

## The Global Offer and related matters



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## Part III The Global Offer and related matters

### Shares subject to the Global Offer

Pursuant to the Global Offer, which is fully underwritten by the Underwriters in accordance with the terms of the Underwriting Agreement (further details of which are set out in paragraph 9 of Part VIII), the Company is raising approximately £829 million, net of underwriting commissions and other fees and expenses of approximately £41 million (assuming that the Manager's Option is not exercised). <sup>6.B.2</sup> <sup>6.B.15(i)</sup>

The Global Offer comprises an offer of 100,000,000 new Ordinary Shares (representing approximately 44% of the expected issued ordinary share capital of the Company immediately following Admission (assuming that the Manager's Option is not exercised)). The Ordinary Shares the subject of the Manager's Option are new Ordinary Shares. The number of Ordinary Shares the subject of the Manager's Option is equivalent to 15% of the aggregate number of Ordinary Shares comprised in the Global Offer.

The rights attaching to the Ordinary Shares will be uniform in all respects and they will form a single class for all purposes.

### The Global Offer

Under the Global Offer, Ordinary Shares will be available to institutional and certain other investors in the UK and elsewhere.

In addition, Paul Hazen, David Rough, Dr. Frederik Roux, Sir Steve Robson, Dr. Reto Domeniconi and Robert MacDonnell, who are Non-executive Directors, and Michael Davis, Trevor Reid and Santiago Zaldumbide, who are Executive Directors, have each been offered the opportunity to subscribe for Ordinary Shares up to a value of US\$500,000 at the Offer Price. Certain members of management and key employees have also been given the opportunity to participate in the Global Offer.

### Allocation and Pricing

All Ordinary Shares issued pursuant to the Global Offer will be issued at the Offer Price. Allocation of Ordinary Shares under the Global Offer will be determined on the basis of a number of factors, including whether the relevant investor is an existing shareholder of Xstrata AG. It is intended that eligible investors participating in the Global Offer who are existing shareholders of Xstrata AG will be treated favourably in determining allocations.

Ordinary Shares allocated under the Global Offer will be underwritten by the Underwriters as described in "Additional information – Underwriting arrangements – Underwriting Agreement" in paragraph 9 of Part VIII. <sup>6.B.15(d)(iii)</sup>

### Stabilisation and the Manager's Option

In connection with the Global Offer, J.P. Morgan Securities Ltd., as stabilising manager, in consultation with the other Joint Bookrunners, may over-allot or effect other transactions with a view to supporting the market price of the Ordinary Shares at a level higher than that which might otherwise prevail for a limited period after the Offer Price is announced. However, there is no obligation on J.P. Morgan Securities Ltd. to do this. Such transactions may be effected on the London Stock Exchange, SWX, the over-the-counter market or otherwise. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. <sup>6.B.5(b)</sup> <sup>6.C.10(b,c)</sup>

In connection with the Global Offer, the Company has granted J.P. Morgan Securities Ltd., on behalf of the Underwriters, an option (the "Manager's Option") which is exercisable, in whole or in part, upon notice by J.P. Morgan Securities Ltd., in consultation with the other Joint Bookrunners, for the period commencing with the date of this document and ending 30 days after Admission. Pursuant to the Manager's Option, J.P. Morgan Securities Ltd. may require the Company to issue up to 15,000,000 additional new Ordinary Shares at the Offer Price, inter alia, to cover over-allotments or further allotments, if any, in connection with the Global Offer and to cover short positions resulting from stabilisation transactions. Any Ordinary Shares issued by the Company following the exercise of the Manager's Option will be issued on the same terms and conditions as the Ordinary Shares being issued in the Global Offer.

### Glencore Option Shares

If the Manager's Option is exercised, Glencore International is obliged to subscribe, at the Offer Price, for such number of additional Ordinary Shares as is necessary to maintain its shareholding in the Company at 40%.

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### Dealing arrangements

The Global Offer is subject to the satisfaction of conditions contained in the Underwriting Agreement including Admission occurring by 8.00 a.m. (London time) on 25 March 2002 or such later date as may be determined in accordance with such agreement. Certain conditions are not capable of waiver. Further details of the Underwriting Agreement are set out in paragraph 9 of Part VIII.

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. (London time) on 25 March 2002. Swiss Admission is expected to take place and dealings in the Ordinary Shares are expected to commence on SWX at 9.00 a.m. (Central European time) on 25 March 2002. Ordinary Shares shall be quoted on the SWX in Swiss Francs. Settlements of dealings from that date will be on a three-day rolling basis. It is expected that Ordinary Shares allotted to investors in the Global Offer will be delivered in uncertificated form and settlement will take place through CREST on Admission and SIS on Swiss Admission. Investors in the Global Offer will pay the Offer Price in respect of the Ordinary Shares to be issued to them in such manner as shall be directed to them by the Underwriters. 6.B.15(g)  
6.B.15(d)(iii)

It is expected that dealings in the Ordinary Shares will commence on a conditional basis on the London Stock Exchange on 20 March 2002. The earliest date for settlement of such dealings will be 25 March 2002. All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a "when issued basis". **If the Global Offer does not become unconditional all such dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.**

### CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. Upon Admission, the Articles will permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any shareholder so wishes. 3.27

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Investors applying for Ordinary Shares under the Global Offer may, however, elect to receive Ordinary Shares in uncertificated form if they are a system-member (as defined in the CREST Regulations) in relation to CREST. 6.B.24

### SIS

Ordinary Shares will only be traded on SWX in uncertificated form. SIS operates the RTGS settlement system SECOM, through which clearing instructions from SWX are automatically passed on for further processing on the settlement day. Transactions are routed via Swiss Interbank Clearing (SIC) or EuroSIC. SIC then ensures efficient and secure payment transfers in Swiss Francs between SWX members on an RTGS basis.

### Settlement of transactions between CREST and SIS

Cross border exchange trading and settlement will take place through the link established between SIS and CREST.

### Underwriting arrangements

Pursuant to the Underwriting Agreement, the Underwriters have agreed, subject to certain conditions, to procure subscribers for, or failing which subscribe themselves, the Ordinary Shares issued by the Company pursuant to the Global Offer. 6.B.15  
(h)(i)

The Underwriting Agreement contains a provision entitling the Global Co-ordinator, with the agreement of the other Joint Bookrunners, on behalf of the Underwriters, to terminate the Global Offer at any time prior to Admission in certain circumstances. If this right is exercised, the Global Offer will lapse and any moneys received in respect of the Global Offer will be returned to applicants without interest.

Any commissions received by the Global Co-ordinator (on behalf of itself and the other Underwriters) pursuant to the Underwriting Agreement may be retained, and any Ordinary Shares acquired by them may be retained or dealt in, by them for their own benefit. Investors should be aware that, while the ability of the Global Co-ordinator (on behalf of itself and the other Underwriters) to retain shares is not unusual in underwriting agreements, doing so to any significant degree could, by limiting the number of Ordinary Shares available in the market, affect volatility in the market price of the Ordinary Shares.

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Further details of the terms of the Underwriting Agreement are set out in “Additional information – Underwriting arrangements” in paragraph 9 of Part VIII.

### Lock-up arrangements

The Company has undertaken, subject to certain exceptions, in the Underwriting Agreement, among other things, not to issue, offer, lend, sell or contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, mortgage, charge, pledge, assign, grant any option or warrant in respect of, or otherwise dispose of, directly or indirectly, any Ordinary Shares or any other securities exchangeable for or convertible into, or substantially similar to, Ordinary Shares (or any interest therein or in respect thereof) at any time, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Ordinary Shares, or enter into any other transaction with the same economic effect as, or agree to do, or publicly announce the intention to do, any of the foregoing until the date falling six months after Admission, without the prior written consent of the Global Co-ordinator on behalf of the Underwriters (not to be unreasonably withheld or delayed).<sup>19.4(h)</sup>

Glencore International has undertaken to the Global Co-ordinator, on behalf of the Underwriters, subject to certain exceptions, not to offer, lend, pledge, sell, contract to sell or grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Ordinary Shares until the date falling six months after Admission, without the prior written consent of the Global Co-ordinator. These lock-up arrangements allow Glencore International to lend Ordinary Shares to the Global Co-ordinator pursuant to the stock lending agreement described in paragraph 9.2 of “Additional information - Underwriting arrangements - Underwriting Agreement” in Part VIII.

Further details of these lock-up arrangements are contained in “Additional information – Underwriting arrangements – Lock-up Agreement” in paragraph 9 of Part VIII.

### Securities laws

The distribution of this document and the offer of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions, including those set out in paragraph 11 of Part VIII. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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