdown, oil demand destruction was estimated between 30 and 35 mbpd according to the Group's Research Team. However noting that the company has not witnessed a reduction of its oil traded volumes during those months, which were generally in line with previous period – or slightly higher for some oil products as the Group took advantage of the contango opportunities.

Group funding model has proven to be resilient during the Covid-19 crisis

The funding model of the Group is described in details in Section "Funding Model".

A key advantage of this financing model is that short-term uncommitted transactional facilities (which finance most daily trading activities) and the securitisation programmes (which finance trade receivables and inventories on a non-recourse basis) are self-liquidating, i.e. they are repaid directly from the proceeds of the underlying transaction. Lenders initially retain security over the stock, and then over the associated receivable. As cash from the receivable is collected, the bilateral loan is repaid. As such, loans under bilateral lines are not repaid from cash flow generation by the company, but rather from the transaction itself. Hence, banks view bilateral financing favorably and are generally more willing to lend under (uncommitted) bilateral lines than other forms of financing. This ensures bilateral lines are a reliable form of financing even in distressed credit markets. Since September 2010, the Group has grown its bilateral lines by circa USD 24 billion, with total transactional lines now amounting to over USD 43 billion.

During the Covid-19 crisis, the Group has maintained a strong liquidity position, with low utilisation level under trade finance lines due to the low price environment. As a result, the Group has ample room to continue to trade and notably capture the contango arbitrage opportunities in the oil markets. Moreover, prior to the Covid-19 crisis hitting Europe and Western countries, the Group successfully refinanced three important facilities: two major transactions in the international syndicated bank loan market and a US private placement with long tenor notes (as presented in details under 'Long Term Financing', 'Revolving Credit Facilities' and 'Other Corporate Facilities').

Credit risk management

<u>Trading counterparty portfolio</u>

The Group has taken some preventive measures when the Covid-19 crisis emerged. A detailed portfolio review was done by the Credit team, using on the following approach:

- Targeting sectors with the most important underlying risk in current environment - i.e. E&P and aviation business;
- Identifying companies with a weak credit profile;
- Reducing other credit lines (in relation to other sectors) in some instances, typically due to low commodities prices.

Following this portfolio review, a number of credit lines were adjusted by the Credit team. However noting that these reductions barely affected the Group's trading business, especially given current lower price environment.

The Group's Credit team assesses on a case-by-case basis the merit of requests from some counterparties to extend their payment terms. So far, counterparties which were granted such payment extension have paid their due amount in time. As a result, as of May 2020, the overall amount of overdue receivables remained within the range of usual monthly fluctuations.

The Credit team continues to review the portfolio an ongoing basis, with a number of automatic triggers for a review set in the systems (usually market driven). The company as a whole is fully focused on credit risk monitoring as the environment is expected to remain difficult and uncertain in the coming months. In addition, in line with normal course of business, the Group mitigates an important portion of counterparty risk with the use of credit mitigants, such as bank letters of credit, silent payment guarantees or insurance.

May 2020 WTI Contract turning negative

The May 2020 contract for WTI Cushing was expiring as at 21 April 2020. The WTI contract is a physical contract, so unlike an equity or other financial instrument, when the contract comes to expiry and has not been closed out, there is a delivery of a physical quantity of the commodity in question. For physical players like the Group or its peers, who can access storage tanks, ships, pipelines and so on, and who also have existing contracts to sell oil to refineries and other end-users, this is part of the company's day-to-day business.

However, a financial player almost never wants to actually take physical delivery of the product, because then it becomes a logistical issue to deal with. What was seen on 20 April 2020 was the culmination of the trend that was observed during the 1.5-2 month period before, which is that there was too much oil still being produced in a world that actually needed a third less of it (rough estimate) compared with the start of the crisis.

As a result, storage tanks had been filling up at a breakneck pace globally. Cushing, which is where WTI oil is physically delivered to, is the most visible storage hub in the world. Therefore, what these price movements told us is that Cushing was effectively full already and was not able to take any more physical oil.

It is important to note that the entire oil complex did not go negative, just this one contract. Brent, the other major marker grade, for example still continued to trade above USD 20/bbl as at 20 April 2020. This was the market saying there was a physical problem at the Cushing storage and delivery hub, reflecting broader issues in the market as a whole but with the crux at this one location at that time.

This negative price was an opportunity for companies like the Group, used to deal with this type of logistics issues, while generating some profit. The Group's primary role as a physical commodity trading firm is to address disconnects and inefficiencies in the markets and service its global customer bases complicated needs. As such, the Group has been acting throughout this crisis to help manage the oversupply that has been building and provide tailored solutions to its customers.

Competition

The Group's three main sources of competition are:

- Global traders (the Group's peer group);
- Producers or integrated companies such as the oil majors or integrated giants; and
- The group of smaller independent traders that are focused on niche markets defined either geographically or by single commodities.

The Group sees its two main competitors as the Vitol Group of Companies and Glencore plc. Vitol is mainly focused on large and liquid oil markets, whereas the Group's trading is more global and therefore its profit generation sources are more diversified. Glencore focuses primarily on metals, concentrates and energy. With the merger in 2012 between Glencore International and Xstrata plc, the commodities world has witnessed a major change in that Glencore is increasingly acting as a mining corporation, with the company marketing its own production.

Over the Group's 27-year history, competition in the global commodities market has altered as a result of a number of structural changes in the industry. These changes have caused challenges, but have also created opportunities for trading companies large enough to take advantage of them. They have included:

- The mergers of large integrated producers (e.g. Total, Exxon Mobil, ConocoPhillips) which often resulted in reduced trading activity by the merged company, providing opportunities for commodities traders in balancing global demand and supply.
- A move away from vertically integrated business models by some of the majors which resulted in the disposal of some infrastructure and logistical assets and enabled some commodity traders to build up scale in logistics.
- Regulatory changes in the banking sector which have led to more stringent restrictions being imposed on the lending activities of banks. This has also increased the cost of lending and has reduced the liquidity available to some smaller competitors who, unlike the Group, might not have strong bank group support. This has led to the disappearance or contraction of mid-sized companies, creating opportunities for larger traders such as the Group.
- Changes and developments in the geo-political environment, particularly in relation to sanctions regimes, have meant that incumbent market participants must be able to not only demonstrate their abidance to these rules, but also that they have strict controls in place to prevent any breaches from occurring to satisfy the requirements of banks and other stakeholders.

- Increased operating costs and inability of smaller players to integrate into the supply chain.
- The erosion of physical traders' superior price information as a result of increased transparency in pricing and the sophistication of commodity producers in the commercialisation of their products. This has opened opportunities for traders such as the Group, which has been steadily growing its industrial fixed and logistics asset base, reducing its reliance on pure trading activities as well as offering integrated logistical services yielding higher margins.

The Role of Commodity Traders in the Financial System

Allegations have been made that global physical commodity trading companies should be considered as systemically important to the world economy, claiming that they could pose a threat to global financial stability similar to that created by the 'shadow' banking system during the global financial crisis of 2007-2009.

In 2013, a study was commissioned by the Global Financial Markets Association ("**GFMA**"), an organisation representing the interests of the world's leading financial institutions, to review the so-called 'shadow' banking system and financial institutions considered as systemically important. This study found that although global commodity trading companies do indeed compete with certain banks active in the physical commodities trading space, they do not pose a systemic threat to the system as a whole.

The report, which was never officially released, was aimed at the Financial Stability Board ("**FSB**"), a group of global regulators who had been discussing the imposition of stricter regulation and capital requirements on commodity trading companies. This was widely seen as a tactic by some banks active in the commodity trading space as a way of creating greater equality between market participants by seeking to usher in further restrictions on pure commodity trading companies.

The main argument was, and continues to be, that commodity traders engage in shadow banking, stemming from the fact that commodity trading companies (i) extend credit and working capital to their customers, as well as (ii) use securitisation programmes.

In response to the first point, trading firms do indeed provide funding to producers but this is in the form of prepayments and other similar arrangements. It is quite common that traders advance-fund volumes of commodities in exchange for receiving the agreed volumes when they are extracted. The commodities essentially form collateral for the advance-financing. The associated performance and credit risk of the producers are in most instances covered by insurance, limiting the exposure of the commodity firm extending the credit. Moreover, such financing typically relies on specialised commodity finance banks, which will carefully assess the terms of a prepayment transaction before putting their own capital at risk.

In response to the second point, the securitisation structures used by physical commodity traders such as the Group are very different to the financial structures that were the root cause of the global financial crisis of 2008.

To further elaborate on this, commodity traders' securitisation platforms do not involve the kind of maturity mismatch that was the flaw of arbitrage securitisation vehicles such as SIVs or CDOs. Indeed, to the extent there is maturity transformation involved in the commodity securitisation platforms, it is the opposite of the type that proved problematic during the financial crisis. The underlying assets are extremely short dated (such as trade receivables) and/or very liquid (such as inventories of base metals in LME warehouses). The assets typically have shorter maturities than the liabilities issued to fund them. Traditional SIVs had to rollover their liabilities, whereas commodity trade securitisation programmes must replenish their assets. The former is far more problematic than the latter because the run risk is far greater.

Furthermore, default rates on securitised trade receivables are very low and in one respect, the development of securitisation programmes such as those operated by the Group, have helped free the capital demanded of commodity trade finance banks, since risk is transferred to the capital markets instead.

Given that the main focus of commodity traders is not in providing financial intermediation, but rather in providing logistical services and because their assets could be quickly re-deployed if necessary, it is difficult to envisage how more stringent regulations and capital requirements would be of benefit to the wider financial system.

Additionally, following the recent developments in the banking market over 2014, which caused banks to reduce lending in the commodity trading sector, large commodity traders, which have been able to maintain sound access to the banking market by virtue of their size and sound risk management practice, are increasingly seeing their ability to extend prepayment financing options to smaller counterparties as a key differentiator and a way of developing their access to new markets and increased volumes. Bearing this factor in mind, more stringent regulation on commodity trading companies would likely have the knock-on effect of disrupting the global trade that commodity traders facilitate.

In 2014, as a direct result of these debates, the Group took a pre-emptive decision to better inform all stakeholders about the business model, inherent risks and financing of the firms operating in the commodities trading industry. To do so, the company commissioned two white papers including *The Economics of Commodity Trading Firms and Foundations for Growth – Infrastructure Investment in Emerging Markets*. The papers were independently written by Craig Pirrong, Professor of Finance at the Bauer College of Business at the University of Houston and by Russell Jones and Camille Viros at Llewellyn Consulting to shed light on the differences between commodity trading firms and financial institutions. They have been presented to and referenced by regulators, politicians, and competitors alike; and in early 2015, the Group published an additional white paper published by Professor Pirrong, *Not Too Big to Fail – Systemic Risk, Regulation and the Economics of Commodity Trading Firms*, which further explored the difference between physical commodity trading firms and financial institutions. This was discussed with senior European and North American regulators during that year.

In 2016, the Group also published and distributed to a wide public audience an educational guide to the purpose and practices of physical commodity trading firms entitled Commodities Demystified: A Guide to Trading and the Global Supply Chain. The second edition was published in 2018 and was supplemented in January 2020 with a dedicated section on prepayments.

Operational Organisation and Procedure

The main operational responsibilities are split geographically between Athens, Calgary, Geneva, Houston, Johannesburg, Lima, Montevideo, Singapore and Shanghai. Those offices have operations departments and most have a finance function to support local trading activities. Trafigura Global Services Private Limited ("**TGS**") handles most middle office and back office functions, and is located in Montevideo and Mumbai. The Shanghai office manages all China related activities.

All of the Group operational responsibilities are subdivided into three main categories: the front, middle and back office. The front office consists of traders on the different trading desks. The middle office provides a broad range of necessary support functions to the front office (Deals desk, Chartering, Contracts administration, Traffic operations and Finance). The back office provides diversified services to the Group's operations as well as to the Group (Accounting, Compliance, Tax, Corporate Affairs, IT, Legal and HR).

The segregation of duties found between the Front, Middle and Back Offices, and in between the departments, is key to the effective management of data collection and its accuracy, and therefore key to manage operational risk. Each department has its own clearly defined set of responsibilities and accountabilities.

Business Transformation Team

As the Group's commercial footprint continues to grow in scale and scope, there is an increasing need to optimise the efficiency of business processes, the capabilities of the people and the capacity to leverage technology. Consequently, the Business Transformation team was formed in 2017 to review all aspects of the Group's operations, covering the front, middle and back office. Its objective is to re-engineer internal processes to support the Group's next five years of growth in three broad aspects:

- Streamlining and standardising business processes to optimise efficiency and scalability, while retaining the flexibility to deal with a rapidly changing industry environment and with widely varying trade life cycles;
- Optimising technology and IT infrastructure as a competitive tool to secure maximum commercial benefits; and
- Enhancing human capital via bespoke talent development programmes to support the new business processes and IT improvements.

The Business Transformation team reports directly to the Chief Operating Officer (the "**COO**") and is supported by a senior team drawn from across the Group.

Operational Departments

Front Office

Traders

Traders initiate sale or purchase transactions, either directly with a customer or through a commodity broker. In both cases, the contracts are negotiated directly with the contracting party. The Group's trading operations are organised by product desk. The main desks are:

- Crude oil, fuel oil, biodiesel, middle distillates, gasoline, naphtha, LPG, LNG, natural gas, condensates for the oil trading business; and
- Copper, lead, alumina and zinc as concentrates; copper, lead, zinc, aluminium and silver together with gold as a by-product of refined metals; and the iron-ore and coal desks on the minerals trading side.

Trading positions are not established individually by each trader but managed on a book basis. Each book generates its profitability by exploiting natural/physical arbitrages in the marketplace.

For all trades (whether sales or purchases), the trader has to verify the financial conditions, check the credit authorisations and request risk cover if needed. In the case of an existing customer, risk limits and acceptable credit terms are available on the Group's IT systems. Any transaction involving a new customer will trigger the Group's KYC procedure. The finance department has a final veto on any transaction.

There are established risk control procedures in place for the traders. For example, once a trader has entered into a transaction, he/she is required to enter a deal ticket into the system within 24 hours. Failure to do so will be discovered through:

- Receipt of supply contract with no corresponding deal ticket in the case of a physical purchase;
- Protest from the contractual counterparty for non-receipt of a contract for physical sale;
- Failure to issue a Letter of Credit on time; and
- Failure to nominate a vessel on time for the contracted cargo.
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Middle Office

Deals Desks

The role of Deals Desk is to ensure that trading profits and exposure are correctly reported. Deals Desk professionals verify that the results are accurate and reflect the true profit and loss of the trading activities. This data is also used to compile the Group's statutory accounts. Deals Desk's organisational structure mirrors that of the trading book structure and Deals Desk staff are physically sat on each trading desk for specific product books. It is important to underline that the Deals Desk individuals are independent from the trading departments and that they report directly to their respective Global Head of Deals Desk who in turn both report to the Group's Chief Operating Officer.

The Deals Desk is responsible for the following main areas:

- Preparation of provisional P&L statements, monitoring daily variance in trading P&L, volumetric as well as economic exposure to price quotes and production of a written commentary on variances;

- Ensure that all market price risks are captured and hedge actions are executed as well as the timely allocation of physical, swap and futures trades;

- Daily mark-to-market of P&L, initially based on cost estimates, and later adjusted for actual costs as they become available;

- Monitoring of derivatives trading.

For all open positions, the Group has a very strict, two pronged risk policy that sets both a stop-loss position and VaR limits.

Furthermore, the Group has a Chief Risk Officer ("**CRO**") who further enhances the Group's market risk management on a Group-wide basis. The Group's CRO is responsible for ensuring that there is a full and accurate awareness of risk throughout the Group and that these risks are professionally analysed and managed. The CRO reports to the Group's COO and works closely with Deals Desk staff.

Traffic/Operations Department

The Traffic/Operations Department role is to accurately follow each transaction from inception to completion, focusing on the overall shipment procedure and the related upstream and downstream sub-processes. The department's organisational structure mirrors the trading book structure. This means that individuals from the Traffic/Operations Department are located on each trading desk and have a portfolio of transactions within a specific product book. The Traffic/Operations Department is also responsible for the safety of the operational transactions and the compliance with relevant regulations. Each representative is responsible for following a given transaction from inception to completion including involvement and co-operation with the related departments for the following aspects of a trade:

- Invoicing;
- Reviewing the purchase/sale contract;
- Vessel vetting;
- Instructing the ship's Master;
- Lay time calculations;
- Appointment of inspection companies;
- Insurance declarations;
- Ensuring load, voyage and discharge occurs safely in line with relevant regulations;
- External liaison; and
- Timely IT system data entries and updates.

Chartering Department

Physical trading of commodities involves the port-to-port shipment of cargoes under charter-parties. The Chartering Department's major objective is to find the best possible transportation solution for the underlying cargo by effectively using the market and timing circumstances to obtain the most competitive rates. The Chartering Department consists of specialised professionals based in the Group's main trading offices as well as Trafigura Maritime Logistics Pte Ltd, a Singaporean company, which provides specialised advice on chartering issues. Chartering staff maintain a close relationship with traders, the traffic/operations department and tanker brokers as well as ship owners.

Contracts Administration

The contracts administration department's main function is to draft all physical sales agreements and to review all physical purchase agreements to ensure that the Group is fully and legally protected. The contracts administration department works closely with the traffic and operations staff. Furthermore, they advise traders and other staff in the middle office about potential problems that may arise as a result of the contracts. The contracts administration staff seek authorisation from the traffic and operations department and the insurance and trade finance teams in the finance department on each trade prior to completing the documentation. The Group ensures that the contracts for each trade are either sent or received (depending on whether the Group is acting as the buyer or the seller) within 48 hours after a deal ticket is entered into the system. Each standard template is adapted to reflect the terms of the individual trade.

Finance Department

The Finance Department supports the activities of the whole Group and is involved at the earliest stage of transactions and projects. The Finance Department is responsible for the financial risk assessment and has the capacity to veto any transaction. Its main functions are broken down into the following subdivisions:

- Corporate Finance;

- Structured Finance;
- Trade Finance;
- Credit;
- Insurance;
- Corporate Funding; and
- Treasury.

Corporate Finance Department

The Corporate Finance team is located in Geneva and acts as the Group's internal investment bank, focusing on medium and long-term financing for the Group. The Corporate Finance team is mainly responsible for the origination and execution of corporate facilities (including Revolving Credit Facilities ("**RCFs**"), capital markets transactions and general corporate purpose facilities, securitisation, etc.), the financing of the Group's fixed assets as well as coordination of overall bank and investor relationships. The team is in charge of providing advice on balance sheet management and financial forecasting to the Management Committee. The team works closely with other teams in the finance department, including the Structured Finance and Trade Finance departments as well as the Investments/M&A team, the finance teams at Puma Energy, Impala Terminals and the Mining Group

Structured Finance Department

The Structured Finance Department is centralised in Geneva with representatives in Johannesburg, Mumbai, Singapore, Shanghai, Montevideo and Houston. The structured finance department is responsible for structuring complex trade finance transactions supporting commercial operation. The structured finance professionals are regionally specialised and deal with a diverse range of funding requirements. The team has a varied role and plays a significant part in the transactions, from inception to conclusion. They have regular meetings with the trade finance and credit departments in which they review all trading activities. The structured finance department is also involved in the KYC procedure.

Trade Finance Department

The Trade Finance Department is primarily based in Geneva, with representatives in Houston, Singapore, Montevideo and Shanghai, providing a wide range of trade finance services. The Trade Finance Department is responsible for arranging all necessary financing for the Group's trading operations, as well as ensuring that credit decisions are properly implemented. The Group's trading operations can be financed by various instruments (i.e. open accounts, documentary collections, Letters of Credit ("**L/C**"), guarantees, Letters of Indemnity or advance payments). They ensure that all contracts are consistent with the recorded system entries to prevent P&L losses and to ensure that all documentary and financial instruments are issued correctly. The Trade Finance Department works closely with different operational departments at an early stage in all transactions to identify and avoid any possible financing problems. Crucially, a vessel can only be instructed to load or discharge once approval from Trade Finance has been obtained.

Credit Department

The Group's Credit Department performs fundamental credit analysis with representation in nine offices worldwide. The Credit Department's key role is to safeguard the receivable assets on the balance sheet. It assesses the credit risk associated with the company's counterparts, sets appropriate internal limits, monitors exposures and ensures that relevant related documentation is completed and maintained. The Credit Department establishes credit limits for all counterparties and reviews them at least once a year. Any exposure above the credit limits is covered on the insurance or financial markets. The Credit Department has the role of final approval as to whether an unsecured transaction can be entered into. The Credit Department is also involved with setting credit limits for new trading counterparties.

Insurance Department

The Insurance Department is responsible for arranging adequate cover for all types of operational risks and liabilities of the Group. The Insurance Department sets up and monitors various global insurance policies to provide coverage for a broad range of risks and liabilities, including but not limited to:

- Marine Cargo in respect of the Group's physical cargo/stock cover for various risks, including, but not limited to: fire, contamination, loss, environmental damage, leakage, etc.;
- Third party insurance cover for liabilities associated with stocks, industrial assets, employees and pollution;
- Property insurance and directors and officers liability insurance; and
- Political and credit risks insurance cover, depending on specific characteristics of a single transaction in collaboration with the Credit, Structured Finance and/or the Trade Finance Department.

Aside from arranging cover, the Insurance Department is also responsible, in the event that an insured risk occurs, for handling the resulting claim. When a cargo accident occurs (e.g. contamination, damaged cargo, shortage etc.) or a legal claim is made against a Group company, the Insurance Department will handle the claim from the outset and will manage the recovery of proceeds under the appropriate insurance policy.

Back Office

Trafigura Global Services

Trafigura Global Services Private Limited (TGS) is the Group's fully owned Shared Service Centre ***("SSC"),*** established in July 2011 with the mandate of centralising the Group's operations, yielding efficiency gains, driving process consistencies and providing support to front offices roles. TGS houses an array of teams carrying out middle and back office functions. Main support teams include Accounting Operations, Deals Desk, Treasury, Trade Finance, Compliance, Insurance and Operations Settlement and provide critical support to other teams located in offices around the world. Furthermore, TGS supports Group functions, including IT (on application, infrastructure support) as well as HR.

TGS has offices in Mumbai and Montevideo to take advantage of time zones, to enable a 'follow-the-sun' approach to business operations, supporting main offices in Singapore, Geneva, the US and South America. TGS teams communicate with banks, brokers, vendors, counterparties, inspection companies etc. In addition, TGS maintains a culture and work environment that is on par with the other commercial functions of the Group, despite being a relatively new addition. This helps facilitate a culture of innovation, growth and ownership in the business.

Accounting Department

The Accounting Department is present in a number of offices, but mainly Geneva, Amsterdam, Montevideo and Mumbai. The department's main objectives are the maintenance of the accounting ledgers, balance sheet management, legal entity management overhead reporting and the production of the resulting reports. Its responsibilities include producing annual statutory accounts, debtors, creditors and intercompany accounts as well as completing the normal day-to-day accounting tasks. In addition to these regular accounting functions, the department acts as an important second entity of control, after the Middle Office, mitigating the risk of inaccurate and incomplete deal capture. Regarding its structure, the accounting department is subdivided into three areas of responsibilities, Group accounting, oil and energy accounting as well as metals and minerals accounting. Within the accounting department there is also a Group Cost Management ("**GCM**") team which is based in Mumbai and deals with central overheads such as office costs and expense claims.

Legal Department

The Legal Department has lawyers based in Geneva, Singapore, Shanghai, Johannesburg, Montevideo and Houston. It is staffed by experienced lawyers who are primarily lateral hires from law firms, investment banks, industry and secondees. The department relies on a limited number of leading law firms to provide additional resources and expertise.

The department provides and manages legal support across all of the Group's businesses and activities. It manages all contentious matters, any investigations or inquiries as well as the Group's commercial transactions – for instance, M&A, JVs, significant transactions, financings, anti-trust and regulatory matters.

Compliance Department

The Compliance Department is staffed by a number of experienced Compliance Managers who are supported by a team of compliance advisors and KYC administrators. The Compliance Department is also assisted by a global network of compliance representatives embedded in business functions in local offices who are senior members of such offices and non-front office staff whose role is to provide a focal point for the escalation of local compliance issues.

The compliance officers act as advisors to employees on any compliance related matters including the application of, or compliance with, the code of conduct in specific circumstances, establishing proportionate procedures and controls in order to manage the risk to the business of potential failure to apply the appropriate standards of behaviour, and finally escalating issues, risks and breaches to senior management and the relevant Compliance Committee.

The Compliance Representatives act as a local, initial point of contact for any employee to raise any compliance-related issues. They may then escalate the issue and assist with implementing any necessary resolution action.

The compliance team is at the forefront of implementing key compliance polices designed to keep the company in line with all applicable laws and regulations by ensuring that:

- The Code of Business Conduct is signed by all members of staff. All staff receive mandatory training to ensure they understand its implications;
- The Trading Policy is signed by all staff and face to face training is provided by compliance to all those in the front office;
- Online mandatory training completed by all staff not only on the Code but also key compliance areas such as AML and Competition law;
- Guidance sent out regularly to the business as new laws and regulations are implemented and policies and procedures amended; and
- Compliance works together with the business and looks to foster relationships that lead to open and honest communication.

The Compliance Department is involved in the Group's KYC procedure and works closely with traders and the Credit Department. Besides its involvement in the KYC procedure, the Compliance Department also provides training to all employees on any Code related matters.

Internal Control Department

The Internal Controls department implemented and maintains the Internal Controls System (ICS) in the Group, covering the trading division globally. The ICS is based on a framework that details the risks and controls for all material business processes of the trading division, and was designed using widely accepted internal control model prescribed by COSO (business process and entity level controls) and COBIT (IT general controls).

The internal control process to create and maintain a framework involves phases of:

- Understanding a process and its objectives;
- Identification and assessment of risks;
- Defining mitigating controls;
- Test of key controls; and
- Remediate test failures.

Periodic measurement and reporting of the Group's ICS is based on these main steps since 2009:

- Management identifies and measures the inherent business risks on an annual basis (financial reporting, operational, and compliance risks);
- Annually, management identifies and adapts the necessary controls and risks considering business changes;
- Quarterly, the key controls are tested to ensure operational effectiveness;
- At the end of the year residual risk is assessed considering the results of the control tests and reported to management;

- Continuously, possible opportunities for improvement identified during the previous steps and review visits are followed up to monitor progress.

The work developed in these phases is managed using the Group's Governance, Risk and Compliance tool called BWise. This tool is not only a repository of the risks and controls but also serves as a means to schedule and review risk assessments and control assessments involving the whole organisation in the internal control framework. External auditors can make use of the framework to gain an understanding of the business processes they are evaluating, and make use of the internal control test results during interim visits to aid their work.

The Internal Controls department also assists local management in improving controls over local risks, and to promote increased standardisation of procedures across the Group by performing targeted and focussed review of processes and/ or locations.

The Internal Controls department, based upon its accumulated knowledge on the business processes, plays a crucial role in assisting management and maintaining an effective control environment whenever a process undergoes a major change such as a new system implementation.

Treasury Department

The Treasury Department is split up across Geneva, Houston, Singapore, Shanghai, Montevideo and Mumbai. The principal objective of the Treasury Department is to handle all cash management activities for the trading business and monitor its cash flows, in particular to report the cash flows and forecasts to the Corporate Funding team who consolidates the information on a Group basis. The Treasury Department also has the responsibility to maintain the integrity of payments. The Treasury Department monitors, on a daily basis, the use of the trading cash including the management of margin calls in relation to the Group's hedging requirements. It is also responsible for reconciling the cash flows to the P&L statements produced by the relevant Deals Desk staff and centralising the Deals Desk reports so that all cash is realised on each deal, as soon as possible.

Corporate Funding Department

The Corporate Funding Department is located in Geneva and Mumbai and is tasked with ensuring that the Group has access to maximum liquidity. Key activities of the department include:

- The monitoring of available cash balances in AAA rated money market funds and main trading accounts;
- Corporate facility utilisation (including, but not limited to, the Group's revolving credit facilities);
- Group liquidity forecast reporting and various inter-group loans relating to both trading and asset divisions, to ensure cash consumption is kept to a minimum, yet allowing each business to trade in an effective manner and anticipating the future liquidity requirements of the various business units on a global basis;
- The production of a monthly Group Capex forecast based on information collected from respective business divisions; and
- Operating and monitoring the securitisation programmes' platforms on a day-to-day basis.

Corporate Affairs Department

The Corporate Affairs department has representatives in Geneva, Montevideo and Houston. The responsibility of the team is twofold: to create and sustain frameworks for an increasingly responsible and effective company, and to protect and promote the business interests and reputation of the Group and its subsidiaries globally. In addition, the group is instrumental in continuing to improve and implement the Group's HSEC business principles.

IT Department

The IT Department is distributed across the main offices around the world with Geneva being the main office. The department's over-arching responsibility centres on the development, support and maintenance of business supporting applications, and underpinning the IT infrastructure.

The Group's core IT functions globally comprise Trading IT, Assets Division, Security and Infrastructure. Together, these functions provide a cohesive and well integrated organisation that supports the Group's Trading and Asset businesses. The Trading IT function is largely outsourced with the majority of the technology and support function based in India. Trading IT also has presence in Moscow and Montevideo.

In order to support the growing business, the Group continues to enhance its enterprise systems adding new modules and enhancing the existing functionality. Significant investment is also underway to upgrade the technical architecture and enable faster integration of future IT systems. Annually, the Group spends around 20-25 per cent. of its overhead budget on IT, which shows the importance of technology to the Group and the value/benefit the Group derives from it.

The core business is captured and managed by the Group's two key bespoke information systems: "Pluto" for the oil business and "Titan" for concentrate products (which replaced the out-going system, "Mercury") and for the refined metals business. Each of these systems offers a fully integrated approach to the Group's needs. As such, every step in the lifecycle of each transaction is generated, executed, monitored and controlled through the related information system, from the time the trader enters the details of the trade, to the allocation of funds received from the customer.

Risk Management

Risk Management and Corporate Responsibility

Prudent risk management is an integral element of the Group's business and has been institutionalised since the Group's foundation. Guidelines are established at senior management level and the Credit and Finance teams retain an absolute veto right on any transaction.

The various risks are managed through a combination of internal procedures, such as strict control mechanisms and policies, as well as external third parties such as the derivative, insurance and bank markets.

Price Risk and Basis Risk

Fundamental principles

The Group's policy is to hedge all index price exposure related to physical transactions on a deal by deal basis. The purpose of the Group's physical hedging activities is to protect the Group against the risk of physical transactions being adversely affected by changes in commodity prices. The Group systematically enters into hedging contracts to cover index price exposures in its physical trading activities. In particular, 100 per cent. of stock is at all times either pre-sold or the commodity index price risk is hedged. Hedges are performed through either futures markets and/or a variety of traded derivatives instruments (e.g. swaps, options).

Beyond that, basis risk cannot be mitigated perfectly. Basis risk in this context is defined as the risk that offsetting investments in a hedging strategy will not experience price changes in entirely opposite directions from each other. This imperfect correlation between the two investments creates the potential for excess gains or losses in a hedging strategy, thus adding risk to the position. The Group, therefore, carefully monitors all its hedging positions on a daily basis, to avoid excessive basis risk.

Concurrently, to the extent that basis movement cannot be eliminated completely, basis risk can be reduced through diversification. In particular, given that basis movements in different commodities are driven by different fundamentals, they are likely to exhibit little correlation. Hence, this provides a natural advantage to a large firm like the Group, which trades a diversified portfolio of commodities.

Price Risk Management

There are two formal committees responsible for different aspects of the Group's market risk management process. The Risk Committee reports to the Management Committee and is tasked with ensuring that the Group is technically and operationally prepared to deal with the risk issues it faces. The Derivatives Trading Committee also reports to the Management Committee and is responsible for applying the Group's risk management capabilities to improving the overall performance of the Group.

The Group's Chief Risk Officer ***("CRO")*** and the risk team work proactively with the trading teams to make the Group's risk management forward looking, by analysing new opportunities and changing market conditions. This team develops computationally intensive non-linear risk simulations and advanced statistical models that incorporate the non-normal market price dynamics that are an important feature of commodity markets. Particular attention is paid to modelling the mean-reverting nature of term structure and inter-commodity spread dynamics. The advanced statistical models developed by the risk team are continuously and automatically calibrated and back-tested to ensure that their out-of-sample performance adheres to well defined targets. In addition, these models are regularly updated to ensure they reflect the current observed dynamics of the markets where the Group is active.

The risk team's models drive the Group's risk reporting system, which automatically distributes customised risk reports throughout the firm on a daily basis. These reports provide up-to-date information on each team's risk using industry standard measures such as 95 per cent. and 99 per cent. Value at Risk (VaR) and performance indicators such as "Sharpe Ratios". VaR is a statistical estimate of the potential loss in value of the Group's positions and unsold in-transit material due to adverse market movements. The Group uses an integrated VaR model which captures risks including commodity prices, interest rates, equity prices and currency rates. This model facilitates comparison of VaR across portfolios comprised of a range of different risk exposures.

The Group's risk reporting system automatically highlights exposures that are nearing their VaR limit and also when 10 per cent., 20 per cent. and 30 per cent. drawdowns occur. VaR limits are reduced when drawdowns occurs. All books have well defined VaR risk limits and management is notified whenever a book nears its risk limit, as well as whenever a VaR overage occurs, resulting in automated emails to the relevant trader, desk managers and the Risk Committee. In addition, the Group's deals desk management team is automatically notified whenever statistically anomalous changes occur in the profit and loss of any deal.

For senior management, the daily reports provide a comprehensive view of the Group's risk, classified according to various risk factors. These reports emphasise the risk diversification created by the group's varied activities and highlight any excessive risk concentrations.

Numerous indicators detail how the Group is performing relative to a wide range of benchmarks.

Energy

All futures markets are cash markets meaning that price differences are settled in cash on a daily basis ("**margin calls**") after the payment of an initial margin the day of the trade. Swaps or options are usually traded over the counter ("**OTC**").

Hedges are executed through a number of brokers. The Group works with about ten main clearing brokers. The staff involved performs the equivalent functions as the operations department on the physical side: they receive or issue contracts, receive or issue invoices, control and order payment as well as following receipt of proceeds. The Accounts department is also involved in swap administration as the department is responsible for the reconciliation of positions on a daily basis.

Hedges are performed through a Central Execution Desk by Trafigura Pte. Ltd. Each hedge is individually monitored by the Deals Desk. Most oil contracts become fixed price around the shipment's loading date. Typically one or two days before such date, the Deals Desk liaises with the operations representative in charge in order to estimate the loading (i.e. price fixing) date and start hedging on time. The same applies for other instruments including swaps and geographical spreads (e.g. Brent versus WTI).

As soon as a hedge has been put in place, a deal ticket is created and input into the system. The ticket is either attached to an existing physical deal or a new deal will be created if no such physical deal exists already. All positions are reconciled daily with the brokers' positions by the Accounts department. Cash is settled daily by the Treasury department.

The Collateral Management team is responsible for monitoring counterparty exposures across the OTC swaps and options portfolios. On a daily basis, the mark-to-market positions are cross-referenced against pre-agreed credit thresholds set by the Geneva Credit team at a counterparty level. Excesses are covered by collateral called in the form of cash or standby letters of credit ("**SBLCs**"). The Collateral Management team handles all margin calls, issued and received.

Another important aspect of the work undertaken by the Credit team is their involvement in the negotiation of various standard Master agreements such as ISDAs and Master Netting Agreements ("**MNAs**"). These documents provide a trading framework for the execution of OTC transactions and are negotiated bilaterally with each counterparty, with the assistance of the Group's Documentation Specialist and the Legal Department.

Each ISDA includes a margin threshold within the Credit Support Annex. These are conservatively set on a case-by-case basis by the Group's Credit department and regularly reviewed. Recent regulatory changes have resulted in reduced OTC trading across the market as positions are increasingly cleared on recognised exchanges.

Metals

In Europe, the main futures market for metals, the London Metals Exchange, is not a cash market. The consequence is that brokers negotiate credit limits with their customers to cover initial and variation margins above which cash is required. In the same manner, customers run a credit exposure on their broker when positions are generating a positive balance.

Hedges are executed by the Metals desk in Geneva at the request of the operations staff when transactions are priced. Hedges are also followed on a transaction-by-transaction basis in the system. However, because pricing periods in metals are typically longer than in oil (one month), the quantity per contract to be hedged on a daily basis is small. This means that the derivative team hedges as a pool on the market, the system splitting such hedges back to each contract. Positions are reconciled by the Group's Metals Derivatives desk with brokers on a daily basis.

This reconciliation shows daily credit exposures the Group has on its brokers as a result of its margin position. Contracts can be moved from one broker to another, if necessary, to reduce such risks.

Metal contracts often contain pricing options which allow the trader to decide on which month pricing will happen (i.e. when the "quotation period" is defined). Such options are sold by the physical department to TPTE at market price in order to provide more transparency in the management and results of such options.

Credit Risk

To manage its credit exposure, the Group uses internal credit limits set up by the Credit department. Credit limits reflect the Group's own appetite for risk and are based on a credit analysis of the client as well as the respective size of the transaction when compared to the Group's balance sheet. Exposures in excess of a credit limit are covered through the insurance or bank markets. Typically this cover is arranged by the Trade Finance/Structured Trade Finance teams.

The Credit department works in complete independence from the trading activities. Credit reviews follow a formal process as described in the Group's Credit Policy document. As part of the annual credit review process, the Credit Department uses the S&P Capital IQ rating model to set internal credit ratings for all credit exposures to counterparties and banks. This model relies on fundamental credit analysis to determine credit ratings, which are expressed using a 26-point letter scale of AAA, AA+, AA, AA- and so forth. The proposed rating forms part of the approval of the credit review and must be supported or modified, with supporting justification, by the credit analyst.

Credit review is undertaken at least annually with smaller credit limits (up to a specified maximum) also being set locally. Larger credit limits are generally approved in Geneva, ultimately by a Credit Committee if required – the Credit Committee meets on an ad-hoc basis and consists of a minimum of three senior finance managers, including the Group's Head of Credit and the CFO. An automated process is instituted where interim reviews of counterparties are conducted when risk triggers are breached, such as ratings agency downgrades, share price declines, adverse publicity etc. Credit limits are set and monitored on an aggregate basis of the Group's worldwide exposure.

Performance and Country Risk

Performance risks are evaluated on a counterparty and country basis. As such, deals are considered on a case by case basis, and performance risks where the exposure is above the Group's appetite limit will be laid off to the bank and insurance markets. Typically, the Group will run an internal analysis to assess the country and political risk, and CEND (Confiscation, Expropriation, Nationalisation and Deprivation) insurance coverage will be contracted for assets that are deemed exposed to country risk above the limit. The Counterparty limit is set to reflect the rating of the counterparty, the extent risk to which mitigation insurance is contracted on the financial and insurance markets and/or collateral obtained to cover excess exposure.

Freight Risk

The hedging of freight costs is managed systematically by the Chartering department. In a time charter scenario, the Group hedges its price risk by referring to a combination of Forward Freight Agreements ***("FFAs")*** and bunker swaps. When the Chartering department chooses the vessel, the Group looks to sell FFAs and buy bunker swaps. This way, if spot charter rates for the vessels fall, the Group is covered as such a fluctuation in price is offset by the difference on the FFAs. Furthermore, the Chartering department enters bunker swaps. This is done with a view to safeguard the Group's price exposure under the following scenarios: spot charter rates remain at the same level, or they go up, but bunker fuel prices rise simultaneously, hence leaving the Group's price assumptions uncertain, unless adequately hedged through bunker swaps.

The procedure between the oil and metals/minerals handling of vessel chartering and the respective risk management strategies are very similar. A combination of FFAs is used to hedge forward freight commitments. Bunker swaps cover forward freight commitments in addition to locking prices for bunkering levels which are required on re-delivery of the vessel at the end of the charter. When a vessel is fixed on the spot market with cargoes, the Chartering department unwinds both of the legs of the hedge for the period that the boat is going to be occupied.

Operational Risk

The Operations department has representatives in key locations around the world and is responsible for a number of tasks including contract issuance and booking of vessels. Operators are also responsible for ensuring that industry, environmental, safety and internal policies and procedures are complied with at all times. Detailed procedure manuals are implemented throughout the Group and all operators receive regular training on operational matters and additional training covering subjects such as contracts, charter parties and clauses, environmental policies and legislation, insurance declarations, reviewing due diligence reports, dealing with claims, and demurrage handling. This ensures that operators are kept up to date with procedural, legal, regulatory and industry changes.

The Group continues to move towards using a younger fleet of vessels, both in terms of time charters and voyage charters, and as such applies a strict vessel vetting procedure which complements insurers' requirements and focuses on the vessel age, classification, Protection & Indemnity club and pollution insurance cover. A similar procedure has also been introduced for both railcar and truck movements. The Group also has a storage procedure which involves full due diligence being undertaken of every proposed storage location including a site visit to the storage location, the tanks or warehouse and its financial position and management. Regular stock analysis is undertaken to avoid losses such as theft and contamination, and each approved location is checked annually to evaluate the on-going situation.

Third Party Asset and Liability and Charterers Liability Risk

The Group maintains a level of inventories for supply efficiency purposes, and to benefit from cash and carry opportunities. The Group's total storage position was USD 13.44 billion as at 30 September 2019 (2018: USD 14.73 billion), although it can vary substantially due to seasonal trading plays in energy as well as forward price structure (contango, backwardation and overall price levels) in both energy and metal. Please note that inventories reported in the Group's financials can be higher as cargoes in transit for which title transfers at discharge port are also considered to be inventories for accounting purposes.

With regards to stock value, inspection reports are regularly received detailing the quality and the quantity stored.

Various global insurance policies provide coverage for both assets and third party liability risks. These are described below:

- Stock Throughput Policy (Oil and Metals);
- Charterers Legal Liability Policy; and
- General Liability and Terminal Operators Liability Policies.

The Stock Throughput Policy covers all declared Oil & Metal goods while subject to transport, shipment or storage. The limit is USD 100 million per event with excess layers providing total coverage of USD 500 million per event.

The Charterers Legal Liability Policy covers legal and contractual liability for property damage and bodily injury (main risks covered: liability for damage to the vessel, bodily injury, damage to property of third parties, damage caused by the cargo, stevedoring, pollution of the environment, general average). The limit is USD 1 billion for any one accident or occurrence.

The General Liability Policy covers bodily injury and property damage incurred by third parties (the policy covers both legal and contractual liability and applies to general liability, employer's liability and product liability). The limit is USD 500 million for any one occurrence with an annual aggregate of USD 500 million for product liability and pollution liability. For the owned terminal assets, the Group also has USD 500 million of Terminal Operators Liability insurance covering the marine operations and potential third party exposures arising from this.

Risk Limits

On the physical side, each transaction has its own P&L, which is set up at the inception of the transaction and remains open over the entire life of the trade. Physical deals are continuously monitored by Deals Desk, which acts entirely independently from the trading business. Each P&L is individually marked-to-market on a daily basis and updated with the actual transaction costs such as purchasing costs, hedging, insurance and financing as these costs become known. On any day, changes of +/- USD 25,000 (in either direction) are reported and explained to senior management, allowing the Group to closely monitor its basis risk.

In addition on the physical side:

- No specific limits are set outside any credit requirements; and
- The head trader on each desk liaises with the respective oil or metals management committee on a daily basis, highlighting current issues and new business opportunities.

On the speculative side:

- In addition to its physical trading business, the Group enters into managed speculative positions which involve spread risk when it identifies price or time differentials between markets and products related to its physical flows. Such speculative positions are continuously monitored and subject to Value at Risk ("**VaR**") and stop-loss limits per position. As a rule, the Group maintains conservative consolidated risk limits and ensures that its overall risk exposure remains well within these limits;
- Strategies are also given specific stop losses (e.g. USD 1 to 2 per barrel), which are monitored by the Deals Desk; and
- Positions are marked-to-market on a daily basis: during volatile periods positions are marked-to-market multiple times during the day. If a stop loss is hit, senior management is notified immediately. A decision is then taken to liquidate or keep the position and set a new stop loss limit.

Market Risk Management Reporting

The Group's CRO is responsible for ensuring that there is a full and accurate awareness of risk throughout the Group and that these risks are professionally analysed and managed. The CRO works closely with the trading teams to make the Group's risk analysis forward looking, particularly by proactively analysing new opportunities and changing market conditions. The CRO ensures that the Group's Management Committee and Board of Directors are aware of these evolving risks and their financial implications. The CRO also sets the priorities of the risk systems development team so that the Group is able to systematically manage its risks through industry standard measures such as Value at Risk (VaR), in conjunction with computationally intensive non-linear risk simulations and advanced statistical analysis. the Group's CRO reports to the Group's Chief Operating Officer.

Mark to market

Mark-to-market and customised risk reports are produced and automatically distributed on a daily basis to traders and management. The reports aim to show transaction profitability based on the aggregate mark-to-market of all outstanding transactions. Variations are carefully analysed and key items are discussed during weekly Risk Committee meetings (or on ad hoc basis if necessary).

Market Risk and Stress Testing

During the first half of 2020, the average 1-day 95 per cent. value at risk ("**VaR**") was USD 18.1 million, an increase compared to the financial year 2019 (USD 11.6 million), but still well below the Group target of maintaining it below 1 per cent. of Group equity. One of the key component to maintain this VaR at such low levels is the diversification benefits from managing the Group's exposures to a broad range of commodity markets.

VaR reached a record level over the first half of 2020 due to the exceptional volatility in the market over the period, in particular during the month of March, as reflected in the graph included in section "Analysis of the Impact of Declining Oil Prices on Trafigura" – while remaining well below the internal threshold.

All trading books have well-defined VaR risk limits and management is automatically notified whenever a book nears its risk limit, as well as whenever a VaR overage occurs. In addition, the Group's deals desk management team is automatically notified whenever statistically anomalous changes occur in the profit and loss of any deal.

The Group's policy is that basis risk should be kept to a minimum. If a trader wants to take on a specific position, he must report in a speculative book where VaR and associated stop losses can more easily be monitored.

Internal Control Systems

The Internal Controls department implemented and maintains the Internal Controls System ("**ICS**") in the Group, covering the trading division globally. The ICS is based on a framework that details the risks and controls for all material business processes of the trading division, and was designed using widely accepted internal control model prescribed by COSO (business process and entity level controls) and COBIT (IT general controls).

The internal control process to create and maintain a framework involves phases of:

- Understanding a process and its objectives;
- Identification and assessment of risks;
- Defining mitigating controls;
- Test of key controls; and
- Remediate test failures.

Periodic measurement and reporting of the Group's ICS is based on these main steps since 2009:

- Management identifies and measures the inherent business risks on an annual basis (financial reporting, operational, and compliance risks);
- Annually, management identifies and adapts the necessary controls and risks considering business changes;
- Quarterly, the key controls are tested to ensure operational effectiveness;
- At the end of the year residual risk is assessed considering the results of the control tests and reported to management;
- Continuously, possible opportunities for improvement identified during the previous steps and review visits are followed up to monitor progress.

The work developed in these phases is managed using the Group's Governance, Risk and Compliance tool called BWise. This tool is not only a repository of the risks and controls but also serves as a means to schedule and review risk assessments and control assessments involving the whole organisation in the internal control framework. External auditors can make use of the framework to gain an understanding of the business processes they are evaluating, and make use of the internal control test results during interim visits to aid their work.

The Internal Controls department also assists local management in improving controls over local risks, and to promote increased standardisation of procedures across the Group by performing targeted and focussed review of processes and/ or locations.

The Internal Controls department, thanks to its accumulated knowledge on the business processes, plays a crucial role in assisting management and maintaining an effective control environment whenever a process undergoes a major change such as a new system implementation.

Group Financing

Funding Model

A key reason for the Group's leading competitive position is its access to capital and liquidity. The Group sources funds from a number of markets including the syndicated bank loan markets, securitisation markets, US private placements, corporate bond markets and through trade finance lines. The strength of the Group's liquidity and access to capital is derived from its unique financing model which is based on three main pillars:

- **Long-term corporate credit facilities:** revolving credit, term loan facilities and capital market issuances that are used to meet liquidity requirements outside of day-to-day activities;
- **Short-term transactional facilities:** uncommitted, secured bilateral trade finance lines are used to finance the day-to-day activities of the Group; and
- **Securitisation:** the Group operates one of the largest trade receivables securitisation programmes in the world, which was established in 2004 (the "**Trade Receivables Securitisation Programme**"). The Trade Receivables Securitisation programme allows the Group to fund its receivables once an invoice has been issued and all the Group's obligations under the contract have been performed. Following the success of the trade receivables securitisation programme, the company launched its first inventory backed securitisation programme in November 2017, leveraging inventories of crude oil and refined metals, and whose structure is similar to repurchase agreements (the "**Inventory Securitisation Programme**").

The main advantage of this financing model is that short-term uncommitted transactional facilities (which finance the daily trading activities) and the securitisation programmes (which finance trade receivables and inventories on a non-recourse basis) are self-liquidating, i.e. they are repaid directly from the proceeds of the underlying transaction.

The Group sources funds from various markets including Europe, Asia Pacific as well as the US and continues to enjoy strong support from a network of around 140 financial institutions, with credit lines of approximately USD 61.5 billion. As of March 2020 end, the Group's top 10 banks provided approximately 48 per cent. of the Group's available bank funding. In order to keep strengthening its funding model, the Group aims to continue diversifying its funding sources in order to ensure the unhindered growth and profitability of its trading divisions and industrial assets, and the maximisation of its liquidity.

Bilateral trade finance lines, borrowing bases and revolving credit facilities make up the majority of the Group's funding. The weighted average maturity of the Group's corporate (non-trade related) credit facilities as at 31 March 2020 was approximately 2.2 years. To mitigate refinancing risk the Group has diversified its long-term funding base to reach different investor groups. Furthermore, under its revolving credit facilities, the Group has extension options in place.

The Group maintains two main revolving credit facilities ("**RCFs**"), an Asian RCF and a European RCF. These are generally refinanced annually. The Group had around USD 59.7 billion of available credit facilities as at 30 September 2019, and USD 61.5 billion as at 31 March 2020.

Long Term Financing

The Group's liquidity requirements outside of those coming from the day-to-day trading activities are financed by committed corporate credit facilities, including the Group's revolving credit, term loan facilities and capital market issuances. The corporate facilities, which amount to approximately 23 per cent. of the Group's total credit facilities, finance requirements such as initial margin deposits and margin calls with hedge brokers and bridge financing of capital expenditure. The majority of the Group's corporate credit facilities are denominated in U.S. Dollars because this is the functional currency of the Group's business. In the Asian RCF, the Group has included a CNH denominated tranche since 2013 to capture the growing offshore RMB liquidity. Similarly, the Group is present in the Japanese domestic syndicated bank loan market since 2012 with a 3-year term facility denominated in JPY (the "**Samurai loan**"). In addition to this, in May 2018, the company raised a Swiss franc senior bond for CHF 165 million priced at 2.25 per cent., with a maturity of 5 years – followed by a second smaller issuance in September 2019 (the "**CHF bonds**"). Finally, over 2018 and 2019, the Group also raised renminbi-denominated bond in total of RMB 2,240 million (c. USD 335 million) in four tranches under its Panda Bond programme, each issuance having a 3-year maturity (with the last tranche issued in May 2019) (the "**Panda Bond programme**").

Historically, the Group has been pro-active in tapping new markets to diversify its funding sources and lengthen the average maturity of its debt profile. Some facilities that completed in recent years, and which are outside of the Group's usual corporate facilities, are outlined below.

November 2017 – The Group launched a tap of its USD 600 million 6.875 per cent. perpetual subordinated bond issued in March 2017, and raised an additional USD 200 million. The bond was consolidated and forms a single series with the initial perpetual securities. This was the Group's third perpetual bond, having issued its first one in April 2013 for USD 500 million and its second one in February 2014 for SGD 200 million. A key feature of these bonds is their equity-like treatment under IFRS accounting standards, improving the balance sheet ratios of the Company. They also extend the maturity of the Group's debt and brought some entirely new investors to the Group, particularly in the Asian market. Those bonds are listed on the Singapore Stock Exchange.

March 2018 – The Group issued its inaugural US Dollar senior bond for USD 400 million with a 5-year maturity, priced at 5.25 per cent.. Despite a volatile market backdrop, the level of 5-year T + 254bps was the tightest credit spread ever achieved by the Company on any senior private or public bonds. The transaction was issued by Trafigura Funding S.A. under its EUR 3 billion European Medium Term Notes (EMTN) programme and is listed on the Irish Stock Exchange.

April/May 2018 – The Group successfully placed two tranches out of a 2.35 billion Renminbi-denominated programme (Panda Bond) approved by the National Association of Financial Market Institutional Investors (NAFMII). In April, the first RMB 500 million tranche was placed in the Interbank Market under a private placement format for a 3-year maturity. It was followed by a second tranche of RMB 500 million in May 2018 with similar terms. With this pioneering transaction the Group became the first international commodity trading company and one of the first non-Chinese corporates to access the domestic renminbi-denominated bond market. This transaction enables the Group to access a deep and diversified pool of Chinese investors comprised of commercial banks, asset managers, insurance companies and securities firms.

May 2018 – The Group issued its inaugural Swiss franc senior bond for CHF 165 million with a 5-year maturity. The bond, priced at 2.25 per cent., i.e. 222bps over the 5-year CHF mid-swap rate of 0.03% at the time. It was issued under the Company's EMTN programme and it is listed on the SIX Swiss Exchange.

September 2018 – The Group successfully issued RMB 700 million bond in China's mainland debt market. This third issuance was part of a RMB 2,350 million Panda Bond programme, which, like the first two tranches issued in April and May 2018, was placed in the Interbank Market under a Private Placement format for a 3-year maturity.

May 2019 – The Group successfully issued a new RMB 540 million bond in China's mainland debt market, with a 3-year maturity. The final coupon significantly tightened since the first tranche issued in April 2018, confirming the strong appetite of the Chinese market for the Group's long-term debt. The total amount raised under the company's Panda Bond programme is c. USD 335 million.

September 2019 – The Group issued a further CHF 55 million 5-year bond into the Swiss retail market, priced at 3.25 per cent. This incremental transaction allowed the company to increase liquidity raised in the Swiss market to CHF 220 million, following its inaugural bond issued in May 2018. By tapping the CHF bond market, the Group succeeded in optimising its long-term funding costs, showing again the benefit of the funding diversification strategy followed by the Group.

March 2020 – The Group raised USD 203 million of notes in the US Private Placement (USPP) market with tenors of 5, 7 and 10 years. It was the fifth issuance of the Group in the USPP market and the second largest in size. The Group achieved its tightest ever all-in financing level with coupons of 4.01% (T+295bps), 4.17% (T+300bps) and 4.60% (T+460bps). Proceeds were used to refinance USD 51.5 million of maturing USPP notes and to support the refinancing of the Group's EUR 550 million bond repaid in April 2020.

Revolving Credit Facilities

Over the last 14 years, the Group has maintained two revolving credit facilities, an Asian RCF and a European RCF. In October 2019, the Group refinanced its Asian RCF and term loan facilities for approximately USD 1.5 billion-equivalent. The facility was oversubscribed and upsized from their initial launch amount of USD 1.0 billion-equivalent, with 27 banks participating in the transactions. It comprises of a 365-day USD revolving credit facility (USD 760 million), a 1-year CNH term loan facility (USD 445 million equivalent) and a 3-year USD term loan facility (USD 300 million). The facility was upsized by USD 130 million-equivalent post-closing via the accordion feature.

In March 2020, the Group refinanced its flagship 365-day European RCF at approximately USD 1.9 billion (subsequently upsized by USD 135 million via the accordion feature). The 365-day ERCF, launched at USD 1,500 million, was very well received by the bank market and closed substantially oversubscribed, allowing the Company to upsize the facility. Similar to previous years, the facility was used to refinance the maturing facility, as well as for general corporate purposes. In addition, the Company decided to exercise the second extension option available on the 3-year tranche of its 2018 ERCF, thereby extending the facility by 365 days and maintaining a 3-year tenor.

Other Corporate Facilities

In March 2020, the Group returned for the fifth time to the Japanese domestic syndicated bank loan market, following the first close in 2012. The Group raised JPY 76.8 billion (c. USD 720 million-equivalent) via a JPY-denominated term loan. In addition to the historical three-year tranche, which the Group has refinanced every two years since 2012, the Group introduced an inaugural five-year tranche. Twenty Japanese financial institutions supported the Samurai loan, demonstrating the continued interest of domestic lenders in the Group's credit. Five new institutions joined the syndicate, while the majority of existing lenders continued to participate and increased their amount invested. This transaction continues to increase the diversification of the Group's funding base and strengthens its banking presence in Asia, in particular in the Japanese domestic lending market.

The Trade Receivables Securitisation Programme

The Group's Trade Receivables Securitisation Programme was launched in November 2004 and enables the Group to fund its receivables once an invoice has been issued and all the Group's obligations under the contract have been performed. The programme currently has ten bank-sponsored conduits. Since most physical transactions are financed on a transactional basis with letters of credit or loans under existing lines, the securitisation of the Group's receivables accelerates the rotation of these existing credit lines, since secured bilateral loans are repaid faster with the programme proceeds following the sale of the receivables. This frees financial resources, enabling the Group to grow existing activities and develop new businesses.

The implementation of the securitisation programme achieved the following objectives:

- Diversify and increase borrowing sources;
- Maximise borrowing base and amount of net financing;
- Benefit from attractive funding costs;
- Create a scalable funding programme that can grow in size as the Group's volume of receivables increases; and

- Extend borrowing maturity.

Over time, the external funding of TSF has increased significantly in size while incorporating a longer term committed funding element, principally through the issuance of Medium Term Notes (MTN), as well as retaining a significant proportion of variable funding purchased by bank-sponsored conduits, reaching USD 4,040.0 million of available external funding as at 31 March 2020.

As a result of the Group's stringent risk management philosophy, the programme has not suffered any write-offs since its inception in November 2004 and has become the largest AAA/Aaa publicly rated securitisation programme of trade receivables in the industry.

In September 2018, TSF issued a new series of public notes (TSF 2018-1) on the US Rule 144A and RegS asset-backed securities (ABS) markets. This was the fifth MTN issuance under the programme. The 3-year tenor USD 500 million of public notes were placed with US and European investors including: USD 185 million floating rate notes (AAA/Aaa) at 1m Libor +73bps, USD 280 million fixed rate notes (AAA/Aaa) Notes at mid-swap +73bps and USD 35 million fixed rate notes (BBB/Baa2) at mid-swap +130bps. The transaction was very well received, with the participation from a total of 32 institutional investors in the fixed and floating rate tranches.

The Inventory Securitisation Programme

Following the success of the Trade Receivables Securitisation Programme, the Group pioneered an Inventory Securitisation Programme in November 2017, renewed yearly since then. Trafigura Commodities Funding Pte Ltd ("**TCF**"), a standalone vehicle was setup in Singapore to raise non-recourse funding backed by inventories of crude and refined metals.

TCF issued USD 410 million of senior variable notes which were placed on a private basis with six financial institutions. The proceeds of the notes enables TCF to purchase crude and refined metals inventories from the Group across twelve jurisdictions in Europe, Middle East and Asia-Pacific – noting that the U.S. became an eligible jurisdiction in early 2020, as part of an amendment process in cooperation with noteholders. The commodities are sold on a 'true sale' basis under a purchase agreement, granting TCF the right to sell each commodity back to the Group at the expiry of the underlying contracts or earlier at the option of the Group.

The transaction architecture addresses risks related to the ownership of the commodities such as price, liquidity, basis risk, damage and theft of goods and storage control. TCF was designed to withstand a potential default of the Group via collateral and liquidation agency agreements.

This platform will enable the Group to become a systematic issuer of notes backed by commodities inventories and ultimately to seek committed term financing in the asset backed securitisation markets.

Transactional Financing

A large proportion of the Group's financing is derived from trade related transactional financing arrangements, which finance day-to-day activities. This involves the financing of individual physical commodity transactions with uncommitted secured bilateral bank lines. The debt created in these transactions is secured on the commodity that is being purchased and the subsequent receivable.

In their most simple form, bilateral trade finance lines are a means of financing physical trading activity whereby a single trade finance bank initially opens up a Letter of Credit in favour of a commodity trader, followed by a loan to the commodity trader once the purchase invoice has been paid, to finance a specific single physical transaction. The loan is repaid by the commodity trader using cash received from the sale of the specific stock being financed. It is important to note that these transactions are self-liquidating in that the debt is repaid from the proceeds of the sale of the commodities (or by the sale of a related receivables).

A key feature of these financial arrangements is that financing is generally provided at 100 per cent. of the value of the underlying assets and adjusted on a weekly basis. In the event of rising prices, the Group marks-to-market the collateral held by the banks, who in turn provides additional liquidity to the Group on a weekly basis or more often if requested by the Group (or vice versa in case of declining prices). Given that the Group hedges its physical trading book, the cash flows on the hedging positions can be matched with the change in value of collateral which are marked-to-market under the corresponding loans. Without bilateral lines, such liquidity could only be realised at the time of the payment under the final sales contract by the client.

The main advantages of bilateral trade finance lines are as follows:

- **The self-liquidating nature of transactional lines**

Lenders initially retain security over the stock, then over the associated receivable. As cash from the receivable is obtained, the bilateral loan is repaid. As such, loans under bilateral lines are not repaid from cash flow, but rather from the transaction itself.

- **Flexibility**

Bilateral lines are a very flexible form of financing which can be drawn for funding or the issue of credit instruments such as letters of credit and can be easily increased in case of high commodity prices.

- **Reliability**

Banks view bilateral financing favourably and are generally more willing to lend under bilateral lines than other forms of financing. This ensures bilateral lines are a reliable form of financing even in distressed credit markets. Since September 2010, the Group has grown its transactional lines by circa USD 24 billion, with total transactional lines now amounting to over USD 43 billion.

- **Strong liquidity tool**

As transactions are generally 100 per cent. financed and the level of such financings is adjusted on a weekly basis, margin calls can be recovered more quickly.

- **Mark-to-market**

The ability to make weekly drawdowns in transactional secured loans to reflect a change in value of the underlying collateral provides liquidity to balance out margin call requirements on futures positions.

- **Scalability**

Ability to grow lines and to increase/decrease usage according to market conditions and price environment helps the Group react quickly to changing market conditions.

These financing arrangements on an individual transaction basis are only possible with the Group's highly developed and integrated IT systems. Various stages of these transactions need to be monitored and reported to the bilateral banks. The banks involved also need to be able to monitor the transactions and ensure proper management.

Today, the Group is unique among its principal peer group in the way it finances its business activities. It provides the Group with a competitive advantage and has proven to be resilient even during highly volatile market conditions.

The utilisation of the bilateral trade finance lines tracks the underlying oil price. Between September 2014 and September 2015, when average oil prices fell below USD 43/bbl, utilisation of bilateral lines also tapered off. As the Group saw oil prices increasing from early 2016 to mid-2018, the headroom under the trade finance lines contracted. An increase in traded volumes has also been reflected in the increase in utilisation (in USD terms): indeed, since March 2015, traded volumes increased from approximately 2.7 mbpd to 5.9 mbpd on average over the first half of 2020. However, despite the price fluctuations and traded volume increment, the Group has been able to maintain significant headroom in its bilateral lines (albeit with a slower pace of growth in overall size).

The divergence between total short-term transactional lines and net utilisation since early 2018 is testament to the ability of the Group to not only diversify its sources of funding, but also to expand its banking group leading to increasing capacity in short-term transactional lines. Noting that this trend has recently accelerated with the significant drop in oil prices since early 2020.

Transactional Finance compared to Unsecured Lenders

A key point to note is that the Group's use of bilateral trade finance lines does not negatively impact the position of unsecured lenders. Since financing is generally provided at 100 per cent. of the value of the underlying assets and marked to market on a weekly basis, there is no issue of over-collateralisation. This means that no cash (flow), working capital or equity is trapped under the bilateral facilities. In case of an unforeseen problem with the Group, the bilateral lenders would simply liquidate the underlying transaction and as they are financing 100 per cent. of the collateral value, current asset and short-term debt would simply cancel out, i.e. the balance sheet would shrink without any impact on the net working capital (USD 6.7 billion as at 31 March 2020, excluding current assets and liabilities of the securitisation programmes) that is available to the unsecured creditors. This does not include the Group's non-current assets of circa USD 12.5 billion (excluding 'held for sale'), which increased by USD 1.7 billion compared to 30 September 2019, due to the impact of IFRS 16 partly offset by a decrease in equity-accounted investees.

The Group and the Banking Environment

As a privately owned company, the Group secures financing from the banking and debt capital markets. Although the Group (as the rest of the commodity sector) was not completely insulated from past turbulences in the banking environment, the consequences for the Group were limited due to its diversified sources of funding and a very pro-active approach to managing its relationships with its banks.

In 2010 and 2011 during the Eurozone crisis, there was scarce liquidity in the loan markets, particularly for borrowers looking to raise funds denominated in US Dollar. A combination of high commodity prices, with supply of and demand for liquidity polarised, meant borrowers saw pricing creep significantly higher. Between late 2012 and early 2015, steps to restore liquidity (e.g. quantitative easing etc.) and a generally improving banking environment meant loan volumes picked up, which enabled borrowers to (re)finance their facilities at lower pricing, with the increased liquidity resulting in significant oversubscription, allowing borrowers to increase facility sizes and even scale back commitments. Within the industrial and commodity financing spaces, this trend began to tail off in mid- to late- 2015 as the fall in commodity prices and slowing growth in some key markets such as China and Brazil have put pressure on commodity producers and integrated producer/marketers. This understandably caused some nervousness among banks. Since the end of 2016, the stabilisation in oil prices has led to a rise of available credit facilities as shown on the graph below.

In 2020, turbulent markets, amid the Covid-19 pandemic and US-China trade conflict, raised worries about risks to the financial and trading system. Given the scale of recent price movements, attention has naturally turned to the commodities trading sector. This attention was further sharpened by the difficulties experienced by some trading firms, mostly in Singapore. However, large physical commodities trading firms, such as the Group, are playing a central role in managing the inherent financial and other risks that arise in such volatile markets, and smoothing over the disruptions resulting from such supply and demand shocks.

The Group has, and expects to continue to, benefit from the concentration of capital allocation by banks to the top names in the commodity sector and has therefore been able to maintain healthy levels of committed and uncommitted facilities throughout the various banking and commodity market cycles with strong and continued support from its banking partners.

In recognition of the market trends mentioned above, the Group has sought to manage its banking group in the following ways:

Pro-active and Clear Communication with Banks

The Group maintains a clear and open communication channel with banks. At the end of 2012, the Group carried out a survey on members of its lending group to gauge the perception of external stakeholders towards the Group and its operations. A 70 per cent. response rate was achieved, which highlighted key differentiators of the Group in comparison to its peer group and the challenges faced by the Group, as well as the main positive and negative drivers of the Group's reputation with lenders. The study has proved helpful in developing and shaping the Group's communication channels and strategy.

Following the successful engagement in 2012, the Group conducted a further survey in 2015 to gain an improved understanding of the operational and reputational risks and opportunities that the financial community, namely lending stakeholders, ascribes to the commodities sector as a whole and to the Group in particular. The exercise was also used to measure any tangible improvements following the learning outcomes of the 2012 survey. A total of 35 banks, spread across Europe, North America, Asia Pacific and Africa, were contacted for comment regarding various metrics and personal experiences with the Group. Overall, the lenders acknowledged the significance of the Group as a key player in the industry and highlighted its high level of transparency and communication in topics ranging from strategic objectives to risk management and compliance.

In April 2018, the Group commissioned a third assessment with about fifteen of its key relationship lenders and investors to re-evaluate the Group's reputation, as well as to ascertain their opinions on the impact and quality of the Company's reporting suite. The general consensus from respondents was that the Group is seen to act as if it was a 'public company' and is considered to be at the forefront of the responsibility agenda for the sector and decisive in shaping it. The Group's reporting is considered to embody transparency, from a more ambitious Responsibility Report through higher financial transparency in the Annual Report and to industry thought leadership with various white papers such as Commodities Demystified.

The Group values highly this type of feedback and will repeat this exercise in the future, applying recommendations in order to keep shaping and improving its business practices, banking relations and reputation.

Track Record of Building Strong Relationships

For a number of years and throughout various commodity cycles and financial market environments, the Group has cemented strong relationships with its lending banks. Regular meetings are held between the Group's board members and/or management committee members and senior management of the Group's major banks. Top management at those banks have reiterated their commitment to the Group as they re-focus available capital to the leaders of each sector. Therefore, despite a client portfolio rationalisation being undertaken by such banks which has mainly affected non-core and smaller clients in the commodities space, the Group has not suffered any material reduction of available lines and in a number of cases has actually seen available lines increase.

Diversification of Funding Sources

Diversification is a key pillar of the Group's funding strategy. For many years, the Group has actively sought to diversify its banking pool, which now consists of around 140 banks around the world. The Group has developed strong banking relationships on a global basis (e.g. Europe, North America, China, Japan, Australia and South-East Asia). Historically, European banks have been prominent in commodity trade financing and are therefore an important part of the Group's bank group. In the unforeseen case that available credit lines from certain banks were reduced in a specific region, the Group would be in a position to mitigate the effects of such a reduction through corresponding increases of its banking lines in other regions.

Additionally, the Group is in an enviable position to have developed its trade receivables securitisation programme into the largest of the industry. Since this programme is funded from the USD capital markets (whether directly or indirectly via conduits) this significantly reduces the amount of USD liquidity required from its banks in the form of traditional lending. Another milestone was achieved in November 2017, when the company successfully launched its first ever inventory-backed securitisation programme (non-recourse funding), leveraging existing assets and diversifying the funding pool.

The Group has successfully tapped various markets for long-term unsecured funding such as the Eurobond market (2010, 2013, 2014 and 2015), the US private placement market (2006, 2011, 2013, 2018 and 2020) and the hybrid capital market (2013, 2014 and 2017). Additionally, the Group has had a JPY-denominated 3-year term loan since 2012, which it has now re-financed four times (last in March 2020), upsizing the loan each time. Finally, since the beginning of the Group's 2018 fiscal year, the Group has also been active in a number of different markets, tapping new sources of liquidity through senior USD bond, CHF bond and Panda bond.

Financial Discipline

Although unrated by any international rating agency, the Group aims to manage its business and financial profile in a manner consistent with an investment grade profile. The Group has a track record of raising financing from multiple sources on an unrated basis even in the most volatile and challenging market conditions.

Financial discipline is inherent to the Group's business model due to the reliance on debt markets for capital and liquidity. The Group's significant expansion of its sources of financing over the years has been achieved on the basis that the Group can maintain an acceptable and sustainable credit standing consistent with an investment grade profile.

As a private company, the Group values long-term relationships with all its financial stakeholders and provides access to all information necessary to reach an independent view on the Group's creditworthiness. The Group has always strived to disclose to its financial stakeholders information necessary to understand its business model and financial performance. As a testament to this approach, the Group also releases its interim and full year financial reports publically on its website (www.trafigura.com/financials). The Group believes its stakeholders' scrutiny and continuous involvement provide a strong oversight and control on the Group's financial health and is consistent with the Group's strategy to build value in the long run, which is reinforced by its ownership model.

Such discipline is reinforced by the financial covenants granted to the Group's unsecured lenders.

Legal Proceedings

The Company and its subsidiaries are parties to a number of legal claims and proceedings arising out of their business operations. The Group believes that the ultimate resolution of these claims and proceedings will not, in the aggregate, have a material adverse effect on the Group's financial position, consolidated income or cash flows. Such legal claims and proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is unpredictable. It is possible that the Group could be required to make expenditures, in excess of established provisions, in amounts that cannot reasonably be estimated.

As reported in the press, at certain warehouses in China, notably for the locations in Qingdao, Pinglai and Yingkou, there have been rumours that fraudulent warehouse certificates are in circulation. One of the Company's subsidiaries has issued warehouse certificates, and also has a limited number of collateral management agreements in place, regarding metal stored at these locations. Looking at hypothetical yet realistic scenarios, it is still considered unlikely that a potential liability would be material for the Group.

Ownership Structure

The Group is owned by approximately 700 senior employees, who are therefore focused on the long-term success of the business, promoting management depth and stability, and encouraging prudent risk management. The decision as to which employees may become shareholders is discretionary based upon management's evaluation of the individual's performance, seniority and future potential. This assessment is made on a yearly basis, with adjustments up or down, depending on the employee's overall (current and expected) contribution to the Group's results.

Shares are issued and redeemed by TBBV. Upon ceasing employment with the Group, any shares in TBBV held by an employee will be repurchased, under certain conditions. In case of shareholdings in excess of USD 1 million, an employee's shares are bought back in five separate instalments (the first one at the time of departure and then at the end of each of the following four years).

The Group operates a limited discretionary share redemption programme for non-departing employees in order to provide liquidity in the shares and ensure that employees hold shareholding positions commensurate with their overall contribution to the business. However, all share redemptions (for both departing and non-departing employees) are strictly discretionary and can be deferred indefinitely; noting that employees do not have the right to freely sell their shares. Redemptions are strictly subject to the Group maintaining its financial covenants.

Finally, as has been the case since inception, no dividend or profit distribution is paid to final shareholders of the Group other than through share redemptions at TBBV level (noting that, as a first step, dividends are paid from TGPL to TBBV).

Management Structure and Corporate Governance

Board of Directors

As part of the corporate re-organisation described above, there was a change in the Group's governance arrangements. The reason for this is because Singapore law requires locally registered companies to maintain a unitary Board structure. As a consequence, with effect from 30 September 2015, the Group established a single Board of Directors to oversee the Group. The Board of Directors has overall responsibility for the strategic direction and management of the Group across all its investments and activities. This encompasses the roles previously occupied by the Group's two-tier board structure which was comprised of a Supervisory Board and a Board of Directors prior to the Group re-organisation. The Board is chaired by Jeremy Weir, Executive Chairman and CEO. Members of the current Board of Directors are listed below:

BOARD OF DIRECTORS				
Name	**Position**	**Other relevant activities outside the Group (Past or Present)**	**Years with the Group (as at 1 January 2020)**	**Years in Commodities**
Andrew Vickerman	Director	Former member of the Operating and Executive Committees of Rio Tinto; Former Global Head of Communication & External Relations of Rio Tinto	9	28
Jeremy Weir	Executive Chairman and Chief Executive Officer	None	19	27
Jose Larocca	Executive Director and Co-Head of Oil Trading	None	26	28
Mark Irwin	Director	Former Financial and Corporate Controller	26	28
Mike Wainwright	Executive Director and Chief Operating Officer	None	24	24
Pierre Lorinet	Director	Former Group Chief Financial Officer	18	19
Sipko Schat	Director	Former member of Rabobank Executive Board; Non-executive director of various companies	4	4

The business address of each member of the Board of Directors is 10 Collyer Quay, Ocean Financial Centre, #29-00 Singapore 049315. As at the date of this Base Prospectus, to the best of the Company's knowledge, no potential conflicts of interest exist between the duties to the Company of any director, and its private interests and/or other duties.

Management committee

The Management Committee was created in April 2018, subsuming the Trading Committee and Investment Committee. The Management Committee is responsible for the execution of the Group's business plan including management of the day-to-day trading, commercial and operational functions as well as the Group's investment portfolio. Creation of the Management Committee marks a further development of the Group's governance and enlargement of the leadership of the Group. Members of the Management Committee are listed below:

Name	Position / Background	Years with the Group (as at 1 January 2020)	Years in Commodities
Amin Zahir	Head of Refined Metals and Concentrates	19	22
Ben Luckock	Co-Head of Oil Trading	12	22
Christophe Salmon	Group Chief Financial Officer	8	19
Jeremy Weir	Executive Chairman and Chief Executive Officer	19	27
Jesus Fernandez	Head of M&A	15	15
Jose Larocca	Co-Head of Oil Trading	26	28
Julien Rolland	Head of Bulk Minerals, and Power and Renewables Trading	14	23
Mike Wainwright	Chief Operational Officer	24	24

Name	Position / Background	Years with the Group (as at 1 January 2020)	Years in Commodities
Hadi Hallouche	Co-Head of Oil Trading	8	15

Other committees

Below the Management Committee sit a number of more narrowly focused committees which are focused on the day-to-day management of the Group, as opposed to the Group strategy. Each committee maintains regular contact with the Group's Management Committee and Board. They are comprised as follows:

- Oil & Petroleum Trading Committee: Group CEO, Co-Heads of Oil Trading and a group of senior oil traders;
- Metals and Minerals Trading Committee: Group CEO and senior metals and minerals traders;
- Finance Committee: Group CFO, Regional CFOs, Head of Structured & Trade Finance, Group Treasurer, Head of Credit Risk Management and Head of Trade Finance;
- Accounting Steering Committee: Group COO and Group Financial Controller;
- IT Steering Committee: Group COO and other board-level representatives;
- Risk Committee: Group CEO, Group COO, Co-Heads of Oil Trading and Chief Risk Officer;
- Compliance Committee; and
- HSEC Steering Committee.

Corporate Responsibility

The Group has set an important ambition: to become acknowledged sector leaders in the way the Group manages corporate responsibility. This commitment is endorsed by the Group's Management Committee, shareholders and by employees across the Group. It is also firmly rooted in commercial logic, for a number of reasons:

1. The Group knows it has to earn and maintain a social licence to operate in many countries and communities where the Group is active.

2. As a Group specialising in the logistics of moving large volumes of potentially dangerous or polluting materials around the world, it needs to operate a systematic and rigorous approach to the management of Health, Safety, Environment and Community ("**HSEC**") risks, both in operations under direct control and in selection of contracting partners.

3. The Group's partners rightly require assurance that the Group operate to the highest standards. Demonstrating leadership in responsibility will support the development of business and enhance access to capital and liquidity. In that sense, the Group see good performance in this area as a means of securing a competitive edge.

Different parts of the Group have distinct challenges and priorities across the HSEC and compliance agenda. All are required to implement, measure and report performance against the priorities and targets agreed at Group and operating levels.

The Group reports annually on its corporate responsibility performance.

Comprehensive Framework for Responsibility

The sustainability of any policy is contingent on how it is developed, embedded and monitored.

In the 2016 Responsibility Report, the Group described the adoption of a new Corporate Responsibility Policy, together with updated Business Principles covering human rights, health and safety, environment and community engagement. Publication followed extensive consultation with employees, business partners and other stakeholders. These documents are all available here at www.trafigura.com.

At a strategic level, the Corporate Responsibility Policy articulates the leadership team's priorities and commitments for social and environmental governance. Operationally, it outlines what is expected from everyone in the Group, its divisions and operating companies.

The Group's policy and principles are cognisant of emerging best practice for multinational corporations and in particular with authoritative frameworks such as the UN Guiding Principles on Business and Human Rights (the UNGPs or 'Ruggie Principles'). They also reflect the evolving expectations of many of the stakeholders, from financing institutions to local communities.

The Group's actively encourage business partners and other entities directly linked to the business operations, products and services to align with and implement comparable standards.

2019 Corporate Responsibility Report

Trafigura reports annually on its corporate responsibility performance. In January 2020, the Group published its fifth Responsibility Report which accounts for the Group's 2019 ESG performance. The report presents a practical perspective on how Trafigura is working independently and in collaboration with its many suppliers and counterparts to manage its ESG impacts and Trafigura's progress during the year implementing responsible business practice.

In this fifth Responsibility Report the Group emphasized four areas. First, the safety of those impacted by the Group's operations. Second, the climate change strategy and emissions reporting, reflecting the priorities and principles of the Financial Stability Board's Task Force on Disclosure (TCFD). Third, the Group's growing responsible sourcing programme; and fourth, the company's efforts to enhance transparency and engagement with its stakeholders.

Trafigura's safety performance has continued to improve over the course of 2019. The Group's Lost Time Incident rate fell by 27 per cent. to 1.76 (compared to 2.40 per cent. in 2018), following reductions of 38 per cent. and 12 per cent. in 2018 and 2017 respectively.

Trafigura's reporting of greenhouse gas emissions extended in 2019 to include all activities and the company reported good progress towards reporting emissions intensity.

In 2019, Trafigura eliminated the practice of using intermediaries or agents for business origination and development purposes, an important step expedited by the geographical scale that Trafigura has now reached. The company has continued to strengthen its compliance programme, and the Group's Know-Your-Counterparty (KYC) due diligence programme extended to 8,672 counterparts, up from 6,475 in 2018.

Health, safety and environmental (HSE) diligence by the Group extended to 683 contractors, up from 403 in the previous year and, similarly, Trafigura's responsible sourcing programme expanded significantly, which is noted in the report as 'reflecting a growing industry trend towards enhanced supply chain diligence'. Trafigura has made specific disclosures relevant to its Tailings Storage Facilities, in accordance with the Investor Mining and Tailings Safety Initiative.

In recent years, Trafigura has played an active role in support of commodities trading transparency and, in particular, the Extractive Industries Transparency Initiative (EITI). In 2019, Trafigura became the first commodity trading company to join the board of the EITI. Trafigura is committed to advancing the mission of the organisation and extending its reach internationally. Trafigura's reporting aligned with the EITI related to payments of USD 3.2 billion in 2018 to national oil companies (NOCs) in EITI countries (2017: USD 2.7 billion), against total payments of USD 35.8 billion in 2018 to NOCs in non-EITI countries (2017: USD 30 billion).

HSEC Steering Committee

The Group's HSEC Steering Committee is responsible for ensuring the Corporate Responsibility Policy and Business Principles are implemented consistently across the organisation. It includes a Board member, the Heads of Corporate Affairs, HSE, and Corporate Responsibility as well as COOs and HSEC Heads from across the organisation.

The Group's HSEC Steering Committee is supported by cross-company HSEC Working Groups, focusing on particular challenges or work programmes.

The mandate of the Group's HSEC Steering Committee is to manage a robust, yet streamlined approach to HSEC issues across the Group with an emphasis on implementation and performance improvement at an operating company and local site level.

Transparency

The Group takes the view that transparency is indispensable in its corporate responsibility journey. There are increasing demands for greater disclosure of payments to governments by commodity trading firms as well as mining companies and upstream oil producers. Disclosure can assist in improving governance in resource-rich countries.

As a major facilitator of global trade, the Group also believe that natural resource wealth should be an important engine for economic growth that contributes to sustainable development and poverty reduction. Being open about how the Group manage natural resources gives the populations in countries where it operate the tools to hold governments and business to account.

Since the Group's first bond issuance on the international debt capital markets in 2010, the Group has taken significant steps to provide greater transparency to stakeholders. The Group believe that driving greater transparency and accountability is in the best interests of those impacted by it activities, whether national governments and their citizens or sector leaders through to small businesses. Transparency is an important pillar of the company's core business and is increasingly viewed both internally and externally as a business enabler and a competitive differentiator.

Extractive Industries Transparency Initiative ("EITI")

In November 2014, the Group formally declared its support to the Extractive Industries Transparency Initiative (EITI) – the first privately held commodities trading company to do so. In a further step, the Group published a 'Payments to Governments Policy', which was drawn up in consultation with the EITI International Secretariat. The policy committed the company to disclosing any payments to National Oil Companies (NOCs) for crude oil and petroleum products, including gas, as well as associated corporate taxes and, where relevant, licence payments to Governments. As a leading commodities trading house, the Group has a role in making such disclosures, and believe that Governments have an important part to play in disclosing how they use these funds. In 2019, the Group became the first commodity trading company to join the board of the EITI.

Health and Safety

Three health and safety objectives determine the Group's approach. First, the Group aims for zero work-related fatalities; second, it aims to reduce the number of serious incidents it experiences; and third, it works to share lessons from incidents and near misses, with a view to continually improving the performance.

The Group's robust, targeted approach is increasingly informed by solid data. The Group is asserting the primary importance of safe, healthy working conditions through strong governance supported by an active network of HSEC practitioners. It aims to eliminate or mitigate operational risks to as low as reasonably practicable, whether they relate to the employees or to others carrying out or overseeing duties on the Group's behalf.

The Group's approach has its foundations in the Corporate Responsibility Policy and Business Principles. The Group is meeting these commitments through strong governance at Group and operating levels. It is strengthening the assurance and formalising the processes. The Group focuses on skills development and risk management, and share good practice across the organisation.

Environment

The Group is entrusted with the safe handling, storage, blending and transportation of significant volumes of commodities every day, including oil and petroleum products, ores, concentrates and refined metals. It is the Group's duty to prevent, minimise or remediate any unintended releases of these products to the natural environment.

The Group's divisions and operating companies that manage industrial assets aim to eliminate or mitigate any adverse environmental impacts associated with their activities. The Group seeks to reduce emissions, explore ways in which it can create supply chain efficiencies in logistics, and adapt the operations to meet the reality of climate change.

In 2019, the Group established the Climate Change Group to guide the strategic approach to climate-related risks and opportunities. Its main priorities for the year were initiating investigations into new opportunities, reviewing existing proposals, examining and challenging the Group's quarterly climate change reports and ensuring the Group is positioned to adapt as the world transitions to a low carbon economy.

Conduct and Compliance

The Group focuses on promoting and sustaining a sound compliance culture where all staff recognise both a personal and a collective responsibility for meeting Group compliance objectives. The Group's Code of Business Conduct defines what is expected of its people.

The Group's business is conducted within national and international laws and regulations. Wherever the Group operates, it aims to ensure its conduct is in line with applicable and relevant internationally recognised standards.

The Group's Code of Business Conduct is a cornerstone of the Group's approach. It defines what is expected of the business and its employees. It promotes good business judgement and compliance with relevant laws and regulations.

Ethical business conduct is a pre-requisite for sustained success. The Group has adopted five key principles that define the way the Company conducts itself worldwide. The Company's Compliance Department has developed global systems and safeguards that ensure the Company adheres to these principles wherever the Group operates.

1. Integrity - honest and straightforward in business dealings.

2. Care and diligence - due skill, care and diligence in the management of its business.

3. Best practice - compliance procedures that meet best practice standards, not just minimum legal or regulatory requirements.

4. Market conduct - business dealings in accordance with high standards of market conduct.

5. Management and control - appropriate procedures in place to manage and control the business effectively and meet the requirements of its Code of Business Conduct.

The Group's Compliance Department oversees Group activities. It operates in partnership with front office functions to ensure the Group's controls are relevant and robust. The Group's Head of Compliance reports directly to the Group's COO who sits on the Group's Management Committee. The Group's Compliance Committee meets twice a year.

Know Your Counterparty Process

The Group is dedicated to forming strong, enduring and mutually beneficial relationships with its customers. Therefore, the Group takes great care in selecting its business partners, a commitment that is clearly articulated within the Company's 'Know Your Counterparty' programme. Before transactions can proceed, a prospective new counterparty must provide extensive information about its operations, directors and financial status. After these details have been analysed by the Group's internal compliance team, the data is verified by authoritative external agencies including Complinet and Dun & Bradstreet.

Following this, the credit department verifies the credit status of the counterparty. Only after these checks are successfully undertaken can the Group enter into transactions with a new counterparty. These responsibilities are shared by a comprehensive compliance plan, monitoring programme and involvement of senior management through Compliance Committees.

Trafigura Foundation

The Trafigura Foundation was established in 2007 to coordinate and support the Company's philanthropy. What began as a handful of projects managed by staff has progressed into a systematic philanthropic organisation with global interests. Today, Trafigura Foundation provides financial and technical support to long-term development programmes that respond to specific local needs and delivers long lasting results. Over the past decades, it has engaged in projects involving around USD 58 million in nearly 100 programmes in 29 countries of operations.

In 2017, the Foundation reframed its strategic orientation to maximise its impact by forging stronger, more strategic relationships. It now focuses on programmes in two areas of activity: Fair and Sustainable Employment and Clean and Safe Supply Chains. Each of these furthers the Foundation's mission of improving the socio-economic conditions of vulnerable communities in countries where the Group has a presence, driving positive and lasting transformational change for those who need it the most. Beside these two focus areas, the Foundation's other mission remains to pool the charitable and community-oriented initiatives of the Group employees around the world.

The Foundation's governance structure ensures decisions are entirely independent and guided by genuine philanthropic motivations. The executive team selects, manages and monitors the programmes to which the foundation grants its support and is led by the Executive Director. The Foundation's Board of accomplished professionals' guides and supports the Foundation in its strategic decisions and investments.

Membership Organisations

In order to facilitate honest and open engagement with stakeholders on a range of social and environmental topics, the Group has joined a number of corporate responsibility initiatives worldwide. Current memberships include:

- UN Global Compact « (UNGC) » at an international level.
- World Economic Forum (WEF) - An international organisation for public-private cooperation engaging political, business and other leaders of society to shape global, regional and industry agendas. The Group is a member of the WEF’s Global Battery Alliance.
- Global Maritime Forum: An international not-for-profit foundation dedicated to shaping the future of global seaborne trade to increase sustainable long-term economic development and human wellbeing.
- Global Business Initiative on Human Rights « (GBI) »: A not-for-profit organisation established to advance human rights in the business context by informing policy and promoting cross-industry peer learning, outreach and capacity building.
- Extractive Industries Transparency Initiative « (EITI) » (as mentioned above).
- Oil Spill Response Ltd.
- Other membership includes: International Swaps and Derivative Association, Futures Industry Association, Commodities Markets Council Europe and OECD Multi-Stakeholder Group.
- The Group’s participation in these initiatives is enhancing the Company’s ability to meet its obligation to respect human rights in practice.

Financial Year

The financial year of the Company ends on 30 September.

Auditors

For the financial years ended 30 September 2018 and 30 September 2019, the auditor of the Company was PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, 1211 Geneva, Switzerland. PricewaterhouseCoopers SA, Geneva branch, is registered in the commercial register of the Canton of Geneva under number CHE-390.062.005. PricewaterhouseCoopers SA is a member of EXPERTsuisse – Swiss Expert Association for Audit, Tax and Fiduciary.

DESCRIPTION OF THE ISSUER

Business overview

The Issuer is a wholly-owned indirect subsidiary of the Company. The direct shareholder of the Issuer is Trafigura Holdings Pte Ltd. The Issuer is a special purpose financing entity. The corporate objects of the Issuer as set out in its Articles of Incorporation include the taking and maintaining of any participating interests, the granting of assistance to other Group companies or companies in which the Issuer has an interest, the issue of notes, bonds, debentures and any kind of debt and/or equity securities in any form and the granting of security interests over all or some of the Issuer's assets. The Issuer has no material business operations, no direct subsidiaries and no employees.

The Issuer is a wholly-owned finance company for the Group and its principal purpose is to issue debt instruments in the capital markets and lend the proceeds arising therefrom to members of the Group (although principally the lending is to TPTE, which performs treasury functions for the Group). The Issuer is dependent upon the members of the Group to which it lends to repay such loans in order to service the Notes. The Notes also benefit from guarantees of certain other members of the Group.

The Issuer is a limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg under the name Trafigura Funding S.A. The Issuer was incorporated on 13 December 2012. The Issuer is registered in Luxembourg with the Registre de Commerce et des Sociétés under number B 173718. The registered office of the Issuer is at 21, rue du Puits Romain, L-8070 Betrange, Grand Duchy of Luxembourg and its telephone number is +352 (26) 73 021. The Issuer was incorporated for an indefinite duration and has no other commercial name. There have been no recent events particular to the Issuer which are relevant to the evaluation of the Issuer's solvency.

Members of the Board of Directors

The directors of the Issuer as at the date of this Base Prospectus are as follows:

Name	Position	Other Principal Activities (outside the Group)
Edward Riley	Class A Director	None
Christopher Salmon	Class A Director	None
Robbert Maas	Class A Director	None
Constance Collette	Class B Director	Director of Estera (Luxembourg) S.àr.l.; various non-executive positions
Rémy Cornet	Class B Director	Director of Estera (Luxembourg) S.àr.l.; various non-executive positions

The business address of each of the Issuer's directors is 21, rue du Puits Romain, L-8070 Betrange, Grand Duchy of Luxembourg.

As at the date of this Base Prospectus, to the best of the Issuer's knowledge, no potential conflicts of interest exist between the duties to the Issuer of any director, and its private interests and/or other duties.

Financial Year

The financial year of the Issuer ends on 30 September.

Auditors

For the financial years ended 30 September 2018 and 30 September 2019, the auditor of the Issuer was PricewaterhouseCoopers, Société coopérative, whose registered office is at 2, rue Gerhard Mercator, L-

2182 Luxembourg. PricewaterhouseCoopers, Société coopérative is a member of the Luxembourg Institute of Auditors (*Institut des Réviseurs d'Entreprises*).

DESCRIPTION OF TRAFIGURA TRADING LLC

Business overview

TTL is a wholly-owned indirect subsidiary of the Company. TTL is engaged in buying and selling commodities, with its principal office in Houston (Texas) and another branch office in Stamford (Connecticut). TTL is the member of the Group responsible for conducting business in the United States.

TTL is a limited liability company incorporated under the laws of the State of Delaware under the name Trafigura Trading LLC. TTL was incorporated on 31 January 2015. TTL is registered in the State of Delaware with Federal Identification Number 06-1436098. The registered office of TTL is at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 and its telephone number is +1 832 2036400. The principal place of business of TTL is at 5 Houston Centre, 1401 McKinney, Suite 1500, Houston, Texas 77010. TTL was incorporated for an indefinite duration and has no other commercial name. There have been no recent events particular to TTL which are relevant to the evaluation of TTL's solvency.

TTL was previously incorporated on 14 July 1995 as a limited liability company existing under the laws of Switzerland under the name Trafigura AG. On 31 January 2015, TTL re-domesticated as a Delaware corporation under the name of Trafigura Inc. and subsequently converted to a limited liability company incorporated under the laws of the State of Delaware and changed its name to Trafigura Trading LLC (the (the "**Re-domestication**").

Management

The management of TTL as at the date of this Base Prospectus are as follows:

Name	Position	Other Principal Activities (outside the Group)
Corey Prologo	President/Director	None
Rodney Malcolm	President /Director	None

The business address of each of TTL's directors is Houston Center, 1401 McKinney, Suite 1500, Houston, TX 77010, USA and One Stamford Plaza, 263 Tresser Boulevard, 16th Floor, Stamford CT06901, USA respectively.

As at the date of this Base Prospectus, to the best of TTL's knowledge, no potential conflicts of interest exist between the duties to TTL of any director, and its private interests and/or other duties.

Financial Year

The financial year of TTL ends on 30 September.

Auditors

For the financial year ended 30 September 2018 and 30 September 2019, the auditor of TTL was PricewaterhouseCoopers SA, Geneva Branch whose registered office is at avenue Giuseppe-Motta 50, 1211 Geneva, Switzerland. PricewaterhouseCoopers SA, Geneva branch, is registered in the commercial register of the Canton of Geneva under number CHE-390.062.005. PricewaterhouseCoopers SA is a member of EXPERTsuisse – Swiss Expert Association for Audit, Tax and Fiduciary.

DESCRIPTION OF TRAFIGURA PTE LTD

Business overview

TPTE is a wholly-owned indirect subsidiary of the Company and is a Singaporean corporation engaged in buying and selling oil commodities in the Far East. TPTE was established in Singapore as the regional headquarters for the Group's oil trading activities, is the focal point for Trafigura's Asian branch network which includes offices in Brisbane, Jakarta, Mumbai, Seoul, Shanghai, Singapore, Tokyo and Ulaanbaatar and is the principal entity through which the Group's trading transactions are booked.

TPTE is a limited private company incorporated and existing under the laws of Singapore under the name Trafigura Pte Ltd. TPTE was incorporated on 7 March 1996. TPTE is registered in Singapore with the Accounting and Corporate Regulatory Authority in Singapore under number 199601595D. Its registered office and principal place of business is at 10 Collyer Quay, #29-00 Ocean Financial Centre, Singapore 049315 and its telephone number is +65 6319 2960. TPTE was incorporated for an indefinite duration and has no other commercial name. There have been no recent events particular to TPTE which are relevant to the evaluation of TPTE's solvency.

Members of the Board of Directors

The directors of TPTE as at the date of this Base Prospectus are as follows:

Name	Position	Other Principal Activities (outside the Group)
William John Jaede	Director	None
Nicolas Marsac	Director	None
Edmundo Abdon Vidal Cornelio	Director	None
Chin Hwee Tan	Director	None

The business address of each of TPTE's directors is 10 Collyer Quay, #29-00 Ocean Financial Centre, Singapore 049315. As at the date of this Base Prospectus, to the best of TPTE's knowledge, no potential conflicts of interest exist between the duties to TPTE of any director, and its private interests and/or other duties.

Financial Year

The financial year of TPTE ends on 30 September.

Auditors

For the financial years ended 30 September 2018 and 30 September 2019, the auditor of TPTE was PricewaterhouseCoopers LLP, whose registered office is at 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936. PricewaterhouseCoopers LLP are registered as Public Accountants and Certified Public Accountants with the Accounting and Corporate Regulatory Authority in Singapore.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Luxembourg Taxation

Please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and, the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Luxembourg tax residency of Noteholders

A Luxembourg non-resident Noteholder will not become resident, nor be deemed to be resident, in Luxembourg, by reason only of its holding of Notes, or the execution, performance, delivery and/or enforcement of its entitlements thereunder.

Withholding tax

In principle, Luxembourg does not levy a withholding tax on at-arm's-length interest, except for interest on certain profit sharing bonds or similar instruments and interest paid as a profit share under certain silent partnership type arrangements, subject to the application of the Luxembourg law dated 23 December 2005, as amended (the " **Relibi Law**").

Luxembourg non-resident individuals

Under the Luxembourg tax law currently in effect, there is no withholding tax on payments of interest (including accrued but unpaid interest) that are not profit sharing and other similar income made to a Luxembourg non-resident holder of the Notes. There is also no Luxembourg withholding tax, upon repayment of the principal, or subject to the application of the Relibi Law, upon redemption or exchange of the Notes.

Luxembourg resident individuals

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg or a foreign residual entity, as defined by the Relibi Law, that secures interest payments on behalf of such individuals (unless such entity has opted to be treated as an undertaking for collective investments in transferable securities (UCITS) recognised in accordance with the Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC (as amended), or for the exchange of information regime) will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her/its private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Pursuant to the Relibi Law, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 20 per cent. tax on interest payments made by paying agents located in a Member State other than Luxembourg or a member state of the European Economic Area.

Taxation of Noteholders

Taxation of Luxembourg resident individuals

Luxembourg resident individual Noteholders acting in the course of managing their private wealth are subject to Luxembourg income tax at progressive rates in respect of payments received under the Notes, except if (i) a final withholding tax has been levied on such payments or, (ii) where available, the Noteholder opts to self-declare and pay a 20 per cent. tax (see the above section "*Withholding tax – Luxembourg resident individuals*"). A gain realised by a Luxembourg resident individual Noteholder acting in the course of managing its private wealth, upon the sale or disposal of the Notes is not subject to Luxembourg income taxes **provided that** the sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

Luxembourg resident individual Noteholders acting in the course of managing a professional or business undertaking to which the holding of Notes is connected are required to include any remuneration received, as well as any gain realised on the sale or disposal of the Notes, in their taxable income for Luxembourg income tax assessment purposes (including income tax levied at progressive rates and municipal business tax). For Luxembourg resident individuals receiving payments under the Notes as income from assets held in a professional capacity, the 20 per cent. withholding tax levied is credited against their final tax liability. The same tax treatment applies to non-resident Noteholders who have a permanent establishment or a permanent representative in Luxembourg to which the holding of Notes is connected.

Taxation of Luxembourg corporate residents

Luxembourg corporate Noteholders must include any payments received in connection with their holding of Notes and any gain realised on the sale or disposal of the Notes in their taxable income for Luxembourg income tax assessment purposes (including corporate income tax and municipal business tax).

Taxation of Luxembourg corporate residents benefiting from a special tax regime

Luxembourg corporate resident Noteholders that benefit from a special tax regime, including but not limited to (i) undertakings for collective investment subject to the law dated 17 December 2010 (as amended), (ii) specialised investment funds subject to the law dated 13 February 2007 (as amended), (iii) family wealth management companies subject to the law dated 11 May 2007 (as amended), and (iv) reserved alternative investment funds subject to the law dated 23 July 2016 and treated as a specialised investment fund for Luxembourg tax purposes, are exempt from income tax in Luxembourg and thus income derived from the Notes, as well as any gains realised thereon, are not subject to Luxembourg income tax.

Taxation of non-resident Noteholders

Noteholders who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which the holding of Notes is connected are not liable for any Luxembourg income tax, whether they receive payments of principal or other payments or realise capital gains upon the redemption, sale or exchange of any Notes.

Noteholders who are non-residents of Luxembourg and who have a permanent establishment or a permanent representative in Luxembourg to which the holding of Notes is connected are required to include any interest accrued or received under the Notes and any capital gain realised on the sale or disposal of the Notes in their taxable income for Luxembourg income tax assessment purposes.

Net Wealth Tax

Individuals

Net wealth tax will not be levied on an individual Noteholder in respect of its holding of Notes, whether or not he/she is resident of Luxembourg.

Corporations

Corporate Luxembourg resident Noteholders or non-resident Noteholders which maintain a permanent establishment, fixed place of business or a permanent representative in Luxembourg to which the holding of Notes or any resulting income is connected, are subject to an annual Luxembourg net wealth tax on such Notes except if the Noteholder is (i) an undertaking for collective investment subject to the law dated 17 December 2010 (as amended), (ii) a securitisation vehicle governed by the law dated 22 March 2004 on securitisation (as amended), (iii) a company governed by the law dated 15 June 2004 on venture capital vehicles (as amended), (iv) a specialised investment fund subject to the law dated 13 February 2007 (as amended), (v) a family wealth management company subject to the law dated 11 May 2007 (as amended) , or (vi) a reserved alternative investment fund subject to the law dated 23 July 2016.

Net wealth tax is levied at a 0.5 per cent. rate up to EUR 500 million taxable base and at a 0.05 per cent. rate on the taxable base in excess of EUR 500 million. Securitisation vehicles and investment companies in risk capital (*Société d'investissement en capital à risque* (SICAR)), a regulated structure designed for private equity and venture capital investments (organised as tax opaque companies), are subject to net wealth tax up to the amount of the minimum net wealth tax.

The minimum net wealth tax is levied on companies having their statutory seat or central administration in Luxembourg. For entities for which the sum of fixed financial assets, receivables against related companies, transferable securities and cash at bank exceeds 90 per cent. of their total gross assets and EUR 350,000, the minimum net wealth tax is currently set at EUR 4,815. For all other companies having their statutory seat or central administration in Luxembourg which do not fall within the scope of the EUR 4,815 minimum net wealth tax, the minimum net wealth tax ranges from EUR 535 to EUR 32,100, depending on the company's total gross assets.

Other taxes

Registration taxes and stamp duties

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by the Noteholders as a consequence of the issuance of the Notes, nor will any such taxes be payable as a consequence of a subsequent transfer, redemption or repurchase of the Notes. There is no obligation to register the Notes in Luxembourg. However, a registration duty may apply (i) upon voluntary registration of the Notes in Luxembourg, (ii) if the Notes are attached as an annex to an act (*annexés à un acte*) that itself is subject to mandatory registration, or (iii) if the Notes are deposited in the minutes of a notary (*déposés au rang des minutes d'un notaire*).

Value added tax

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of payments made under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services. Due to the activity of the Issuer, this value added tax could be a final cost. Foreign value added tax that might be payable in respect of fees charged for certain services rendered to the Issuer may also be a final cost.

Inheritance tax and gift tax

No estate or inheritance taxes are levied on the transfer of the Notes upon death of a Noteholder in cases where the deceased was not a resident of Luxembourg at the time of his death for inheritance tax purposes. Where a Noteholder is a resident of Luxembourg for tax purposes at the time of his death, the Notes are included in his taxable estate for inheritance tax assessment purposes. Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg notarial deed or otherwise recorded in Luxembourg.

Common Reporting Standard

The Organisation for Economic Co-operation and Development has developed a new global standard for the automatic exchange of financial information between tax authorities (the "**CRS**"). Luxembourg is a signatory jurisdiction to the CRS and the CRS has been implemented in Luxembourg via the law dated December 18, 2015, concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU.

The regulations may impose obligations on the Issuer and the Noteholders, if the Issuer is considered as a Reporting Financial Institution (e.g. an Investment Entity) under the CRS, so that the latter could be required to conduct due diligence and obtain (among other things) confirmation of the tax residency, tax identification number and CRS classification of Noteholders in order to fulfil its own legal obligations. Further, the Noteholders have permitted the Issuer to share such information with the relevant taxing authority.

Prospective Noteholders should contact their own tax advisers regarding the application of CRS to their particular circumstances.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each other than Estonia, a "**participating Member State**"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the Commission's proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank Aktiengesellschaft, ING Bank N.V. and Société Générale (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, the Dealers are set out in an amended and restated dealer agreement dated 11 September 2020 (the "**Dealer Agreement**") and made between the Issuer, the Guarantors and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer, the Guarantors and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer, the Guarantors and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as stabilising manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. The Dealers are entitled in certain circumstances to be released and discharged from their obligations under any such agreement prior to the closing of the issue of the Notes.

Certain of the Dealers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms*.

Neither the Notes nor the Guarantees have been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act. Accordingly, Notes and the Guarantees are being offered and sold only to non-US persons outside the United States in reliance upon Regulation S under the Securities Act.

Subject to sub-clause (a) of the previous paragraph, each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States (other than in accordance with the first paragraph under the heading "*United States of America*") by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA and UK Retail Investors

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) in relation thereto to any retail investor in the European Economic Area and the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Selling Restrictions Addressing Additional Securities Law

United Kingdom

Each Dealer has represented, warranted and agreed that:

(a) ***No deposit-taking:*** in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) ***Financial promotion:*** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

(c) ***General compliance***: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of the Commonwealth of Australia (the "Corporations Act")) in relation to the Programme or the Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("ASIC" ") or any other regulatory authority in Australia. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (unless the applicable Final Terms or another supplement to this Base Prospectus otherwise provides) it:

(a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not made or invited, and will not make or invite, applications for issue, or offers to purchase, the Notes in or to the Commonwealth of Australia (including an offer or invitation which is received by a person in the Commonwealth of Australia); and

(b) has not distributed or published, and will not distribute or publish, this Base Prospectus or any other offering material or advertisement relating to any Notes in the Commonwealth of Australia,

unless:

(i) the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, in either case disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;

(ii) the offer or invitation is not made to a "retail client" as defined for the purposes of section 761G of the Corporations Act;

(iii) such action complies with all applicable laws, regulations and directives; and

(iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

Belgium

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**" and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Denmark

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of a public offering, unless, as applicable, in compliance with the Prospectus Regulation, the Danish Consolidated Act No. 931 of 6 September 2019 on Capital Markets, as amended, supplemented or replaced from time to time and any Executive Orders issued thereunder, including the Executive Order No. 1580 of 17 December 2018, as amended, supplemented or replaced from time to time, issued pursuant to the Danish Financial Business Act.

France

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France in the period beginning on the date of notification to the *Autorité des marchés financiers* (the "**AMF**") of the approval of the prospectus relating to those Notes by the competent authority of a Member State of the European Economic Area, other than the AMF, all in accordance with articles L.412-1 and L.621-8 of the French Code *monétaire et financier* and the *Règlement general* of the AMF and ending at the latest on the date which is 12 months after the date of the approval of this Base Prospectus; or

(ii) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, and/or (c) a limited circle of investors (*cercle restreint*) acting for their own account, as defined in, and in accordance with, Articles L. 411-1, L. 411-2, D. 411-1 and D. 411-4 of the French Code monétaire et financier.

Germany

Each Dealer has represented and agreed, and any further Dealer appointed under the programme will be required to represent and agree, that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the Federal Republis of Germany other than in compliance with the Prospectus Regulation, the German Securities Prospectus Act (*Wertpapierprospektgesetz*), as amended, or any other laws applicable in the Federal Republic of Germany governing the issue, offering, sale and distribution of securities.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus (including, without limitation, any supplement to this Base Prospectus) or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as in Article 2, letter e) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), pursuant to Article 1, fourth paragraph, letter a) of the Prospectus Regulation and in Article 100 of Legislative Decree No. 58 of 24 February 1998; or

(ii) subject as provided under "*Prohibition of sales to EEA and UK Retail Investors*" above, in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation and any other applicable Italian laws and regulations.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be in compliance with the selling restriction under paragraph (i) or (ii) above and:

(a) be made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") (in each case, as amended from time to time) and any other applicable laws or regulations;

(b) comply with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy or by Italian persons outside of Italy; and

(c) be made in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy and/or any other competent authority.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy will be made in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "FIEA"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Act (Act No. 228 0f 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Jersey

This Base Prospectus does not constitute an offer to the public of Jersey to subscribe for the Notes offered hereunder. The Issuer does not have a relevant connection with Jersey. No regulatory approval has been sought for an offer in Jersey and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of, or any representations made in connection with, the Issuer. The offer of the Notes is personal to the person to whom the Notes are being delivered on behalf of the Issuer, and a subscription for Notes will only be offered from such person. The Notes may not be produced or used for any other purposes, nor be furnished to any other person other than those to whom they have been so delivered. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, on terms to this effect.

The Netherlands

Zero Coupon Notes (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

As used herein "Zero Coupon Notes" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Norway

The Notes have not been registered with the Norwegian Central Securities Depositary (the "**VPS**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes denominated in Norwegian Kroner within Norway or in any other circumstance which would require the Notes to be registered with the VPS pursuant to Norwegian law and regulations. In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all laws, regulations and guidelines applicable to the offering of Notes within Norway or to or for the account or benefit of persons domiciled in or citizens of Norway.

Grand Duchy of Luxembourg

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, the Notes to the public within the territory of the Grand-Duchy of Luxembourg ("**Luxembourg**") unless:

(a) a prospectus has been duly approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**") pursuant to part II of the Luxembourg law of 16 July 2019, on prospectuses for securities, which applies the Prospectus Regulation (the "**Luxembourg Prospectus Law**") if Luxembourg is the home Member State as defined under the Prospectus Regulation; or

(b) if Luxembourg is not the home Member State as defined under the Prospectus Regulation, the CSSF and the European Securities and Markets Authority have been provided by the competent authority in the home Member State with a certificate of approval attesting that a prospectus in relation to the Notes has been duly approved in accordance with the Prospectus Regulation and with a copy of that prospectus; or

(c) the offer of Notes benefits from an exemption from, or constitutes a transaction not subject to, the requirement to publish a prospectus or similar document under the Luxembourg Prospectus Law.

Korea

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act (the "**FSCMA**"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may not be offered, sold or delivered, directly or indirectly, or offered or sold for re-offering or resale, directly or indirectly, in Korea or to, or for the account of, any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea (the "**Foreign Exchange Transaction Law**"), except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law and the decrees and regulations thereunder.

People's Republic of China

Each of the Dealers has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, that the Notes may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, the "**PRC**") in contravention of any applicable laws.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

Each of the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, it is not the Dealers intention and no action has been taken by the Dealers which would permit a public offering of any Notes or distribution of this document in the PRC. Accordingly, the Notes are not being offered or sold within the PRC by means of this Base Prospectus or any other document. Neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Republic of China (Taiwan)

Unless the offer of the Notes has been and will be registered with the Financial Supervisory Commission or other regulatory authorities or agencies of Taiwan, the Republic of China pursuant to relevant securities laws and regulation, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may not be sold, issued or offered within Taiwan, the Republic of China through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission or other regulatory authorities or agencies of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of any Notes in Taiwan, the Republic of China.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that no documents in connection with the offer of the Notes (including, without limitation, this Base Prospectus) have been registered with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, to the Issuer and the Guarantors that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"), pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulation 2018, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A(1)(a) of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the securities or securities-based derivatives contracts (each term as defined in Section 2 (1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA and in accordance with the conditions specified in Section 275 of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Spain

Neither the Notes nor this Base Prospectus have been or will be registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in compliance with the provisions of the Prospectus Regulation and the consolidated text of the Spanish Securities Market Law approved by Royal Legislative Decree 4/2015 of 23 October (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended, and further developing legislation. No publicity or marketing of any kind shall be made in Spain in relation to the Notes.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not and will not direct or make any offer of the Notes to investors located in Spain.

Switzerland

Each Dealer has undertaken and agreed, and each further Dealer appointed under the Programme will be required to undertake and agree, that this Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes and the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to any person in the Dubai International Financial Centre unless such offer is:

(a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the "**DFSA**") Rulebook; and

(b) made only to persons who meet the "**Professional Client**" criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA Rulebook.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus, any Final Terms, any Drawdown Prospectus or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus, any Final Terms or any Drawdown Prospectus comes are required by the Issuer, the Guarantors and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus, any Final Terms, any Drawdown Prospectus or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer.

KEY PERFORMANCE INDICATORS

The Group uses certain financial measures derived from its consolidated financial statements, accounting records and other management sources to evaluate period to period changes that are not required or presented in accordance with IFRS because the Group believes these measures will assist securities analysts, investors and other interested parties in the understanding of the Group's results of operations and financial position.

These supplemental financial measures derived from the Group's consolidated financial statements, accounting records and other management sources are not measures of the Group's financial performance or liquidity under IFRS and should not be considered as an alternative to consolidated net income as an indicator of the Group's performance or as an alternative to cash flows from operating activities or as a measure of the Group's liquidity. Accordingly, they may differ from similarly-titled measures reported by other companies and may not be comparable. Investors are cautioned not to place undue reliance on these alternative performance measures, which should be considered supplemental to, and not a substitute for, the financial measures presented in the consolidated financial statements prepared in accordance with IFRS and incorporated by reference in this Base Prospectus. These supplemental financial measures include EBITDA, adjusted debt to Group equity ratio, corporate debt to EBITDA ratio, operating free cash flow and industrial assets.

This section only contains the alternative performance measures used in the Base Prospectus. This overview is not complete given that the Group also uses IFRS performance measures. For these measures, reference is made to the Group Financial Statements and the Group Interim Financial Statements, incorporated by reference into this Base Prospectus.

EBITDA

From an operating profit perspective, Trafigura believes that EBITDA (Earnings before interest, taxes, Depreciation and Amortisation) is the most appropriate measure to assess its operating performance. EBITDA as presented in the Base Prospectus may not be comparable to similarly title measures reported by other companies due to differences in the way these measures are calculated.

The following table sets out a reconciliation of the Group's results from operating activities to EBITDA for the financial years ended 30 September 2014 to 2019, and for the six months ended 31 March 2019 and 2020.

	Financial year ended 30 September						6 months ended 31 March	
	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2019**	**2020**
				USD million				
Results from operating activities	**1,525**	**1,407**	**1,111**	**1,457**	**1,492**	**1,649**	**894**	**1,275**
Adjusted for:								
Depreciation and amortisation	236	220	205	199	192	201	78	645
Share-based payment expenses	42	51	78	82	88	108	70	92
Exceptional items in staff costs	-	-	-	18	(12)	(2)	-	-
Other income/(expense)	(484)	198	233	(163)	(45)	172	68	398
Sub-total	**1,319**	**1,876**	**1,627**	**1,593**	**1,714**	**2,128**	**1,110**	**2,410**
Add back: non-exceptional items in other income/(expense)	(10)	(15)	1	(13)	(2)	1	2	1
EBITDA	**1,309**	**1,861**	**1,628**	**1,580**	**1,712**	**2,129**	**1,112**	**2,411**

Adjusted debt to Group equity ratio

As a physical trading group, Trafigura relies on a specific funding model. As a result, one cannot apply the same financial analysis framework as for other, more typical industrial companies.

The adjusted debt metric represents Trafigura's total long- and short-term debt less cash, deposits, readily marketable inventories, debt related to the Group's securitisation programmes and the non-recourse portion of loans. This metric is a better measure of the Group's financial leverage than a simple gross debt metric. In particular, the following adjustments are made:

- The Trade Receivables Securitisation Programme has been taken out on the basis it is raised by an entirely distinct legal entity from Trafigura with no recourse to the Group and is only consolidated into the financial statements in accordance with the Group's accounting rules.

- Cash and short-term deposits are deducted from debt.

- Pre-sold or hedged stock, including purchased and pre-paid inventories which are being released, is deducted from debt. This reflects the great liquidity of the stock and the ease at which this could be converted to cash. As previously described, Trafigura's policy is to have 100 per cent. of stock hedged or pre-sold at all times.

- Non-recourse invoice discountings or portion of loans (for example non-recourse portions of bank financings used to extend prepayments to counterparties) are deducted from debt.

A reconciliation of the Group's current and non-current loans and borrowings to adjusted debt to Group equity ratio as of 30 September 2018 and 2019 and as of 31 March 2020 is presented on page 11 of the Trafigura Annual Report for the financial year ended 30 September 2019 and page 31 of the Trafigura Interim Report for the period ended 31 March 2020, respectively, each incorporated by reference in this Base Prospectus (see "*Information Incorporated by Reference*").

Corporate debt to EBITDA ratio

Over time, Trafigura has reviewed the adequacy of the adjusted debt concept and introduced a leverage ratio referred to as the corporate debt to EBITDA ratio in 2015. Trafigura believes this is a more relevant ratio for senior unsecured creditors than the adjusted debt to Group equity ratio.

In particular, the adjusted debt to Group equity ratio does not take into account the excess of trade receivables over trade payables, which would be available to senior creditors in the case of a liquidation. Commodity receivables typically have a short duration (of 1 to 3 months) and very low default rate due to the strategic nature of the goods. By removing the trade receivables in excess of trade payables, the corporate debt excludes any working-capital debts which are repaid through resale of the commodity (self-liquidating debts), and rather focuses on debt which is repaid by EBITDA generation.

The corporate debt considers all debts, whether short-term or long-term, and removes:

- Cash and short-term deposits;

- Pre-sold or hedged stock (including purchased and pre-paid inventories being released);

- Trade receivables (including the MATSA sale receivable) in excess of trade payables and derivatives; and

- Any corporate debt for which lenders do not have recourse to Trafigura (e.g. non-recourse portion of bank financings used to extend prepayments to counterparties).

The Trade Receivables Securitisation Programme does not need to be deducted separately since the excess of trade receivables over trade payables would capture it. Likewise, non-recourse debt relating to invoice discounting is not considered, avoiding double counting (as receivables in excess of payables are already deducted).

The following table sets out a reconciliation of the Group's current and non-current loans and borrowings to corporate debt to EBITDA ratio as at 30 September 2018 and 2019, and 31 March 2020 using EBTIDA for the last twelve months ending on the respective date.

	As at 30 September		As at 31 March
	2018	2019	2020
	USD million		
Non-current loans and borrowings	8,462	8,492	8,719
Current loans and borrowings	23,742	22,456	22,124
Total debt	**32,204**	**30,948**	**30,843**
Adjusted for:			
Cash and cash equivalents	(5,356)	(6,267)	(6,717)
Deposits	(334)	(374)	(384)
Pre-sold/hedged inventories	(15,621)	(14,137)	(12,496)
Trade receivables in excess of trade payables (incl. current derivatives)	(5,863)	(4,798)	(6,682)
Non-recourse debt	(202)	(87)	(281)
Corporate debt	**4,828**	**5,284**	**4,283**
EBITDA over the last 12 months*	1,712	2,129	2,943
Corporate debt/EBITDA over the last 12 months	**2.8x**	**2.5x**	**1.5x**

(*) EBITDA for H1 2020 excludes the impact of IFRS 16 amounting to +USD 485m

Industrial Assets

Trafigura presents the industrial assets which are calculated as total non-current assets, minus non-current prepayments, non-current derivatives and deferred tax assets.

The following table sets out a reconciliation of the Group's total non-current assets to industrial assets as at 30 September 2018 and 2019, and as at 31 March 2020.

	As at 30 September		As at 31 March
	2018	2019	2020
	USD million		
Total non-current assets	**8,836**	**10,777**	**12,528**
Adjusted for:			
Non-current prepayments	(596)	(679)	(768)
Non-current derivatives	(339)	(393)	(581)
Deferred tax assets	(171)	(277)	(208)
Right to use assets			(2,545)
Lease receivables			(143)
Other non-current assets	(1,095)	(348)	(252)
Total Industrial Assets	**6,636**	**9,080**	**8,031**

Operating Free Cash Flow

Trafigura's funding model is structurally designed to absorb significant working capital requirements, as demonstrated over time. Therefore, Trafigura's underlying financial performance and leverage position is better assessed on the basis of operating free cash flow ("**Operating Free Cash Flow**") generation, which is defined as operating cashflow before working capital changes, minus net interest paid, dividends received, tax paid and net cash used in investing activities.

To understand Trafigura's underlying cash flow generation, one should focus on Operating Free Cash Flow generation. Movements in underlying commodity prices, alongside changes in volume, can cause significant swings in cash flow generated by changes in working capital. These drivers have little impact on underlying performance, given price risk is systematically hedged. Short-term financing is used to finance outflows where required and these items therefore largely net off from a cash flow perspective.

Following a phase of strategic investment in industrial assets, peaking in 2013, Trafigura has generated USD 3.8 billion of Operating Free Cash Flow over the last four fiscal years. This reflects Trafigura's consistent cash flow generation in conjunction with an updated investment approach, i.e. reduction in annual Capex spend, often including partners when directly making new investments and disposal of non-core assets. It is also worth noting that Operating FCF has also more than covered the Company's share buybacks over the last four years, which further demonstrates Trafigura's commitment to a conservative capital structure.

The following table sets out a reconciliation of the Group's Operating Free Cash Flow generated in fiscal years 2017, 2018 and 2019, and the first half of fiscal year 2019 and 2020.

	Financial year ended 30 September			6 months ended 31 March	
	2017	2018	2019	2019	2020
		USD million			
Operating cash flow before working capital changes	**1,650**	**1,655**	**1,993**	**1,079**	**2,345**
Adjusted for:					
Interest paid	(820)	(1,194)	(1,397)	(732)	(660)
Interest received	524	620	705	403	216
Dividends (paid)/received	36	50	0	0	1
Tax (paid)/received	(181)	(116)	(183)	(107)	(97)
Net cash used in investing activities	(412)	(95)	(285)	(5)	(171)
Total Operating Free Cash Flow*	**797**	**921**	**832**	**638**	**1,634**

** Operating Free Cash Flow for H1 2020 includes the +USD 439m impact of IFRS 16*

GENERAL INFORMATION

Authorisation

1. The 2020 updating of the Programme was authorised by written resolution of the board of directors of the Issuer passed on 1 September 2020. The 2020 updating of the Programme was duly authorised by the respective directors of TGPL and TPTE under the resolutions of their respective boards of directors dated 1 September 2020 (in the case of TGPL) and 1 September 2020 (in the case of TPTE), and by the managing member of TTL under the written consent of the managing member dated 1 September 2020. Each of the Issuer and the Guarantors has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them.

Listing Agent

2. Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the regulated market of Euronext Dublin.

Legal and Arbitration Proceedings

3. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer or the Guarantors are aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer or the Guarantors or their subsidiaries.

Material Change in Prospects

4. Since 30 September 2019, there has been no material adverse change in the prospects of the Issuer, the Guarantors or any of their subsidiaries.

Significant Change in Financial or Trading Position

5. Since 31 March 2020 (the date of the Group’s last published unaudited consolidated interim financial statements) there has been no significant change in the financial performance or financial position of the Issuer, the Guarantors or any of their subsidiaries.

Auditors

6. The consolidated financial statements of the Group have been audited without qualification for the years ended 30 September 2018 and 30 September 2019 by PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, CH-1211 Geneva 2, Switzerland, independent auditors, as stated in the respective auditors' reports, incorporated by reference in this Base Prospectus.

7. The financial statements of the Issuer have been audited without qualification for the years ended 30 September 2018 and 30 September 2019 by PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, L-1014 Luxembourg, Grand Duchy of Luxembourg, independent auditors, as stated in the respective auditors' reports, incorporated by reference in this Base Prospectus.

8. For the financial years ended 30 September 2018 and 30 September 2019, the auditor of TTL was PricewaterhouseCoopers SA, Geneva Branch whose registered office is at avenue Giuseppe-Motta 50, 1211 Geneva, Switzerland.

9. For the financial years ended 30 September 2018 and 30 September 2019, the auditor of TPTE was PricewaterhouseCoopers LLP, who registered office is at 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936.

Documents on Display

10. Electronic copies of the following documents (together, if necessary, with English translations thereof) will, when published, be available for inspection from https://www.trafigura.com/financials/ for 12 months from the date of this Base Prospectus:

(a) the Group Financial Statements;

(b) the Group Interim Financial Statements;

(c) the Paying Agency Agreement;

(d) the Trust Deed;

(e) a copy of this Base Prospectus; and

(f) any supplements to this Base Prospectus and Final Terms to this Base Prospectus.

11. Electronic copies of the following documents (together, if necessary, with English translations thereof) will, when published, be available for inspection from the website of Euronext Dublin (*http://www.ise.ie*) for 12 months from the date of this Base Prospectus:

(a) the constitutive documents of the Issuer;

(b) the constitutive documents of the Guarantors; and

(c) the Issuer Financial Statements.

Clearing of the Notes

12. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Notes Having a Maturity of Less Than One Year

13. Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

Issue Price and Yield

14. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer, the Guarantors and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

The Legal Entity Identifiers

15. The Legal Entity Identifier (LEI) code of the Issuer is 549300IDCRNFW0C0TJ66.

16. The Legal Entity Identifier (LEI) code of Trafigura Group Pte. Ltd. is 549300HJ8VS88NIO3006.

17. The Legal Entity Identifier (LEI) code of Trafigura Trading LLC is 5493007VXQNREL92V435.

18. The Legal Entity Identifier (LEI) code of Trafigura Pte Ltd is 549300Z2X1L1L3MID765.

INDEX OF DEFINED TERMS

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