SECTION IX: TAXATION

The following section is a summary guide only to certain aspects of tax in the UK, Switzerland, Jersey, the U.S. and Hong Kong. This is not a complete analysis of all the potential tax effects of acquiring, holding and disposing of Ordinary Shares, nor will it relate to the specific tax position of all Shareholders in all jurisdictions. This summary does not purport to be a legal opinion. Shareholders are advised to consult their own tax advisers.

The description of the taxation consequences is written on the basis that the Company will be solely resident in Switzerland for tax purposes and will therefore be subject to the Swiss tax regime and not (except as noted below) the Jersey tax regime. As a consequence, please refer to the section "Swiss taxation" below for information about withholding tax on dividends and similar cash or in-kind distributions.

1 UK taxation

The following summary is intended as a general guide only and relates only to certain limited aspects of UK tax consequences of holding and disposing of Ordinary Shares. It is based on current UK tax law and the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The summary applies only to Shareholders who are resident and, if individuals, ordinarily resident and domiciled in the UK for taxation purposes, who hold their Ordinary Shares as an investment (other than under a personal equity plan or an individual savings account), who are the absolute beneficial owners of their Ordinary Shares, who have not (and are not deemed to have) acquired their Ordinary Shares by virtue of an office or employment (whether current, historic or prospective) and are not officers or employees of any member of the Glencore Group. In addition, these comments may not apply to certain classes of Shareholders such as traders, brokers, dealers, banks, financial institutions, collective investment schemes, insurance companies, investment companies, tax-exempt organisations, persons connected with the Company or the Glencore Group, and persons who hold the Ordinary Shares as part of hedging or conversion transactions.

Any person who is in any doubt as to his or her tax position, or who is resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult his or her tax advisers immediately.

1.1 UK taxation of dividends

Dividends paid on the Ordinary Shares

Shareholders who are individuals and who own less than a 10 per cent. shareholding in the Company

A Shareholder who is an individual who is resident in the UK for tax purposes (or who carries on a trade, profession or vocation in the UK through a branch or agency and has used, held or acquired Ordinary Shares for the purposes of such trade, profession or vocation, branch or agency in the UK) will, if he owns less than 10 per cent. of the issued share capital in the Company, be entitled to a tax credit in respect of a dividend paid by the Company which may be set off against the Shareholder's total income tax liability. The tax credit will be equal to 10 per cent. of the aggregate of the dividend and the tax credit (the "gross dividend"), which is also equal to one-ninth of the cash dividend received. Such an individual Shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such Shareholder's liability to income tax on the dividend. In the case of such an individual Shareholder who is liable to income tax at the higher rate, the tax credit will be set against but not fully match the Shareholder's tax liability on the gross dividend and such Shareholder will have to account for additional income tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend received) to the extent that the gross dividend when treated as the top slice of the Shareholder's income falls above the threshold for higher rate income tax. In the case of such an individual Shareholder who is subject to income tax at the additional rate, the tax credit will also be set against but not fully match the Shareholder's liability on the gross dividend and such Shareholder will have to account for additional income tax equal to 32.5 per cent. of the gross dividend (which is also equal to approximately 36 per cent. of the cash dividend received) to the extent that the gross dividend when treated as the top slice of the Shareholder's income falls above the threshold for additional rate income tax.

Shareholders who are individuals who own a 10 per cent. or greater shareholding in the Company

In certain circumstances, individuals who own a 10 per cent. or greater shareholding in a company do not qualify for the 10 per cent. tax credit. However, as the Company should not be an offshore fund, and is a company resident in a territory with which the UK has a double tax convention which includes a non-discrimination article, any individuals holding a 10 per cent. or greater shareholding in the Company should also qualify for the 10 per cent. dividend tax credit.

Corporate Shareholders

Shareholders who are within the charge to corporation tax in respect of Ordinary Shares in the Company will be subject to corporation tax on the gross amount of any dividends paid by the Company, subject to any applicable credit for Swiss Withholding Tax (as defined below), unless (subject to special rules for such Shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. It is expected that the dividends paid by the Company would generally be exempt for such Shareholders.

The statements contained under the heading "*Dividends paid on the Ordinary Shares*" in this paragraph 1.1 reflect the Company's understanding of the correct interpretation of current UK tax law. However, there is currently some doubt as to whether HMRC agrees with this interpretation in relation to distributions made out of share premium and, therefore, it is unclear how HMRC would interpret a distribution by the Company out of Qualifying Reserves (as described below), as is intended (see the discussion under "Swiss taxation" below). In such cases, there is a risk that HMRC may seek to argue, in relation to certain classes of Shareholders, that such a distribution should not be treated under the rules for income distributions, but is instead within the charge to tax on chargeable gains. In light of this uncertainty, Shareholders are advised to consult their own professional advisers in relation to the implications of distributions by the Company.

Impact of Swiss Withholding Tax

As described more fully under "Swiss taxation" below, dividends and other distributions paid by the Company out of other reserves than the Qualifying Reserves (as described below) will be subject to Swiss Withholding Tax on the cash amount of the distribution at the then prevailing rate (currently 35 per cent.). A UK resident Shareholder may be able to claim a partial refund of the Swiss Withholding Tax withheld under the UK-Switzerland double tax convention.

A UK resident individual Shareholder will generally be entitled to credit for any Swiss Withholding Tax withheld from a dividend or other distribution paid by the Company and not recoverable from the Swiss tax authorities against income tax payable by such Shareholder in respect of the dividend (having taken into account any benefits available under the UK-Switzerland double tax convention).

Under the dividend exemption rules of Part 9A of the Corporation Tax Act 2009, any Shareholder within the charge to corporation tax should generally not be subject to corporation tax on dividends paid by the Company. Where the dividend exemption applies, no credit for any Swiss Withholding Tax withheld from a dividend paid by the Company will be available to a UK resident corporate Shareholder. However, under the dividend exemption rules, an election can be made for a dividend to not be exempt from corporation tax. If such an election is made, HMRC will generally give credit against UK corporation tax on the dividend for any Swiss Withholding Tax withheld from a dividend paid by the Company and not recoverable from the Swiss tax authorities, applying the appropriate rate of withholding under the UK-Switzerland double tax convention.

If you are in any doubt about your tax position, you should consult your own professional adviser without delay.

1.2 **UK taxation consequences of disposing of Ordinary Shares**

A disposal of Ordinary Shares by a UK tax resident Shareholder may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for UK tax purposes.

A disposal of Ordinary Shares by a Shareholder who is not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such branch, agency or permanent establishment may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for UK tax purposes.

A Shareholder who is an individual and who is temporarily non-resident in the UK for a period of less than five complete tax years may, under anti-avoidance legislation, still be liable to UK taxation on their return to the UK on a chargeable gain realised on the disposal or part disposal of Ordinary Shares during the period when he is non-resident.

For corporate Shareholders only, indexation allowance on the relevant proportion of the original allowable cost should be taken into account for the purposes of calculating a chargeable gain (but not an allowable loss) arising on a disposal or part disposal of Ordinary Shares.

1.3 **UK stamp duty and SDRT**

No UK stamp duty or SDRT will be payable on the issue of Ordinary Shares.

In practice, UK stamp duty should generally not need to be paid on an instrument transferring Ordinary Shares, provided that such transfer instruments are executed and retained outside of the UK.

No UK SDRT will be payable in respect of any agreement to transfer Ordinary Shares.

The statements in this paragraph 1.3 summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that the Ordinary Shares will not be registered in a register kept in the UK by or on behalf of the Company. The Company has confirmed it does not intend to keep such a register in the UK.

1.4 **UK inheritance tax**

On the basis of the assumption contained in paragraph 1.3 above, the Ordinary Shares will be assets situated outside the United Kingdom for the purposes of United Kingdom inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets who is domiciled or is deemed to be domiciled in the United Kingdom may (subject to certain exemptions and reliefs) give rise to a liability to United Kingdom inheritance tax. Generally, United Kingdom inheritance tax is not chargeable on outright gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Since the Ordinary Shares will be assets situated outside the United Kingdom for the purposes of United Kingdom inheritance tax, where a holder is neither domiciled nor deemed domiciled in the United Kingdom (under certain rules relating to long residence or previous domicile), neither a gift of such assets by the holder nor the death of such holder will give rise to a liability to United Kingdom inheritance tax.

1.5 **Close Companies**

Shareholders who are resident or, in the case of individuals, resident or ordinarily resident in the UK, who hold, alone or together with associated persons, an interest of more than 10 per cent. in the Company could, under the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992, in certain circumstances, be subject to United Kingdom tax in respect of a portion of capital gains made by non-UK resident subsidiaries of the Company if the Company itself is considered to be a "close" company for the purposes of these rules. The Company currently considers that it is not a "close" company for these purposes. "Close" company status is a question of fact which turns upon the extent of shareholders' holdings in the Company and the relationships between such shareholders. Accordingly, whether or not the Company is considered to be a "close" company currently or in the future may be determined by factors outside the Company's direct control.

2 Swiss taxation

The following paragraphs discuss Swiss Withholding Tax and the position on Swiss tax for Shareholders who are initial purchasers of Ordinary Shares. This is a general summary of certain tax consequences of the ownership of the Ordinary Shares. These discussions are based, as applicable, on the tax laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions of Switzerland as in effect on the date of this Prospectus which are subject to change (or subject to changes in interpretations), possibly with retrospective effect. This is not a complete analysis of the potential tax effects relevant to owning Ordinary Shares, nor does the following summary take into account or discuss the tax laws of any jurisdiction other than Switzerland. It also does not take into account investors' individual circumstances. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of Ordinary Shares. Investors are advised to consult their own tax advisers as to Swiss or other tax consequences of the acquisition, ownership and disposition of the Ordinary Shares. Tax consequences may differ according to the provisions of different double taxation treaties and the investor's particular circumstances. The statements and discussion of Swiss taxes set out below are of a general nature and do not relate to persons in the business of buying and selling shares or other securities.

Swiss Withholding Tax

Any dividends and similar cash or in-kind distributions of profit and reserves other than Qualifying Reserves made by the Company in respect of the Ordinary Shares, including stock dividends and the distribution of any liquidation proceeds in excess of nominal share capital and Qualifying Reserves, will be subject to Swiss Federal Withholding tax (*Verrechnungssteuer*) ("**Swiss Withholding Tax**") imposed on the gross amount at the then prevailing rate (currently 35 per cent.).

For distributions subject to Swiss Withholding Tax, the Company may only pay out 65 per cent. of the gross amount of any dividend and similar distributions to the holders of Ordinary Shares. A portion equal to 35 per cent. of the gross amount of such dividends and similar distributions must be paid to the Swiss Federal Tax Administration. The redemption of Ordinary Shares by the Company may under certain circumstances (in particular, if the Ordinary Shares are redeemed for subsequent cancellation) be taxed as a partial liquidation for Swiss Withholding Tax purposes, with the effect that Swiss Withholding Tax at the then prevailing rate (currently 35 per cent.) is due on the difference between the redemption price and nominal value plus proportionate Qualifying Reserves of the redeemed Ordinary Shares.

However, dividends and similar distributions out of Qualifying Reserves and repayments of the nominal share capital will not be subject to Swiss Withholding Tax. A ruling from the Swiss Federal Tax Administration signed 7 January 2011 confirmed that Qualifying Reserves of approximately U.S.$8.8 billion will be created on the Restructuring. The Global Offer will create additional Qualifying Reserves equal to the share premium of the Ordinary Shares issued. This ruling is binding on the Swiss Federal Tax Administration, provided that, among other things, full disclosure of the facts and circumstances of the Restructuring have been provided to the Swiss Federal Tax Administration (which the Company believes is the case), the terms of the ruling are complied with and the relevant facts and applicable laws, regulations and administrative practice remain unchanged. It is at the discretion of the Company's shareholders to decide (at a shareholders' meeting) whether to distribute a dividend out of Qualifying Reserves free of Swiss Withholding Tax and/or out of profit/retained earnings/non-qualifying reserves subject to Swiss Withholding Tax. Once cumulative distributions out of Qualifying Reserves exceed the value threshold described above, any distributions paid by the Company will be subject to Swiss Withholding Tax. To the extent that additional shares are issued by the Company in the future, the value of the distributions which can be made free of Swiss Withholding Tax will be increased by an amount corresponding to the total nominal share capital and paid-in capital/share premium of the shares issued.

Swiss resident beneficiaries of taxable dividends and similar distributions in respect of the Ordinary Shares are entitled to full subsequent relief of the Swiss Withholding Tax, either through a tax refund or tax credit against their income tax liability, if they duly report the underlying income in their tax returns or financial statements used for tax purposes, as the case may be, and if there is no tax avoidance. Non-Swiss resident beneficiaries of dividends and similar distributions in respect of Ordinary Shares may be entitled to a partial or full credit of the Swiss Withholding Tax in accordance

with any applicable double taxation convention between Switzerland and the beneficiary's country of tax residence.

Income and profit tax

Income tax for individuals holding the shares as private assets: Individuals who are resident in Switzerland for tax purposes and hold Ordinary Shares as part of his or her private assets (*Privatvermögen*) who receive dividends and similar distributions (including stock dividends and liquidation proceeds in excess of nominal share capital and Qualifying Reserves) from the Company must include these distributions in his or her personal tax return and will be subject to federal, cantonal and communal income tax on any net taxable income for the relevant tax period. However, dividends and similar distributions out of Qualifying Reserves and repayments of the nominal share capital will not be subject to federal, cantonal and communal income tax. Stock dividends may be treated differently for cantonal and communal taxes depending on the canton of residency. The Direct Federal Tax on dividends and similar distributions (including stock dividends and liquidation proceeds in excess of nominal share capital and Qualifying Reserves) from the Company is reduced to 60 per cent. of regular taxation (*Teilbesteuerung*) if the investment amounts to at least 10 per cent. of nominal share capital of the Company. Most cantons have already introduced or will introduce a similar partial taxation on a cantonal and communal level.

Income tax for individuals holding the shares as business assets: Swiss resident individuals holding Ordinary Shares as business assets, as well as non-Swiss resident individuals holding the shares as part of a permanent establishment or a fixed place of business receiving dividends and similar distributions (including stock dividends and liquidation proceeds in excess of nominal share capital and Qualifying Reserves) from the Company, must include these distributions in his or her income statement and will be subject to federal, cantonal and communal income tax on any net taxable income for the relevant tax period. The Direct Federal Tax on dividends and similar distributions (including stock dividends and liquidation proceeds in excess of nominal share capital and Qualifying Reserves) from the Company is reduced to 50 per cent. of regular taxation (*Teilbesteuerung*), if the investment is held as a business asset in terms of Swiss tax law and amounts to at least 10 per cent. of the nominal share capital of the Company. Most cantons have already introduced or will introduce a similar partial taxation on a cantonal and communal level.

Profit tax for legal entities: Legal entities resident in Switzerland or non-Swiss resident entities holding Ordinary Shares as part of a Swiss permanent establishment are required to include all taxable distributions received on the Ordinary Shares in their profit and loss statement relevant for profit tax purposes and will be subject to federal, cantonal and communal corporate profit tax on any net taxable earnings for such period. A Swiss corporation or co-operative, or a non-Swiss corporation or co-operative holding Ordinary Shares as part of a Swiss permanent establishment, may under certain circumstances, benefit from taxation relief with respect to distributions (*Beteiligungsabzug*), provided such Ordinary Shares represent at the time of the distribution at least 10 per cent. of the share capital or 10 per cent. of the profit and reserves, respectively, or a fair market value of at least 1 million Swiss francs.

A holder of Ordinary Shares who is not a resident of Switzerland for tax purposes will not be liable for any Swiss income or profit taxes on dividends and similar distributions with respect to the Ordinary Shares, unless the Ordinary Shares are attributable to a permanent establishment or a fixed place of business maintained in Switzerland by such non-Swiss resident.

Net worth and capital taxes

An individual who is a Swiss resident for tax purposes, or a non-Swiss resident holding Ordinary Shares as part of a permanent establishment or fixed place of business situated in Switzerland, is required to include his or her Ordinary Shares in his or her assets which are subject to cantonal and communal net worth taxes. No net worth tax is levied at the federal level.

Legal entities resident in Switzerland or non-Swiss resident legal entities with a Swiss permanent establishment are subject to cantonal and communal capital tax. The cantonal and communal capital tax is levied on the basis of the taxable equity of the legal entities. Usually, the acquisition of Ordinary Shares should not influence the equity of a legal entity and should therefore have no or only limited influence on its capital tax charge. However, the acquisition of Ordinary Shares may change the basis

for international or inter-cantonal allocation of the taxable equity of the legal entity. No capital tax is levied at the federal level.

Taxes on capital gains upon disposal of Ordinary Shares

Individuals: Individuals who are resident in Switzerland for tax purposes and hold Ordinary Shares as part of his or her private assets (*Privatvermögen*) generally are exempt from Swiss federal, cantonal and communal taxes with respect to capital gains realised upon the sale or other disposal of Ordinary Shares, unless such individuals are qualified as professional securities dealers (*Wertschriftenhändler*) for income tax purposes. Under certain circumstances, share sale proceeds of a private individual may be recharacterised into taxable investment income. Upon a repurchase of Ordinary Shares by the Company, the portion of the repurchase price in excess of the nominal amount and Qualifying Reserves may be classified as taxable investment income if the Ordinary Shares repurchased are not sold within a six-year period or if the Ordinary Shares are repurchased for a capital reduction. Capital gains realised by an individual on Ordinary Shares that are held as part of its business assets are subject to income taxation and social security contributions. Capital gains realised by individuals who, for income tax purposes, are classified as professional securities dealers are subject to income taxation and social security contributions. Certain reductions or partial taxation similar to those mentioned above for dividends (*Teilbesteuerung*) may be available for capital gains realised upon the sale of Ordinary Shares if certain conditions are met. The entitlement of shareholders to such reductions must be assessed on an individual basis and shareholders should consult their own legal, financial or tax advisers.

Legal entities: Capital gains upon the sale or other disposal of Ordinary Shares realised by legal entities resident in Switzerland for tax purposes or foreign legal entities holding Ordinary Shares as part of a Swiss permanent establishment are generally subject to ordinary profit taxation. A Swiss corporation or co-operative, or non-Swiss corporation or co-operative holding Ordinary Shares as part of a Swiss permanent establishment, may, under certain circumstances, benefit from taxation relief on capital gains realised upon the disposal of Ordinary Shares (*Beteiligungsabzug*), provided such Ordinary Shares were held for at least one year and the shareholder disposes at least 10 per cent. of the share capital or 10 per cent. of the profit and reserves, respectively. Subsequent sales can be less than 10 per cent. of the nominal share capital in order to qualify for the participation relief, provided the fair market value of the Ordinary Shares held as per the previous financial year end prior to this sale amounts to at least 1 million Swiss francs.

Non-resident individuals and legal entities: Individuals and legal entities which are not Swiss residents for tax purposes and do not hold Ordinary Shares as part of a Swiss business operation or a Swiss permanent establishment or fixed place of business situated in Switzerland are generally not subject to Swiss income or profit taxes on gains realised upon the disposal of the Ordinary Shares.

Gift and inheritance taxes

The transfer of Ordinary Shares may be subject to cantonal and/or communal gift, estate or inheritance taxes if the donor is, or the deceased was, resident for tax purposes in a canton levying such taxes.

Federal stamp tax upon issuance and transfer of Ordinary Shares

A one time federal insurance stamp tax (*Emissionsabgabe*) will be payable on the issue of new Ordinary Shares at the then prevailing rate (currently one per cent.). This tax will be payable by the Company.

The transfer of any Ordinary Shares may be subject to a federal transfer stamp tax (*Umsatzabgabe*) at a current rate of up to 0.30 per cent. if such transfer occurs through or with a Swiss or Liechtenstein bank or securities dealer as defined in the Swiss Federal Stamp Tax Act.

3 Jersey taxation

The following summary of the anticipated treatment of the Company and holders of Ordinary Shares (other than residents of Jersey) is based on Jersey taxation law and practice as it is understood to apply at the date of this Prospectus. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice. Shareholders should consult their professional advisers on the

implications of acquiring, buying, holding, selling or otherwise disposing of Ordinary Shares under the laws of the jurisdictions in which they may be liable to taxation. Shareholders should be aware that tax laws, rules and practice and their interpretation may change.

Taxation of the Company

Jersey taxation legislation provides that the general basic rate of income tax on the profits of companies regarded as resident in Jersey or having a permanent establishment in Jersey will be zero per cent. and that only a limited number of financial services companies shall be subject to income tax at a rate of ten per cent.

The Comptroller of Taxes has confirmed that the Company shall not be regarded as resident in Jersey so long as it satisfies the conditions set out in Article 123(1)(a) of the Income Tax (Jersey) Law 1961, and therefore the Company will not (except as noted below) be liable to Jersey income tax.

If the Company derives any income from the ownership, disposal or exploitation of land in Jersey, such income will be subject to Jersey income tax at the rate of 20 per cent. It is not expected that the Company will derive any such income.

A 3 per cent. (5 per cent. from 1 June 2011) goods and services tax is generally paid in Jersey on the sale or exchange of goods and services in Jersey. All businesses with a 12-month taxable turnover in excess of £300,000 must, by Jersey law, register for this tax unless they are an international services entity ("ISE"). For so long as the Company is an ISE within the meaning of the Goods and Services (Jersey) Law 2007, having satisfied the requirements of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008, as amended, a supply of goods or services made by or to the Company shall not be a taxable supply for the purposes of Jersey law.

Taxation of holders of Ordinary Shares

The Company will be entitled to pay dividends to holders of Ordinary Shares without any withholding or deduction for, or on account of, Jersey tax. The holders of Ordinary Shares (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Ordinary Shares.

Stamp duty

No stamp duty is payable in Jersey on the issue or *inter vivos* transfer of the Ordinary Shares.

Upon the death of a holder of the Ordinary Shares, a grant of probate or letters of administration will be required to transfer the Ordinary Shares of the deceased person, except that where the deceased person was domiciled outside of Jersey at the time of death, the Company may (at its discretion) dispense with this requirement where the value of the deceased's movable estate in Jersey does not exceed £10,000.

Upon the death of a holder of the Ordinary Shares, Jersey stamp duty will be payable on the registration in Jersey of a grant of probate or letters of administration, which will be required in order to transfer or otherwise deal with:

(a) (where the deceased person was domiciled in Jersey at the time of death) the deceased person's personal estate wherever situated (including any Ordinary Shares) if the net value of such personal estate exceeds £10,000; or

(b) (if the deceased person was domiciled outside of Jersey at the time of death) the deceased person's personal estate situated in Jersey (including any Ordinary Shares) if the net value of such personal estate exceeds £10,000.

The rate of stamp duty payable is:

(i) (where the net value of the deceased person's relevant personal estate does not exceed £100,000) 0.5 per cent. of the net value of the deceased person's relevant personal estate; or

(ii) (where the net value of the deceased person's relevant personal estate exceeds £100,000) £500 for the first £100,000 plus 0.75 per cent. of the net value of the deceased person's relevant personal estate which exceeds £100,000.

In addition, application and other fees may be payable.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts, nor are there any other estate duties.

4 U.S. taxation

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

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The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Ordinary Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Ordinary Shares that are U.S. Holders that will hold the Ordinary Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Ordinary Shares by particular investors, and does not address state, local, foreign or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly, indirectly, or constructively) 10 per cent. or more of the voting stock of the Company, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Ordinary Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar).

As used herein, the term "U.S. Holder" means a beneficial owner of Ordinary Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Ordinary Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax advisers concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Ordinary Shares by the partnership.

The summary assumes that the Company is not a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes, which the Company believes to be the case. The Company's possible status as a PFIC must be determined annually and therefore may be subject to change. If the Company were to be a PFIC in any year, materially adverse consequences could result for U.S. Holders.

The summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the U.S. and Switzerland (the "Treaty"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT

THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE ORDINARY SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Ordinary Shares

Dividends

General

Distributions paid by the Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Swiss Withholding Tax paid by the Company with respect thereto, will generally be taxable to a U.S. Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Ordinary Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Company with respect to Ordinary Shares will constitute ordinary dividend income. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Company.

Foreign Currency Dividends

Dividends paid in pounds sterling, euros or Swiss Francs will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the pounds sterling, euros or Swiss Francs are converted into U.S. dollars at that time. If dividends received in pounds sterling, euros, or Swiss Francs are converted into U.S. dollars at the spot rate on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

Effect of Swiss Withholding Taxes

As discussed in "Swiss Taxation—Withholding Tax", under current law payments of dividends by the Company out of reserves other than Qualifying Reserves are subject to Swiss Withholding Tax at the then prevailing rate (currently 35 per cent.). The rate of withholding tax applicable to U.S. Holders that are eligible for benefits under the Treaty is reduced to a maximum of 15 per cent. For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of Swiss taxes withheld by the Company, and as then having paid over the withheld taxes to the Swiss taxing authorities. As a result of this rule, the amount of dividend income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of dividends will be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Company with respect to the payment.

A U.S. Holder will generally be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Swiss income taxes withheld by the Company. U.S. Holders that are eligible for benefits under the Treaty will not be entitled to a foreign tax credit for the amount of any Swiss taxes withheld in excess of the 15 per cent. maximum rate, and with respect to which the holder is entitled to obtain a refund from the Swiss taxing authorities.

For purposes of the foreign tax credit limitation, foreign source income is classified in one of two "baskets", and the credit for foreign taxes on income in any basket is limited to U.S. federal income tax allocable to that income. Dividends paid by the Company generally will constitute foreign source income in the "passive income" basket.

U.S. Holders that are accrual basis taxpayers, and who do not otherwise elect, must translate Swiss taxes into U.S. Dollars at a rate equal to the average exchange rate for the taxable year in which the taxes accrue, while all U.S. Holders must translate taxable dividend income into U.S. Dollars at the spot rate on the date received. This difference in exchange rates may reduce the U.S. dollar value of the credits for Swiss taxes relative to the U.S. Holder's U.S. federal income tax liability attributable to a dividend. However, cash basis and electing accrual basis U.S. Holders may translate Swiss taxes into

U.S. Dollars using the exchange rate in effect on the day the taxes were paid. Any such election by an accrual basis U.S. Holder will apply for the taxable year in which it is made and all subsequent taxable years, unless revoked with the consent of the IRS.

Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of Swiss taxes.

Sale or other Disposition

Upon a sale or other disposition of Ordinary Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Ordinary Shares. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Ordinary Shares exceeds one year.

A U.S. Holder's tax basis in an Ordinary Share will generally be its U.S. dollar cost. The U.S. dollar cost of an Ordinary Share purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Ordinary Shares traded on an established securities market, within the meaning of the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. The amount realised on a sale or other disposition of Ordinary Shares for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or disposition. On the settlement date, the U.S. Holder will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of Ordinary Shares traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

Disposition of Foreign Currency

Foreign currency received on the sale or other disposition of an Ordinary Share will have a tax basis equal to its U.S. dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Ordinary Shares or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Passive Foreign Investment Company Considerations

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75 per cent. of its gross income is "passive income" or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. The Company does not believe that it was a PFIC for its preceding year and does not expect to be or become a PFIC for U.S. federal income tax purposes. Although income from the sales of commodities is generally passive income, a special rule treats active business gains from the sales of commodities as non-passive income provided certain requirements are met. To the extent the Company derives income from the sale of commodities, the Company believes that it currently meets these requirements. The Company's possible status as a PFIC must be determined annually, however, and may be subject to change if the Company fails to qualify under this special rule for any year in which a U.S. Holder holds Ordinary Shares.

If the Company were to be treated as a PFIC, U.S. Holders of Ordinary Shares would be required (i) to pay a materially greater amount of tax on certain distributions and gains on sale and (ii) to pay tax on any gain from the sale of Ordinary Shares at ordinary income (rather than capital gains) rates in addition to paying a materially greater amount of tax on this gain. Prospective purchasers should consult their tax advisers regarding the potential application of the PFIC regime.

Backup Withholding and Information Reporting

Payments of dividends and other proceeds with respect to Ordinary Shares, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. Under the relevant rules, if the Ordinary Shares are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Ordinary Shares as a reportable transaction if this loss exceeds the relevant threshold in the regulations (U.S.$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of U.S.$10,000 in the case of a natural person and U.S.$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

Foreign Financial Asset Reporting

Recently enacted legislation imposes new reporting requirements on the holding of certain foreign financial assets, including equity of foreign entities, if the aggregate value of all of these assets exceeds $50,000. The Ordinary Shares are expected to constitute foreign financial assets subject to these requirements unless the Ordinary Shares are held in an account at a domestic financial institution. U.S. Holders should consult their tax advisers regarding the application of this legislation.

5 Hong Kong taxation

The summary in the following paragraphs is intended for general information only and therefore does not constitute, in whole or in part, an expression of an opinion. The summary is based solely upon the information, documents, facts and assumptions which are included or referenced in the following paragraphs. Only the following specific Hong Kong tax issues and tax consequences are discussed and no other taxes of any kind are considered. The summary is based on the relevant laws, regulations, and interpretations of Hong Kong (the "authorities") that are in effect as of the date of this Prospectus. The authorities are subject to change, which may be retroactive in their effect. Any changes or developments that may affect the summary or any matters set forth herein and, in particular, any subsequent event after the date of this Prospectus will not be taken into consideration. In addition, the summary is not binding on the tax authorities or the courts and should not be considered as any representation, warranty, or guarantee that the tax authorities or the courts will concur with the summary. Any person who is in any doubt as to his or her tax position should consult his or her tax advisers immediately.

Tax on dividends

If the Company is chargeable to Hong Kong profits tax and a dividend is received from the Company, such dividend is specifically exempted from tax in Hong Kong under Hong Kong tax legislation. In other cases, i.e. where the dividend is received from the Company and the Company is not chargeable to Hong Kong profits tax, the current practice of the Hong Kong Inland Revenue Department is that no tax is charged in Hong Kong on such a dividend.

Tax on gains and profits tax

Chargeability to Hong Kong profits tax on gains from the sale of assets depends on the nature and source of the gains. No tax is imposed in respect of gains arising from the sale of capital assets. Trading gains from the sale of assets by persons carrying on a trade, profession or business in Hong Kong where the gains are derived from or arise in Hong Kong will be subject to Hong Kong profits

tax, which is currently imposed at the rate of 16.5 per cent. on corporations and at a maximum rate of 15 per cent. on individuals.

In accordance with the prevailing practice of the Hong Kong Inland Revenue Department, the source of gains from the purchase and sale of listed shares through a stock exchange is ascertained by the location of the stock exchange where the shares in question are traded. In respect of the gains from the sale of Ordinary Shares through the Hong Kong Stock Exchange, the seller will be subject to Hong Kong profits tax if the seller carries on a trade, profession or business in Hong Kong and holds the Ordinary Shares for trading purposes.

Stamp duty

No Hong Kong stamp duty will be payable on the new issue of Ordinary Shares by the Company.

Hong Kong stamp duty will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong stock. Hong Kong stock is defined as "stock the transfer of which is required to be registered in Hong Kong" and includes Ordinary Shares traded through the Hong Kong Stock Exchange. The duty is charged at the *ad valorem* rate of 0.1 per cent. of the consideration for, or (if greater) the value of, the shares transferred on each of the seller and purchaser. In other words, a total of 0.2 per cent. would currently be payable on a typical sale and purchase transaction with respect to the transfer of the Company's Ordinary Shares through the Hong Kong Stock Exchange. In addition, any instrument of transfer (if required) will be subject to a flat rate of stamp duty of HK$5.00. The agent or, where no agent, the principal effecting the sale or purchase is liable for the payment of the stamp duty.

The purchaser and the seller of Ordinary Shares traded through the Hong Kong Stock Exchange are subject to Hong Kong stamp duty.