

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 Directive 2003/71/EC (as amended, *inter alia*, by Directive 2010/73/EU) (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange (the "**Irish Stock Exchange**") 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 "**Main Securities Market**"). The Main Securities Market 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 Irish Stock Exchange 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 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.

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
ING**

**Credit Suisse
NatWest Markets**

**Deutsche Bank
Société Générale Corporate &
Investment Banking**

28 February 2018

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, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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 are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for 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 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 Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, or (ii) a customer within the meaning of Directive 2002/92/EC (as amended), 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 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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.

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 145 to 147.

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.

CONTENTS

| | Page |
|---|-------------|
| OVERVIEW OF THE PROGRAMME | 1 |
| RISK FACTORS | 5 |
| INFORMATION INCORPORATED BY REFERENCE | 21 |
| FINAL TERMS AND DRAWDOWN PROSPECTUSES | 22 |
| FORMS OF THE NOTES..... | 23 |
| TERMS AND CONDITIONS OF THE NOTES | 26 |
| FORM OF FINAL TERMS..... | 61 |
| SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM..... | 70 |
| USE OF PROCEEDS | 72 |
| DESCRIPTION OF THE GROUP..... | 73 |
| DESCRIPTION OF THE ISSUER..... | 131 |
| DESCRIPTION OF TRAFIGURA TRADING LLC..... | 132 |
| DESCRIPTION OF TRAFIGURA PTE LTD | 133 |
| TAXATION | 134 |
| SUBSCRIPTION AND SALE | 138 |
| KEY PERFORMANCE INDICATORS | 145 |
| GENERAL INFORMATION | 148 |
| INDEX OF DEFINED TERMS | 150 |

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 Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, ING Bank N.V., Société Générale, The Royal Bank of Scotland plc (trading as NatWest Markets) 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. |
| Principal Paying Agent: | Citibank N.A., London Branch. |
| 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 Main Securities Market. 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., Luxembourg (" 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 depository or a common depository 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: | <p>Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>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</p> |

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 Main Securities Market 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 Directive, may not have a minimum denomination of less than EUR100,000 (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, the United States 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 United Kingdom, the United States of America, the European Economic Area, Denmark, France, the Grand Duchy of Luxembourg, Hong Kong, Japan, Korea, Norway, the People's Republic of China, the Republic of China (Taiwan), Singapore, Switzerland, The Netherlands, the United Arab Emirates (excluding the Dubai International Financial Centre) and Dubai International Financial Centre, see "*Subscription and Sale*" below.

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.

Risks relating to Trafigura

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.

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.

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.

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: borrowings under various short-term and long-term bank and asset-backed facilities and issuance of notes in the debt capital markets. An inability to 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 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 may face uncertainties associated with its expansion plans.

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.

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.

Moreover mergers and acquisitions involve risks, including: unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or acquisition is finalised, such as potential difficulties in the integration and management of the operations and systems; problems with the retention of select personnel; issues arising from the co-ordination of sales and marketing efforts; and diversion of Trafigura's management's attention from other ongoing business concerns.

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 be able to recover the costs of its investment.

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 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.

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.

Risks relating to Trafigura's trading activities

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.

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.

Trafigura is subject to counterparty risk in its trading activities.

Trafigura's trading 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 counterparties. 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 leave it exposed to unidentified or unanticipated risks.

Trafigura's trading activities are exposed to commodity price, foreign exchange, interest rate, counterparty (including credit), operational, regulatory and other risks. Trafigura has devoted significant resources to developing and implementing policies and procedures to manage these risks and expects to continue to do so in the future. Nonetheless, 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 is reliant on third parties 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.

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.

Risks relating to Trafigura's industrial activities

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. 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.

Trafigura's 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.

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.

Trafigura's assets are subject to environmental hazards through their shipping, transportation and storage activities, and through their mining 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. In addition, its mining activities are subject to environmental hazards through the processes and chemical 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.

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 potential risks. 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. DT Group, an indirect subsidiary of the Company, has interests in shipping, trucking and recycling and among its other activities is involved in the transport of bitumen.

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 also owns mining assets and the processes and chemicals used in traditional extraction and production methods, 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.

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 industrial operations and plans for certain new greenfield projects. 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 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). All of these may be exacerbated by the diversion of the Directors' attention away from other ongoing business concerns. 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.

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.

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.

Other risks relating to Trafigura

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 industrial activities are located 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.

Accidents at Trafigura's 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 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.

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.

Trafigura is subject to a significant number of laws and regulations.

Trafigura's 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.

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.

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 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's reputation 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 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.

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 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.

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 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.

The Issuer has requested a derogation letter in respect of the financial statements included in this Base Prospectus.

The consolidated Group Financial Statements, which are incorporated by reference in this Base Prospectus, consolidate the Guarantors as well as the non-guarantor companies operating within the Group. The Issuer has applied to the Central Bank requesting the omission of each of TPTE and TTL's (as subsidiary Guarantors) individual financial statements from this Base Prospectus and the Central Bank has granted such omission request on the basis that the inclusion of the consolidated Group Financial Statements is deemed to provide sufficient information to enable investors 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.

Factors which are material for the purpose of assessing the market risks associated with the Notes and the Guarantee

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.

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 depository 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 depository 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.

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.

INFORMATION INCORPORATED BY REFERENCE

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

- (a) the audited consolidated financial statements of the Group (including the audit reports thereon and the notes thereto) for the financial years ended 30 September 2017 and 30 September 2016 (together, the "**Group Financial Statements**"); and
- (b) the audited financial statements of the Issuer (including the audit reports thereon and the notes thereto) for the financial years ended 30 September 2017 and 30 September 2016 (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 and the Issuer Financial Statements are available on the website of the Irish Stock Exchange (in the case of the Group Financial Statements, at

http://www.ise.ie/debt_documents/Trafigura%20Group%20Pte.%20Ltd.%20-%20Annual%20Report%202017_973807ba-3a6a-4f6e-a6f4-0544ca697ad9.pdf and
http://www.ise.ie/debt_documents/Trafigura%20Group%20Pte.%20Ltd.%20Annual%20Report%202016_6f2756e2-aba1-45c4-b520-3a57cb34f3fc.pdf, and in the case of the Issuer Financial Statements, at
http://www.ise.ie/debt_documents/Trafigura%20Funding%20S.A.%202017%20Financial%20Statements_85781769-8148-4666-a018-19c60b9a3916.pdf and
http://www.ise.ie/debt_documents/Trafigura%20Funding%20S.A.%202016%20Financial%20Statements_1c664ae0-9144-4424-9e85-64566a32710e.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 form part of this Base Prospectus.

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 supplemented 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) (or substantially identical successor provisions) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or substantially identical successor provisions) (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 upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the 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:

- (i) 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; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership **provided, however, that** in no circumstances shall the principal amount of 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 is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (b) any of the circumstances described in Condition 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 is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (b) any of the circumstances described in Condition 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, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

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

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions, save for this paragraph in italics, which, as supplemented, amended and/or replaced by Part A of the relevant Final Terms, will apply to each Tranche of Notes and which will be endorsed on each Note in definitive form issued under the Programme. 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 3.2 of the Prospectus Directive) 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 28 February 2018 (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 and Geneva, 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 assets of the Parent and its Subsidiaries which are shown as assets on the latest available consolidated balance sheet of the Parent and its Subsidiaries as of such time prepared in accordance with GAAP, after eliminating the assets of any relevant SPE,

Minus

- (ii) the total liabilities of the Parent and its Subsidiaries which are shown as liabilities on the latest available consolidated balance sheet of the Parent and its Subsidiaries as of such time prepared in accordance with GAAP, after eliminating the liabilities of any relevant SPE;

"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:

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

where:

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

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

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

where:

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

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

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

where:

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

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;
- (iv) 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);
- (v) the aggregate swap termination value of all swap contracts of such person; and
- (vi) 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 quarterly, 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 Parent and its Subsidiaries 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 quarter-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;

"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 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 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 or 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; or

- (v) 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 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 existing at the issue date of the Notes;
- (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, **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, 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 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;
- (xvi) 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;
- (xvii) 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;
- (xviii) 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;
- (xix) 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;
- (xx) 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);

- (xxi) 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
- (xxii) any Security Interest securing Financial Indebtedness, **provided that** the aggregate outstanding amount of Financial Indebtedness secured by Security Interests under this paragraph (xxii) does not exceed 25 per cent. of Consolidated Net Worth, determined as of the last day of the most recently ended fiscal quarter 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 Financial Centre" means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

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

"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 Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU);

"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 Calculation Agent (in consultation with the Issuer) 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 Trafigura Securitisation Finance plc, an Irish public limited company, which 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 any similar vehicle which may or may not be a Subsidiary of the Parent or under its control or consolidated in its financial statements, established for the purposes of a Permitted Securitisation;

"**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 utilizes 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 Directive, 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 it determines appropriate.
- (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 Calculation Agent 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 determined by the Calculation Agent.
- (iv) If paragraph (iii) above applies and the Calculation Agent determines that 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 it determines appropriate.
- (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) **Calculation of other amounts:** If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (h) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, Interest Period and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, each Guarantor, the Trustee and the Paying Agents, the Irish Stock Exchange 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.

- (i) **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.
- (j) **Determination or Calculation by Trustee:** If the Calculation Agent fails at any time to determine a Rate of Interest or to calculate an Interest Amount, the Trustee will determine such Rate of Interest and make such determination or calculation which shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply all of the provisions of these Conditions with any necessary consequential amendments to the extent that, in its sole opinion and with absolute discretion, it can do so and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof. Any such determination or calculation made by the Trustee shall be binding on the Issuer, each Guarantor, Noteholders, Couponholders, the Calculation Agent and the Paying Agents.
- (k) **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*)).

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 recognized 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 10 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.

"**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.

"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.
- (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 three 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 opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 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 or (ii) any Project Finance Indebtedness) 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 or (ii) any Project Finance Indebtedness) 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 or (ii) any Project Finance Indebtedness) 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.

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.

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 Percent List**") and who shall, for all purposes be deemed Limited Group Members. Each Subsidiary that is not on the 10 Percent 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 authorization 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, authorization 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.
- (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 the Irish Stock Exchange 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 the Irish Stock Exchange 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 the Irish Stock Exchange and admitted to trading on the Irish Stock Exchange's Main Securities Market, and for so long as the rules of that exchange so require, filed with the Companies Announcements Office of the Irish Stock Exchange and published on the website of the Irish Stock Exchange (<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 Portman House, 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 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 EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**") or (ii) a customer within the meaning of Directive 2002/92/EC, as amended, 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[MiFID II Product Governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU, as amended ("**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.]

Final Terms dated [•]

TRAFIGURA FUNDING S.A.

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

**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 28 February 2018 [and the supplemental base prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. [This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.]¹

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 the Irish Stock Exchange ([\[http://www.ise.ie\]](http://www.ise.ie)) and is also available for viewing, and copies may be obtained, during normal business hours at the offices of Trafigura Group Pte. Ltd. at 10 Collyer Quay, #29-00 Ocean Financial Centre, Singapore 049315.

¹ 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 Directive.

[In accordance with the Prospectus Directive, no prospectus is required in connection with the issuance of the Notes described herein.]²

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "**Prospectus Directive**" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive).

[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: | [•] |
| | | | <i>(N.B. Where multiple denominations above EUR 100,000 or equivalent are being used the following sample wording should be followed:</i> |
| | | | <i>"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 denomination above EUR 199,000).³</i> |
| | (ii) | Calculation Amount: | [•] |

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 Directive.

³ 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".

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]
- [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]
- (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: | [•] |
| | | <i>(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")</i> |
| | (iii) Specified Interest Payment Dates: | [Not Applicable/[•], subject to adjustment in accordance with the Business Day Convention set out in (v) below] |
| | | <i>(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")</i> |
| | (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: [•]
- (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]]

The Issuer and each Guarantor accepts responsibility for the information contained in these Final Terms. [[•] has been extracted from [•]. The Issuer 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.]

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/[•] with effect from [•.] [Not Applicable.]

The total expenses related to admission to trading are estimated to be [EUR600/[•]].
2. **[Fixed Rate Notes only – YIELD]**
Indication of yield: [•]
3. **[Floating Rate Notes only - HISTORIC INTEREST RATES]**
Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]
4. **OPERATIONAL INFORMATION**
ISIN Code: [•]
Common Code: [•]
[FISN: [•]]
[CFI Code: [•]]
5. **DISTRIBUTION**
 - (i) U.S. Selling Restrictions: [TEFRA C/TEFRA D/TEFRA Not Applicable]
 - (ii) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]
6. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**
 - (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) [Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue 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 Guarantors] and [its/their] affiliates in the ordinary course of business / Amend as appropriate if there are other interests.]

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

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 the Irish Stock

Exchange 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 the Irish Stock Exchange (<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 Issuer and/or each Guarantor for general corporate purposes.

DESCRIPTION OF THE GROUP

Until 30 September 2015, the Group's reference parent company⁴ (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 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 a marketplace previously dominated by the major producers, whose operations in recent years have increasingly focused on upstream exploration and production and less on distribution. The move by major producers towards these core activities has created significant business opportunities for global independent players such as the Group, particularly at a time when demand centres are shifting to high growth emerging markets. These changes, supported by the Group's portfolio of industrial assets, provide significant scope for growth in its core commodity activities.

While the opportunity for independent traders is significant and continues to grow, barriers to entry limit the threat of potential new market participants. These barriers to entry include in particular the need for significant seed capital, access to liquidity, scale and global footprint, well established relationships with suppliers and customers, sophisticated IT and risk management systems and a limited pool of experienced management, traders and back office staff.

Long term competitiveness in the industry is achieved through volume and market share dominance. The Group's scale presents a significant advantage over product focused niche traders, who profit more from regional logistics than global arbitrage. For the year ended 30 September 2017, the Group had a turnover (revenue) of USD 136 billion, with 69 per cent. generated by oil and petroleum products and 31 per cent. generated by the metals and minerals business division compared to a turnover of USD 98 billion with 65 per cent. and 35 per cent. generated by oil and petroleum products and by the metals and minerals business division, respectively, for the year ended 30 September 2016. Although there is no published market share information, the Group believes that it is the third largest independent trader of crude and refined products, with approximately three per cent. market share in a highly fragmented market, and approximately 7 per cent. market share in the "tradable market"⁵. Based on market knowledge, the Group also believes that it is the second largest independent trader in non-ferrous metals with estimated market shares in the tradable market ranging from 15 to 40 per cent. depending on the commodity; however, integrated companies such as Rio Tinto and other such integrated metals and mining companies have a majority share of the overall market.

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 62 offices in over 35 countries organised across Europe, Asia, Australia, North America, Latin America and Africa, employing over 3,935 full-time employees.

⁴ Reference parent company refers to the fact that Trafigura Group Pte. Ltd. is the consolidating entity.

⁵ Defined as volumes which are not distributed by producers directly to consumers.

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 predominantly 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, and three 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 2017, the Group's top 10 customers (excluding Puma Energy which is an affiliated company) in the oil and petroleum products business made up 23 per cent. of total annual revenues for this business, and approximately 14 per cent. of total annual revenues for the metals and minerals segment.

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 and storage facilities). 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. As of 30 September 2017 and through its affiliate Puma Energy, the Group owned and operated 8.0 million m³ of storage capacity and over 2,988 retail service stations across Americas, Africa, Australia and Papua New Guinea. The Group's total fixed assets totalled USD 7.2 billion as of 30 September 2017.

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.

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 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 21 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. Following the passing in September 2015 of Claude Dauphin, one of the Group's founders, his estate holds less than 20 per cent., with the remainder owned by approximately 600 senior 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

The Group has been profitable every year since inception in 1993, demonstrating the strength of its business model. 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 6.5 per cent. compound annual growth rate ("**CAGR**") over 2014-2017).

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 2017, the Group sourced funds from about 122 banks in various markets including Europe, Asia 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 34 per cent., from USD 38.2 billion to approximately USD 51.2 billion as of 30 September 2017.

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.

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 to USD 7,188 million as of 30 September 2017. These industrial assets correspond to the Group's investment in Puma Energy, the Group's 49.6 per cent.-owned oil storage and distribution business, Impala Terminals, the Group's metals and minerals warehousing division and logistics provider, the Group's oil storage and export terminals (for example, a 20 per cent. stake in Corpus Christi and full ownership of the Petromining terminal in Argentina) 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 realise gains from its divestments⁶ amounting to more than USD 3 billion in aggregate over the period from the 2010 fiscal year to the 2017 fiscal year. Significant divestments have included the full or partial sale of mining assets (Volcan, Anvil, Tiger, CMC (as defined below) and MATSA) and the sale of an 80 per cent. stake in Corpus Christi.

Ownership Model and Experienced Management Team whose Interests are Aligned to Long Term Growth Performance

The Group is owned exclusively by approximately 600 senior employees and the Dauphin family estate following the death of the Group's Chairman and founder, Claude Dauphin, on 30 September 2015. This shareholding structure creates an alignment of the long term interests of the Group with those of its employees-shareholders. 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.

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 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.

⁶ Total gain on divestment and re-measurement of retained interest

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 2017, Trafigura maintained USD 2.8 billion 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. The average utilisation of bilateral trade finance lines for the 2017 fiscal year was approximately 65 per cent. 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. As at 30 September 2017, the Group had a total of USD 2.2 billion of headroom under its committed revolving credit facilities which, taken together with the Group's immediately available cash, amount to a total available liquidity of approximately USD 5.0 billion;
- Utilisation of bilateral trade finance lines;
- Advanced funding sublimit incorporated in the European RCF allowing same-day drawing of funds; and
- Limited distribution of profit (significant retained earnings) and subordination of repurchased equity.

Recent Financial Results for the financial years ended 30 September 2017 and 30 September 2016⁷

Profit and Loss

Revenue for the financial year 2017 reached USD 136,421 million, an increase of 39 per cent. from USD 98,098 million recorded in 2016. This reflected the continuing strong expansion of our traded volumes and a generally healthier commodity price environment. Total volume of commodities traded rose by 23 per cent. to 325.9 million tonnes in 2017 from 264.4 million tonnes in 2016, with oil and petroleum products volumes rising 25 per cent. to 256.0 million tonnes, and metals and minerals volumes increasing 18 per cent. to 69.9 million tonnes. Gross profit in 2017 was USD 2,239 million, a decrease of 2 per cent. from USD 2,291 million recorded in 2016; pressure on margins was especially intense in oil trading, reflecting intense competition and subdued price volatility. In divisional terms, the gross profit figure reflected a 22 per cent decrease in gross profit in oil and petroleum products from 2016 to USD 1,139 million in 2017 compared to USD 1,460 million in 2016, and a 32 per cent. increase in gross profit in metals and minerals from 2016 to 2017, with gross profit at USD 1,100 million in 2017 compared to USD 831 million in 2016. This was the first year in which the annual gross profit in metals and minerals exceeded USD 1 billion, showing an exceptionally strong performance by that division after several years in which the contribution from oil trading to gross profit was preponderant. The fact that the two divisions made near-equal contributions underlines the benefits of diversification in our business model, featuring two groups of commodities whose market dynamics are generally uncorrelated.

Trafigura delivered a healthy financial performance in the 2017 financial year, with a profit for the year of USD 887 million, a decrease of 9 per cent. from the figure of USD 975 million recorded in 2016. It should be noted though, that the net profit attributable to the owners of the company was higher, at USD 848 million in 2017 compared with USD 751 million in 2016.

Results from operating activities were USD 1,457 million in 2017, an increase of 31 per cent. from USD 1,111 million recorded in 2016. General and administrative expenses, including staff costs, were at USD 945 million in 2017, almost flat compared to 2016 despite the volume increases, demonstrating the benefits Trafigura continues to derive from its IT investments and the centralisation of support functions in Mumbai, Shanghai and Montevideo.

EBITDA was USD 1,580 million in 2017, 3 per cent. lower compared to USD 1,628 million in 2016 but still continuing a strong run of EBITDA performance in recent years. From an operating profit perspective, Trafigura believes that EBITDA is the most appropriate measure to assess its operating performance. See further "*Key Performance Indicators*".

Assets and Liabilities

The Group's total assets as at 30 September 2017 stood at USD 48,608 million, up 18 per cent. from USD 41,230 million as at 30 September 2016. Non-current assets as at 30 September 2017 decreased by 5 per cent. to USD 8,098 million from USD 8,528 million as at 30 September 2016, reflecting an overall reduction in construction activity. The net book value of property, plant and equipment increased to USD 2,191 million as at 30 September 2017 from USD 2,345 million as at 30 September 2016. Equity-accounted investees were broadly flat at USD 3,488 million as at 30 September 2017. This reflected the net effect of acquisitions, disposals and income and losses from various investments, including our holdings in Puma Energy, MATSA, Porto Sudeste and Nyrstar. The number also included our share of an investment in Essar Oil Limited, owner of a major oil refinery and retail distribution network in India. As at 30 September 2017, Trafigura's 49 per cent. share in the investment consortium that made the investment amounted to USD 270 million.

Prepayment increased from USD 3,205 million as at 30 September 2016 to USD 3,739 million as at 30 September 2017 which reflects the role played by structured trade finance in supporting our access to greater trading volumes: the average duration of the prepayments has reduced as evidenced with the USD 337 million decrease in prepayment of more than 12 months tenor. Loans receivable were 16 percent lower compared to 30 September 2016 amounting to USD 671 million as at 30 September 2017.

⁷ References in this section "Recent Financial Results for the financial years ended 30 September 2017 and 30 September 2016" to 2017 or 2016 are to the financial year ended 30 September 2017 or 30 September 2016, respectively.

Current assets rose by 24 per cent to USD 40,442 million as at 30 September 2017 from USD 32,702 million as at 30 September 2016. Inventories were 21 per cent. higher at USD 13,927 million as at 30 September 2017 compared to USD 11,538 million as at 30 September 2016. Of the total inventories as of 30 September 2017, USD 8,508 million were held in storage and USD 5,404 million were in transit. In line with Trafigura's risk management policies, all stock was either presold or hedged at all times throughout the year.

Cash Flow

After adjusting profit before tax for non-cash items, the operating cash flows before working capital changes for the 2017 financial year amounted to USD 1,650 million (compared with USD 1,615 million for 2016). Trafigura 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 driven by prevailing commodity prices, and price variations are financed under the Group's self-liquidating finance lines. Net cash outflows from operating activities after working capital changes totalled USD 3,671 million for financial year 2017 compared with a net outflow of USD 2,827 million in 2016. Investing activities resulted in a net outflow of USD 412 million in 2017 compared with a net use of USD 67 million in 2016. Net cash from financing activities amounted to USD 5,930 million in 2017, compared to USD 2,502 million in 2016. The overall balance of cash and cash equivalents stood at USD 4,989 million as at 30 September 2017.

Adjusted Debt to Equity Ratio

As a physical trading group, Trafigura relies on a specific funding model. As a result, the financial analysis framework for other, more typical industrial companies, may not apply.

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 programme and the non-recourse portion of loans. Trafigura believes that 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 securitisation debt is 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 statutory accounting rules.
- Cash and short-term deposits are deducted from debt.
- Pre-sold or hedged stock 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.

As at 30 September 2017, Trafigura's adjusted debt to equity ratio stood at 1.35x, compared with 1.48x at 30 September 2016 and 1.56x at 30 September 2015. This decline in leverage which started in 2015 reflects multiple initiatives to deleverage the balance sheet including disposing of non-core assets and reducing Capex. Trafigura is committed to continuing to reduce the ratio in 2018, in line with its aim of ensuring the ratio does not stay significantly above 1.0x over the longer term.

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 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 liquidation. Commodity receivables typically have a short duration (1 to 3 months) and very low default rate due to the strategic nature of the goods sold. By deducting the excess of trade receivables over trade payables, the corporate debt excludes any working-capital related indebtedness. Such indebtedness is not repaid by the organic cash flow generation of the Company but the completion of the trade flow cycle (i.e. through

the payment of the invoice or the resale of the commodity). The corporate debt focuses on debt which is repaid by cash flow generation and EBITDA is a widely accepted proxy for operating cash flow.

The corporate debt to EBITDA ratio considers all debts, whether short-term or long-term, and removes:

- Cash and short-term deposits;
- Pre-sold or hedged stock;
- 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 financings for prepayments) which are not captured in the above adjustments.

The securitisation programme does not need to be deducted separately since the excess of trade receivables over trade payables would capture the full securitisation programme.

As at 30 September 2017, the corporate debt to EBITDA ratio stood at 2.6x. The ratio was at the same level as at 30 September 2016.

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.

Principles

The Group sources, buys, stores, blends, transports and delivers products to each customer's 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's business model is built on four pillars:

- Diversification in terms of product range, geography and clients which balances revenues and absorbs volatility in cycles;
- Non speculative arbitrage based model whereby the embedded price risk in the physical flows is systematically hedged;
- 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; and

- Strong risk management philosophy which has been institutionalised since the Group's foundation.

Physical Arbitrage Based Model

Unlike the derivatives markets where transactions (and arbitrage positions) 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 can be related to geography, product, timing and optionality of contract.

Geographical Arbitrage

The Group's global reach means it sources and sells products across 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, underlining the effectiveness of its business model.

Technical Arbitrage

Due to the Group's extensive logistical 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, its technical comprehension and ability to blend products to required specifications.

Time Arbitrage

The Group's cost-efficient storage network also affords it 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 storage and the transaction doesn't 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 physical, product, 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 month before or after the loading of a cargo. Such flexibility in pricing provides an extra level of optionality.

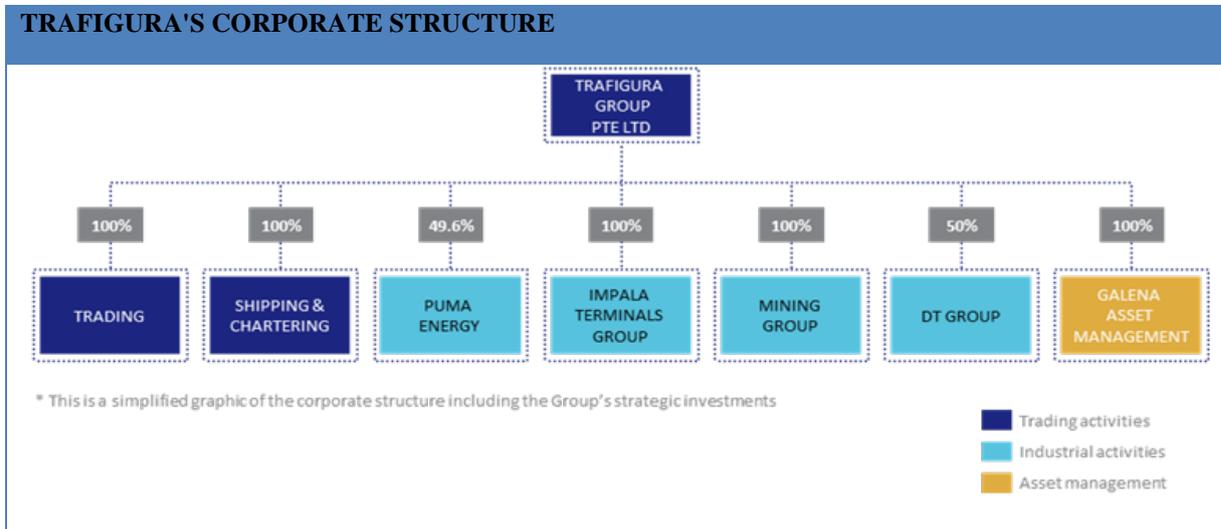
Company Structure

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 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 2015 fiscal year (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 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:



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.

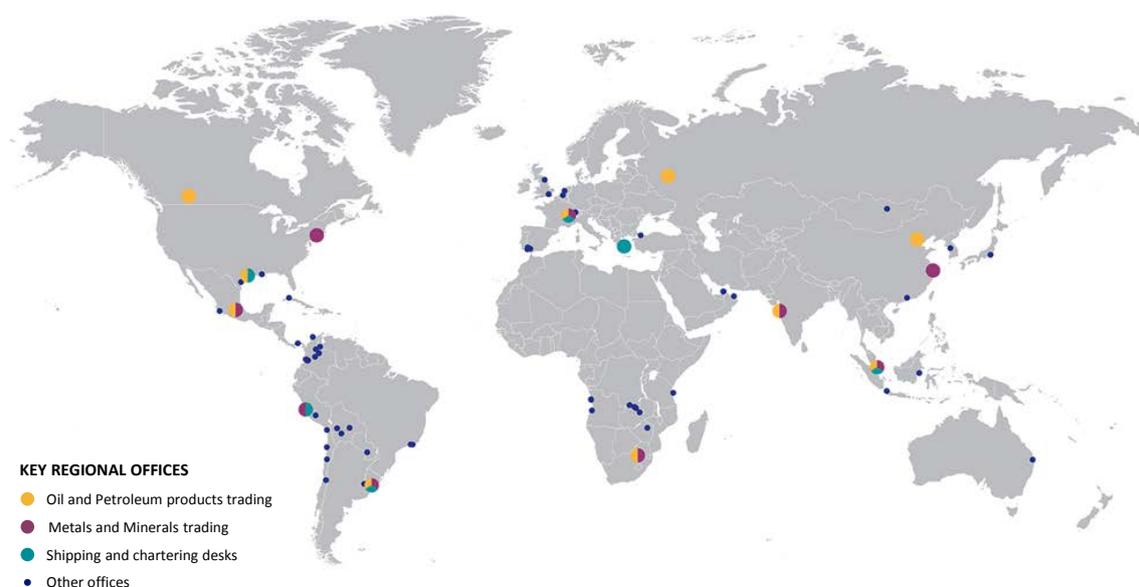
Within the Group, the principal entities are as follows:

| | |
|---|---|
| TGPL | <ul style="list-style-type: none"> • Corporate head office • Reference parent company of the Group (effective from 30 September 2015) |
| Trafigura Funding S.A. ("TFSA" and the "Issuer") | <ul style="list-style-type: none"> • Wholly-owned indirect subsidiary of TGPL engaged in capital market transactions and private placements for the Group |
| Trafigura Pte Ltd ("TPTE") | <ul style="list-style-type: none"> • 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 since September 2017⁸ |
| Trafigura Trading LLC ("TTL") | <ul style="list-style-type: none"> • Wholly-owned indirect subsidiary of TGPL |

⁸ During the 2017 fiscal year, Trafigura moved activities conducted under Trafigura Derivatives Ltd. to TPTE. This change will not have any material effect on the Group's principal business activities.

| | |
|--|--|
| | <ul style="list-style-type: none"> Engaged in buying and selling commodities Responsible for conducting trading business in the U.S. |
| Trafigura Investment China Co Ltd. ("TIC") | <ul style="list-style-type: none"> Wholly-owned indirect subsidiary of TGPL Responsible for conducting trading business in China |
| Puma Energy Holdings Pte. Ltd. (together with its subsidiaries, "Puma Energy") | <ul style="list-style-type: none"> 49.6 per cent. owned by TGPL Holding company for almost all of the oil logistical investments of the Group |
| IWL Holding BV (Netherlands) (together with its subsidiaries, "Impala Terminals") | <ul style="list-style-type: none"> Wholly owned indirect subsidiary of TGPL Consolidates the bulk commodity terminals, warehousing and logistics activities |
| Urion Holdings (Malta) Limited (together with its subsidiaries, the "Mining Group") | <ul style="list-style-type: none"> Wholly owned indirect subsidiary of TGPL Managing the Group's mining related investments |
| DT Group | <ul style="list-style-type: none"> 50 per cent. owned indirect subsidiary of TGPL Engaged in trading, shipping infrastructure, asset management, logistics and mining activities |
| Galena Asset Management | <ul style="list-style-type: none"> Wholly-owned indirect subsidiary of TPTE Manages a private equity fund. |

Key Hubs



Office Network

As at 30 September 2017, the Group's network of 62 offices, located in 35 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 by telephone and videoconference. This organisation gives access to expertise and promotes flexibility so that the Group can benefit from market opportunities while efficiently controlling risk.

The 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 maintain 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 offices in Beijing, Calgary, Geneva, Houston, Montevideo, Moscow, Mumbai and Singapore and its network of branch offices and agencies.

The oil and petroleum products segment makes up the majority of Group turnover, representing 69 per cent. (or a total sales value of USD 94,017 million) for the year ended 30 September 2017 and 65 per cent. (or a total sales value of USD 63,831 million) for the year ended 30 September 2016. These activities cover the full products spectrum from crude oil and other refinery feedstocks to refined products, including fuel oil, gasoline, middle distillates, liquid petroleum gas, naphtha, bio diesel and more recently, natural gas, liquefied natural gas and aromatics.

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 hedging purposes.

The Group trades crude and refined products with a diverse customer base including electric 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.

The majority of the Group's oil business is conducted 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. Hence whilst the contracts are short term and on a revolving basis, they can be understood as *de facto* recurring.

As at 30 September 2017, the Group's top ten clients (excluding Puma Energy which is an affiliate company) in oil made up 23 per cent. of the Group's overall annual oil revenue (compared to 26 per cent. as at 30 September 2016). No single external customer accounted for more than four per cent. of overall oil and petroleum products turnover.

The Group's oil volumes have increased significantly in recent years along with its corresponding market share. Over 2017, the Group traded on average approximately 5.3 million barrels (mmbpd) of physical oil per day, a significant increase from the 4.3 mmbpd in 2016, 3.0 mmbpd and 2.5 mmbpd in 2015 and 2014 respectively. The Group estimates its current oil volumes amount to approximately three per cent. of the world oil market or around 7 per cent. of the "tradable market"⁹.

The Group estimates that it trades the third largest volume in oil and petroleum products for an independent trading company after Vitol Group of Companies ("**Vitol**") and Glencore plc ("**Glencore**"). The entire market remains very fragmented with no company representing more than 10 per cent. of total physical trading market volume.

⁹ Defined as volumes which are not distributed by producers directly to consumers.

Metals and Minerals

Centralised in Geneva, Switzerland, the Group's metals activities comprise 10 main trading books consisting of copper, lead and zinc concentrate, alumina (an aluminium oxide commonly used in the production of aluminium), and refined metals including copper, lead, zinc and aluminium. The Group's mineral activities include the iron ore and coal trading books. The Group also trades gold and silver as by-products. As with the oil business, no price risk is taken on the physical business and the hedging of the physical trades occurs through TPTE (previously through TDL), which acts as an internal broker. Apart from Geneva, other key trading offices for the metals and minerals commodities business include Johannesburg, Lima, Mexico City, Montevideo, Mumbai, Shanghai, Singapore and Stamford.

Despite challenging market conditions, the Group's Metals and Minerals division performed exceptionally during the 2017 fiscal year, both expanding volume and sharply increasing profitability. Metals and minerals trading and related activity represented 31 per cent. of Group turnover (or USD 42,404 million) for the year ended 30 September 2017 and 35 per cent. of Group turnover (or USD 34,267 million) for the year ended 30 September 2016. The proportion of revenue generated by the metals and minerals trading business varies quite significantly from year to year, depending on commodity price movements and volumes which are driven by market conditions and economic development of key production and consumption markets. In terms of profitability, the metals and minerals division has become increasingly significant over recent years as it has developed and expanded. Both the oil and petroleum division and the metals and minerals division made a near-equal contribution to gross profit in the 2017 fiscal year, with an increase in gross profit in metals and minerals almost offsetting a fall in gross profit from oil and petroleum products. This underlines the strength of a diversified business model focused on two relatively uncorrelated segments of the global commodities markets.

Metals and minerals are traded with a diversified customer base ranging from mining and integrated mining companies to smelters and refined metals retailers. Major clients include Dongying Fangyuan Nonferrous Metals, China-Base Ningbo, Nyrstar and Aurubis Group, amongst others.

The growth of Asian metals consumption, driven by significant smelting and refining capacity in China and India can be seen in the Group's bulk commodity revenue split. The growth of the Group's Asian revenue is simply a reflection of the global market rather than the build-up of a niche trading geography. In any case, 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. Other contracts are traded on a spot basis.

For the year ended 30 September 2017, the Group's 10 main customers in the metals business comprised approximately 14 per cent. of the Group's overall turnover (compared to 16 per cent. for the year ended 30 September 2016). No single customer accounted for more than three per cent. of overall metals and minerals turnover.

On an annualised basis, the Group traded 69.9 million metric tons ("MT") of metal concentrates, associated refined metals, iron ore and coal during the 2017 fiscal year. As with the oil division, metals and minerals volumes have increased significantly in recent years. Total metals and minerals volumes for the year ended 30 September 2016 amounted to 59.0 million MTs per annum. The increase in volumes from 2016 to 2017 was a result of robust international growth (particularly in China), which generally increased demand.

Regarding non-ferrous concentrates and refined metals, the commodities showing the sharpest moves were zinc and lead concentrates, nickel and cobalt concentrates and alumina in the 2017 fiscal year. In refined metals, however, the trading environment remained challenging, with a lack of volatility in metal premiums/discounts and negligible yield in spread income. On the bulks side, however, the global coal market indicated a positive performance in comparison to previous years as prices rose appreciably during the 2017 fiscal year, which was primarily driven by growing demand combined with supply curbs and disruptions. For the year ended 30 September 2017, the traded volume for coal grew by 23 per cent. to 46.4 million tonnes compared to 37.7 million tonnes for the year ended 30 September 2016. Iron ore

continued to struggle, partly due to cuts in steel production capacity in China. Volumes grew in both trading segments, and the coal segment made a significant contribution to the division's profit. The division's contribution to gross profit grew by 32 per cent. to USD 1,100 million for the year ended 30 September 2017 from USD 831 million for the year ended 30 September 2016.

In the metals and minerals sector, similarly to the energy sector, market share statistics are not freely available. Based on market knowledge, the Group also believes that it is the second largest independent trader of metals and minerals in the "tradable market" for copper, lead and zinc metal; however, integrated companies such as Rio Tinto and other such integrated metals and mining companies have a majority share of the overall market. Based on market knowledge, Trafigura 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 (up to 40 per cent.).

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.

Asset Based Business

The principal driver behind the Group's investment strategy is its arbitrage based business model which relies on (amongst other things) the control of storage and logistics to generate or enhance arbitrage opportunities and create long term recurring income making the Group's business more sustainable. The Group seeks investment opportunities that can offer synergies with its core trading activities through the provision of 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's portfolio of industrial assets has grown significantly in recent years following a path of continued investment.

The Group has established four industrial groups: Puma Energy to manage the Group's oil storage and distribution assets, Impala Terminals to manage the Group's bulk commodity warehousing and infrastructure assets, the Mining Group to manage the Group's existing mining operations as well as mining exploration opportunities and DT Group, a 50/50 joint venture with Cochan, with investments primarily in Angola. The four industrial groups are structured as independent companies with their own fully 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 subsidiaries: Impala Terminals, the Mining Group and the DT Group are consolidated into TGPL's financial statements. The Group's fourth industrial asset, Puma Energy, is minority owned by TGPL, following a sale of the Group's stake to existing shareholders in the financial year ended 30 September 2013 and capital increase of Puma Energy. Its results are therefore no longer consolidated into the Group's accounts, but rather are represented as an equity-accounted investee in the Group accounts.

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 7,188 million as at 30 September 2017.

Puma Energy

Puma Energy is a vertically and horizontally integrated midstream and downstream oil group active in Africa, Latin America, Europe, the Middle East, Australia and Asia. Puma Energy operates in over 48 countries worldwide, directly employing more than 8,337 people (as at 30 September 2017). As of 30 September 2017, Puma Energy owned and operated approximately 8.0 million m³ of storage capacity and operated a network of over 2,988 retail service stations in Latin America, Africa and Australia. For the twelve months ended 30 June 2017, Puma Energy sold 22.1 million m³ of refined oil products and its facilities handled 17.8 million m³ of oil products.

Since Trafigura 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 downstream companies. In 2000, Puma Energy came under the direct ownership and management of the Company. In 2008, Puma Energy was reorganised as a separate division of the Group and consequently issues its own financial statements. Since its acquisition, Puma Energy has been at the forefront of the Group's fixed assets development strategy. In order to support the growth of Puma, the Group opened up capital investment in Puma to selected investors a few years ago. In the second quarter of the financial year ended 30 September 2013, the Group further reduced its ownership in Puma by selling a portion of its stake to existing minority shareholders, including the Angolan state-owned energy company Sonangol Holdings Lda ("**Sonangol**") and Cochán Holdings LLC ("**Cochán**"). Puma Energy also benefitted 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 reduced to 49.6 per cent, leading to the deconsolidation of Puma Energy from the Group financial statements. In November 2015, the Group took part in a 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 remains an 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 almost 7 per cent. of the division's turnover in 2017.

Puma Energy's core business activities can be categorised as follows:

Downstream activities

Downstream refers to the distribution, retail and wholesale of refined products within national markets. In the downstream sector Puma Energy is active in all aspects of the business both as marketer of the petroleum products and owner/operator of the related infrastructure. By vertically integrating its midstream assets with its downstream business, Puma Energy seeks to capture the full value made available by its investments; internalising the strong distribution, wholesale and retail margins achievable within these emerging markets.

Puma Energy supplies refined products and lubricants into high growth emerging markets with focus on (i) domestic wholesale distribution to industrial consumers (such as distributors, mining companies, airlines, shipping companies and offshore operations) and (ii) retail distribution including Puma branded service stations either owned or operated on a franchise basis. Puma Energy has set up a line of business dedicated to ensuring reliable supply to its customers as well as ensuring that supply is managed efficiently. The Group is the preferred supplier to Puma Energy's supply group of companies and in the nine months ended 30 September 2017, supplied 70 per cent. of Puma's refined oil product sales volumes; however the Puma Energy supply department also has the ability to source products from third parties. The role of the supply function ensures that:

- Puma Energy's requirements are managed at regional rather than country level ensuring that economies of scale can be generated and dead freight avoided;
- Puma Energy has developed expertise in inland logistics to optimise whole chain supply costs;
- Price exposure is controlled using sophisticated price risk management instruments; Puma Energy does not take outright price risk and fully hedges all of its positions; and
- Products are sourced at the most competitive price levels available in the market including access to arbitrage cargoes coming from outside the region.

Within the business-to-business line of business, Puma Energy's key competitive advantage is its ability to cater for customers that require constant and reliable supply in an environment where logistics and infrastructure are highly constrained. Within the commercial and industrial segment, Puma Energy supplies a range of companies that require clean and/or heavy fuel products in their regular operations. These companies operate in a wide range of sectors, including transport, power generation, industrial and manufacturing, mining, agricultural and construction.

One of Puma Energy's primary focus areas within this sector is the supply of fuels to mining customers, where demand for fuels is growing rapidly, and where the Company's strengths in storage and logistics, reliable fuel quality and pricing provide a strong competitive advantage. According to Puma Energy's

own knowledge of its market position, Puma Energy is a market leader in provision of fuels to the mining sector in Southern Africa (outside South Africa) and has recently positioned itself in Australia to serve the mining sector throughout Australia.

Midstream activities

Midstream refers to the refining, storage and pipe transportation of petroleum products within the international marketplace. Within the midstream market, Puma Energy's business is to own and operate infrastructure which supports the trade flows. This typically includes refineries, bulk storage depots, offshore mooring systems etc. Puma Energy targets opportunities where the (re)development and effective management of infrastructure can de bottleneck supply chain systems and provide essential trading liquidity within regional and national markets. In doing so, Puma Energy unlocks value seeking to capture this both as an asset owner and downstream marketer.

Puma Energy operates oil terminals in chosen strategic import or export markets to serve Puma Energy's downstream distribution operations, the Group and/or third party customers.

By integrating its midstream assets with its downstream business, Puma Energy seeks to capture fully the integrated margins unlocked by its investments.

Recent Merger and Acquisition ("M&A") Activities

As a consequence of its defined growth strategy Puma Energy has capitalised on opportunities over recent months:

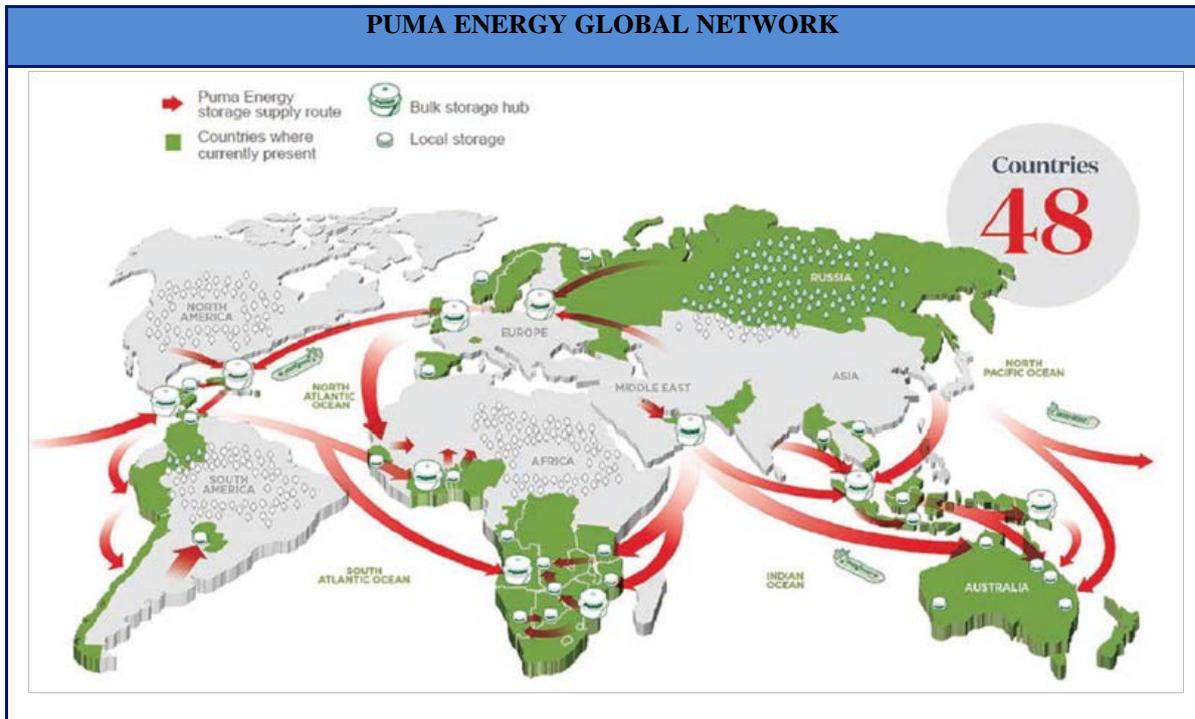
- November 2015 – The Group took part in a capital increase undertaken by Puma Energy. This has enabled the company to maintain its growth momentum by capitalising on opportunities to expand its portfolio of mid and downstream assets.
- January 2016 – Puma Energy acquired the bitumen assets of Wabeco in Nigeria. Wabeco retains a 40 per cent. stake in the legal entity, which owns two import terminals and distributes bitumen in Nigeria.
- April 2016 - Puma Energy acquired Grace Petroleum, a retail distribution company in Ghana.
- September 2016 – Puma Energy announced the acquisition of the Group's 100th terminal, a 143,000 m³ bulk storage terminal from BP in Northern Ireland.
- May 2017 – Puma Energy announced the opening of a petroleum products terminal at Thilawa port under a joint venture between Puma Energy and Asia Sun Energy, a company experienced in logistics and trading in Myanmar.
- September 2017 – Puma Energy announced the delivery of its first cargo of bitumen to its terminal in Calabar, Nigeria, under a joint venture with Wabeco.
- November 2017 – Puma Energy completed a joint venture with the Chishti Group to acquire a 51 per cent. interest in Admore Gas Pvt. Ltd, one of the leading independent oil marketing companies in Pakistan with a significant retail network of over 470 sites nationwide.

Financial Highlights

Puma Energy's ongoing investment programme has generated significant growth in size and profitability. For the nine months ended 30 September 2017, Puma Energy generated sales of approximately USD 10.8 billion, whilst profit was USD 77 million.

Global Presence

Puma Energy has assets worldwide, organised into five key regions. The below diagram illustrates how Puma Energy's assets work together to facilitate global supply routes:



Organisational Structure

Puma Energy is centrally managed from its support office in Geneva, Switzerland, and as at 30 September 2017 directly employs over 8,337 people in over 48 countries. Puma Energy is managed as an independent industrial group, with its own dedicated management, which transacts with its shareholders, the Group and Sonangol Group, on an arm's length basis.

Puma Energy operates a two-tier management structure comprising a Board of Directors and an Executive Committee. The Board of Directors manages the business and affairs of Puma Energy, providing oversight and management, but delegates the day to day management of the company to the Executive Committee. Following the deconsolidation of Puma Energy in September 2013, the Board of Directors underwent some changes and is now comprised of eight members: one independent director and Chairman, three representatives of the Group, two representatives of Sonangol and one representative of Cochan as well as Puma Energy CEO, Pierre Eladari. The Puma Energy executive committee comprises eight members of Puma Energy's senior management and is focused on the strategic issues facing Puma Energy and on the day-to-day management of the group. It also implements the strategy which is formulated at the level of the Board of Directors.

The Impala Terminals Group: the Group's Bulk Commodity Terminals, Warehousing and Logistics Assets

Impala Terminals is a multimodal logistics provider and infrastructure development group focused mostly 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 has 11 owned and operated port assets globally and in excess of 23 terminal locations, in 16 countries across Europe, Middle East, Latin America, North America, Asia and Africa. Impala Terminals currently employs more than 1,400 people worldwide. As at 30 September 2017, Impala's sales revenue increased by 4 per cent. to USD 390 million. Impala Terminals' key bulk commodity terminals, warehousing and logistics facilities are outlined below.

Latin America

Impala Latin America originated in Peru with a non-ferrous concentrates terminals, warehousing and blending operation in Callao. Over time, it established further operations in Chile, Mexico, Colombia, Paraguay and Brazil. Impala Latin America specialises in handling the logistics of concentrates from across Latin America, blending to specific customer requirements, and exporting them to worldwide destinations. Furthermore, Impala Latin America manages the coal logistics development projects in Colombia.

In Peru, the Callao terminal, warehousing and blending operation is the largest facility in Latin America for handling copper, zinc and lead concentrates. Callao is Peru's main commercial port. Impala completed a project to cover 175,000sqm of warehousing space (the largest covered warehouse in Latin America). The warehouse is one of the most environmentally compliant warehouses in Peru as it controls and measures air, water and soil particles to ensure that protection extends from both inside and outside the walls of the facility. The operation at Callao includes a participation in a consortium which operates an approximately 3km conveyor which transports bulk metal concentrates safely and efficiently to a dedicated berth.

In Colombia, Impala has invested around USD 1.1 billion in an unprecedented project to transform the country's commodity transport network over a four year period from 2012 to 2016. 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 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 LPG, Fuel Oil, and Dry Bulk Steel, showing the added value of Impala logistics in the Magdalena River.

Parana

The Parana River is 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 since 2014, Impala Terminals created a reliable fluvial corridor, shipping liquid products including diesel and gasoline fuel over a distance of 2,785km. The current fleet is composed of 4 push boats and 27 double hulled tanker barges, and is expected to grow over the next few years as the Group's and third party volumes are steadily increasing. For example, Impala has recently started a long-term collaboration with a local partner to transport oil products for Petropar, Paraguay's national oil company.

Porto Sudeste do Brasil

In 2014, Impala entered into a joint venture with Abu Dhabi based investment fund Mubadala to complete the construction and control and operate Porto Sudeste, the USD 2 billion iron ore export terminal which is located just outside of Rio de Janeiro, Brazil. Porto Sudeste 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. It gives Brazil's independent miners a competitive alternative to existing export terminals and will offer them unprecedented access to global markets. During 2017, the Porto Sudeste debt package was restructured in order to better match the port's expected cash flows and debt repayment profile. In addition, Porto Sudeste signed new logistics contracts with Mineração Morro do Ipê S.A.'s ("MMI") in respect of the Ipe iron ore mine as well as a contract with Mineracao Usiminas separately.

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. It

also provides end to end delivery solutions for imports and exports via a combination of road and rail networks combined with onward ocean container freight services.

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 Copperbelt, Southern, Eastern and Central Africa and is currently expanding its logistics capacity serving these regions by rail, truck and ocean container freight. Impala Terminals is also constructing significant additional warehousing capacity in the DRC. This will allow producers and consumers to access international markets with greater speed, efficiency and safety whilst reducing cost.

Impala operates a dedicated warehouse in the Jebel Ali Free Zone (JAFZA) in Dubai, operating storage and handling of refined metals and third-party goods. Impala is strategically located within 10km of the two largest container terminals within the Port of Jebel Ali, thereby offering a great competitive import and export advantage to its customers.

US - Burnside Terminal

In June 2011, Impala Terminals acquired the Burnside 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 approximately 10 million MTs 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. Expansion options at Burnside are currently being considered, including rail connectivity and liquids storage.

Spain - Huelva Terminal

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 over 2016, handled a total of 1 million tonnes of import and export products. The 240,000 MTs of warehouse capacity allows for the storage and blending of these products, which can then be loaded onto ocean going vessels via a 550 metres private berth. Impala Terminals also has the option to develop approximately 70,000 sqm of land adjacent to the berth, thereby potentially expanding the capacity of the terminal.

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. 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. In 2017, Impala arranged for over 1 million MT of container shipments.

Strategic Objectives: Bulk-Commodity Warehousing and Logistics Assets

The following strategic objectives have been set for Impala Terminals:

- Creation of a global terminals and multimodal logistics business to service the Impala Terminals group and external customers;
- On-going expansion in existing areas of activities;
- Improvement of services offered to fully meet the standards of internal and external customers;

- Service new areas of Impala Terminals' business in the bulk commodities area; and
- Servicing of other areas of business for external customers where Impala Terminals does not trade.

Mining Group

The Mining Group 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 Latin America, Europe and Africa, its investments include wholly-owned subsidiaries in addition to cornerstone shareholdings in both private and publicly traded entities. The Mining Group directly or indirectly employed around more than 1,700 people worldwide as at 30 December 2017, including highly skilled personnel such as geologists and engineers.

The Mining Group's focus continues to be on the participation in and development of mining projects globally. The Group finalised, in fiscal year 2015, a major expansion project at its MATSA mine in Spain followed by the divestment of 50 per cent. of MATSA into a new joint venture structure holding with Mubadala Development Company ("**Mubadala**") representing a further key strategic development in partnership with Mubadala. Historically it has also completed the successful divestment of a number of previously held investments, such as Anvil Mining Ltd. and the Compañía Minera Condestable SA ("**CMC**").

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 Minas Aguas Tenidas ("**MATSA**"), but it also held a mine in Peru at the time of the acquisition. 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 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 which represented an industry record for the turnaround from discovery to production. Sotiel, an older mine, was reactivated in 2015.

Over the years, MATSA has accumulated advantageous 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 some small lead concentrate production and 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 per year in 2015 and 4.4 million tonnes per year in 2016.

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. This joint venture will be the vehicle for investment by the partners in base metal assets in the Iberian Peninsula.

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 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 fall in copper prices created additional need for cost efficiencies. MATSA's response to the latter was known as the Avanza project, an efficiency

programme which improved the operation's EBITDA by USD 21 million on a full-year basis after the implementation of the efficiency programme. By the end of the financial year ended 30 September 2016, the restructuring process was complete and a new basis has been created for future growth.

At the end of March 2017, Trafigura refinanced the Spanish mining joint venture with Mubadala. The refinancing closed at an amount of USD 400 million, a significant upsize from the USD 150 million for the original facility which was put in place in 2013. Following this refinancing, USD 165 million of Trafigura's share of a shareholder loan to MATSA was repaid.

Catalina Huanca Sociedad Minera S.A.C.

Catalina Huanca is a zinc and lead underground mine in Peru that is wholly owned by Trafigura. A concentration plant treats around 730,000 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 Trafigura has progressively modernized it and brought it to international standards, in terms of mechanization, and also health, safety, environmental and community standards. As at the date hereof, Trafigura has continued to invest capital in near field exploration and has successfully increased its resource base.

Atalaya Mining Public Ltd. ("Atalaya")

Trafigura owns a 22.8 per cent. stake in Atalaya Mining Plc, formerly known as EMED. Atalaya originally restarted the Rio Tinto mine in Southern Spain (the mine is approximately 40km away from MATSA operations).

The Group has the offtake over 19.3 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, the Company, through its subsidiary Urion Holdings (Malta) Ltd, slightly increased its ownership to 22.8 per cent. The proceeds will be used to increase the plant's capacity from 9.5 metric tonnes per annum ("**Mtpa**") to 15Mtpa at its Rio Tinto mine.

Jesus Fernandez Lopez of the Group's M&A team retains his position on Atalaya's Board of Directors following his appointment in December 2014.

Nyrstar

Nyrstar is a Brussels-listed integrated mining and smelting business with operations throughout the Americas, Europe and Australia. As at 30 September 2017, Trafigura owned a 24.6 per cent. stake in Nyrstar.

In November 2017, Nyrstar completed a EUR 100 million equity placement. The proceeds of the transaction will be used to fund capital investments required to restart the Myra Falls and complete Port Pirie development as well as accelerate the deleveraging of the balance sheet.

Nyrstar is a strategic investment and Trafigura has entered into a number of supply and offtake agreements to support the Company.

As at April 2015, Christopher Cox, a member of Trafigura's Board of Directors, was appointed as non-executive director and in April 2016, Jesus Fernandez Lopez was appointed as a non-executive director. Trafigura and Nyrstar entered into a relationship agreement to ensure that the relationship complies with the highest standards of corporate governance and continues on an arm's length basis.

*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, which was completed in October 2017. The project has been undertaken by Trafigura and the Cuban government and is the largest industrial investment on the island. The first concentrates have been produced and the plant is ramping up towards its nominal 1 Mtpa capacity, which is expected to be achieved during the first quarter of 2018. The project was completed on time and within the allocated budget. This project is another illustration of Trafigura Mining Group's ability to put its expertise and

investment to work in challenging economic or political environments. Emincar employs close to 500 people and it has 11.2 million tonnes in reserves.

Mineração Morro do Ipê S.A.

In 2016, Mubadala and Trafigura 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 Trafigura each holding 25.5 per cent of shares and the remaining 49 percent owned by MMX's creditors, who approved the initiative following a judicial recovery plan.

The majority shareholders invested approximately BRL 190 million (which translates to approximately USD 53 million) in the Ipê and Tico-Tico mines and processing facilities. Mineração Morro do Ipê employs 179 people and first ore was produced on 20 March 2017. Operations are planned to focus on processing existing iron ore stocks up to 2019. From 2019 onwards, however, it is expected that the existing facilities will be in a position to process Itabarite friable ore, which is a more competitive and better quality iron ore, extracted from the Tico-Tico mine.

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 responsible, removing the need for tailing dams.

Galena Private Equity Resources Fund

Galena Asset Management's teams operate wholly independently of Trafigura, but benefit from the Mining Group's expertise. The Resources Fund raised USD 400 million in 2015 to invest in equity and debt of metals and mining companies. Galena Asset Management has invested in a number of mining assets in the Democratic Republic of the Congo, the US and Finland. Galena Asset Management is discussed in more detail below.

DT Group

DT Group is focused on managing, developing and growing a range of business lines predominantly focused on the Angolan market. DT Group is a 50:50 joint venture that leverages the market capabilities and financial strength of the Group, underpinned by the local knowledge and networks of partner Cochan Ltd.

Cochan Ltd. is a leading Angolan management and investment firm that facilitates investment activities by contributing specialist expertise and capital. The Group helps to develop new business lines in Angola and beyond by participating in projects related to infrastructure, logistics and economic diversification.

DT Group has focused its activities during 2016 on its core trading and shipping activities. DTS Commercial continued to trade refined petroleum products such as gasoil, bitumen and jet fuel with Sonangol. DT Shipping continued to charter vessels for Sonangol.

In addition, DT Agro sought to develop its commercial farming operation, demonstrating how modern technology and techniques can improve yields in growing fruit and vegetables with indirect labour growing to 100 persons. DT Agro is currently aiming to double its capacity to utilise its existing lands.

In 2014, DT Group began a consolidation of its business in Angola, which meant that it withdrew from a number of lines of activity and refocused on core activities. In 2018, DT intends to maintain this focus, based on a close commercial relationship with Sonangol and in partnership with the Angolan subsidiary of Puma Energy, Pumangol.

As part of this review of activities, DT Group's majority owned mining joint venture, AEMR, was placed on standby in 2014. At the end of fiscal year 2015, there was a presidential decree that the Angolan Government acknowledge a debt of USD 409 million, in respect of the investment made by DT Group. The amount is payable to the DT Group in monthly instalments as compensation over a period of four years, commencing in January 2017. Payments are up to date and as at 30 September 2017, the balance outstanding inclusive of discounting is USD 301 million.

Galena Asset Management

Galena Asset Management, the Group's wholly owned investment subsidiary, underwent a fundamental change of strategy during 2016, shifting focus from derivatives trading and trade finance to private equity-style investment in real assets. In December 2015, the decision was taken to wind down the Galena Metals Fund and to review strategic options for the Galena Trade Finance Fund. After the 2016 year-end it was announced that the Singapore-based independent asset manager EFA Group would take over as investment manager of the trade finance fund.

This has left the Galena Private Equity Resources Fund (the "**Galena Private Equity Fund**") as Galena's sole focus. The Galena Private Equity Fund leverages the Group's expertise and track record in investing in small to medium sized resource companies in the metals and mining sectors. The Galena Private Equity Fund raised USD 400 million to invest in the equity and debt instruments of metals and mining companies in 2015, of which the Group has committed USD 100 million pari-passu to external investors. Galena Private Equity Fund has invested in a number of assets in the DRC, the United States and Finland. The Galena Private Equity Fund is now fully invested, and there are plans to raise a successor fund.

Notably in February 2017, Galena Private Equity Fund announced a 15.5 per cent. stake in Terrafame, a Finnish nickel 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 tons, and mine life based on reserves of approximately 20 years. As part of the transaction, Galena took two out of seven board seats for greater oversight and performance management, while Terrafame has agreed an offtake agreement with Trafigura, which will buy 100 per cent. of nickel precipitates and 80 per cent. of zinc precipitates produced over the next seven years.

The strategy of Galena Private Equity Resources Fund is to identify mispriced assets that have a strong potential for growth in base metals and bulks. The team invest globally maintaining an agile investment approach across the development stages of underlying companies and invests in both listed and private companies. A particular focus is to secure high quality assets with the ability to rely on Trafigura's, technical, commercial and financial resources to extract maximum value whilst managing the downside risk.

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 Trafigura Group.

Galena Asset Management is regulated by the Swiss Financial Market Supervisory Authority and is carefully monitored by its own dedicated internal compliance department and supported by an external compliance consultant.

The Group's Capital Expenditure and Long-Term Equity Investment Programme

The Group's capital expenditures and long-term equity investment programme ("**Capex**") is mostly related to infrastructure projects within the Group's industrial asset divisions (i.e. Impala Terminals Group, Mining Group and DT Group), but more recently, increasingly also 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 and provides 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 to a smaller size or with a shorter track record. The assets often contribute on a standalone basis to the Group's earning power, but also offer significant synergies with the Group's trading activities, creating opportunities that would not otherwise be available to the Group and supporting business development. These divisions enable the Group 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:

1. A favourable assessment of the standalone profitability of each investment, meeting internal return requirements on investment hurdles;

2. Beyond a baseline maintenance capital expenditure, certain other elements of planned capital expenditure are flexible and can be deferred if necessary in order to smooth Group liquidity requirements. This is particularly true for investments made over several phases and expansionary capital expenditures which can be considered since it is discretionary and uncommitted;
3. Over time, Capex has a direct and 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 a key consideration; and
4. 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 Group's compliance with its financial covenants.

Investments in fixed assets and equity investments can be monetised to generate liquidity for the Group. The Group has demonstrated over the years its ability to make divestments. This has included the sale of mining assets (Volcan, Anvil, Tiger and CMC and 50 per cent. of MATSA), the sale of equity investments (Corpus Christi Holdings, Chinalco Mining, Mexican Tuxpan pipeline) and the sale of portions of its stake in Puma Energy in 2011 and 2013 to existing minority stakeholders. 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 2016 fiscal year, Trafigura reached the end of an intensive cycle of investment in industrial and logistical assets and accordingly booked a reduced level of Capex. This pattern was maintained in the 2017 fiscal year, with Capex (net of divestment)¹⁰ amounting to USD 412 million, which is within the stated budget of USD 500 million. The Group expects Capex to continue at or around this level in coming years. Trafigura intends to invest in assets that offer opportunities, where appropriate, in the form of joint ventures and partnerships.

Trafigura seeks to expand its business and trading flows with a more partnership oriented growth model, as opposed to the full asset ownership model that has been pursued to date. Main drivers behind the Group's long-term investment programme in the 2017 fiscal year included various development projects such as Essar Oil Limited as well as Castellanos lead and zinc mine.

In August 2017, Trafigura and investment group United Capital Partners completed the acquisition of a 49 per cent. stake in Essar Oil Limited ("**EOL**") from Essar Energy Holdings Ltd and Oil BidCo (Mauritius) Limited. The acquisition includes the Vadinar oil refinery and world-class storage and import/export facilities, as well as a domestic retail network business consisting of over 3,500 retail service stations. The 20Mtpa super-refinery, with a Nelson complexity index of 11.8, is located on strategic shipping routes to demand centres in the Far East and close to Middle East sources of production. India is one of the world's most important sources of growth in energy demand and the deregulation of pricing of the Indian retail market is expected to bring potential growth opportunities for EOL's retail network. Under the commercial agreement, Trafigura will have the right to supply 50 per cent. of the non-contracted volumes of crude oil and the right to offtake 50 per cent. of non-contracted export volumes.

The Group's equity contribution of USD 270 million is being supported by an efficient capital structure involving non-recourse bank finance and is fully compliant with international sanctions.

¹⁰ This refers to the net cash used in investing activities in the consolidated statement of cash flows.

Industry Overview

Oil Market

Market Structure – Supply Side

Crude oil is a major commodity traded on the international markets. There are numerous derivative products obtained from the processing of crude oil which are also useable and tradable, including gasoline, naphtha, fuel oil and bitumen. Refined products are used in a variety of ways, but motor fuel represents the most significant product derived from crude.

The crude oil market is driven by supply and demand but is also affected by financial flows, macro-economic developments, regulatory changes, and especially geopolitical events, which can have a severe impact on price.

Crude oil is extracted through exploration and production, and is carried out by either independent or integrated energy companies (e.g. BP, Shell, Exxon) or national energy companies such as PDVSA or Saudi Aramco. Producers are split between OPEC and non-OPEC producers. In 2016, OPEC countries held approximately 70 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 indicates that between 70 to 80 mmbpd are "freely" traded, which equates to just under half of the total market volume. These are volumes on the "tradable market", i.e. 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. In 2017, the Group had approximately 7 per cent. of market share in the tradable market¹¹ with approximately 5.3 mmbpd of traded volumes calculated based on the Group's internal research of actual traded volumes.

In spite of the different varieties and grades of crude, buying and selling is done by reference to a limited number of benchmark crude oils. Examples include Brent crude oil ("**Brent**"), which is estimated to price two thirds of internationally traded crude oil supplies; Dubai crude, which is used as a benchmark to price sales from the Gulf into Asia, and West Texas Intermediate ("**WTI**"), which is the benchmark for sales into the US. OPEC produces its own benchmark price based on a basket of members' crudes as well as Mexico's Isthmus crude, reflecting the importance of non-OPEC producers.

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.

Market Structure – Demand Side

Global oil demand tends to closely follow global economic growth and for many years, global oil demand increased in line with the expansion in the global GDP growth. Demand fell in both 2008 and 2009 as the global economic recession led to a marked downturn in consumption of energy, yet recent years have witnessed signs of recovery including an increase in global oil consumption. However, oil demand in 2014 grew only modestly - by less than 1 per cent. to 92.8 mmbpd. The collapse of crude oil prices in late 2014 and 2015 led to a stronger rebound in demand; with a 1.9 per cent. world oil demand growth in 2015 to 94.6 mmbpd, which proved to be a boon to consumers, who began to increase demand as prices fell. Rapid gains in gasoline demand – from the US, China and India – fuelled the growth. Strong gains in European gasoil/diesel demand were also a contributor after many of the region's economies saw the end of recessionary conditions.

Global consumption growth is expected to eventually edge closer towards its long-term trend, lowering back to 1.2 mmbpd thereby taking global deliveries to an average of 95.8 mmbpd. This reversion to trend also took place in 2016, with demand slowing down as China and other emerging markets grew more gradually, offsetting stronger US and Indian demand growth.

¹¹ Defined as volumes which are not distributed by producers directly to consumers.

Despite some growth in the United States, mainly due to lower oil prices, overall OECD demand will continue to stagnate. Between 2004 and 2016, OECD oil consumption consistently declined by more than 9 per cent. from 50.6 to 46.2 mmbpd over the period. 2015 and 2016 saw a rebound in growth in OECD countries, primarily due to growth in the United States, especially for gasoline, while Europe at least slowed its structural decline for a time. Overall, OECD oil demand's trajectory is forecast to see flat-to-falling demand from 2017 onwards.

By contrast, non-OECD oil consumption has steadily increased by more than 40 per cent. from 33.3 mmbpd to 50 mmbpd between 2004 and 2016, representing 52 per cent. of total oil demand. Chinese consumption has also increased by over 6.1 mmbpd compared to 2004, and is now over 12.8 mmbpd, although this is still far from the 19.6 mmbpd consumed each day in the US in 2016. China now accounts for approximately 13 per cent of global oil demand in 2016, up from 8 per cent in 2004.

As a result of these trends, the share of global consumption attributable to OECD countries fell from 60 per cent. in 2004 to less than 50 per cent. in 2015 while the share of demand accounted for by non-OECD nations increased accordingly.

Over the last 10 years, the increase in global demand for oil has lagged behind the growth in global GDP, reflecting the increased use of alternate fuel types and improved efficiency. Oil consumption increased by 1.4 per cent. (compounded annually) between 2004 and 2016, compared with a Purchasing Power Parities ("PPP") 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 consumption increase of approximately 200,000 bbls/day.

Market Fundamentals

The market for trading crude and refined products is driven by several factors and variables, primarily supply, demand and geopolitical scenarios as mentioned earlier. Another key factor is refining capacity, which becomes a bottleneck when crude supply is sufficient but demand outstrips production capacity. Refining capacity is reflected in refining margins, which are priced directly into product prices.

Additional factors include environmental seasonality and the geographic locations of consumers and producers. For example, consumers located in cold weather regions push up demand for heating products, and producers and shipping routes located in regions susceptible to hurricanes can affect the stability of supply, pushing up prices and costs for players in the market. On a different scale, factors such as the United States 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 wide and fragmented. Consumers of products vary from car users to large petrochemical companies, which turn crude and refined products into sophisticated derivatives such as cosmetics. The oil market is also unique in that the versatility of uses for and characteristics of primary refined products means that industrial users can differentiate between their usage of crude and refined products mainly in terms of price and/or availability to produce further refined products.

The Group benefits from this highly volatile environment by being able to make trading plays 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.

Recent Market Developments

While crude oil prices had been relatively stable for the first half of 2014, a notable decline ensued after June. Brent fell from USD 115/bbl in June to around USD 55/bbl in December. Lost production in Libya and Iran masked rapid production growth in North America and other regional gains for some time, but Libya's restarting of some exports in late 2014, further compounded by OPEC's decision in late November to not limit production in order to increase prices, contributed to a rapid sell-off.

Prices recovered some 25 per cent. from early February 2015 until May 2015, resulting in significant forward hedging by producers, who 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 continued to put significant downward pressure on prices.

In December 2015, Brent fell below its lowest point over the previous 7-year period at a price of USD 36.11/bbl, after OPEC opted to continue producing at will to defend market share and push out higher cost producers such as the US. The picture was complicated by the lifting of sanctions on Iran in 2016, which contributed to the increased market uncertainty throughout 2016. The removal of the US export ban has led to increased buying of WTI and a narrowing of the WTI/Brent spread thereby pushing it into positive territory for the first time given current freight rates.

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 extremely low price environment was due to the significant oversupply of the market produced a more volatile environment which plays to the strengths of traders such as Trafigura, who can step in to address market inefficiencies in times of imbalance and volatility.

Since 2016, Brent has progressively increased and after another brief move downward the summer of 2017, has been hovering above USD 50/bbl. This has mainly been the result of a deal announced between OPEC members and Non-OPEC producers to cut 1.7 mbpd of production in the first half of 2017. Of this, 1.2 mbpd has come from OPEC producers, primarily Saudi Arabia, Kuwait, UAE and Iraq, with the rest from Non-OPEC, primarily Russia. However, Nigeria, Libya and Iran were essentially exempted from the agreement and have been adding significant volumes therefore mitigating the impact of the cuts. US shale production has also recovered sharply from its nadir in mid-2016, and given the number of rigs that have consistently been added over the last year, there have been continued increases in production throughout 2017.

Other structural changes continue to occur alongside the oil price fluctuations in recent years. For example, increased 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 considers that it is well placed as the 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 Capex 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

Since mid-June 2014 oil prices have declined by 42 per cent.¹² 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. The Group is not active in oil exploration and production.

Historically, declines in commodities 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, so a decrease in commodities prices has no impact on the Group's profitability. In fact, the Group's business model benefits from volatility in commodities markets. This has been demonstrated during the two historic oil price crashes from 2008 to 2009 and 2014 to 2016.

¹² Percentage compared to the highest value in June 2014 (Brent crude oil: USD 115.06 on 19 June 2014 compared to USD 66.73 on 30 December 2017).

Metals and Minerals Market

Market Structure – Supply Side

The main non-ferrous metals consist of aluminium, copper, lead, nickel and zinc. Concentrates of these metals are mined ores which have been processed to "concentrate" the metal content as well as alumina which is refined bauxite ore from which aluminium metal is produced. Concentrates are not traded on international exchanges but directly between counterparties.

Producers are essentially mining companies which operate or control mines. Consumers are usually smelters and refiners. Smelters process the concentrates to further separate the metal from other metals or impurities. The resulting blisters are then passed on to refineries for further processing.

The refined metals which are then produced are sold to fabricating companies to be used in the manufacturing process.

The main bulk commodities are iron ore and coal, the latter being divided into thermal coal (for use in electricity production) and coking coal (for use in steel production). In contrast to the metals and minerals markets, production of bulk commodities is generally much lower cost, but with much higher tonnages. Not surprisingly, transport costs are a significant factor in trading bulk commodities and as a result there is less of a global market than with metals and minerals, with some regional markets (internal US coal market for example) only loosely connected to the global market.

Market Structure – Demand Side

Refined metals and steel are used in a variety of end uses although the most important are construction (including infrastructure building), transportation and consumer products. As a result there is a close correlation between metal usage and the global industrial cycle. Further discussion of the global industrial cycle and demand is provided under "*Current Market Developments*".

Market Fundamentals

The non-ferrous concentrates, bulk commodity and metals market as a whole is composed of vertically integrated metal groups (BHP Billiton, Rio Tinto, etc.), industrial companies (Umicore, Arcelor, Korea Zinc etc.) and, in the case of thermal, coal power utilities. As such, this market tends to be fairly conservative with counterparties that maintain stable long term relationships with their suppliers and customers. Most contracts tend to be over annual or multiple years including evergreen (i.e. indefinite) on the concentrate side and annual on the metals side. Such activity therefore offers longer term visibility with regard to the book composition and profitability when compared to oil trading.

As with the oil market, non-ferrous concentrate and metals markets and the bulk commodity markets are driven by global supply and demand and available refining capacity.

With respect to metal concentrates, even though concentrates are not exchange traded, the metal content is still hedgeable. The price of a ton of concentrate is determined by the metal content value less the treatment charge and refining charge ("**TC/RCs**") representing the fee paid to the smelters and refiners to first smelt and then refine the concentrate into metal. TC/RCs are effectively related to the level of utilisation of the smelters/refiners at any time in a geographical region, when compared with mine production and industrial user consumption.

Any combination of the two main drivers (overall supply/demand and smelting/refining capacity) can have an opposite impact for, on the one hand, concentrate value and, on the other, refined metal value. Indeed, it is possible to be in an environment of high demand for and/or low supply of metal linked to a lack of refining capacity driving prices high while concentrates are oversupplied compared to the same refining capacity, driving the value of concentrates lower (TC/RCs higher). It is therefore crucial to understand and follow closely the evolution of (i) mine production, (ii) available refining capacity, and (iii) global demand, in order to anticipate price movements and negotiate effectively long term contracts.

The Group's advantage in these markets arises from stable, long term relationships with producers, smelters and consumers complemented by its arbitrage (freight, geographical, etc.) and risk management expertise.

Current 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 output 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-2016, prices moved downward quite substantially before experiencing a surge similar to oil prices during 2017. As with oil, capacity has been increasing in recent years in the expectations of strong demand from China, only for that capacity to be achieved just as demand slowed.

Unlike in the oil market, metals producers have already reacted 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.

Aluminium

London Metal Exchange ("**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 MT and continued to fall in 2015, reaching their lowest point in November below USD 1,450/MT, with the exception of brief a spike in May back up 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 remained over USD 2,000, and look to continue moving higher in at least the short term.

The market reacted strongly to the revelations of fraudulent metals practices at the Qingdao port in June 2014, 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 have 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. Stronger vehicle sales in the US and Europe in particular have contributed to this rising demand as companies such as Ford move their most popular models to aluminium-based designs. Aluminium demand over the 2016 to 2021 time period is expected to see much stronger growth outside of China than inside, a reversal of the clear trend from 2011 to 2016.

China, however, has 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 has left the market as a whole in surplus, which combined with significantly lower energy prices, has 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 has been that the aluminium market has begun to tighten for the first time in many years, boosting the outlook for prices in 2018.

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 2016 year experienced two distinct phases: namely, prices remaining at approximately USD 4,700/MT for most of the year, before increasing to an average of USD 5,600/MT after the presidential election in the United States.

The steep upward change in the price initially occurred as a result of the announcement of the increased infrastructure stimulus from the current administration in the United States. However, against the backdrop that previous years had experienced oversupply due to increased production and the decline in Chinese demand growth rates, prices declined since the ineffectiveness of the incumbent administration's infrastructure stimulus became apparent.

The structural changes China is experiencing as it moves from an investment-led model to a more consumer-based economy have seen 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 slowed down, real estate activity also decreased in parallel, leading to less demand for copper in housing.

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. 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 has kept liquidity conditions loose throughout 2016 and 2017, allowing economic activity to rebound across the board, boosting demand for copper and other industrial materials. Although there is likely to be some relative tightening in 2018, conditions should still remain favourable overall.

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 has announced major cuts, totalling some 400,000 MTs, but others including Freeport McMoRan and First Quantum, have 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. Higher demand and tighter supply conditions have meant that prices traded above USD 7,100/MT in early February 2018, and looming deficits due to under-investment mean that prices retain a positive outlook. Copper demand in 2017 was primarily boosted by the recovery in Chinese real estate and by an accelerated build-out of the Chinese electricity grid.

Lead

Lead finished 2014 at an average yearly low of approximately USD 1,860/MT after peaking at USD 2,301 /MT on 28 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, the average price for lead was 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 has grown by 2 per cent., primarily from the battery replacement sector.

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 experienced in 2016, with Chinese demand under pressure given financial constraints on consumers and increasing focus on environment impacts. However, lead has rallied 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 trend continued into 2017 as mine supply constraints tightened the market.

Zinc

Zinc continued its strong 2016 performance into 2017 with prices averaging around USD 10,000/MT. After rallying by just under 100 percent from the lows last year, prices rallied a further 30 per cent., reaching the highest levels since 2007. Supply cuts by Glencore and others, added to the previously signalled closures of the Lisheen and Century mines and meant that the concentrates market began to pull into deficit for the first time in recent history. The closures meant that supply fell by over 11 per cent., mostly outside of China.

On the demand side, the Chinese liquidity boost led to increased real estate and infrastructure construction activity, while better macroeconomic conditions in the United States and Europe also boosted growth. Overall, the supply constraints combined with stronger demand growth meant that zinc has been one of the strongest commodity performers the last two years. 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.

Nickel

After falling by 50 per cent. in 2015, nickel prices proceeded to rally by 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.

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 per tonne. At year end, the nickel was priced at USD 8,820/MT. Over 2016 and 2017, stainless steel production recovered thereby allowing stocks to draw and nickel has traded in the range of USD 9,000/MT to USD 13,000/MT.

Iron ore

For the bulk commodities, where 40-50 per cent. of costs were energy-related at the peak, the collapse in oil prices has led to a strong decline in prices. For iron-ore, a slowdown in Chinese demand in 2014, along with a 180 million MT 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.

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 as president of the United States in November resulted in further increases 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 which resulted in a reduction in capacity. During 2017, the price of iron ore fluctuated in the range of USD 90/MT and USD 50/MT, reaching a price of USD 70/MT at the end of September.

Coal

Coal followed a trajectory very similar to iron ore, falling throughout 2014 and 2015, before rallying sharply in 2016 and through 2017 following Chinese supply reforms and global economic recovery. Prices of major seaborne indices for thermal coal currently range between USD90/MT and USD100/MT, after touching below USD50/MT in early 2016. Here however much of the rally at the end of the year took place on the back of reduced Chinese output, as the government attempts to address issues of over-capacity in key supply sectors.

Prior to mine 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 has been supported by a weaker Australian dollar and improved cost efficiencies. Russian supply has also been strong, helped by a plunging rouble. Elsewhere, supply growth has been more muted. South Africa remains limited by infrastructure bottlenecks. Colombia has failed to grow substantially from 2013 levels and US exports have 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 has coincided with a fundamentally weak China, which has 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 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.

Although coal faces significant challenges in parts of the world due to climate change concerns, the Trump Administration appears as if it will try to boost coal consumption in the United States. Some emerging energy consumers are also looking to coal as the lowest-cost alternative, although here too both pollution concerns and the falling cost of alternative energies may impact the longer term outlook.

Competition

The Group's three main sources of competition are:

- Producers or integrated companies such as the oil majors or integrated giants;
- Global traders (the Group's peer group); and
- Small(er) independent traders focused on niche markets defined either geographically or by individual commodities. For example, in the oil sector some companies are more competitive in a particular region or commodity in which they are specialised.

The Group sees its two main competitors as Vitol Group of Companies and Glencore plc. Vitol is mainly focused on large and liquid oil markets whereas the Group's trading activities are spread more globally, resulting in more diversified profit generation. Glencore focuses primarily on metals and 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 24 years that the Group has been in operation, it has seen competition in the global commodities market alter as a result of a number of structural changes in the industry. These changes have created challenges, but have also opened 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 has 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 has resulted in the disposal of some infrastructure and logistical assets and which has enabled some commodity traders to build up their capabilities in logistics;
- Regulatory changes in the banking sector, which have led to more stringent restrictions enforced 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 the inability of smaller players to integrate the supply chain; and

- 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 asset base and 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

Since 2014, concerns have begun to surface in relation to the commodity trade finance activities of banks and in particular, the financial regulation being considered that could restrict banks' activities and have an obvious knock-on effect to market participants that benefit from the trade financing provided by banks to companies including commodity traders such as Trafigura.

This concern prompted Trafigura to commission Llewellyn Consulting to produce a study entitled "Trade Finance and Regulation: the Risk of Unintended Consequences". The study, written on the basis of interviews with policy-makers, banks and users of trade finance, suggests trade finance is often taken for granted as a well-functioning and liquid market driven by demand.

The paper highlights how some of the detailed changes to banking rules now under discussion among regulators could call those assumptions into question, arguing that these changes could result in trade finance becoming more expensive for traders, producers and consumers, and even prompt some important trade finance banks to withdraw from the market entirely.

There is concern over the possibility that trade finance could be adversely affected by heavy-handed, insufficiently nuanced regulation, particularly in an area such as commodity trade finance where policy-makers may over-estimate the risks involved.

During the course of 2016, Trafigura discussed the finished paper with leading regulators including the European Banking Authority, the European Commission and the European Central Bank, with the aim of drawing attention to the fact that special attention must be paid to the impact on trade finance of the anticipated regulation as they work with their global peers to finalise the next round of detailed rules.

Operational Organisation and Procedure

The main commercial and operational responsibilities are split geographically between Athens, Calgary, Geneva, Houston, Johannesburg, Lima, Montevideo, Singapore, Shanghai and Stamford. Those offices have trading and 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. The back office provides diversified services to the Group's operations as well as to the Group.

As trades are executed, information flows through this operational structure. The segregation of duties found between the front, middle and back offices, and in between the departments, is a key to the effective management of data collection and accuracy and therefore of 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 its employees and 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 COO and is supported by a senior team drawn from across the Group.

Operational Departments

Front Office

Traders

Traders initiate any sale or purchase transaction, either directly with a customer or through a commodity broker. In both cases, the contracts are negotiated directly with the contracting party. The Group trading operations are organised by product desk. The main desks are:

- Crude oil, fuel oil, biodiesel, bitumen, middle distillates, gasoline, naphtha, LPG, LNG and natural gas 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 iron ore and coal desks for the metals and mineral business.

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 market place.

For all trades (whether sales or purchases), the trader must 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 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.

Middle Office

Deals Desks

The Group's deals desks (the "**Deals Desks**") ensure that trading profits and exposure are correctly reported. Deals Desks 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. The Deals Desk's organisational structure mirrors that of the trading book structure, with the Deals Desk staff physically sitting on each trading desk and assigned to 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 the head of department who in turn reports to the Group's chief operating officer ("**COO**").

The Deals Desk is responsible for the following main areas:

- Preparation of provisional profit and loss ("**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;
- Ensuring 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; and
- 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 is responsible for ensuring 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 given transaction from inception to completion by focusing on the overall shipment procedure and the related upstream and downstream sub processes. Its organisational structure mirrors that of the 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:

- 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. (TMLP), a Singaporean company, which provides specialist advice on chartering issues. Chartering staff maintain a close liaison and good relations with traders, the traffic/operations department and tanker brokers as well as with 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 seeks 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;
- Treasury; and
- Corporate Funding.

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 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 Bogota, Johannesburg, Mumbai, Mexico City, 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 and is based in Geneva, Singapore, Shanghai, Stamford, Houston and Mumbai. The credit department's key role is to safeguard the receivables 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 structured finance and/or the trade finance department.

Aside from arranging insurance 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

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 corporate funding who consolidates it 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 actively ensures 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 and securitisation programmes);
- 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.

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 based in Geneva, Amsterdam and Mumbai. The department's main objectives are the maintenance of 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. Structurally, 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, Lima and Houston. It is staffed by experienced lawyers who are primarily lateral hires from law firms, investment banks and 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, joint ventures, significant transactions, financings, competition 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 across the

global offices who are senior members of 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 policies designed to keep the Group in line with all applicable laws and regulations by ensuring that:

- The Business Conduct Code 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 Business Conduct 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
- 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 acts as an internal advisor and provides training to all employees on any Business Conduct Code related matters including the application of, or compliance with, the code in specific circumstances.

Corporate Affairs Department

The corporate affairs department ("**Corporate Affairs**") has representatives in Johannesburg, 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 (as described in the section titled "*HSEC Steering Committee*" below).

IT Department

The IT department is split up across all global main offices around the world with IT leadership based in Geneva, London, India, Montevideo, Russia and China. The department's over-arching responsibility centres on the development, support and maintenance of business supporting applications, and underpinning the IT infrastructure. Trafigura's core IT functions globally comprise of Trading IT, Assets Division, Security and Infrastructure. Together, these functions provide a cohesive and well integrated organisation that supports Trafigura'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.

IT Infrastructure and Information Systems

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, Trafigura spends around 15-20 per cent. of its overhead budget on IT, this equated to a total of around USD 226

million for the 2017 fiscal year (compared to around USD 269 million for the 2016 fiscal year). The core business is captured and managed by the Group's three key bespoke information systems "Pluto" for the oil business, "Mercury" for the concentrate products and "Titan" 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 life of a 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 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 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 were previously performed by TDL and are now performed by TPTE, which is the recent booking centre for all derivative transactions within the Group, 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 meaning, in this context, 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, thus avoiding 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 Trafigura, 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 Company's board of directors (the "**Board of Directors**") 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 Board 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. VaR and performance indicators such as "Sharpe Ratios". Trafigura'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 OTC.

Hedges are executed through a number of brokers. The Group works with ten main clearing brokers. The staff involved perform 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 TPTE. 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 as swaps and geographical spreads (for example 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 London credit team at a counterparty level. Excesses are covered by collateral called in the form of cash or standby letters of credit. The Collateral Management team works with the treasury trade finance teams to manage the collateral requirements, issued and received.

Another important aspect of the work undertaken by the credit team is the negotiation of standard Master agreements such as International Swaps and Derivatives Association ("**ISDA**") and Master Netting Agreements. These documents provide a trading framework for the execution of OTC transactions and are negotiated 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 Trafigura Metals Derivatives desks 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 consists of staff based in Geneva, Mumbai, Singapore, Shanghai, Houston, Stamford and Montevideo who work in complete independence from the trading business. Credit reviews follow a formal process as described in the Group's Credit Policy and Process 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 in local offices 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 global head of credit and a chief financial officer ("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 always 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 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 using 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 bunkers on the spot market. 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 and 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 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 and 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 ongoing 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 inventories were USD 13.93 billion for the year ended 30 September 2017 (compared to USD 11.54 billion for the year ended 30 September 2016), allocated 53 per cent. oil and petroleum products and 47 per cent. metals and minerals (compared to 50 per cent. oil and petroleum products and 50 per cent. metals and minerals for the year ended 30 September 2016), 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. Inventories reported in the Group's financials include storage inventories as well as cargoes in transit for which title transfers at the discharge port.

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 third party and asset liability risks (Marine and Non-Marine Liability Insurance). These are described below:

- Marine Cargo Open Cover (oil and metals);
- Charterers Legal Liability Policy;
- General Liability and Terminal Operators Liability Policies.

These policies are designed to provide broad and comprehensive third party liability cover for all activities. Coverage includes protection for product liability, bodily injury, personal injury and pollution. They are summarised below.

The Marine Cargo Open Cover Policy (oil and metals) covers goods while subject to transport, shipment or storage. Limit of USD 500 million per event for any one conveyance or location.

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). Limit of 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). Limit of USD 500 million for any one occurrence with an annual aggregate of USD 500 million for product liability only. For owned assets the Group also has USD 500 million of Terminal Operators Liability insurance covering the marine operations and potential third party exposures arising therefrom.

Risk Limits

On the physical side, each transaction has its own profit and loss record, which is established 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 in the physical business:

- No specific limits are set outside any credit requirements; and
- The head trader on each desk speaks to the oil trading management steering committee and metals and minerals management steering committee on a daily basis to highlight current issues new business.

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 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/bbl), 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 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 VaR, in conjunction with computationally intensive nonlinear risk simulations and advanced statistical analysis.

The Group's CRO reports to the Group's chief operating officer. The Group's chief risk officer has extensive industry experience.

Mark to market

Mark to market reports are regularly produced for 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.

Market Risk and Stress Testing

In the 2017 fiscal year, the average 95 per cent. one day VaR for speculative positions was USD 7 million, representing a slight increase when compared to the 2016 fiscal year (USD 6 million). Trafigura's Board of Directors has set a target of maintaining VaR (one day 95 per cent.) below 1 per cent. of the Group's equity.

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 has to 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 a widely accepted internal control model prescribed by COSO (business process and entity level controls and IT general 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 Trafigura ICS is based on these main steps since 2009:

- Management identifies and measures the inherent business risks (financial, operational, and compliance risks);
- Annually, management identifies and adapts the necessary controls to cover risk 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; and
- Continuously, possible opportunities for improvement identified during the previous steps are followed up to monitor progress.

The work developed in these phases is managed using BWISE – the Group governance risk and compliance tool. 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 control over local risks, and to promote increased standardisation of procedures across the Group.

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 market, 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 and term loan facilities that are used to meet liquidity requirements outside of day to day activities;
- Shorter 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 programme in Europe, which was established in 2004. The trade receivables 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 main advantage of this financing model is that short term uncommitted transactional facilities (which finance the daily trading activities) and the securitisation programmes (which finances trade receivables and inventories on a non-recourse basis) are self-liquidating.

The Group sources funds from various markets including Europe, Asia and the US and maintains relationships with around 122 banks. As at 30 September 2017, the Group's top 10 banks provide approximately 47 per cent. of the Group's funding. In line with growth plans, the Group aims to continue increasing and diversifying its funding sources in order to ensure the unhindered growth of its trading divisions and industrial assets and maximisation of 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 30 September 2017 was approximately 2.0 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 majority of the Group corporate credit facilities are denominated in U.S. dollars.

The Group maintains two main revolving credit facilities ("**RCFs**"), an Asian RCF and a European RCF. These are generally refinanced annually.

As at 30 September 2017, the Group had around USD 51 billion of available credit facilities.

Long Term Financing

The Group's liquidity requirements outside of 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 26 per cent. of the Group's total credit facilities as at 30 September 2017, finance requirements such as initial margin deposits and margin call 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.

Historically, the Group has been proactive in tapping new markets to diversify its funding sources and extend the terms of its debt profile. Some facilities which have been closed in recent years and which are outside of the Group's traditional corporate facilities are outlined below.

June 2013 – Trafigura Trading LLC, launched a USD 200 million long term bond to finance the development of the Impala Burnside Terminal located in Louisiana, USA. The bond matures in 2036.

November 2013 – The Group issued a EUR 500 million 5.25 per cent. senior fixed rate bond, the first to be issued under the Group's EUR 2 billion EMTN programme. The final order book was more than 3 times oversubscribed with 219 accounts participating in the final allocations. Of these allocations, half were to fund managers and banks.

February 2014 – The Group issued a SGD 200 million 7.500 per cent. perpetual, resettable, step-up, subordinated bond. This was the Group's second perpetual bond, having issued its first in April 2013, denominated in U.S. dollars for a total of USD 500 million. A key feature of these bonds is their equity-like treatment under IFRS accounting standards, improving the balance sheet ratios of the Group. They also extend the maturity of the Group's debt and have brought many entirely new investors to the Group, particularly in the Asian market. Both bonds are listed on the Singapore Exchange Securities Trading Limited (the "**Singapore Stock Exchange**").

June 2014 – The Group completed a liability management exercise where EUR 109 million of its Eurobond which matured in April 2015 was exchanged for a tap of EUR 107 million of the 2018 EMTN notes. The purpose of this liability management was to extend the duration of a portion of its long-term debt in attractive market conditions.

April 2015 – The Group repaid the remaining EUR 291 million outstanding portion of its 5-year 6.375 per cent. Eurobond which was launched in 2010. Almost concurrently, the Group launched a new EUR 550 million 5.0 per cent. bond under its existing EUR 2 billion EMTN programme, with maturity in 2020. The new issuance was well received by investors, closing with 135 orders, mostly from Switzerland, Asia, United Kingdom and France and effectively refinanced the maturing 2010 bond.

November 2017 – the Company launched a tap of its recent USD 600 million 6.875 percent perpetual bond issued in March 2017, and raised an additional USD 200 million. The bond is consolidated and forms a single series with the perpetual securities issued in March 2017, which are listed on the Singapore Stock Exchange.

Revolving Credit Facilities

Over the last 12 years, the Group has maintained two revolving credit facilities, an Asian RCF and a European RCF. In March 2017, the Group refinanced the 1-year tranche of the European RCF and extended the 3-year tranche by one year. The facility comprises a USD 2,270 million 1-year tranche and a USD 3,250 million 3-year tranche for a total of USD 5,520 million. Seven additional banks participated in the facility compared to 2016, for a total of 41 banks participating in the 1-year refinancing and 54 banks when including 3-year lenders.

The Asian RCF was also refinanced and closed at USD 1,990 million in October 2017. The 2016 1-year USD and 1 year CNH tranches were both refinanced, along with the maturing 2014 3-year tranche. The one-year tranche totalled USD 1,175 million, the 1-year CNH tranche stood at USD 380 million equivalent, and the new 3 year tranche totalled USD 435 million. 27 banks participated in the transaction of which 3 were new to the facility.

Other Corporate Facilities

In March 2016, the Group refinanced its 25.5 billion Japanese Yen ("**JPY**") denominated syndicated 3-year loan with domestic banks and increased the size of the facility to JPY 46 billion (USD 482 million) (the "**Samurai Loan**"). A JPY 2 billion accordion increase was put in place in June 2016 and a further JPY 2.5 billion accordion was put in place in July 2016, bringing the overall total Samurai Loan to JPY 50.5 billion. The facility was the third of its kind for the Company, following the first close in 2012, and

refinancing in 2014. This transaction increased the diversification of the Group's funding base and strengthened its banking presence in Asia and in particular, the Group's track record in the Japanese lending market.

The Trade Receivables Securitisation Programme

The Group's trade 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 program currently has six bank sponsored conduits. Since currently most transactions are financed on a transactional basis with letters of credit or loans outstanding under existing lines, the securitisation of the Group's receivables accelerates the rotation of existing credit lines, as secured bilateral loans are repaid faster with the programme proceeds upon 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 program that can grow in size as the Group's volume of receivables increases; and
- Extend borrowing maturity.

Since launch, the programme has increased significantly, reaching USD 2,740 million as at 30 September 2017. As a result of the Group's stringent risk management philosophy, the programme's issuing vehicle, Trafigura Securitisation Finance PLC ("**TSF**") has not suffered any write offs since its inception in November 2004.

In May 2012, TSF successfully priced the Series TSF 2012-1 Notes, raising a total of USD 430 million from 14 US and European investors. This was the first time the Group simultaneously tapped the US 144A and Reg S markets.

The maturity date of a third issuance from October 2014 (Series TSF 2014-1) was October 2017. Therefore, in June 2017, TSF issued the Series TSF 2017-1 notes totalling USD 500 million on the US 144A and RegS ABS markets. TSF has since become the largest AAA/Aaa publicly rated securitisation programme of trade receivables in the industry.

The 3-year tenor notes were split between USD 235 million floating rate Class A1 notes (AAA/Aaa) at 1m Libor plus 85bps, USD 230 million fixed rate Class A2 notes (AAA/Aaa) at 1m Libor plus 249 bps and USD 35 million floating rate Class B notes (BBB/Baa2) at 1m Libor plus 170 bps. The Class A2 fixed rate notes are a new feature of the programme and attracted new investors in order to further diversify the investor base of the programme in the ABS market. Many of the original investors from the previous ABS transaction (Series TSF 2014-1) also participated in the new offering.

Strong demand allowed the transaction to price inside of guidance and achieve the tightest spread levels and largest deal size in the programme's recent history (post-financial crisis).

The Inventory Securitisation Programme

Following the success of the trade receivables securitisation programme, Trafigura pioneered an inventory securitisation programme in November 2017. Trafigura Commodities Funding Pte. Ltd. ("**TCF**"), a standalone vehicle was established in Singapore to raise non-recourse funding backed by inventories of crude and refined metals.

TCF issued USD 470 million of senior variable notes which were placed with six banks. The proceeds of the notes enable TCF to purchase crude and refined metals inventories from Trafigura across twelve jurisdictions in Europe, Middle East and Asia-Pacific. Trafigura sells commodities in a "true sale" to TCF, which simultaneously enters into futures to hedge its exposure to market risk. Trafigura has the

option to purchase equivalent commodities from TCF at any time (for onward sale to Trafigura's customers) and an obligation to purchase equivalent commodities prior to the expiry of the associated futures.

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 the default of Trafigura via collateral and liquidation agency agreements.

This platform will enable Trafigura to become a systematic issuer of notes backed by commodities inventories and ultimately to seek committed term financing in the asset backed securitisation markets.

Short Term 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 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 receivable).

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 provide 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 books, 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:

- *Self-liquidating nature:* Lenders initially retain security over the stock, then over the associated receivable. As cash from the receivable is received, the bilateral loan is repaid. It can therefore be seen that bilateral lines are not repaid from cash flow, but rather from the transaction itself.
- *Flexibility:* Bilateral lines are also a very flexible form of financing and 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 more 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 bilateral lines by approximately USD 17 billion, with total lines now amounting to approximately USD 36 billion as at 30 September 2017.
- *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:* Ability to make weekly drawdown in transactional secured loan to reflect a change in value of the underlying collateral; this 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 oil prices fell below USD 43/barrel, utilisation of bilateral lines also tapered off. An increase in traded volumes has also been reflected in the increase in utilisation: since the 2014 fiscal year, average daily traded volumes increased from 2.5 million barrels per day to 5.3 million barrels per day in 2017. Despite the price fluctuations and traded volume increment, Trafigura has been able to maintain significant headroom in its bilateral lines (albeit with a slower pace of growth in overall size). The recent divergence between the short-term transactional lines and net utilisation 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.

Transactional Finance vs. Unsecured Lenders

The Group's use of bilateral trade finance lines does not negatively impact the position of unsecured lenders. As financing is generally provided at 100 per cent. of the value of the underlying assets and adjusted 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 the event of an unforeseen problem with the Group, the bilateral lenders would simply liquidate the underlying transaction and as they are financing at 100 per cent. of the value, the current asset and short term debt would simply cancel out.

The Group and the Banking Environment

As a privately owned company, the Group funds itself primarily from the banking and debt capital markets. Whilst the Group (in common with the rest of the commodity sector) has not been completely insulated from the turbulence in the banking environment, the consequences for the Group have been very limited due to its diversified sources of funding and a pro-active approach 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 Dollars. 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 has understandably caused some nervousness to return amongst banks.

The Group has, and expects to continue to benefit from being one of the top names in the commodity sector and has 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:

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. Top management at those banks have reiterated their commitment to the Group as they re-focus available capital to the leaders in each sector. Therefore, despite a client portfolio rationalisation being undertaken by such banks which has mainly

affected non-core and small(er) 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 Group 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 122 banks across the world. The Group has developed strong banking relationships in regions which have been spared some of the consequences of the European sovereign debt crisis (e.g. North America, 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 European banks were reduced, 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 has developed its trade receivables securitisation programme into the largest of the commodities trading industry. Since this programme is funded from the U.S. dollar capital markets (whether directly or indirectly via conduits) this significantly reduces the amount of U.S. dollar liquidity required from its banks in the form of traditional lending. Another milestone was achieved in November 2017 when the company successfully raised USD 470 million of non-recourse funding through its first ever inventory-backed securitisation programme, 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 markets (2006, 2011 and 2013), and the hybrid capital market (2013, 2014 and 2017). Moreover, the Group also has a Japanese Yen denominated 3-year term loan which it has now refinanced three times, upsizing the loan each time (see "*Other Corporate Facilities*").

Financial Discipline

Although unrated by an 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 critical to the Group's business model due to its 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. 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 that are granted to some of the Group's unsecured lenders and were offered as part of its private placement.

Legal Proceedings

In the ordinary course of its business, the Group is from time to time involved in legal proceedings. Certain legal actions, other claims and unresolved disputes are pending against the Group. Whilst the Group cannot predict the results of any litigation, it believes that it has meritorious defences against those actions or claims. The Group believes the likelihood of any liability, if any, resulting from any litigation will not have a material adverse effect on its consolidated income, financial position or cash flows. In addition, the Group is not engaged in any financially material legal proceedings but is engaged in non-material disputes relating to its day to day trading activities.

Ownership Structure

The Group is exclusively owned by its management and 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.

Following the passing of Trafigura's Chairman and founder, Claude Dauphin, on 30 September 2015, his interest of less than 20 per cent. in Trafigura was passed on to his estate and will be duly distributed to his heirs (comprising Mr. Dauphin's immediate family members) during 2018. Outside of this shareholding, Trafigura is owned by approximately 600 senior employees who are 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 based upon management's evaluation of the individual's performance, seniority and future potential. Aside from as described above, no other individual holds more than 10 per cent. of Trafigura.

Employee Participation Plan shares are issued and redeemed by TBBV. Upon ceasing employment with Trafigura, any shares in TBBV held by an employee will be repurchased. 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). Current policy is to endeavour to complete the transactions in equal instalments over 4 years, subject to (i) any revised payment thresholds decided upon, and (ii) the Group continuing to be able to meet its covenants.

Trafigura 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. Redemptions are strictly subject to the Group maintaining its financial covenants.

Finally, as has been the case since inception, the Group retains all profits to further increase its capital base. No dividend or profit distribution is paid other than through share redemptions at the level of 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 does not specifically provide for locally registered companies to have a two-tier Board structure. As a consequence, with effect from 30 September 2015, the Group established a single Board of Directors to exercise oversight of the Group. This encompasses the roles previously occupied by the Group's two-tier Board structure comprised of the Supervisory Board and the Board of Directors prior to the Group re-organisation. 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 2018) | 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 | 7 | 26 |

| BOARD OF DIRECTORS | | | | |
|---------------------------|--|--|--|-----------------------------|
| Name | Position | Other relevant activities outside the Group (Past or Present) | Years with the Group (as at 1 January 2018) | Years in Commodities |
| | | Rio Tinto | | |
| Christopher Cox | Director | Former Head of the Metals and Minerals trading division at Trafigura | 20 | 20 |
| Jeremy Weir | Chief Executive Officer and CEO Mining | None | 17 | 25 |
| Jose Larocca | Head of Oil Trading | None | 24 | 26 |
| Mark Irwin | Director | Former Financial and Corporate Controller | 24 | 26 |
| Mike Wainwright | Chief Operational Officer | None | 22 | 22 |
| Pierre Lorinet | Director | Former Group Chief Financial Officer Independent Director and Chairman of the Audit Committee for COFCO International Ltd. | 16 | 17 |
| Sipko Schat | Director | Former member of Executive Board of Rabobank; Non-Executive Director of various companies including an independent member of the Supervisory Board and Chairman of the Risk Committee for Rothschild & Co (formerly Paris Orleans); Chairman of the Supervisory Board of Vion N.V.; Senior Independent Director of OCI N.V.; Independent Director and Chairman of the | 2 | 2 |

| BOARD OF DIRECTORS | | | | |
|---------------------------|-----------------|--|--|-----------------------------|
| Name | Position | Other relevant activities outside the Group (Past or Present) | Years with the Group (as at 1 January 2018) | Years in Commodities |
| | | Audit Committee for COFCO International Ltd., the international trading subsidiary of COFCO group. | | |

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.

Recent Management Changes

On 30 September 2015, the Group announced the very sad news that the Group's Chairman and founder, Claude Dauphin, had passed away following a serious illness. Mr. Dauphin's illness had already been disclosed in March 2014, when the Group also announced some changes that would take place in its senior management team as part of succession planning. At that time, Claude Dauphin, who had held the role of Chairman and Chief Executive Officer, became the Executive Chairman and another incumbent Board member, Jeremy Weir, was appointed as the new Chief Executive Officer for the Group.

In January 2016, the Group's Board of Directors welcomed a new member. Sipko Schat joined the Board of Directors from Rabobank, where he worked for over 25 years including as a member of the bank's Executive Board. Mr. Schat holds a number of other Non-Executive Directorships including membership of the Supervisory Board and Chairman of the Risk Committee for Rothschild & Co (formerly Paris Orléans). He is also the Chairman of the Supervisory Board of Vion N.V., an international food company; and a senior independent Director of OCI N.V., a global producer of natural gas-based fertilizers and industrial chemicals.

The Board of Directors has been very careful and focused on ensuring the continuity of business operations and management following the recent passing of Mr. Dauphin and other recent changes as described above. As part of this, two dedicated management teams have been established to take care of the strategic oversight of the Group – one is focused on the trading activities of the Group (the "**Trading Committee**") and the other is focused on the industrial asset investment activities of the Group (the "**Investment Committee**"). These two new formal management committees bring together division and desk heads to ensure that the decision making process is spread across the senior member of the Group.

These changes mark the latest stage in the evolution of the Group's governance and management structure and represent a new generation of senior managers leading the Group. The new structure will ensure continued strong and dedicated leadership, continuing the hard work invested by management teams over the last 24 years to oversee a Group whose turnover has more than doubled since 2009.

Management committees

Below the Board of Directors sit the Trading Committee and Investment Committee, both of which include the Group CEO, Group CFO, Group COO and the Head of Oil Trading (Jose Larocca), and in addition to these four individuals, the Trading Committee also comprises Amin Zahir, Ben Luckock, Julien Rolland, Martin Urdapilleta and Robert Gillon – top executives across the oil and metals divisions. The Investment Committee additionally includes Jesus Fernandez, Head of M&A, and Pierre Eladari, CEO of Puma. These two new committees were mostly established to guide the transition from 22 years of leadership under Claude Dauphin to an era of a new management style. The Trading Committee and the Investment Committee meet once per month and form a platform for discussion on matters ranging

from trading positions to current investments to business opportunities. The roles of all of the individuals mentioned above are described below.

Below the Trading Committee and the Investment Committee sit a number of more narrowly focused management committees which are focused on the day-to-day management of the Group as opposed to the Group strategy. Each of the committees maintains regular contact with the Company's Board of Directors and they are comprised as follows:

- Oil Trading Committee: Head of Oil Trading, Group CEO 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, Head of Corporate Finance & Funding, Head of Credit Risk Management and Head of Trade Finance;
- Accounting Steering Committee: COO, Financial Controller;
- IT Management Committee: CIOs, Group COO, and other board-level representatives;
- Risk Committee: Group CEO, Group COO, Head of Oil Trading, Chief Risk Officer and Heads of Group Market Risk;
- Compliance Committee; and
- HSEC Committee.

Corporate Responsibility

The Group's trading activities involve the physical movement of commodities from places where they are abundant to where they are in demand. The Group sources, stores, blends and delivers a wide variety of materials, from crude oil to ores, and from concentrates to refined metals, across the globe. Ensuring that the Group does so responsibly involves meeting a number of challenges, from providing assurance that materials are acquired from responsible sources; to complying with sanctions and legal requirements; to transporting products in a safe and secure manner; to ensuring responsible contractors and others who perform tasks on the Company's behalf do so at the same high standards.

The Group's industrial assets, which support its trading interests, include oil storage facilities, fuel service stations, vessels, warehouses and mines. Assets are strategically positioned at key junctions in the global flow of commodities – providing employment to thousands of skilled people. The Group's activities are as technically and commercially complex as they are geographically and operationally dispersed. This requires the Group to perform its operations to the highest standards and in a responsible manner, ensuring that health, safety, environmental and community ("HSEC") considerations are at the forefront of planning and decision-making processes. Improving its performance in this area has brought about many changes in the way the Group organises and conducts its business in recent years.

External expectations and perceptions have influenced the Group's approach to a broad range of corporate responsibility matters, including giving added impetus for its business to be increasingly transparent, responsive and collaborative about the issues that matter to its diverse range of stakeholders.

The Group is an active member of the United Nations Global Compact ("UNGC") and also sits on the Board of the UNGC Swiss Network.

The Group's Corporate Responsibility Policy and Business Principles, along with its Code of Business Conduct, encapsulate its approach to corporate responsibility.

The Group's HSEC policy commits it and all of its employees to:

- Conduct business in a way that protects the environment and promotes the safety and health of employees, those involved in the Group's operations and the communities where the Group works.
- Act with integrity and transparency and engage constructively with key stakeholders.

- Comply with all relevant HSEC domestic and international legislation and regulations.

The Business Principles set out the standards the Group applies and the principles it upholds – these are incorporated within the following areas:

- Health and safety.
- Environment.
- Human rights and labour practices.
- Community relations.

Each constituent company within the Group is required to supplement the above policies and principles with relevant, sector-specific standards and procedures for their day-to-day operations. The Group expects everyone with whom it does business to apply comparable standards, policies and principles.

Extractive Industries Transparency Initiative ("EITI")

In November 2014, Trafigura 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, Trafigura published a 'Payments to Governments Policy', which was drawn up in consultation with the EITI International Secretariat. The policy committed Trafigura 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.

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 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.

Trafigura's Compliance Department oversees Group activities. It operates in partnership with front office functions to ensure Trafigura's controls are relevant and robust. Trafigura's Head of Compliance reports directly to Trafigura's COO who sits on Trafigura's Executive Committee.

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 Complanet 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.

Transparency to Stakeholders

The Group take the view that transparency is indispensable in its corporate responsibility framework. 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, natural resource wealth acts as an important engine for economic growth that contributes to sustainable development and poverty reduction. Being transparent about how Trafigura manages natural resources gives the populations in countries where it operates the tools to hold governments and businesses to account.

Since Trafigura's first bond issuance on the international debt capital markets in 2010, the Group has taken significant steps to provide greater transparency to stakeholders. Ensuring greater transparency and accountability is in the best interests of those impacted by Trafigura's activities, whether national governments and their citizens or sector leaders through to small businesses. Transparency is an important pillar of Trafigura's core business and is increasingly viewed both internally and externally as a business enabler and a competitive differentiator.

HSEC Steering Committee

The Group's HSEC steering committee (the "**HSEC Steering Committee**") is responsible for ensuring Trafigura's 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. Trafigura's HSEC Steering Committee is supported by cross-company HSEC Working Groups, focusing on, for example, community engagement and responsible trucking.

The mandate of the Group's HSEC Steering Committee focuses on the intention 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.

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 internationally. Over the past eight years, Trafigura has invested more than USD 48 million in nearly 100 different programmes on five continents. Trafigura's corporate governance structure ensures that decisions are entirely independent and guided by genuine philanthropic motivations. The Group has formal processes in place to select, support, monitor and review projects and proposals.

Financial Year

The financial year of the Company ends on 30 September.

Auditors

Until 30 September 2016, the auditors of the Company were Ernst & Young Accountants LLP, whose principal place of business is at Boompjes 258, 3011 XZ Rotterdam, the Netherlands. Ernst & Young Accountants LLP are registered at the Chamber of Commerce Rotterdam in the Netherlands under number 24432944. The "register accountants" of Ernst & Young Accountants LLP are members of the Koninklijke Nederlandse Beroepsorganisatie van Accountants, the Royal Netherlands Institute of Chartered Accountants.

For the financial year ended 30 September 2017, the auditor of the Company is 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 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 to any material extent.

Members of the Board of Directors

The directors of the Issuer as at the date of this Base Prospectus are as follows:

| <u>Name</u> | <u>Position</u> | <u>Other Principal Activities (outside the Group)</u> |
|--------------------|------------------|--|
| Mark Irwin | 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.à.r.l.; various non-executive positions |
| Christophe Gaul | Class B Director | Managing Director of Estera (Luxembourg) S.à.r.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

Until 30 September 2016, the auditors of the Issuer were Ernst & Young S.A., whose registered office is at 35E, Avenue John F. Kennedy, L-1855, Luxembourg. Ernst & Young S.A. is a Member of the Luxembourg Institute of Auditors (*Institut des Réviseurs d'Entreprises*). For the financial year ended 30 September 2017, the auditors of the Issuer are 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 to any material extent.

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 "**Re-domestication**").

Management

The management of TTL as at the date of this Base Prospectus are as follows:

| <u>Name</u> | <u>Position</u> | <u>Other Principal Activities (outside the Group)</u> |
|------------------|---------------------|---|
| Corey Prologo | President/Director | None |
| Andrew Smolenack | 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

Prior to the Re-domestication and until the end of the 2016 financial year, the auditors of TTL were Ernst & Young Ltd, whose registered office is at Maagplatz 1, 8005, Zürich. Ernst & Young Ltd is a member of EXPERTsuisse – Swiss Expert Association for Audit, Tax and Fiduciary. For the financial year ended 30 September 2017, the auditor of TTL is 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 and Tokyo 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 to any material extent.

Members of the Board of Directors

The directors of TPTE as at the date of this Base Prospectus are as follows:

| <u>Name</u> | <u>Position</u> | <u>Other Principal Activities (outside the Group)</u> |
|------------------------------|-----------------|---|
| William John Jaede | Director | None |
| Nicolas Marsac | Director | None |
| Patricio Norris | Director | None |
| Edmundo Abdon Vidal Cornelio | Director | None |
| Martin Urdapilleta | 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

Until 30 September 2016, the auditors of TPTE were Ernst & Young LLP, whose registered office is at Level 18 North Tower, One Raffles Quay, 048583 Singapore. Ernst & Young LLP are registered as Public Accountants and Certified Public Accountants with the Accounting and Corporate Regulatory Authority in Singapore. For the financial year ended 30 September 2017, the auditors of TPTE are 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) recognized 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 specialized 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 Organization 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 Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, ING Bank N.V., Société Générale and The Royal Bank of Scotland plc (trading as NatWest Markets) (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 28 February 2018 (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.*

The Notes have not 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.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

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 by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Notes specifies the "Prohibition of Sales to EEA 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. 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 2002/92/EC (as amended) 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 Laws

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.

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 public offering, unless in compliance with the Danish Capital Markets Act (*Kapitalmarksloven*), as amended from time to time, and Executive Orders issued thereto.

France

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 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, this Base Prospectus, 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*), other than individuals all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French Code monétaire et financier. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offer of the Notes to the public in France will be made only in compliance with the Prospectus Directive and the applicable laws, regulations and procedures in France. This Base Prospectus prepared in connection with the Notes has not been submitted to the clearance procedures of the French *Autorité des marchés financiers* (the "**AMF**").

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless the approval of this Base Prospectus by the Central Bank has been notified to the AMF in accordance with Article 18 of the Prospectus Directive, as implemented in France, and all the other procedures and formalities required by French laws and regulations to permit the offering and sale of Notes in France have been carried out, it has not and will not make an offer of Notes to the public in France.

Grand Duchy of Luxembourg

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, 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 the Luxembourg law of 10 July 2005, on prospectuses for securities, as amended from time to time, which implements the Prospectus Directive (the "**Luxembourg Prospectus Law**") if Luxembourg is the home Member State as defined under the Luxembourg Prospectus Law;
- (b) if Luxembourg is not the home Member State as defined under Luxembourg Prospectus Law, 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 Directive 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 under the Luxembourg Prospectus Law, as amended from time to time.

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 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.

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, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

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 of Korea and the decrees and regulations thereunder (collectively, 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 and the decrees and regulations thereunder (collectively, the "**Foreign Exchange Transaction Law**")), except as otherwise permitted by the applicable Korean laws and regulations, including the FSCMA and the Foreign Exchange Transaction Law.

Norway

The Notes have not been registered with the Norwegian Central Securities Depository (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 in any 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.

People's Republic of China

- (a) 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 or sold directly or indirectly within the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan)

("PRC"). This Base Prospectus, the offering material or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Base Prospectus, the offering material, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

- (b) The Notes may only be invested in by PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. PRC investors themselves are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the People's Bank of China, the China Securities Regulatory Commission, the China Banking Regulatory Commission, the China Insurance Regulatory Commission and/or other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant PRC foreign exchange regulations and/or overseas investment regulations.

Republic of China (Taiwan)

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 registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations of Taiwan, and may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Notes in Taiwan. The Notes may be made available outside Taiwan for purchase outside Taiwan by Taiwan resident investors, but may not be offered or sold in Taiwan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus 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 persons in Singapore other than (a) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor under Section 274 of the SFA, (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where 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 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,

securities (as defined in Section 239(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 defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) 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 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

Each Dealer has undertaken and agreed, and each further Dealer appointed under the Programme will be required to undertake and agree, that it has not publicly offered, sold or advertised and will not publicly offer, sell or advertise any Notes, directly or indirectly, in, into or from Switzerland and acknowledges that any offering or marketing material relating to the Notes does not constitute a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and that any offering or marketing material relating to the Notes may not be publicly distributed or otherwise made publicly available in Switzerland.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in The Netherlands and in reliance on Article 3(2) of the Prospectus Directive, unless such offer is made exclusively to persons or legal entities which are qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "FSA") and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands, **provided that** no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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**"); 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.

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 equity ratio, corporate debt to EBITDA ratio 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 for the financial years ended 30 September 2017 and 30 September 2016, 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 2017.

| | As at 30 September | | | |
|---|---------------------------|--------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 |
| | <i>USD million</i> | | | |
| Results from operating activities | 1,525 | 1,407 | 1,111 | 1,457 |
| Adjusted for: | | | | |
| Depreciation and amortisation..... | 236 | 220 | 205 | 199 |
| Share-based payment expenses | 42 | 51 | 78 | 82 |
| Exceptional items in staff costs | - | - | - | 18 |
| Other income/(expense) | (484) | 198 | 233 | (163) |
| Sub-total | 1,319 | 1,876 | 1,627 | 1,593 |
| Add back: non-exceptional items in other income/(expense) | (10) | (15) | 1 | (13) |
| EBITDA | 1,309 | 1,861 | 1,628 | 1,580 |

Adjusted debt to 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 programme 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 securitisation debt is 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 statutory accounting rules.

- Cash and short-term deposits are deducted from debt.
- Pre-sold or hedged stock 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 equity ratio as of 30 September 2017 and 2016 is presented on page 82, note 27(i) of the Group Financial Statements for the financial year ended 30 September 2017 and page 75, note 27(h) of the Group Financial Statements for the financial year ended 30 September 2016, 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 equity ratio.

In particular the adjusted debt to 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 liquidation. Commodity receivables typically have a short duration (1 to 3 months) and very low default rate due to the strategic nature of the goods sold. By deducting the excess of trade receivables over trade payables, the corporate debt excludes any working-capital related indebtedness. Such indebtedness is not repaid by the organic cash flow generation of the Company but the completion of the trade flow cycle (i.e. through the payment of the invoice or the resale of the commodity). The corporate debt focuses on debt which is repaid by cash flow generation and EBITDA is a widely accepted proxy for operating cash flow.

The corporate debt to EBITDA ratio considers all debts, whether short-term or long-term, and removes:

- Cash and short-term deposits;
- Pre-sold or hedged stock;
- 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 financings for prepayments) which are not captured in the above adjustments.

The securitisation programme does not need to be deducted separately since the excess of trade receivables over trade payables would capture the full securitisation programme.

The following table sets out a reconciliation of the Group's current and non-current loans and borrowings to corporate debt to equity ratio as at 30 September 2016 and 2017.

| | As at 30 September | |
|--|---------------------------|---------------|
| | 2016 | 2017 |
| | <i>USD million</i> | |
| Non-current loans and borrowings | 7,234 | 7,401 |
| Current loans and borrowings | 18,033 | 23,854 |
| Total debt | 25,267 | 31,255 |
| Adjusted for: | | |
| Cash and cash equivalents..... | (3,142) | (4,989) |
| Deposits | (8) | (338) |
| Pre-sold/hedged inventories | (11,538) | (13,927) |
| Trade receivables in excess of trade payables (incl. current derivatives)..... | (6,303) | (7,756) |
| Non-recourse debt..... | (56) | (166) |
| Corporate debt | 4,221 | 4,079 |
| EBITDA..... | 1,628 | 1,580 |
| Corporate debt/EBITDA | 2.6x | 2.6x |

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 2016 and 2017.

| | As at 30 September | |
|---------------------------------------|---------------------------|--------------|
| | 2016 | 2017 |
| | <i>USD million</i> | |
| Total non-current assets | 8,528 | 8,098 |
| Adjusted for: | | |
| Non-current prepayments..... | (945) | (609) |
| Non-current derivatives..... | (97) | (147) |
| Deferred tax assets | (104) | (153) |
| Total Industrial Assets | 7,382 | 7,188 |

GENERAL INFORMATION

Authorisation

1. The 2018 updating of the Programme was authorised by written resolution of the board of directors of the Issuer passed on 22 February 2018. The 2018 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 23 February 2018 (in the case of TGPL) and 20 February 2018 (in the case of TPTE), and by the managing member of TTL under the written consent of the managing member dated 21 February 2018. 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 Main Securities Market.

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 2017 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 30 September 2017 there has been no significant change in the financial or trading 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 year ended 30 September 2017 by PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, CH-1211 Geneva 2, Switzerland, and for the year ended 30 September 2016 by Ernst & Young Accountants LLP, Antonio Vivaldistraat 150, 1083 HP Amsterdam, the Netherlands, independent auditors, in each case 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 year ended 30 September 2017 by PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, L-2182 Luxembourg, and for the year ended 30 September 2016 by Ernst & Young S.A., 35E, Avenue John F. Kennedy, L-1855, Luxembourg, independent auditors, in each case as stated in their respective auditors' reports incorporated by reference in this Base Prospectus.

Documents on Display

8. Copies of the following documents (together, if necessary, with English translations thereof) may be inspected in physical form during normal business hours at the offices of Trafigura Group Pte. Ltd. at 10 Collyer Quay, #29-00 Ocean Financial Centre, Singapore 049315 for 12 months from the date of this Base Prospectus:
 - (a) the constitutive documents of the Issuer;
 - (b) the constitutive documents of the Guarantors;

- (c) the Group Financial Statements;
- (d) the Issuer Financial Statements;
- (e) the Paying Agency Agreement;
- (f) the Trust Deed; and
- (g) the Dealer Agreement.

Clearing of the Notes

9. 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

10. 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

11. 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 Identifier

12. The Legal Entity Identifier (LEI) code of the Issuer is 549300IDCRNFW0C0TJ66.

INDEX OF DEFINED TERMS

| | | | |
|-------------------------------------|-----------|-----------------------------------|------------|
| £ | iv | CSSF | 140 |
| 10 Percent List | 56 | Day Count Fraction | 28 |
| 2010 PD Amending Directive | 62 | Dealer Agreement | 138 |
| 30/360 | 29, 30 | Dealers | 138 |
| 30E/360 | 29, 30 | Deals Desks | 106 |
| 30E/360 (ISDA) | 31 | Default | 31 |
| Accountholder | 70 | Definitive Notes | 23 |
| Accrual Yield | 27 | DFSA | 144 |
| Acting in Concert | 49 | Dispute | 59 |
| Actual/360 | 29, 30 | distributor | ii, 61 |
| Actual/365 | 28 | dollars | iv |
| Actual/365 (Fixed) | 29 | Drawdown Prospectus | i |
| Actual/Actual | 29 | DRC | 91 |
| Actual/Actual (ICMA) | 28, 29 | Early Redemption Amount (Tax) | 31 |
| Actual/Actual (ISDA) | 28, 29 | Early Termination Amount | 31 |
| Additional Business Centre(s) | 27 | EEA | ii |
| Additional Financial Centre(s) | 27 | EITI | 128 |
| Affiliate | 58 | Emincar | 93 |
| AMF | 140 | EOL | 96 |
| Apportioned Amount | 34 | ESMA | iii |
| Atalaya | 93 | EU | 14 |
| Authorised Signatory | 27 | EUR | iv |
| Base Prospectus | 61 | EURIBOR | 19, 43 |
| Benchmark Regulation | iii | euro | iv |
| billions | iv | Eurobond Basis | 29, 30 |
| Board of Directors | 75, 112 | Euroclear | 1, 31 |
| Brent | 97 | Eurodollar Convention | 27 |
| Business Day | 27 | Event of Default | 53 |
| Business Day Convention | 27 | Exempt Offer | 144 |
| CAGR | 75 | Extraordinary Resolution | 31 |
| Calculation Agent | 28 | FATCA | 51 |
| Calculation Amount | 28 | FCA Announcement | 20 |
| Calculation Period | 28 | FFAs | 114 |
| Capex | 95 | FIEA | 141 |
| CFO | 114 | Final Redemption Amount | 31 |
| Change of Control | 49 | Final Terms | i, 26 |
| Change of Control Event | 49 | Financial Indebtedness | 31 |
| Change of Control Event Notice | 49 | first currency | 59 |
| Change of Control Put Date | 49 | Fixed Coupon Amount | 32 |
| Change of Control Put Option | 49 | Floating Rate Convention | 27 |
| Change of Control Put Option Notice | 49 | Following Business Day Convention | 27 |
| Change of Control Put Period | 49 | FRN Convention | 27 |
| Clearstream, Luxembourg | 1, 28 | FSA | 143 |
| CMC | 92 | FSMA | 2 |
| Cochan | 87 | FTT | 137 |
| Code | 51 | GAAP | 32 |
| Commission's proposal | 137 | Galena Private Equity Fund | 95 |
| Company | 1 | GCM | 110 |
| Conditions | i, 26, 61 | Glencore | 84 |
| Consolidated Net Earnings | 28 | Global Note | 23 |
| Consolidated Net Worth | 28 | Group | iv, 32, 58 |
| COO | 106 | Group Financial Statements | 21 |
| Corporate Affairs | 111 | Group Member | 32 |
| Coupon Sheet | 28 | Guarantee | 1, 32 |
| Couponholders | 26 | Guarantee of the Notes | 33 |
| Coupons | 26 | Guarantor | 1, 26 |
| CRO | 107, 112 | Guarantors | 1, 26 |
| CRS | 136 | Holding Company | 33 |

| | | | |
|--|-----------|--|-----------|
| HSEC..... | 127 | Non-Recourse Group Member..... | 35 |
| HSEC Steering Committee..... | 129 | Noteholders..... | 26 |
| Iberian..... | 92 | Notes..... | 1, 26 |
| ICS..... | 117 | Official List..... | 1 |
| ICSDs..... | 1 | Optional Redemption Amount (Call)..... | 35 |
| IFRS..... | 33 | Optional Redemption Amount (Put)..... | 35 |
| Impala Terminals..... | 83 | Optional Redemption Date (Call)..... | 35 |
| Impala Terminals Group..... | 11 | Optional Redemption Date (Put)..... | 35 |
| Insignificant Subsidiary..... | 33 | OTC..... | 9 |
| Interest Amount..... | 33 | Other Subsidiaries..... | 56 |
| Interest Commencement Date..... | 33 | outstanding..... | 41 |
| Interest Determination Date..... | 33 | P&L..... | 107 |
| Interest Payment Date..... | 33 | Parent..... | 35 |
| Interest Period..... | 33 | participating Member State..... | 137 |
| Investment..... | 33 | Paying Agency Agreement..... | 26 |
| Investment Committee..... | 126 | Paying Agents..... | 26 |
| Investor's Currency..... | 17 | Payment Business Day..... | 35 |
| Irish Stock Exchange..... | 1 | Permanent Global Note..... | 23 |
| ISDA..... | 113 | Permitted Indebtedness..... | 35 |
| ISDA Definitions..... | 34 | Permitted Securitisation..... | 36 |
| ISDA Rate..... | 45 | Permitted Security Interest..... | 36 |
| Islamic Financing Transaction..... | 34 | Permitted Transaction..... | 38 |
| Issue Date..... | 34 | Person..... | 38 |
| Issuer..... | 1, 26, 73 | Pound Sterling..... | iv |
| Issuer Financial Statements..... | 21 | PPP..... | 98 |
| JPY..... | 119 | PRC..... | 142 |
| KYC..... | 75 | Preceding Business Day Convention..... | 27 |
| L/C..... | 108 | PRIIPs Regulation..... | ii, 61 |
| Law..... | 134 | Principal Financial Centre..... | 38 |
| LIBOR..... | 19, 43 | Principal Paying Agent..... | 26 |
| Limited Group Member..... | 34 | Proceedings..... | 60 |
| Limited Recourse Trade Finance Indebtedness..... | 34 | Professional Client..... | 144 |
| LME..... | 101 | Programme..... | 1, 26 |
| Luxembourg..... | 140 | Project Company..... | 38 |
| Luxembourg Prospectus Law..... | 140 | Project Finance Indebtedness..... | 38 |
| M&A..... | 88 | Prospectus Directive..... | 1, 39, 62 |
| Main Securities Market..... | 1 | Puma..... | 11 |
| Margin..... | 34 | Puma Energy..... | 11, 83 |
| margin calls..... | 113 | Puma Energy Group..... | 11 |
| Material..... | 34 | Put Option Notice..... | 39 |
| MATSA..... | 92 | Put Option Receipt..... | 39 |
| Maturity Date..... | 34, 40 | Qualifying Employee..... | 49 |
| Maximum Redemption Amount..... | 34 | Rate of Interest..... | 39 |
| Measurement Period..... | 34 | RCF..... | 77 |
| Meeting..... | 34 | RCFs..... | 108, 118 |
| Member State..... | iv, 34 | Redemption Amount..... | 39 |
| MiFID II..... | 61, 139 | Reference Banks..... | 39 |
| MiFID Product Governance Rules..... | ii | Reference Price..... | 39 |
| Minimum Redemption Amount..... | 34 | Reference Rate..... | 39 |
| Mining Group..... | 83 | Regular Date..... | 40 |
| MMI..... | 90 | Regular Period..... | 39 |
| Modified Business Day Convention..... | 27 | Related Persons..... | 50 |
| Modified Following Business Day Convention..... | 27 | Relevant Coupons..... | 51 |
| MT..... | 85 | Relevant Date..... | 40 |
| Mtpa..... | 93 | Relevant Financial Centre..... | 40 |
| Mubadala..... | 92 | Relevant Screen Page..... | 40 |
| necessary information..... | 22 | Reserved Matter..... | 40 |
| No Adjustment..... | 28 | Samurai Loan..... | 119 |
| | | second currency..... | 59 |
| | | Securities Act..... | ii |

| | | | |
|--------------------------------|--------|-------------------------------|-------|
| Security Interest..... | 40 | TEFRA D Rules..... | 23 |
| Series | 26 | Temporary Global Note | 23 |
| SFA | 142 | TFSA..... | 82 |
| Short-Term Trade Finance | 40 | TGPL | 1, 73 |
| Singapore Stock Exchange | 119 | TGS..... | 110 |
| SPE | 41 | Third Party | 34 |
| Specified Currency | 41 | TPTE..... | 1, 82 |
| Specified Denomination(s)..... | 41 | Trading Committee | 126 |
| Specified Office..... | 41 | Trafigura | iv |
| Specified Period | 41 | Tranche | 26 |
| SSC..... | 110 | Treaty..... | 41 |
| sterling..... | iv | Trust Deed..... | 26 |
| Subsidiary..... | 41 | Trustee | 26 |
| Substituted Guarantor..... | 57 | TSF | 120 |
| Substituted Issuer | 57 | TTL | 1, 82 |
| Substitution Conditions | 58 | U.S. dollars | iv |
| sub-unit..... | 43, 45 | U.S.\$ | iv |
| Talon..... | 41 | UNGC | 127 |
| TARGET Settlement Day..... | 41 | VaR | 10 |
| TARGET2 | 41 | Vitol..... | 84 |
| TBBV | 73 | VPS | 141 |
| TC/RCs..... | 100 | Wholly Owned Subsidiary | 41 |
| TCF | 120 | WTI..... | 97 |
| TEFRA C Rules..... | 23 | Zero Coupon Note..... | 41 |

REGISTERED OFFICE OF THE ISSUER

Trafigura Funding S.A.
21 rue du Puits Romain
L-8070 Betrange
Grand Duchy of Luxembourg

REGISTERED OFFICES OF THE GUARANTORS

Trafigura Group Pte. Ltd.
10 Collyer Quay
#29-00 Ocean Financial Centre
Singapore 049315
Singapore

Trafigura Trading LLC
1209 Orange Street
Wilmington New Castle County
Delaware 19801
United States

Trafigura Pte Ltd
10 Collyer Quay
#29-00 Ocean Financial Centre
Singapore 049315
Singapore

ARRANGER

ING Bank N.V.
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

DEALERS

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Credit Suisse Securities (Europe) Limited

One Cabot Square
London E14 4QJ
United Kingdom

**Deutsche Bank AG, London
Branch**

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

ING Bank N.V.

Foppingadreef 7
1102 BD Amsterdam
The Netherlands

Société Générale

29, boulevard Haussmann
75009 Paris
France

**The Royal Bank of Scotland plc
(trading as NatWest Markets)**

250 Bishopsgate
London EC2M 4AA
United Kingdom

PRINCIPAL PAYING AGENT

Citibank N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

TRUSTEE

Citicorp Trustee Company Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

LEGAL ADVISERS

*To the Issuer and the Guarantors
as to English law:*

White & Case LLP
5 Old Broad Street
London EC2N 1DW
United Kingdom

*To the Dealers as to English
law:*

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

*To the Dealers as to
Luxembourg law:*

Clifford Chance SCS
10 boulevard G.D.Charlotte
B.P. 1147
L-1011 Luxembourg

*To the Issuer and the Guarantors
as to Singapore law:*

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

*To the Issuer and the Guarantors
as to Delaware law:*

**Young Conaway Stargatt &
Taylor, LLP**
Rodney Square,
1000 North King Street
Wilmington, DE 19801
United States

*To the Issuer and the Guarantors
as to Luxembourg law:*

Wildgen S.A.
69, Boulevard de la Pétrusse
L-2320 Luxembourg

AUDITORS TO THE COMPANY

PricewaterhouseCoopers SA
avenue Giuseppe-Motta 50
CH-1211 Geneva 2
Switzerland

LISTING AGENT

Walkers Listing Services Limited
The Anchorage
17/19 Sir John Rogerson's Quay
Dublin 2
Ireland