

**DECLARATION OF LINDSEY FRANK – EXHIBIT I**

[Handwritten:]

9

[Stamp-impressed paper]  
REPUBLIC OF PANAMA  
[Emblem of the Republic of Panama]  
NATIONAL TAX STAMP  
1<sup>st</sup> CLASS  
B/ 0.50 FIFTY CENTS B/ 0.50  
OF A BALBOA

[superimposed]  
**AUTHORIZED**  
FOR  
1945 and 1946  
Decree No. 772 of 1945

[In this page, the lines of text are numbered 1-30 in the left margin.]

REPUBLIC OF PANAMA – MINISTRY OF AGRICULTURE, COMMERCE AND INDUSTRIES  
Commerce and Non-Agricultural Industries Section  
Patent and Trademark Division

Resolution No. 2117  
Panama, April 15, 1946

THE MINISTER OF AGRICULTURE, COMMERCE AND INDUSTRIES,  
on behalf and under the authorization of His Excellency  
the President of the Republic,  
WHEREAS

ESSO STANDARD OIL S.A., a *sociedad anónima* organized under the laws of the Republic of Panama, domiciled in the city of Panama, Republic of Panama, has requested through its legal representatives the registration of a trademark [*Marca de Fábrica*] it uses in order to protect and distinguish in trade “Refined, semi-refined and non-refined oils and fats extracted from petroleum, either blended or not blended with animal, vegetable or mineral substances, for lighting, heating, motive force, fuels and lubricants;”

the trademark consists in the word “E S S O” inside an oval, and is applied by printing it on the containers which contain the products or by placing, on the containers, labels on which the trademark has been printed; and

all the legal requirements regarding the relevant application have been fulfilled and no opposition has been raised regarding the registration that has been requested,

DECIDES

To register, under the responsibility of the interested party and without affecting the rights of third parties, the Trademark for which the request has been submitted, which only the *sociedad anónima* ESSO STANDARD OIL S.A., domiciled in the city of Panama, Republic of Panama, may use in the Republic of Panama.

Issue the registration certificate and file the dossier.  
Publish.

**REPUBLIC OF PANAMA**  
**MINISTRY OF AGRICULTURE AND COMMERCE**

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**REGISTRATION CERTIFICATE NUMBER .-1386.- FOR**  
**TRADEMARK**  
*[Marca de Fábrica]*

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Registration date: April 15, 1946 Expiration date: April 15, [...]

ANTONIO PINO R.,

MINISTER OF AGRICULTURE, COMMERCE AND INDUSTRIES,

*MAKES IT KNOWN*

*That by fulfilling the relevant legal formalities, [under] the responsibility of the interested party and without affecting the rights of third parties, a trademark belonging to the sociedad anónima ESSO STANDA[RD OIL] S.A., domiciled in this city*

*[has been] registered at the relevant office, under Resolution number 2117, in order to protect and distinguish in trade “[Ref]ined, semi-refined and non-refined oils and fats extracted from petroleum, either [blended] or not blended with animal, vegetable or mineral substances, [for] lighting, heating, motive force, [fuels and lubricants] - - - - -*

*A sample of the trademark has been attached to this page, with a transcription of the corresponding description.*

*The registration application was submitted on November 27, 194[...] in the way prescribed by the law and was published in the number [illegible] of the [illegible]*

\* Words in square brackets on this page were either illegible or cut off in the original text in Spanish (Translator's note)

[In this page, the lines of text are numbered 1-30 in the left margin.]

The Minister,

[*Signature*]

Antonio Pino R.

The First Secretary,

[*Signature*]

F. Morrice Jr.

Registration Certificate No. 1386 was issued.

emd.



*DESCRIPTION OF THE TRADEMARK:*     This trademark consists in the word “E S S O” inside an oval, and is applied by printing it on the containers which contain the products or by placing, on the containers, labels on which the trademark has been printed.

Request for renewal of  
the trademark:

“ESSO OVAL” #1386

[Emblem of the Republic of Panama with  
document tax information]

**REPUBLIC OF PANAMA**

**B/2.00**

**NATIONAL TAX STAMP**

**TWO BALBOAS**

**B/2.00**

**E65-038151**

[Tax stamp, affixed:]  
REPUBLIC OF PANAMA  
NATIONAL TAX STAMP  
SOLDIER OF INDEPENDENCE  
B/0.05  
FIVE HUNDREDTHS OF A BALBOA  
B/0.05

[In this section, the lines of text are numbered 1-30 in the left margin.]

-----  
TO THE MINISTER OF AGRICULTURE, COMMERCE AND INDUSTRIES:  
-----

In the name and on behalf of ESSO STANDARD OIL, S.A., a company organized and existing under the laws of the Republic of Panama, domiciled in the City of Panama, Republic of Panama, we respectfully request that you provide for the RENEWAL of the trademark ----- “ESSO OVAL” ----- owned by the abovementioned *sociedad* [corporation] and registered in this Republic through Certificate of Registration No. 1386 of April 15, 1946.

We attach: (a) proof of payment of the relevant fees; (b) Power of Attorney issued in our favor is part of the Registration file pertaining to this trademark.

Panama, April 13, 1966.

[Handwritten:] *April 15*

For ARIAS, FABREGA & FABREGA

*[Signature]*

Octavio Fábrega

Id. Doc. No. 8-AV-10-751

[Stamp with the emblem of the Republic of  
Panama and an illegible inscription:]

REPUBLIC OF PANAMA

02.04.20

B/.00008,00

P321413

[Rubber stamp with the emblem of  
the Republic of Panama:]

REPUBLIC OF PANAMA

Ministry of Commerce and Industries

General Directorate of the Industrial Property Registry

**MINISTRY OF COMMERCE AND INDUSTRIES**

The General Directorate of the Industrial Property Registry  
**Certifies** that this document is a true copy [of the original] kept  
[on file] for the trademark: ESSO OVAL  
**Certificate No. 1386** dated April 15, 1946

Panama, FEBRUARY 10, 2020

*[Signature]*

**FLOR MARIA GUEVARA**  
**Chief, Archive Department**

**MINISTRY OF COMMERCE AND INDUSTRIES**

The **Undersigned**, as Director of the Industrial Property Registry,  
**Certifies** that the signature above, corresponding to Ms. **FLOR**  
**MARIA GUEVARA**, who is presently the Chief of the Archive  
Department, is authentic.

Panama, FEBRUARY 10, 2020

*[Signature]*

**LEONARDO URIBE**  
**Director General**  
**Industrial Property Registry**

[Rubber stamp with the emblem of the  
Republic of Panama:]  
REPUBLIC OF PANAMA  
Ministry of Commerce and Industries  
General Directorate of the Industrial  
Property Registry

[Rubber stamp with handwritten insertions:]

Ministry of Commerce and Industries

The signatures above are the ones authorized to carry  
out this procedure

Panama, February 13, 2020

*[Signature]*

Secretary General

**239431-476736**

[Rubber stamp with the flag of the Republic of  
Panama:]  
REPUBLIC OF PANAMA  
NATIONAL GOVERNMENT  
MINISTRY OF COMMERCE AND INDUSTRIES  
GENERAL SECRETARIAT

[In the left margin:]  
No. 453401

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT

*[Emblem of the Republic of Panama]*

**REPUBLIC OF PANAMA**

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**APOSTILLE**  
*(Convention de La Haye du 5 octobre 1961)*

1. In Panama this public document
2. has been signed by: **Omar Euclides Bazan V.**
3. acting in his/her capacity as: **Secretary General**
4. and bears the stamp/seal of: **Ministry of Commerce and Industries**

**CERTIFIED**

5. in **Ministry of Foreign Affairs**
6. on **February 18, 2020**
7. by **Authentication and Legalization Department**
8. Under No. **2020-239431-476736**
9. Seal/stamp
10. Officer's signature

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT

*[Signature]*  
Gretel Kabeth Bonilla  
**CERTIFYING OFFICER**

*[QR Code]*

*[Signature]*

[Rubber stamp with the emblem of  
the Republic of Panama:]  
REPUBLIC OF PANAMA  
Ministry of Commerce and Industries  
General Directorate of the Industrial Property Registry

[Stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
TAX STAMPS  
02.04.20  
B/.00008,00  
P321413

ORIGINAL

**REPUBLIC OF PANAMA**  
**MINISTRY OF FINANCE AND TREASURY**

Model [...]

-----

**Proof of Payment**

[Partially legible stamp:] APR-14-66 [...] 99 – VS – 1

Panama, April 14, 196[6]

Mr. ARIAS, FABREGA & FABREGA has deposited in the bank account of the TREASURY, [at] Banco Nacional, the amount mentioned below in accordance with the following detail:

National Printing House – Order 1946. 10-18-65

| TAX | HEADING | COLLECTED IN | MONTH | VALUE | SURCHARGE<br>OR<br>DISCOUNT | TOTAL AMOUNT<br>COLLECTED |
|-----|---------|--------------|-------|-------|-----------------------------|---------------------------|
|     |         |              |       |       |                             |                           |

TRADEMARK  
713

Company called ESSO STANDARD OIL, S.A.,  
domiciled in the City of Panama, Republic of Panama,  
pays for the RENEWAL of ESSO OVAL trademark.....B/.12.50

TWELVE BALBOAS WITH 50/100

Collection agency commission  
Net Amount B/.

RECEIPT No. 32836

*[Signature]*  
Collecting officer

**MINISTRY OF COMMERCE AND INDUSTRIES**

The General Directorate of the Industrial Property Registry  
**Certifies** that this document is a true copy [of the original] kept  
[on file] for the trademark: ESSO OVAL  
**Certificate No. 1386** dated April 15, 1946

Panama, FEBRUARY 10, 2020

*[Signature]*

**FLOR MARIA GUEVARA**  
**Chief, Archive Department**

**MINISTRY OF COMMERCE AND INDUSTRIES**

The **Undersigned**, as Director of the Industrial Property Registry,  
**Certifies** that the signature above, corresponding to Ms. **FLOR**  
**MARIA GUEVARA**, who is presently the Chief of the Archive  
Department, is authentic.

Panama, FEBRUARY 10, 2020

*[Signature]*

**LEONARDO URIBE**  
**Director General**  
**Industrial Property Registry**

[Rubber stamp with the emblem of the  
Republic of Panama:]  
REPUBLIC OF PANAMA  
Ministry of Commerce and Industries  
General Directorate of the Industrial  
Property Registry

[Rubber stamp with handwritten insertions:]

Ministry of Commerce and Industries  
The signatures above are the ones authorized to  
carry out this procedure

Panama, February 13, 2020

*[Signature]*

Secretary General

**239431-476737**

[Rubber stamp with the flag of the  
Republic of Panama:]  
REPUBLIC OF PANAMA  
NATIONAL GOVERNMENT  
MINISTRY OF COMMERCE AND  
INDUSTRIES  
GENERAL SECRETARIAT

[In the left margin:]  
No. 453400

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT

*[Emblem of the Republic of Panama]*

**REPUBLIC OF PANAMA**

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**APOSTILLE**

*(Convention de La Haye du 5 octobre 1961)*

1. In Panama this public document
2. has been signed by: **Omar Euclides Bazan V.**
3. acting in his/her capacity as: **Secretary General**
4. and bears the stamp/seal of: **Ministry of Commerce and Industries**

**CERTIFIED**

5. in **Ministry of Foreign Affairs**
6. on **February 18, 2020**
7. by **Authentication and Legalization Department**
8. Under No. **2020-239431-476737**
9. Seal/stamp
10. Officer's signature

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT

*[Signature]*

*[Signature]*  
Gretel Kabeth Bonilla  
**CERTIFYING OFFICER**

*[QR Code]*

FILE 1387

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
Ministry of Commerce and Industries  
General Directorate of the Industrial Property Registry

[Stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
TAX STAMPS  
02.04.20  
B/.00008,00  
P321413

**Republic of Panama**

**Ministry of Agriculture, Commerce and Industries**

Trademark and Patent Division

Resolution No. 18197 -

Panama, April 18, 1966 -

**THE MINISTER OF AGRICULTURE, COMMERCE AND INDUSTRIES**

WHEREAS:

The company ESSO STANDARD OIL S.A.,  
organized under the laws of the Republic of Panama  
domiciled in the city of Panama, Republic of Panama  
has requested through a representative the renewal of the trademark “ESSO OVAL”  
which was registered in this Republic on April 15, 1946  
under the number 1386, and renewed by Resolution No. 11159,  
dated December 16, 1958;  
and having duly examined the file corresponding to that trademark it has been verified that the petitioner has the  
right to obtain the requested renewal,

RESOLVES:

To renew for ten years, as of April 15, 1966  
in favor of the company ESSO STANDARD OIL S.A.  
domiciled in the City of Panama, Republic of Panama  
the trademark “ESSO OVAL”  
which was registered in this Republic on April 15, 1946 under the number  
1386, which the same rights and prerogatives that were granted in the original registration.

Publish.

*[Signature]*  
RUBEN D. CARLES JR.

The Vice-Minister of Agriculture, Commerce and Industries

*[Signature]*  
*[Signature]* HENRY FORD B.

**MINISTRY OF COMMERCE AND INDUSTRIES**

The General Directorate of the Industrial Property Registry  
**Certifies** that this document is a true copy [of the original] kept  
[on file] for the trademark: ESSO OVAL  
**Certificate No. 1386** dated April 15, 1946

Panama, FEBRUARY 10, 2020

*[Signature]*

**FLOR MARIA GUEVARA**  
**Chief, Archive Department**

**MINISTRY OF COMMERCE AND INDUSTRIES**

The **Undersigned**, as Director of the Industrial Property Registry,  
**Certifies** that the signature above, corresponding to Ms. **FLOR**  
**MARIA GUEVARA**, who is presently the Chief of the Archive  
Department, is authentic.

Panama, FEBRUARY 10, 2020

*[Signature]*

**LEONARDO URIBE**  
**Director General**  
**Industrial Property Registry**

[Rubber stamp with the emblem of the  
Republic of Panama:]  
REPUBLIC OF PANAMA  
Ministry of Commerce and Industries  
General Directorate of the Industrial  
Property Registry

[Rubber stamp with handwritten insertions:]

Ministry of Commerce and Industries  
The signatures above are the ones authorized to  
carry out this procedure

Panama, February 13, 2020

*[Signature]*

Secretary General

**239431-476739**

[Rubber stamp with the flag of the  
Republic of Panama:]  
REPUBLIC OF PANAMA  
NATIONAL GOVERNMENT  
MINISTRY OF COMMERCE AND  
INDUSTRIES  
GENERAL SECRETARIAT

[In the left margin:]  
No. 453398

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT

*[Emblem of the Republic of Panama]*

**REPUBLIC OF PANAMA**

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**APOSTILLE**  
*(Convention de La Haye du 5 octobre 1961)*

1. In Panama this public document
2. has been signed by: **Omar Euclides Bazan V.**
3. acting in his/her capacity as: **Secretary General**
4. and bears the stamp/seal of: **Ministry of Commerce and Industries**

**CERTIFIED**

5. in **Ministry of Foreign Affairs**
6. on **February 18, 2020**
7. by **Authentication and Legalization Department**
8. Under No. **2020-239431-476739**
9. Seal/stamp
10. Officer's signature

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT

*[Signature]*

*[Signature]*  
Gretel Kabeth Bonilla  
**CERTIFYING OFFICER**

*[QR Code]*

[Handwritten:]  
*G.W.D.*  
 53.9.2.19  
*H.U.*  
 1490/93  
 B/16.00

[Emblem of the Republic of Panama with document tax information]  
 REPUBLIC OF PANAMA  
 B/2.00  
 NATIONAL TAX STAMP  
 TWO BALBOAS  
 B/2.00

[Tax stamp, affixed, illegible]  
 [Faint rubber stamp with an emblem:]  
 REPUBLIC OF [...]  
 MINISTRY OF AGRICULTURE, COMMERCE [...]  
 DEPARTMENT OF [...] PATENTS AND [...]  
 [Rubber stamp:]  
 ARIAS, FABREGA & FABREGA

[Signature]

[In this section, the lines of text are numbered 1-30 in the left margin.]

REPUBLIC OF PANAMA - MINISTRY OF AGRICULTURE, COMMERCE AND INDUSTRIES

Department of Commerce

Trademark and Patent Section

Resolution No. 21.029

Panama, June 6, 1968

THE MINISTER OF AGRICULTURE, COMMERCE AND INDUSTRIES

WHEREAS:

ESSO STANDARD OIL, S.A., organized under the laws of the Republic of Panama, and domiciled in the City of Panama, Republic of Panama, has transferred to STANDARD OIL COMPANY, a company organized and existing under the laws of the State of New Jersey, United States of America, domiciled in Flemington, State of New Jersey, United States of America, and requests that note be taken thereof, as owner of the trademarks registered in this Republic that are listed below.

| <u>Trademark</u>                               | <u>Cert. No.</u> | <u>Date of issuance</u> |
|--|------------------|-------------------------|
| ACTOL T88 + 21 - AS - 16336                    | 3086 405T2       | September 22, 1938      |
| CYLO-MAR T92 + 406 - 17[...]98                 | 3232 19T2        | July 17, 1939           |
| ENNJAY T92 + 405 - AS - 17396                  | 3231 18T2        | July 17, 1939           |
| ESSO T93 + 187AS - 22725                       | 3241 30/2        | July 17, 1939           |
| ESSO T138 + 50 - A5                            | 1273             | December 24, 1945       |
| ESSODIESEL T93 + 181 - AS - 22717 bis          | 3238             | July 17, 1939           |
| ESSOLUBLE T93 + 184 - AS - 22721               | 3245 29/2        | July 17, 1939           |
| ESSOFUEL T88 + 40 - AS - 16350                 | 3099 16T2        | October 10, 1938        |
| ESSOMARINE T93 + 186 - AS - 22723              | 3244 28/2        | July 17, 1939           |
| ESSO-MAR T93 + 178 - AS - 22715                | 3234 21T2        | July 17, 1939           |
| ESSO OVAL T143 + 373 - AS - 38267 <sup>1</sup> | 1386             | April 15, 1946          |
| ESSO OVAL T190 + 405                           | 3116             | October 24, 1950        |
| ESSOTANE T82 + 98 - AS                         | 2996             | November 22, 1937       |
| ESTAN T125 + 204 AS - 34.091                   | 3395             | September 29, 1940      |
| KUBOLA T 93 + 177 - AS - 22713 bis             | 3233 20T2        | July 17, 1939           |

continued ...  
 E66 - 612702

[illegible]

1: This line is surrounded by a thick handwritten border [Translator's note]

/2

425/1

[Rubber stamp with the emblem of the Republic of Panama:]  
 REPUBLIC OF PANAMA  
 Ministry of Commerce and Industries  
 General Directorate of the Industrial  
 Property Registry

[Rubber stamp with the emblem of the Republic of Panama, partially obscuring stamp on the right:]  
 REPUBLIC OF PANAMA  
 Ministry of Commerce and Industries  
 General Directorate of the Industrial  
 Property Registry

[Partially obscured stamp with the emblem of the Republic of Panama:]  
 REPUBLIC OF PANAMA  
 TAX STAMPS  
 [...]20  
 B/.00008,00  
 P321413

-2-

| <u>Trademark</u> <sup>2</sup>            | <u>Cert. No.</u> | <u>Date of issuance</u> |
|--|------------------|-------------------------|
| [...]ARINEX T93 + 179 AS 22715 bis       | 3235             | July 17, 1939           |
| [...]ARMAX T92 + 404 AS - 17394          | 3230 17/2        | July 17, 1939           |
| [...]VALE (colors)                       | 1591             | November 19, 1946       |
| [...]TANDARD T93 + 181 - AS - 22719      | 3239 25/2        | July 17, 1939           |
| [...]TANDARD T99 + 411 - AS - 23197      | 3344             | April 7, 1940           |
| [...]TANDARD CIRCLE T93 + 182 AS - 22719 | 3240 26/2        | July 17, 1939           |
| [...]TANOL (Commercial Trademark)        | 358 T4 20 + 56   | July 12, 1962           |
| [...]UNIFLO T134 + 503 - AS - 36112      | 986 31T2         | February 27, 194[...]   |

[Illegible]

that all documents required by law have been submitted.

RESOLVES:

To take note of the transference made by the company ESSO STANDARD OIL, S.A., [organized under] the laws of the Republic of Panama, and domiciled in the City of Panama, Republic of Panama, with STANDARD OIL COMPANY, a company organized under the laws of the State of New Jersey, United States of America, and domiciled in Flemington, State of New Jersey, United States of America, as owner of the trademarks registered in this Republic that are listed above.

Publish.

[Signature]

ARTURO DIEZ P.

[Signature]

LUIS RAUL FERNANDEZ  
 Vice-Minister of Agriculture, Commerce and  
 Industries

NBDeL/coo.

2: Some names and dates are partially illegible [Translator's note]

**MINISTRY OF COMMERCE AND INDUSTRIES**

The General Directorate of the Industrial Property Registry

**Certifies** that this document is a true copy [of the original] kept

[on file] for the trademark: ESSO OVAL

**Certificate No. 1386** dated April 15, 1946

Panama, FEBRUARY 10, 2020

*[Signature]*

**FLOR MARIA GUEVARA**  
**Chief, Archive Department**

**MINISTRY OF COMMERCE AND INDUSTRIES**

The **Undersigned**, as Director of the Industrial Property Registry,

**Certifies** that the signature above, corresponding to Ms. **FLOR**

**MARIA GUEVARA**, who is presently the Chief of the Archive Department, is authentic.

Panama, FEBRUARY 10, 2020

*[Signature]*

**LEONARDO URIBE**  
**Director General**  
**Industrial Property Registry**

[Rubber stamp with the emblem of the Republic of Panama:]

REPUBLIC OF PANAMA  
Ministry of Commerce and Industries  
General Directorate of the Industrial Property Registry

[Rubber stamp with handwritten insertions:]

Ministry of Commerce and Industries

The signatures above are the ones authorized to carry out this procedure

Panama, February 13, 2020

*[Signature]*

Secretary General

**239431-476738**

[Rubber stamp with the flag of the Republic of Panama:]

REPUBLIC OF PANAMA  
NATIONAL GOVERNMENT  
MINISTRY OF COMMERCE AND INDUSTRIES  
GENERAL SECRETARIAT

[In the left margin:]  
No. 453399

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT

*[Emblem of the Republic of Panama]*

**REPUBLIC OF PANAMA**

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**APOSTILLE**  
*(Convention de La Haye du 5 octobre 1961)*

1. In Panama this public document
2. has been signed by: **Omar Euclides Bazan V.**
3. acting in his/her capacity as: **Secretary General**
4. and bears the stamp/seal of: **Ministry of Commerce and Industries**

**CERTIFIED**

5. in **Ministry of Foreign Affairs**
6. on **February 18, 2020**
7. by **Authentication and Legalization Department**
8. Under No. **2020-239431-476738**
9. Seal/stamp
10. Officer's signature

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT

*[Signature]*

*[Signature]*  
Gretel Kabeth Bonilla  
**CERTIFYING OFFICER**

*[QR Code]*

## **CERTIFICATE OF TRANSLATION**

**I, Nahum Hahn, am competent to translate from Spanish into English, and certify that the translation of the attached document, “Exhibit I to the Declaration of Lindsey Frank”, is true and accurate to the best of my abilities.**

**June 11, 2020**

A handwritten signature in black ink, appearing to read 'Nahum Hahn', written over the printed name.

**Nahum Hahn**

**161 Gordonhurst Ave.**

**Montclair, NJ 07043**

**(917) 680-4699**



1 REPUBLICA DE PANAMA.- MINISTERIO DE AGRICULTURA, COMERCIO E INDUSTRIAS

2 Sección de Comercio e Industrias no Agrícolas.-

3 Ramo de Patentes y Marcas.-

Resuelto N° 2117.-

4 Panamá, 15 de Abril de 1946.-

5 EL MINISTRO DE AGRICULTURA, COMERCIO E INDUSTRIAS,

6 en nombre y por autorización del Excelentísimo

7 Señor Presidente de la República,

8 CONSIDERANDO:

9 que la sociedad anónima ESSO STANDARD OIL S. A., organizada según  
10 las leyes de la República de Panamá, domiciliada en la ciudad de Pana-  
11 má, República de Panamá, ha solicitado por medio de apoderados el re-  
12 gistro de una Marca de Fábrica que usa para amparar y distinguir en el  
13 comercio "Aceites y grasas refinadas, semirrefinadas y no refinadas ex-  
14 traídas de petróleo, tanto con y sin mezcla de sustancias animales, ve-  
15 getales o minerales, para alumorado, calefacción, fuerza motriz, com-  
16 bustible, y lubricación";

17 que la marca consiste en la palabra "E S S O" dentro de un óvalo, y  
18 se aplica imprimiéndola sobre los envases que contengan los productos,  
19 o colocando sobre los envases etiquetas impresas con la marca; y  
20 que respecto a la solicitud en referencia se han llenado todos los  
21 requisitos legales sin que se haya formulado oposición alguna al regis-  
22 tro pedido,

23 RESUELVE:

24 Registrar, bajo la responsabilidad de los interesados y dejando a  
25 salvo derechos de terceros, la Marca de Fábrica de que se ha hecho mé-  
26 rito, la cual sólo podrá usar en la República de Panamá la sociedad a-  
27 nónima ESSO STANDARD OIL S. A., domiciliada en la ciudad de Panamá, Re-  
28 pública de Panamá.-

29 Expídase el certificado de registro y archívese el expediente.-

30 Publíquese.-

REPUBLICA DE PANAMA  
MINISTERIO DE AGRICULTURA Y COMERCIO

CERTIFICADO NUMERO 1388 DE REGISTRO DE  
MARCA DE FABRICA

Fecha del Registro: 15 de Abril de 1948 Caduca: 15 de abril

ANTONIO PINO R.,

MINISTRO DE AGRICULTURA, COMERCIO E INDUSTRIAS.

HACE SABER:

Que mediante el cumplimiento de las formalidades legales sobre la materia de responsabilidad de ~~los~~ interesado s, dejando a salvo derechos de terceros, registrada en la oficina respectiva, en virtud de la Resolución número 2117, misma fecha, una marca de fábrica de la sociedad anónima ESSO STANDARD S. A., domiciliada en esta ciudad. para amparar y distinguir en el comercio "Aceites y grasas puras, semirefinadas y no refinadas extraídas de petróleo, tanto y sin mezcla de sustancias animales, vegetales o minerales, lubricantes, calefacción, fuerza motriz, etc." de cuya marca va un ejemplar adherido a este pliego, donde aparece transcrita la pendiente descripción.

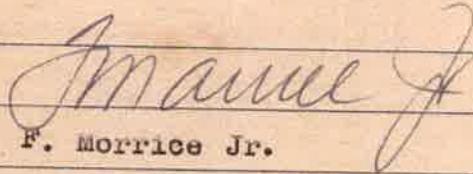
La solicitud de registro fué presentada el día 27 de Noviembre de 1948 en la forma determinada por la ley, y publicada en el número 5000 de la G A

1 El Ministro,

2  
3 

4 Antonio Pino R.

5 El Primer Secretario,

6  
7   
8 F. Morrice Jr.

9  
10 Se expialó el certificado de registro número 1386.-

11 emd.  
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REPUBLICA DE PANAMA  
MINISTERIO DE AGRICULTURA Y COMERCIO

CERTIFICADO NUMERO 1588 DE REGISTRO DE  
MARCA DE FABRICA

Del Registro: 15 de abril de 1948. Caduca: 15 de abril de 1958.



obre la materia, bajo la  
os de toreros, ha sido  
numero 2114, de esta

de mediante el cual  
abilidad de inter  
ada en la oficina resp

fecha una marca de fabrica de  
completada en esta ciudad.  
nueva y distribuida en el comercio "nacional y grando refina  
matriculadas y no matriculadas en el comercio, como con  
marca de sustancias animales, vegetales o minerales, para

DESCRIPCION DE LA MARCA: La marca consiste en la p  
res abobadadas, sobre las que se imprimen las palabras "Esso"  
en los envases o productos, o colocados sobre los envases  
marca en un ejemplar adherido a este tipo, donde aparece transcrita la corres  
envases etiquetas impresas con la marca.

La descripción de  
solicitud de registro fue presentada el día 15 de abril de 1948.  
una determinada por la ley, y publicada en el número 2114 de la GACETA  
La correspondiente al 30 de febrero de 1948.

Solicitud de Renova-  
ción de la Marca:

"ESSO OVAL" #1386

E65-038151



SEÑOR MINISTRO DE AGRICULTURA, COMERCIO E INDUSTRIAS:

Actuando en nombre y en representación de la sociedad deno-  
minada ESSO STANDARD OIL, S. A., una sociedad constituida y existen-  
te de conformidad con las leyes de la República de Panamá, con do-  
micilio en la Ciudad de Panamá, República de Panamá, dimos muy res-  
petuosamente a usted se sirva ordenar la RENOVACION de la marca de  
fábrica-----"ESSO OVAL"----- de propiedad de la citada sociedad,  
registrada en esta República por medio del Certificado de Registro  
No. 1386 de 15 de Abril de 1946.

Acompañamos: a) Comprobante de que los derechos han sido  
pagados; b) El Poder a nuestro favor consta en el expediente de  
Registro de esta marca.

Panamá, 13 de Abril de 1966.

*15 Abril*

Por ARIAS, FABREGA & FABREGA

Octavio Fábrega  
Céd. No. 8-AV-10-751



**MINISTERIO DE COMERCIO E INDUSTRIAS**

La Dirección General del Registro de la Propiedad Industrial  
Certifica que el presente documento es fiel copia que se  
encuentra en la marca: ESSO OVAL  
Certificado N° 1386 de 15 de ABRIL de 1946

Panamá, 10 de FEBRERO de 2020

*Flor María Guevara*  
**FLOR MARIA GUEVARA**  
Jefe (a) del Departamento de Archivos

**MINISTERIO DE COMERCIO E INDUSTRIAS**

El **Infrascrito** Director de Registro de la Propiedad Industrial  
Certifica que la firma que antecede expresiva del nombre y apellido  
de la Sr. a) **FLOR MARIA GUEVARA** quien ejerce el cargo  
Actualmente de jefe del Departamento de Archivos, es Autentica.

Panamá, 10 de FEBRERO de 2020

*Leonardo Uribe*  
**LEONARDO URIBE**  
DIRECTOR GENERAL DEL REGISTRO DE  
LA PROPIEDAD INDUSTRIAL



**Ministerio de Comercio e Industrias**  
Las firmas que anteceden son las autorizadas para  
realizar el presente trámite.

Panamá, 13 de Feb de 2020

*[Signature]*  
Secretario(a) General  
239431-476736



REPÚBLICA DE PANAMÁ

**APOSTILLE**

(Convention de la Haye du 5 octobre 1961)

1. En Panamá el presente documento público
  2. ha sido firmado por **Omar Euclides Bazan V.**
  3. quien actúa en calidad de **Secretario General**
  4. lleva el sello/timbre de **Ministerio de Comercio e Industrias**
- Certificado**
5. en **Ministerio de Relaciones Exteriores**
  6. el día **18 de febrero de 2020**
  7. por **Departamento de Autenticación y Legalización**
  8. Número **2020-239431-476736**
  9. Sello / Timbre
  10. Firma del funcionario

N° 453401

*Gretel Bonilla*

Gretel Kabeth Bonilla  
CERTIFICADOR





ORIGINAL

REPUBLICA DE PANAMA  
MINISTERIO DE HACIENDA Y TESORO

Liquidación de Ingresos

ABR-14-66

— VS —

1

Panamá, 14 de abril de 1966

El señor ARIAS, FABRICA & FABRICA

ha depositado a la cuenta corriente del TESORO,

Banco Nacional, la suma que a continuación se expresa al siguiente detalle:

Imprenta Nacional.—Orden 1946. 13-10-65

| IMPUESTO | PARTIDA | RECAUDADO EN | MES | VALOR | RECARGO O DESCUENTO | TOTAL COBRADO |
|----------|---------|--------------|-----|-------|---------------------|---------------|
|----------|---------|--------------|-----|-------|---------------------|---------------|

MARCA DE FABRICA  
713

Sociedad denominada ESSO STANDARD OIL, S. A. con domicilio en la Ciudad de Panamá, República de Panamá paga para la RENOVACION de la marca de fábrica ESSO OVAL.....B/.12.50

DOCE BALBOAS CON 59/100.-

Comisión del Recaudador  
Valor Neto B/.

LIQUIDACION No 32836

*[Signature]*  
Liquidador

**MINISTERIO DE COMERCIO E INDUSTRIAS**

La Dirección General del Registro de la Propiedad Industrial  
Certifica que el presente documento es fiel copia que se  
encuentra en la marca: ESSO OVAL  
Certificado N°1386 de 15 de ABRIL de 1946

Panamá, 10 de FEBRERO de 2020

*Flor María Guevara*  
**FLOR MARIA GUEVARA**  
Jefe (a) del Departamento de Archivos

**MINISTERIO DE COMERCIO E INDUSTRIAS**

El **Infrascrito** Director de Registro de la Propiedad Industrial  
Certifica que la firma que antecede expresiva del nombre y apellido  
de la Sr. a) **FLOR MARIA GUEVARA** quien ejerce el cargo  
Actualmente de jefe del Departamento de Archivos, es Auténtica.

Panamá, 10 de FEBRERO de 2020

*Leonardo Uribe*  
**LEONARDO URIBE**  
DIRECTOR GENERAL DEL REGISTRO DE  
LA PROPIEDAD INDUSTRIAL



Ministerio de Comercio e Industrias  
Las firmas que anteceden son las autorizadas para  
realizar el presente trámite.

Panamá, 10 de Feb de 2020

*[Signature]*  
Secretario(a) General  
**239431-476737**



REPÚBLICA DE PANAMÁ

**APOSTILLE**

(Convention de la Haye du 5 octobre 1961)

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  3. quien actúa en calidad de **Secretario General**
  4. lleva el sello/timbre de **Ministerio de Comercio e Industrias**
- Certificado**
5. en **Ministerio de Relaciones Exteriores**
  6. el día **18 de febrero de 2020**
  7. por **Departamento de Autenticación y Legalización**
  8. Número **2020-239431-476737**
  9. Sello / Timbre
  10. Firma del funcionario

N° **453400**

*Gretel Bonilla*

Gretel Kabeth Bonilla  
CERTIFICADOR



EXPEDIENTE 1387

República de Panamá.-



Ramo de Patentes y Marcas.

Resuelto N°....18197...

Panamá, ..18.. de ..abril..... de 19.66

**EL MINISTRO DE AGRICULTURA, COMERCIO E INDUSTRIAS**

**CONSIDERANDO:**

Que la sociedad ... **ESSO STANDARD OIL S. A.** .....  
organizada según las leyes de **la República de Panamá**.....  
domiciliada en **la ciudad de Panamá, República de Panamá**.....  
ha solicitado por medio de apoderado la renovación de la Marca de **Fábrica Comercio** ... "**ESSO OVAL**" ..  
..... cuyo registro se hizo en esta República el ....**15**..... de.....  
...**abril**.... de 19.**46**..., bajo el número .. **1386**....; y renovada por Resuelto No..  
...**11159** del **16** de **diciembre** de **1958**.....

.....; y  
que debidamente examinado el expediente correspondiente a dicha Marca de **Fábrica Comercio** se  
ha constatado el derecho que le asiste a la peticionaria para obtener la renovación solicitada,

**RESUELVE:**

Renovar por diez años más, a partir del día ...**15** de ...**abril**..... de 19.**66**...  
a favor de la sociedad ... **ESSO STANDARD OIL S. A.**.....  
domiciliada en ..**la Ciudad de Panamá, República de Panamá**.....  
la Marca de **Fábrica Comercio** ... "**ESSO OVAL**".....  
cuyo registro se hizo en esta República el ..**15** de ...**abril**.... de 19..**46** bajo el número  
...**1386**...., con los mismos derechos y prerrogativas otorgadas en el registro primitivo.

Publíquese.

RUBEN D. CARLES JR.

El Viceministro de Agricultura, Comercio e Industrias,

HENRY FORD B.

**MINISTERIO DE COMERCIO E INDUSTRIAS**

La Dirección General del Registro de la Propiedad Industrial

Certifica que el presente documento es fiel copia que se

encuentra en la marca: ESSO OVAL

Certificado N°1386 de 15 de ABRIL de 1946

Panamá, 10 de FEBRERO de 2020

*Flor María Guevara*  
FLOR MARIA GUEVARA

Jefe (a) del Departamento de Archivos

**MINISTERIO DE COMERCIO E INDUSTRIAS**

El **Infrascrito** Director de Registro de la Propiedad Industrial

Certifica que la firma que antecede expresiva del nombre y apellido

de la Sr. a) **FLOR MARIA GUEVARA** quien ejerce el cargo

Actualmente de jefe del Departamento de Archivos, es Auténtica.

Panamá, 10 de FEBRERO de 2020

*Leonardo Uribe*

LEONARDO URIBE  
DIRECTOR GENERAL DEL REGISTRO DE  
LA PROPIEDAD INDUSTRIAL



Ministerio de Comercio e Industrias  
Las firmas que anteceden son las autorizadas para  
realizar el presente trámite.

Panamá, 13 de Feb de 2020

*[Signature]*

Secretario(a) General

23 9431-476739



REPÚBLICA DE PANAMÁ

**APOSTILLE**

(Convention de la Haye du 5 octobre 1961)

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- Certificado**
5. en **Ministerio de Relaciones Exteriores**
  6. el día **18 de febrero de 2020**
  7. por **Departamento de Autenticación y Legalización**
  8. Número **2020-239431-476739**
  9. Sello / Timbre
  10. Firma del funcionario

N° 453398

*Gretel Bonilla*

Gretel Kabeth Bonilla  
CERTIFICADOR



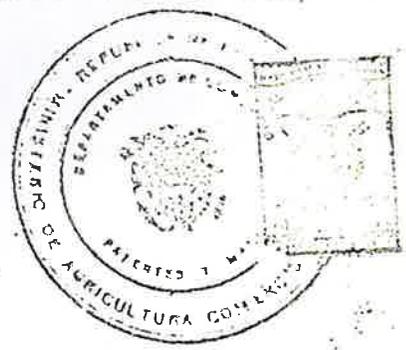
GND

23-9-2-19 H.V.

1490 / 93



1600



ARIAS, FARDEGA & FARDEGA

REPUBLICA DE PANAMA.-MINISTERIO. DE AGRICULTURA, COMERCIO E INDUSTRIAS

Departamento de Comercio

Sección de Marcas y Patentes Resuelto No. 21.029

Panamá, 6 de Junio de 1968

EL MINISTRO DE AGRICULTURA, COMERCIO E INDUSTRIAS

CONSIDERANDO :

Que ESSO STANDARD OIL S. A. organizada según las leyes de la República de Panamá, y domiciliada en Panamá, República de Panamá., ha tras pasado a STANDARD OIL COMPANY, sociedad constituida y existente de conformidad con las leyes del Estado de New Jersey, Estados Unidos de Norteamérica, domiciliada en Flemington, Estado de New Jersey,, Estados Unidos de Norteamérica., y solicita se tome nota de ello como dueña de las siguientes marcas de fábrica registradas en esta República y que a continuación se detallan.

| Distintivo                     | No. Cert.     | Fecha de Expedición |
|--------------------------------|---------------|---------------------|
| ACTOL T 88 / 21-AS-16336       | 3086 405 T 2  | 22 de Sept. de 1938 |
| CYLO-MAR T 92 / 406-17398      | 3232 / 19 T 2 | 17 de Julio de 1939 |
| ENNJAY T 92 / 405-AS-17396     | 3231 / 19 T 2 | 17 de Julio de 1939 |
| ESSO T 93 / 18-AS-22721        | 3241 / 30/2   | 17 de Julio de 1939 |
| ESSO T 38 / 50-AS              | 1273          | 24 de Dic. de 1945  |
| ESSODIESEL T 93 / 181-AS-22717 | 3238          | 17 de Julio de 1939 |
| ESSOLUBLE T 93 / 174-AS-22721  | 3245 / 20/2   | 17 de Julio de 1939 |
| ESSOFUEL T 88 / 40-AS-16350    | 3099 / 16 T 2 | 10 de Oct. de 1938  |
| ESSOMARINE T 93 / 136-AS-22723 | 3244 / 28/2   | 17 de Julio de 1939 |
| ESSO-MAR T 93 / 178-AS-22715   | 3234 / 20 T 2 | 17 de Julio de 1939 |
| ESSO OVAL T 193 / 373-AS-38267 | 3386          | 15 de Abril de 1946 |
| ESSO OVAL T 190 / 405          | 3116          | 24 de Oct. de 1950  |
| ESSOTANE T 82 / 98-AS          | 2996          | 22 de Nov. de 1937  |
| ESTAN T 125 / 204-AS-34091     | 3395          | 29 de Sept. de 1940 |
| KUBOLA T 93 / 177-AS-22713     | 3233 / 20 T 2 | 17 de Julio de 1939 |

425/1



| Distintivo                         | No. Cet. | Fecha de Expedición   |
|------------------------------------|----------|-----------------------|
| ARINEX T93 / 179 A-22715 bis       | 3235     | 17 de Julio de 1939   |
| ARMAX T92 / 404 A-17394            | 3230     | 17 de Julio de 1939   |
| VALE ( a colores )                 | 1591     | 19 de Nov. de 1946    |
| STANDARD T93 / 181-A-22.719        | 3239     | 17 de Julio de 1939   |
| STANDARD T99 / 411-A-22.197        | 3344     | 7 de Abril de 1940    |
| STANDARD CIRCLE T93 / 182-A-22.719 | 3240     | 17 de Julio de 1939   |
| TANOL (Marca de Comercio)          | 358      | 12 de Julio de 1962   |
| UNIFLO T134 / 503-A-36112          | 986      | 27 de Febrero de 1941 |

VICO

que se han presentado todos los documentos requeridos por la ley

RESUELVE :

Tomar nota del traspaso hecho por la sociedad ESSO STANDARD OIL S. A. con las leyes de la República de Panamá, y domiciliada en Panamá R. de P. con la STANDARD OIL COMPANY, sociedad organizada según las leyes del Estado de New Jersey, Estados Unidos de Norteamérica, y domiciliada en Flemington, Estado de New Jersey, Estados Unidos de Norteamérica., como dueña de las marcas de fábrica, registradas en esta República y que anteriormente se han detallado.

Publiquese.

*Arturo Diez P.*  
 ARTURO DIEZ P.

*Luis Raul Fernandez*  
 LUIS RAUL FERNANDEZ

Vice-Ministro de Agricultura, Comercio e Industrias,

8 NDeL/coo.-

MINISTERIO DE COMERCIO E INDUSTRIAS  
La Dirección General del Registro de la Propiedad Industrial  
**Certifica** que el presente documento es fiel copia que se  
encuentra en la marca: ESSO OVAL  
Certificado N°1386 de 15 de ABRIL de 1946

Panamá, 10 de FEBRERO de 2020

*Flor María Guevara*  
FLOR MARIA GUEVARA  
Jefe (a) del Departamento de Archivos

MINISTERIO DE COMERCIO E INDUSTRIAS  
El **Infrascrito** Director de Registro de la Propiedad Industrial  
**Certifica** que la firma que antecede expresiva del nombre y apellido  
de la Sr. a) **FLOR MARIA GUEVARA** quien ejerce el cargo  
Actualmente de jefe del Departamento de Archivos, es Auténtica.

Panamá, 10 de FEBRERO de 2020

*Leonardo Uribe*  
LEONARDO URIBE  
DIRECTOR GENERAL DEL REGISTRO DE  
LA PROPIEDAD INDUSTRIAL



Ministerio de Comercio e Industrias  
Las firmas que anteceden son las autorizadas para  
realizar el presente trámite.

Panamá, 13 de Feb de 2020

*Gonzalo...*  
Secretario(a) General  
239431-476738



REPÚBLICA DE PANAMÁ

**APOSTILLE**

(Convention de la Hays du 5 octobre 1961)

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  4. lleva el sello/timbre de **Ministerio de Comercio e Industrias**
- Certificado**
5. en **Ministerio de Relaciones Exteriores**
  6. el día **18 de febrero de 2020**
  7. por **Departamento de Autenticación y Legalización**
  8. Número **2020-239431-476738**
  9. Sello / Timbre
  10. Firma del funcionario

Nº 453399

*Gretel Bonilla*

Gretel Kabeth Bonilla  
CERTIFICADOR



**DECLARATION OF LINDSEY FRANK – EXHIBIT J**

# JAMAICA



**THIS IS TO CERTIFY THAT ANNEXED HERETO IS A TRUE COPY OF THE  
DETAILS IN THE REGISTER AT THE JAMAICA INTELLECTUAL PROPERTY  
OFFICE FOR:**

**TRADE MARK NO. 3161**

**BY AUTHORITY OF THE JAMAICA INTELLECTUAL PROPERTY OFFICE**

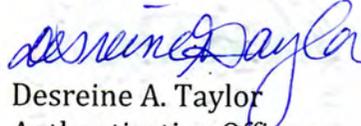
A handwritten signature in black ink, appearing to read "Herman A. Dawson", enclosed within a large, hand-drawn oval.

**HERMAN A. DAWSON**

**CERTIFYING OFFICER**

**March 13, 2020**

I, Desreine A. Taylor, hereby certify that the signature appearing overleaf on this document is that of **Herman A. Dawson** Certifying Officer, Jamaica Intellectual Property Office, Kingston, JAMAICA.



Desreine A. Taylor  
Authenticating Officer  
Ministry of Foreign Affairs and  
Foreign Trade, JAMAICA  
**19<sup>th</sup> March 2020**



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Faint, illegible text or stamp at the bottom right of the page.

Name, Address and Description of Applicant.

Application.

Registration.

3161 West India Oil Company, S.A.  
 associated with a corporation of Panama located  
 Marks Nos. 2400, at Panama city, Panama, a corpora-  
 2996, 7346 tion engaged in manufacturing and  
 marketing petroleum products.

28th November 1935  
 Date of Renewal of  
 Registration.  
 28th November,  
 1949.  
 28th November 196

S. TRENKLE  
 09.10.12

Name of subsequent proprietors Date of registration Date of Renewal of Registration  
 Esso Standard Oil (Caribbean) 25th March 28th November  
 S.A. a corporation duly organised 1944 1978 16/351  
 and existing under the Laws of the 28th November  
 Republic of Panama carrying on 1992 60/Tm 92  
 business at Panama city, 28th November  
 Panama 2006

15/11/14  
 21/2/14

~~ESSO STANDARD OIL S.A.~~  
 EXXON CORPORATION  
 a Corporation duly organised  
 and existing under the Laws  
 of the Republic of Panama,  
 and carrying on business at  
 Havana in the Republic of  
 1251 Avenue of the Americas  
 Cuba and at 100 Water Lane  
 New York, United States of  
 America, Kingston, Jamaica, British West  
 Indies, Merchants.

28th April, 28th November  
 1952. 2006

STGT  
 11/11/14  
 12/11/14

1/11/14  
 1/11/14 done in error

3162. Desnoes & Geddes Ltd. of 27-35 - 20th November 19



TRADE MARK.

3/6/



*Handwritten signature*  
only Reg. York.

CFC 26.1.8 18; 27.5.17

Change of address registered as of date the 11<sup>th</sup> September 2001 in pursuance of an application received on date the 31<sup>st</sup> August 2001

25/1944

Registry of Companies

Change of name registered as of date the 11<sup>th</sup> September 2001 in pursuance of an application received on date the 31<sup>st</sup> May 2001

25/1944

Unit 10

removed from the register as of date 20<sup>th</sup>  
November 1977 <sup>34 Remo</sup> under section 22(3) of the Trade  
Marks Law, 1957 on account of non-payment  
of renewal fees.

Registrar of Companies.

14/1/83

In pursuance of an application received on

6th January 1983

EXXON Mobil Corporation

~~EXXON CORPORATION~~, a Corporation organised and

existing under the laws of the State of New

Jersey, U.S.A. whose registered office is at 1251 Avenue of

America, New York 10020 USA. 5959 Dow Chemical

are registered as Proprietors as of date 8th

Boulevard, Irving, Texas 75039 - 2298

March 1983 by virtue of a Deed of Assignment

dated 9th December 1982 between Esso

STANDARD OIL, S.A. of the one part and ~~EXXON~~  
Mobil Corporation ~~corporation~~ of the other part.

16

16/351

Registrar of Companies.

**DECLARATION OF LINDSEY FRANK – EXHIBIT K**

| TITLE OF CASE   | PROCTORS                                       |
|---|--|
| Esso Standard Oil, S.A.   | For Libelant:                                  |
|   | Kirlin Campbell & Keating                      |
| vs  | 120 Broadway (5)                               |
| SS GASBRAS SUL, her engines, boilers, etc. and<br>the A/S Sobral, the owner of the said SS Gasbras Sul. | For Respondent:                                |
|   | Haight, Gardner, Poor & Havens                 |
|   | 80 Broad St. N <sup>Y</sup> 4                  |
| BASIS OF ACTION: Collision \$75,000.  | 5 & 6<br><i>Reopened</i><br><i>576 7/19/62</i> |

| DATE        | ACCOUNT        | RECEIVED | DISBURSED | DATE    | ACCOUNT | RECEIVED | DISBURSED |
|-------------|----------------|----------|-----------|---------|---------|----------|-----------|
| 8-21-56     | 716.71         | 15-      |           | 3-9-67  | Haight  | 5        |           |
| AUG 24 1956 | Pa. H. S. Fees |          | 15-       | 3-10-67 | USTREAS |          | 5-        |

| DATE        | FILINGS—PROCEEDINGS  | PROCTORS |       |
|-------------|--|----------|-------|
|             |  | LIB'T    | RESP. |
| Aug. 21-56  | Filed libel & stip. for costs (\$250. Federal Ins. Co.)  |          |       |
| Aug 29-56   | " stip. for claimant's costs(\$250. National Surety Corp.)   |          |       |
| Aug 29-56   | " claim of owner.  |          |       |
| June 22-59  | " answer of A/S Sobral to libel  |          | HGP&H |
| JUN 24 1959 | On call for review - G. R. 21 before <i>Ryan, J. 120 D/O</i>   |          |       |
| June 25-59  | Filed order that plaintiff file a note of issue or take other action within 120 days from this order(6-24-59) or action may be dismissed. If case is not placed on T/C within 120 days Ryan, J. will enter exparte order dismissing action. Ryan, J. |          |       |
| Oct. 22-59  | Filed stip. and order extending time to file a note of issue etc., to 12/22/59. Ryan, Ch. J.   |          |       |
| Dec. 21-59  | " stip. & order extending libelants time to file note of issue, etc to 3-22-60-Ryan, Ch. J.  |          |       |
| Mar. 21-60  | " stip. & order extending time to file note of issue etc to 6-22-60-Ryan, Ch. J.   |          |       |
| June 22-60  | " stip. & order extending time to file note of issue etc to 9-22-60-Ryan, Ch. J.   |          |       |

| DATE        | FILINGS—PROCEEDINGS   | PROCTORS |             |
|-------------|---|----------|-------------|
|             |   | LIB'T    | RESP.       |
| Sept. 27-60 | Filed stip. and order extending time to file note of issue etc.<br>to 11-22-60. So ordered. Ryan, J.  |          |             |
| Oct. 17-60  | " depositions of E.R. Viteri, A. Davis, H. Moreno & C. Trujillo-<br>from Guatemala (Mailed notices 10-17-60).<br>of Viteri et al                                    |          |             |
| Oct. 31-60  | " stip. and order withdrawing depositions/ from file by libelant, So ordered.   |          | Kaufman, J. |
| Nov. 23-60  | " stip. and order extending time to file note of issue to 1-23-61. Ryan, J.   |          |             |
| Jan. 24-61  | " stip. & order extending time to file note of issue to 4-23-61. Ryan, Ch. J.   |          |             |
| Apr. 25-61  | " stip. & order " " " " " " " " " " <del>7-24-61</del> Ryan, J.   |          |             |
| July 24-61  | " stip. and order extending time " " " " " " " " " " 10-24-61. Ryan, J.   |          |             |
| Oct. 26-61  | " " " " " " " " " " " " " " 11-24-62. McGohey, J.   |          |             |
| Jan. 23-62  | " " " " " " " " " " " " " " 6-24-62. Ryan, Ch. J.   |          |             |
| Jul 11-62   | " order dismissing action for lack of prosecution. Ryan, J.   |          |             |
| Jul 16-62   | " <i>Affdt &amp; stip. to extend time to file note of issue. Memo. Endorsed - D. Emerald etc - Ryan, J.</i>   |          |             |
| Jul 19-62   | Filed affdt. & notice of motion to vacate dismissal & extend time to file<br>note of issue - Ret. 7/19/62   |          |             |
| 8-19-62     | Memorandum endorsed on notice of motion filed 7/19/62 vacating order of<br>dismissal & extending time to place suit on trial calendar to<br>8/15/62 etc. - Ryan, J. |          |             |
| Aug. 8-62   | Filed NOTE OF ISSUE and statement of readiness.   |          |             |
| Oct 10-62   | Filed pre-trial order pursuant to Cal. Rule 13 - Ryan, J.   |          |             |
| Oct 17-62   | Filed libelant's designation of trial counsel   |          |             |
| Oct 18-62   | Filed claimant-respondent's designation of trial counsel  |          | HGP&H       |
| Nov 7-62    | Filed affdt stip. & order extending time of each party to file pre-trial<br>memorandum to 12/5/62 - Metzner, J.   |          |             |
| Dec. 6-62   | " stip. and order extending time for filing pretrial memo to 1-5-63. Levett, J.   |          |             |
| Jan. 5-63   | " joint pre-trial memorandum  | x        | HGP&H       |
| Mar 5-63    | Filed pre-trial order on consent pursuant to Cal. Rules 6, 13, & 16 - MacMahon, J.  |          |             |
| Dec. 17-63  | " Notice of motion ret. in Room 128 to adjourn the pending trial<br>to the February 1964 term. Memo. End. Application to adjourn<br>on R/D/C granted. Edelstein, J. |          |             |
| Feb. 18-64  | Before Feinberg, J. Trial begun.  |          |             |
| Feb. 19-64  | Trial continued.  |          |             |
| Feb. 20-64  | " "   |          |             |
| Feb. 24-64  | " " and concluded. Decision Reserved.   |          |             |
| Apr. 4-64   | Filed Record of Proceedings of Feb. 18, 19, 20 & 24, 1964.  |          |             |
| July 10-64  | " Claimant-Respondent's Brief after Trial.  |          | HGP&H       |

continued next page

189 AD.121

| DATE        | FILINGS—PROCEEDINGS   | PROCTORS |       |
|-------------|---|----------|-------|
|             |   | LIB'T    | RESP. |
| July 10-64  | Filed Claimant-Respondent's Reply Brief.  |          | HBP&H |
| July 10-64  | " Claimant-Respondent's Trial Memorandum.   |          | "     |
| July 10-64  | " Claimant-Respondent's Trial Memorandum.   |          | "     |
| July 10-64  | " Libelant's Post-Trial Brief.  | KC&K     |       |
| July 10-64  | " Libelant's Trial Memorandum.  | "        |       |
| July 10-64  | " Libelant's Reply Brief.   | "        |       |
| July 10-64  | " OPINION #30162. Feinberg, J. ***I find that libelant has met its burden of proving that the damage to its sea terminal was proximately caused by respts' negligence; that libelant was not negligent; and that respts. are liable to liblt. for the damage so caused. The foregoing opinion shall constitute the findings of fact and conclusions of law of the Court. Submit decree on notice. |          |       |
| July 21-64  | " Notice of Motion re: Reconsider Memo., etc. Ret. 7/28/64.   |          | HGP&H |
| July 21-64  | " Memorandum in support of motion for rehearing, etc.   |          | "     |
| July 27-64  | " Stipulation adjourning motion now ret. 7/28/64 to 8/18/64.  |          |       |
| Aug. 17-64  | " Opposing affidavit to motion of claimant-respt. for reargument.   | KC&K     |       |
| Aug. 17-64  | " Memorandum Opposing Reargument.   | KC&K     |       |
| Aug. 20-64  | " MEMO. END. on notice of motion for reargument filed 7/21/64. Motion denied. So ordered. Feinberg, J.  |          |       |
| Sep 10-64   | Filed Interlocutory Decree - ordered that Esso Standard Oil S.A. recover from S/S Gasbras Sul & A/S Sobral for damages sustained & referring this matter to Samuel G. Fredman, <sup>55/</sup> 515 5th Av. NYC as Spec. Commish. to ascertain & compute amount of damages.-Feinberg, J. (Mailed Notice)  |          |       |
| Sept. 23-64 | " Letter from Kirilin, Campbell & Kating acknowledging receipt of Deposition removed from file.   |          |       |
| July 22-66  | " Commissioner's Report.  |          |       |
| July 22-66  | " Notice of Filing Commissioner's Report. (Mailed copies).  |          |       |
| July 22-66  | " Brief of Esso's on Damages.   | KC&K     |       |
| July 22-66  | " Gasbras Sul's Main Brief on Damages.  |          | HGP&H |
| July 22-66  | " Esso's Reply Brief on Damages.  | KC&K     |       |
| July 22-66  | " Gasbras Sul's Reply Brief on Damages.   |          | HGP&H |
| July 22-66  | " Record of Proceedings before Commissioner of 3/31/65, 4/1/66 and 4/2/66.  |          |       |
| July 22-66  | " Record of Proceedings before Commissioner of 5/5 and 5/6/65.  |          |       |
| July 22-66  | " " " " " " " 6/8/65.   |          |       |
| July 29-66  | " Stipulation and order extending time to object to Commissioner's Report. Palmieri, J.   |          | KC&K  |

continued next page

AD. 189-121 Esso Standard Oil, S.A. vs. S.S.Gasbras Sul et al

| DATE       | FILINGS—PROCEEDINGS   | PROCTORS |       |
|------------|---|----------|-------|
|            |   | LIB'T    | RESP. |
| Aug.29-66  | Filed stipulation and order extending time to object to Special Master's Report to 9/30/66. MacMahon, J.  |          | HGP&H |
| Sept.30-66 | " stipulation that parties have reached agreement on question of interest; and extending time for either party to serve objections to Special Master's Report to 10/14/66. Tyler, J.  |          | HGP&H |
| Oct.13-66  | " Notice of Motion re: Objections to Sp. Master's Report. Ret. 10/25/66.  |          | HGP&H |
| Oct.13-66  | " Memorandum in support of claimant-defendant's objections to Special Masters Report.   |          | "     |
| Oct.25-66  | " stipulation adjourning motion now ret. 10/25/66 to 11/15/66.  |          |       |
| Nov.14-66  | " " " " " 11/15/66 to 11/29/66.   |          |       |
| Nov.29-66  | " (in court) Claimant-Defendant's Reply Memorandum.   |          | HGP&H |
| Nov.29-66  | " " " Plaintiff's Memorandum in support of Special Master's Report.   | KC&K     |       |
| Feb.9-67   | " OPINION #33249 Bonsal, J. ***In adopting the Special Master's findings of fact, the court overrules the first three objections, and it follows that the fourth objection is also overruled. For the foregoing reasons, claimant-defendant's objections to the report of the Special Master are overruled and the report is adopted in all respects. Settle Final Judgment on notice. (mailed notices)       |          |       |
| Mar.1-67   | " FINAL JUDGMENT. #68,477. Ordered that the objections to Report of Special Master are overruled and report adopted in all respects; Ordered that Esso Standard Oil S.A. recover from S.S.Gasbras Sul, and A/S Sobral, as owner, \$47,375.56 with int. amounting to \$15357.61 (Total \$62,733.17) with int. on said total recovery until paid, tog. with costs to be taxed. Bonsal, J. Judgment ent. 3/2/67. |          |       |
| Mar 9-67   | " claimant/deft's(A/S Sobran) notice of appeal.--mailed copy  |          | HGP&H |
| Apr.18-67  | " Certified Record on Appeal to U.S.C.A.  |          |       |
| Feb.8-68   | Filed Mandate of U.S.C.A. with opinion attached. Judgment of the District Court is reversed and the libel dismissed with costs to the appellant in accordance with the opinion of this Court. Fusaro, Clerk. DOCKETED AS JUDGMENT #69,102. on 2/8/68. Ent. 2/9/68. (mailed notice)  |          |       |
| 5-24-68    | <i>Filed bill of costs taxed in favor of the defendant as against plaintiff in the sum of \$6,808.94.</i>   |          |       |
| Jul 29-68  | Filed Satisfaction of Judgments Nos. 68,477 and 69,102.   |          |       |

*Bonsal, J.*

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK



----- x  
ESSO STANDARD OIL, S.A.

Plaintiff

-against-

A 189-121

S/S GASBRAS SUL, her engines,  
boilers, etc. and against  
A/S SOBRAL, as owner of the  
S.S. GASBRAS SUL

FINAL JUDGMENT

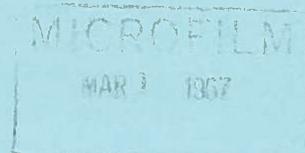
# 68,477

Claimant-Defendant  
----- x

An interlocutory decree having been entered herein on September 10, 1964, providing that ESSO STANDARD OIL, S.A. recover of and from the S.S. GASBRAS SUL, her engines, boilers, etc. and A/S SOBRAL, as Owner of the S.S. GASBRAS SUL, and from their stipulators, its damages by reason of the matters and things alleged in the libel, together with interest and costs, and referring the matter to Samuel G. Fredman, as Special Commissioner, now Special Master, to ascertain and compute the amount of said damages and to report thereon to this Court, and the report of the Special Master having been filed on July 22, 1966, computing the amount of such damages as Forty Seven Thousand Three Hundred Seventy-Five Dollars and fifty-six cents (\$47,375.56),

AND the objections of the claimant-defendant to the said report, pursuant to Rule 53(e)(2) of the Federal Rules of Civil Procedure, having come on to be heard before Honorable Dudley B. Bonsal, United States District Judge,

1998.



on November 29, 1966, and the Court having filed its memorandum opinion, dated February 9, 1967, overruling the objections and adopting the report of the Special Master in all respects and providing that the final judgment thereon shall be settled on notice,

AND the parties having agreed that the fee of the Special Master in the sum of Five Thousand Dollars (\$5,000.00), heretofore paid by the claimant-defendant, is reasonable and that interest on plaintiff's damages shall run at the rate of three per cent (3%) per annum from May 11, 1956, until the date of the entry of the final judgment, it is

ORDERED AND ADJUDGED that the objections of the claimant-defendant to the report of the Special Master be and are hereby overruled and that the report is adopted in all respects, and it is further

ORDERED AND ADJUDGED that Esso Standard Oil, S.A., plaintiff, recover of and from the S.S. GASBRAS SUL, her engines, boilers, etc. and A/S SOBRAL, as Owner of the S.S. GASBRAS SUL, claimant-defendant, and from their stipulators, the sum of Forty-Seven Thousand Three Hundred Seventy-Five Dollars and fifty-six cents (\$47,375.56), with interest thereon, from May 11, 1956, until February<sup>28</sup>, 1967, at the rate of three per cent (3%) per annum, amounting to \$15357.<sup>61</sup>, making a total recovery of \$62733.<sup>17</sup>, with interest on the said total recovery until paid as provided in 28 U.S.C. §1961, together with costs to be taxed.

Dated: New York, New York  
February 28, 1967

*John B. Bond*  
\_\_\_\_\_  
U. S. D. J. *APB*

Judgment entered this <sup>1<sup>st</sup></sup> day of <sup>March</sup> ~~February~~, 1967.

*John J. Clear, Jr.* 1999  
\_\_\_\_\_  
Clerk

# GENERAL DOCKET

## UNITED STATES COURT OF APPEALS

FOR THE  
SECOND CIRCUIT

|   |  |
|---|--|
| APPEAL FROM<br><p style="text-align: center;">SOUTHERN DISTRICT</p> | CASE NO.<br><p style="text-align: center; font-size: 1.2em;">31251</p> |
|---|--|

|               |  |
|---------------|--|
| TITLE OF CASE | ATTORNEYS FOR <del>APPELLANT</del><br>appellee |
|---------------|--|

ESSO STANDARD OIL, S.A.,

Plaintiff-Appellee,

v.

SS GASBRAS SUL, her engines, boilers, etc.,  
and the A/S Sobral, the owner of the said  
SS Gasbras Sul,

Claimant-Defendant  
Appellant.

D.B. BONSAI

Col # 65

Kirlin, Campbell & Keating  
120 Broadway  
New York, N.Y. 10005

ATTORNEYS FOR ~~APPELLEE~~  
 appellant

Haight, Gardner, Poor & Havens  
80 Broad Street  
New York, N.Y. 10004

No. BELOW: AD 189-121

JUDGE BELOW:

DATE OF JUDGMENT:

NOTICE OF APPEAL FILED:

| DATE        | ACCOUNT OF APPELLANT                             | Received | Disbursed    | REMARKS |
|-------------|--|----------|--------------|---------|
| Apr. 18 '67 | Filed record (original papers of District Court) | \$25 00  |              |         |
| 4-21-67     | <i>Ref. Act 102411 (4702) CD # 161</i>           |          | <i>25 00</i> |         |

**GENERAL DOCKET**  
**UNITED STATES COURT OF APPEALS**  
**FOR THE**  
**SECOND CIRCUIT**

CASE NO. **31251** | Esso Standard Oil, S.A. v. SS Gasbras Sul, her engines, etc  
PAGE 2

| DATE     | FILINGS—PROCEEDINGS  | Filed |
|----------|--|-------|
| 4-18-67  | Filed record (original papers of District Court)   |       |
| 5-18-67  | Filed order extending time to file appellant's brief & appendix to 6-19-67   |       |
| 6-15-67  | Filed order extending time to file appellant's brief & appendix to 6-30-67; appellee's brief & appendix to 9-15-67 |       |
| 6-30-67  | Filed appendix, appellant  |       |
| 6-30-67  | Filed brief, appellant   |       |
| 9-18-67  | Filed appendix, appellee's   |       |
| 9-18-67  | Filed brief, appellee's  |       |
| 9-29-67  | Filed appendix to reply brief, appellant's   |       |
| 9-29-67  | Filed reply brief, appellant's   |       |
| 10-4-67  | Argument heard (by: Friendly, Hays & Anderson, CJJ)  |       |
| 11-29-67 | Judgment Reversed, Anderson, CJ  |       |
| 11-29-67 | Filed judgment ✓   |       |
| 12-14-67 | Filed petition for rehearing ✓   |       |
| 1-4-68   | Petition for rehearing denied, Anderson, CJ ✓  |       |
| 1-4-68   | Filed order denying petition for rehearing ✓   |       |
| 1-19-68  | Filed petition for reconsideration of decision of 1-4-68 for rehearing in banc ✓                                   |       |
| 2-6-68   | Filed order denying petition for rehearing ✓   |       |
| 2-6-68   | Filed order denying petition for rehearing in banc ✓   |       |
| 2-7-68   | Filed bill of costs  |       |
| 2-7-68   | Issued Mandate (opinion, judgment & bill of costs)   |       |
| 3-18-68  | Certified original record and proceedings for Kirlin, Campbell & Keating   |       |
| 3-28-68  | Filed receipt by Supreme Court of original record  |       |
| 4-4-68   | Filed notice of filing of petition for writ of certiorari  |       |

**GENERAL DOCKET**  
**UNITED STATES COURT OF APPEALS**  
**FOR THE**  
**SECOND      CIRCUIT**

CASE NO. 3 1 2 5 1  
PAGE 3

Esso Standard Oil, v. SS Gasbras Sul, etc.

| DATE    | FILINGS—PROCEEDINGS  | Filed |
|---------|--|-------|
| 5-27-68 | Filed certified copy of order of Supreme Court denying petition for writ of certiorari |       |

**DECLARATION OF LINDSEY FRANK – EXHIBIT L**

An aerial photograph of a city and harbor, likely Hong Kong, with a large, semi-transparent circular graphic overlay in the center. The city skyline is visible in the background, and several large cargo ships are in the water. The circular graphic contains the main title and subtitle.

# *ADVANCING TRADE*

.....▶  
TRAFIGURA BEHEER B.V. ANNUAL REPORT 2013

## FINANCIAL AND BUSINESS HIGHLIGHTS

**\$133.0bn**

Group turnover  
(2012: USD120.4 billion)

**117.8mmt**

Oil and Petroleum Products  
total volume traded  
(2012: 102.8mmt\*)

**\$2.9bn**

Gross profit  
(2012: USD2.6 billion)

**76%**

Oil and Petroleum Products turnover  
as a percentage of Group income\*\*  
(2012: 76 percent)

**11.0mmt**

Non-ferrous Commodities  
total volume traded  
(2012: 11.1mmt)

**\$2.2bn**

Net profit  
(2012: USD1.0 billion)

**24%**

Non-ferrous and Bulk Commodities  
turnover as a percentage of Group  
income (2012: 24 percent)

**21.9mmt**

Bulk Commodities  
total volume traded  
(2012: 23.7mmt)

**\$5.0bn**

Shareholders' equity  
(2012: USD3.3 billion)

**\$40.0bn**

Total assets  
(2012: USD36.9 billion)

**\$7.8bn**

Total non-current assets  
(2012: USD5.4 billion)

**8,773**

Average number of employees  
over year (2012: 8,445)

Cover image by  
Jonathan Clynn-Smith.

Trafigura Beheer B.V. and the companies in which it directly or indirectly owns investments are separate and distinct entities. In this publication, the collective expressions 'Trafigura', 'Trafigura Group', 'the Company' and 'the Group' may be used for convenience where reference is made in general to those companies. Likewise, the words 'we', 'us', 'our' and 'ourselves' are used in some places to refer to the companies of the Trafigura Group in general. These expressions are also used where no useful purpose is served by identifying any particular company or companies.

\* million metric tonnes.  
\*\* Percentage does not include distribution and storage.

# ADVANCING TRADE

OVERVIEW

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04 Chairman's statement

08 Management Board statement

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99 Subsequent events

99 Summary of branch offices

100 Independent Auditor's Report

*Trafigura is one of the world's leading independent commodity trading and logistics houses.*

*Our business is advancing trade for a growing array of customers and counterparties around the world.*

*Our marketing and distribution capabilities combined with our infrastructure investments create value by connecting producers and end-users.*

*This report sets out how we executed our strategy in 2013.\**

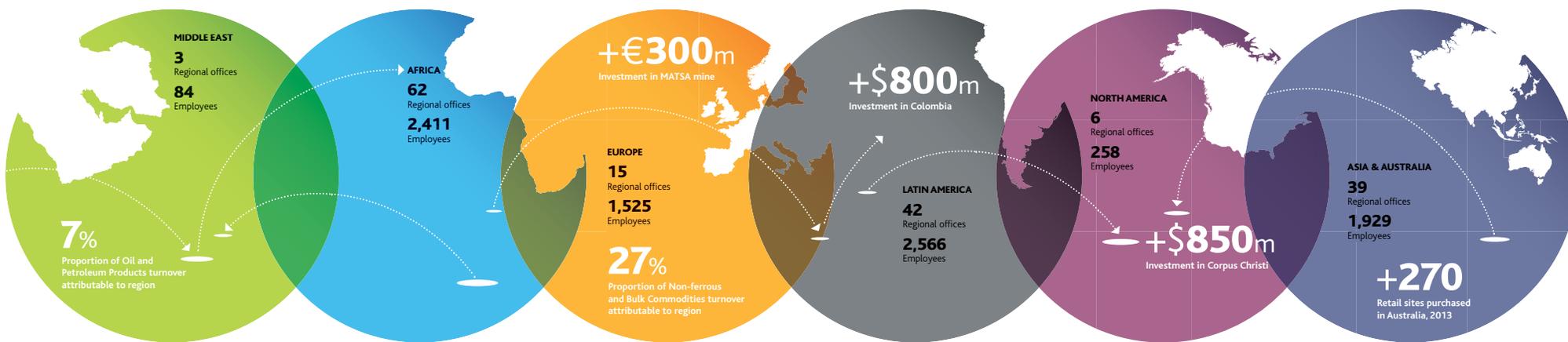
\*Trafigura's financial year runs from 1 October, 2012 to 30 September, 2013.

OUR BUSINESS

# OVERVIEW

*Trafigura's core business is physical trading and logistics; our assets and investments complement and enhance these activities. Trafigura is managed through a global network of companies with central hubs and regional offices.*

GLOBAL ACTIVITY



TRADING ACTIVITIES

**Oil and Petroleum Products**

We are one of the world's largest traders by volume of oil and petroleum products. We operate in a fragmented market where no single company has a leading position. Trafigura is one of the few oil and petroleum products traders with global presence and comprehensive coverage of all major markets. Supported by offices worldwide, our Oil and Petroleum Products division operates from key regional offices in Beijing, Calgary, Geneva, Houston, Johannesburg, Montevideo, Moscow, Mumbai and Singapore.

**117.8mmt**  
Oil and Petroleum Products volume traded (2012: 102.8mmt)

**Non-ferrous and Bulk Commodities**

We are one of the world's largest non-ferrous and bulk commodities traders. Supported by offices worldwide, our Non-ferrous and Bulk Commodities division operates from key regional offices in Geneva, Johannesburg, Lima, Mexico City, Montevideo, Mumbai, Shanghai, Singapore and Stamford. We negotiate off-take agreements with miners and smelters and invest in logistics to improve market access for our clients.

**32.9mmt**  
Non-ferrous and Bulk Commodities volume traded (2012: 34.9mmt)

**Shipping and Chartering\***

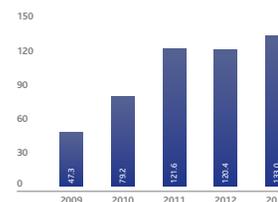
Our Shipping and Chartering Desk is closely integrated into Trafigura's business model, providing freight services to the commodity trading teams internally and trading freight externally in the professional market.

Operations are based in the following regional offices of Athens, Geneva, Houston, Montevideo and Singapore. All post-fixture operations are managed from our Athens office.

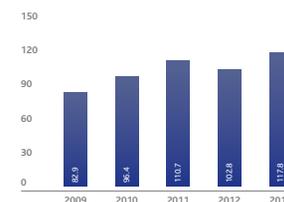
**+2,300**  
Shipping and Chartering fixtures (2012: +2,300)

DIVISIONAL PERFORMANCE

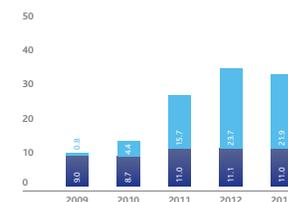
Group Turnover (USD billion)



Oil and Petroleum Products volume traded (mmt)



Non-ferrous and Bulk Commodities volume traded (mmt)



• Non-Ferrous • Bulk

INDUSTRIAL AND FINANCIAL ASSETS

**Puma Energy\*\***

- Storage capacity: 4.6m m<sup>3</sup> (2012: 4.5m m<sup>3</sup>)
- Throughput volumes: 22.2m m<sup>3</sup> (2012: 22.6m m<sup>3</sup>)
- Service stations: +1,500 (2012: +1,300)

**49%** ownership

**3,565** employees

**DT Group**

- Countries of operation: 5 (2012: 5)
- Owned vessels: 6 (2012: 5)

**50%** ownership

**585** employees

**Impala**

- Countries of operation: +30 (2012: +30)
- Warehousing sites: +50 (2012: +40)
- Storage capacity: +1.3m m<sup>2</sup> (2012: +1.2m m<sup>2</sup>)

**100%** ownership

**1,209** employees

**Mining Group**

- Ore extracted at MATSA: 2.2mmt (2012: 2.2mmt)
- Ore extracted at Catalina Huanca: 0.6mmt (2012: 0.6mmt)

**100%** ownership

**1,309** employees

**Galena Asset Management**

- Liquid trading strategies: +USD 1.6bn
- Credit strategy: +USD84m
- Real asset strategy: +USD325m

**\$2bn**

**10** years in operation

\*Financials relevant to Shipping and Chartering are consolidated within Oil and Petroleum Products/Non-ferrous and Bulk Commodities trading activities.

\*\*Effective 16 September, 2013, Trafigura held 48.79% in Puma Energy. Puma Energy was de-consolidated at the end of the financial year at which point Trafigura ceased to control Puma Energy.

**TRAFIGURA FOUNDATION**



Work & Learn Centre New Orleans (first bike repair workshop for girls).

**FUNDING SOCIAL CHANGE**

Our primary focus is on social and economic development. We provide substantial funds to eligible projects around the world. In 2013 we allocated USD4.63 million to new and recurring projects. We partnered with 26 organisations and funded 35 programmes.

We focus on projects with the potential for long-term change. We therefore only invest in projects with at least a three-year duration. Our funding activities fall into three main categories: education and integration, sustainable development and health.

**TRAFIGURA WORK AND LEARN CENTRE – NEW ORLEANS**

Twenty-five percent of Foundation funding supports programmes around employability and social integration.

Today's youth are tomorrow's potential employees. Businesses not only have a responsibility, they have a direct stake, in making sure young people are prepared for the world of work.

In May 2013, the Trafigura Work & Learn Centre opened in New Orleans, based on a very successful, Foundation-supported, Domus Work & Learn Centre in Stamford.

**Businesses not only have a responsibility, they have a direct stake, in making sure young people are prepared for the world of work.**

Over 47 percent of 18 to 24 year-olds in the New Orleans Central City area are unemployed. The New Orleans Centre provides life skills and job training to young people returning from correctional facilities.

The Centre operates two days a week over four twelve-week periods across the year. Its first local business is a bicycle repair shop. Young people learn practical skills. They are also helped with essential soft skills, such as building relationships with those around them and forming a healthy and marketable work ethic.

**SOCIAL INVESTMENT FUNDING IN INDIA**

Trafigura Foundation's three-year partnership with Rang De is reaching out to India's rural communities through a low-cost microcredit system based on non-profit, peer-to-peer lending. This innovative initiative offers not just funding, but ideas and business resources. By the end of 2012, it had attracted over 11,000 micro-entrepreneurs, the overwhelming majority of them women.

**TREATING BLINDNESS IN WEST AFRICA**

The Foundation is promoting health in Africa through its support for a groundbreaking technique to cure cataract-related blindness. The Phakokit, a single-use sterilised kit for cataract operations, is simplifying eye surgery in rough field conditions. Over 200,000 West Africans suffer from blindness caused by cataracts. The programme has already restored vision to thousands.

**PUMA ENERGY FOUNDATION**

During the year we established the Puma Energy Foundation as a distinct organisation. Some existing projects that complement the fuel distribution business have been reallocated from Trafigura Foundation.

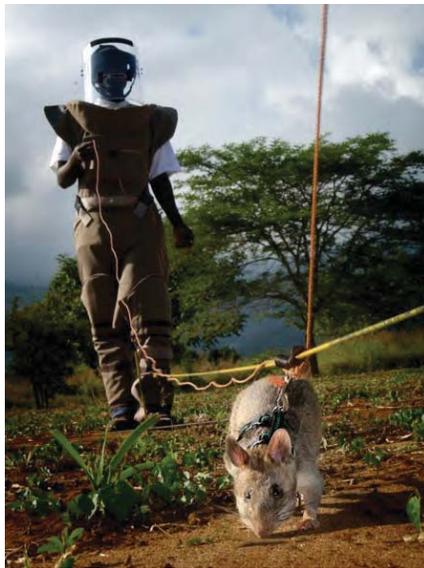
Puma Energy employees interact every day with local people and communities through its many retail outlets.

**JUST ADD VISION**

An extensive rebranding exercise in 2013 found that the Foundation's unique contribution came from our collective experience in the field. Many of us have worked in Non-Government Organisations (NGOs) and have first-hand experience of delivering aid on the ground.

Now, in our capacity as a funding organisation, we use our expertise to identify promising projects. We are often able to suggest improvements. We engage closely with our partners, frequently taking seats on their boards.

The Trafigura Foundation coordinates financial, social and practical resources to change lives and help create viable futures for disadvantaged communities. Our newly adopted slogan, 'just add vision' encapsulates this constructively critical approach.



APOPO Angola, de-mining with trained rats.

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## FINANCIAL STATEMENTS

## A. CONSOLIDATED STATEMENT OF INCOME

|  | Note | 2013<br>USD'M  | 2012<br>USD'M  |
|--|------|----------------|----------------|
| Revenue  | 10   | 133,026.2      | 120,419.4      |
| Cost of sales  |      | (130,134.1)    | (117,794.8)    |
| <b>Gross profit</b>                                  |      | <b>2,892.1</b> | <b>2,624.6</b> |
| Other income/(expenses)                              | 11   | 1,428.0        | 299.7          |
| General and administrative expenses                  | 12   | (1,668.9)      | (1,432.0)      |
| <b>Results from operating activities</b>             |      | <b>2,651.2</b> | <b>1,492.3</b> |
| Finance income                                       |      | 169.2          | 127.5          |
| Finance expense                                      |      | (528.7)        | (419.6)        |
| <b>Net financing costs</b>                           |      | <b>(359.5)</b> | <b>(292.1)</b> |
| Share of profit/(loss) of equity-accounted investees | 16   | (13.0)         | 20.4           |
| <b>Profit before tax</b>                             |      | <b>2,278.7</b> | <b>1,220.6</b> |
| Income tax expense                                   | 13   | (97.4)         | (216.5)        |
| <b>Profit for the year</b>                           |      | <b>2,181.3</b> | <b>1,004.1</b> |
| Profit attributable to<br>Owners of the Company      |      | 2,032.2        | 865.1          |
| Non-controlling interests                            |      | 149.1          | 139.0          |
| <b>Profit for the year</b>                           |      | <b>2,181.3</b> | <b>1,004.1</b> |
| See accompanying notes                               |      |                |                |

## B. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

|   | Note | 2013<br>USD'M  | 2012<br>USD'M  |
|---|------|----------------|----------------|
| <b>Profit for the year</b>  |      | <b>2,181.3</b> | <b>1,004.1</b> |
| Other comprehensive income<br><i>Items that are or may be reclassified to profit or loss:</i> |      |                |                |
| Net change in fair value of available-for-sale financial assets                               |      | (4.0)          | (6.5)          |
| Gain/(loss) on cash flow hedges   |      | (3.7)          | 13.7           |
| Tax on comprehensive income   | 13   | 1.2            | (1.7)          |
| Exchange loss on translation of foreign operations  |      | (11.2)         | (41.7)         |
| <b>Other comprehensive income for the year net of tax</b>                                     |      | <b>(17.7)</b>  | <b>(36.2)</b>  |
| <b>Total comprehensive income for the year</b>  |      | <b>2,163.6</b> | <b>967.9</b>   |
| Total comprehensive income attributable to:<br>Owners of the Company                          |      | 2,043.4        | 848.8          |
| Non-controlling interests   |      | 120.2          | 119.1          |
| <b>Total comprehensive income for the year</b>  |      | <b>2,163.6</b> | <b>967.9</b>   |
| See accompanying notes  |      |                |                |

## C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|   | Note | 30 September<br>2013<br>USD'M | 30 September<br>2012<br>USD'M | 1 October<br>2011<br>USD'M |
|---|------|-------------------------------|-------------------------------|----------------------------|
| <b>Assets</b>   |      |                               |                               |                            |
| Property, plant and equipment                           | 14   | 2,686.3                       | 3,378.1                       | 1,870.8                    |
| Intangible assets                                       | 15   | 499.9                         | 869.7                         | 316.9                      |
| Equity-accounted investees                              | 16   | 2,134.4                       | 131.0                         | 513.7                      |
| Loans receivable and advances                           | 17   | 2,053.3                       | 554.2                         | 578.4                      |
| Other investments                                       | 18   | 226.4                         | 362.9                         | 533.8                      |
| Deferred tax assets                                     | 13   | 177.6                         | 111.7                         | 85.5                       |
| <b>Total non-current assets</b>                         |      | <b>7,777.9</b>                | <b>5,407.6</b>                | <b>3,901.1</b>             |
| Inventories   | 19   | 7,856.3                       | 9,629.1                       | 7,362.6                    |
| Trade and other receivables                             | 20   | 15,793.8                      | 15,792.4                      | 14,256.2                   |
| Derivatives   | 28   | 3,633.7                       | 1,947.2                       | 2,754.3                    |
| Prepayments   |      | 1,144.4                       | 641.7                         | 1,166.8                    |
| Income tax receivable                                   | 13   | 85.1                          | 146.5                         | 66.6                       |
| Cash and cash equivalents                               | 22   | 3,735.7                       | 3,333.9                       | 2,853.1                    |
| <b>Total current assets</b>                             |      | <b>32,249.0</b>               | <b>31,490.8</b>               | <b>28,459.6</b>            |
| <b>Total assets</b>                                     |      | <b>40,026.9</b>               | <b>36,898.4</b>               | <b>32,360.7</b>            |
| <b>Equity</b>   |      |                               |                               |                            |
| Share capital   | 23   | 0.1                           | 0.2                           | 0.2                        |
| Capital securities                                      | 23   | 491.4                         | —                             | —                          |
| Reserves  | 23   | 1,644.6                       | 213.2                         | 119.3                      |
| Retained earnings                                       | 23   | 2,903.6                       | 3,097.4                       | 3,043.9                    |
| <b>Equity attributable to the owners of the Company</b> |      | <b>5,039.7</b>                | <b>3,310.8</b>                | <b>3,163.4</b>             |
| Non-controlling interests                               | 23   | 264.0                         | 869.5                         | 700.3                      |
| <b>Total group equity</b>                               |      | <b>5,303.7</b>                | <b>4,180.3</b>                | <b>3,863.7</b>             |
| <b>Liabilities</b>                                      |      |                               |                               |                            |
| Loans and borrowings                                    | 24   | 5,774.3                       | 4,365.5                       | 3,150.3                    |
| Deferred revenue  |      | 6.9                           | 12.1                          | —                          |
| Derivatives   | 28   | 290.9                         | 279.3                         | —                          |
| Provisions  | 25   | 36.2                          | 142.6                         | —                          |
| Deferred tax liabilities                                | 13   | 331.9                         | 408.4                         | 229.8                      |
| <b>Total non-current liabilities</b>                    |      | <b>6,440.2</b>                | <b>5,207.9</b>                | <b>3,380.1</b>             |
| Current tax liabilities                                 | 13   | 141.1                         | 189.8                         | 95.9                       |
| Loans and borrowings                                    | 24   | 13,241.2                      | 13,423.4                      | 12,998.5                   |
| Trade and other payables                                | 26   | 11,094.7                      | 11,237.8                      | 9,477.0                    |
| Derivatives   | 28   | 3,806.0                       | 2,659.2                       | 2,545.5                    |
| <b>Total current liabilities</b>                        |      | <b>28,283.0</b>               | <b>27,510.2</b>               | <b>25,116.9</b>            |
| <b>Total group equity and liabilities</b>               |      | <b>40,026.9</b>               | <b>36,898.4</b>               | <b>32,360.7</b>            |
| See accompanying notes                                  |      |                               |                               |                            |

## FINANCIAL STATEMENTS

## D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| USD'000  | Attributable to equity holders of the parent |                              |                     |                  |                         |                    |                   |                     |                  |                |                  | Non-controlling interest | Total group equity |
|--|--|------------------------------|---------------------|------------------|-------------------------|--------------------|-------------------|---------------------|------------------|----------------|------------------|--------------------------|--------------------|
|  | Share capital                                | Currency translation reserve | Revaluation reserve | Legal reserve    | Cash flow hedge reserve | Capital Securities | Retained earnings | Profit for the year | Total            |                |                  |                          |                    |
| Balance at 1 October 2012                                | 182  | (21,820)                     | 10,506              | 239,726          | (15,163)                | –                  | 2,232,259         | 865,095             | 3,310,786        | 869,557        | 4,180,343        |                          |                    |
| Profit for the year                                      | –  | –                            | –                   | –                | –                       | –                  | –                 | 2,032,238           | 2,032,238        | 149,050        | 2,181,288        |                          |                    |
| Other comprehensive income                               | –  | 17,706                       | (3,998)             | –                | (2,502)                 | –                  | –                 | –                   | 11,205           | (28,837)       | (17,632)         |                          |                    |
| Total comprehensive income for the year                  | –  | 17,706                       | (3,998)             | –                | (2,502)                 | –                  | –                 | 2,032,238           | 2,043,443        | 120,213        | 2,163,655        |                          |                    |
| Profit appropriation                                     | –  | –                            | –                   | –                | –                       | –                  | 865,095           | –                   | –                | –              | –                |                          |                    |
| Revaluation remaining stake in deconsolidated subsidiary | –  | –                            | –                   | 1,293,749        | –                       | –                  | (1,293,749)       | –                   | –                | –              | –                |                          |                    |
| Divestment and deconsolidation of subsidiary             | –  | –                            | –                   | –                | –                       | –                  | –                 | –                   | –                | (621,519)      | (621,519)        |                          |                    |
| Acquisition of non-controlling interest in subsidiary    | –  | –                            | –                   | –                | –                       | –                  | (5,015)           | –                   | (5,015)          | 1,317          | (3,698)          |                          |                    |
| Legal reserve  | –  | –                            | –                   | 126,437          | –                       | –                  | (126,437)         | –                   | –                | –              | –                |                          |                    |
| Shares issued  | 2  | –                            | –                   | –                | –                       | –                  | (2)               | –                   | –                | –              | –                |                          |                    |
| Subsidiary equity distribution                           | –  | –                            | –                   | –                | –                       | –                  | –                 | –                   | –                | (105,072)      | (105,072)        |                          |                    |
| Share-based payments                                     | –  | –                            | –                   | –                | –                       | –                  | 70,886            | –                   | 70,886           | –              | 70,886           |                          |                    |
| Share redemption   | (54)   | –                            | –                   | –                | –                       | –                  | (855,135)         | –                   | (855,188)        | –              | (855,188)        |                          |                    |
| Capital securities                                       | –  | –                            | –                   | –                | –                       | –                  | 491,384           | –                   | 491,384          | –              | 491,384          |                          |                    |
| Capital securities dividend                              | –  | –                            | –                   | –                | –                       | –                  | (17,200)          | –                   | (17,200)         | –              | (17,200)         |                          |                    |
| Other  | 5  | –                            | –                   | –                | –                       | –                  | 620               | –                   | 625              | (500)          | 125              |                          |                    |
| <b>Balance at 30 September 2013</b>                      | <b>135</b>                                   | <b>(4,114)</b>               | <b>6,508</b>        | <b>1,659,912</b> | <b>(17,665)</b>         | <b>491,384</b>     | <b>871,322</b>    | <b>2,032,238</b>    | <b>5,039,720</b> | <b>263,996</b> | <b>5,303,716</b> |                          |                    |

See accompanying notes

| USD'000                                 | Attributable to equity holders of the parent |                              |                     |                |                         |                    |                   |                     |                  |                |                  | Non-controlling interest | Total group equity |
|---|--|------------------------------|---------------------|----------------|-------------------------|--------------------|-------------------|---------------------|------------------|----------------|------------------|--------------------------|--------------------|
|   | Share capital                                | Currency translation reserve | Revaluation reserve | Legal reserve  | Cash flow hedge reserve | Capital Securities | Retained earnings | Profit for the year | Total            |                |                  |                          |                    |
| Balance at 1 October 2011               | 209  | –                            | 17,048              | 129,452        | (27,187)                | –                  | 3,043,938         | –                   | 3,163,459        | 700,269        | 3,863,728        |                          |                    |
| Profit for the year                     | –  | –                            | –                   | –              | –                       | –                  | –                 | 865,095             | 865,095          | 139,027        | 1,004,122        |                          |                    |
| Other comprehensive income              | –  | (21,789)                     | (6,542)             | –              | 12,024                  | –                  | –                 | –                   | (16,306)         | (19,875)       | (36,181)         |                          |                    |
| Total comprehensive income for the year | –  | (21,789)                     | (6,542)             | –              | 12,024                  | –                  | –                 | 865,095             | 848,789          | 119,151        | 967,940          |                          |                    |
| Legal reserve                           | –  | (31)                         | –                   | (33,400)       | –                       | –                  | 33,431            | –                   | –                | –              | –                |                          |                    |
| Shares issued                           | 25   | –                            | –                   | –              | –                       | –                  | (25)              | –                   | –                | –              | –                |                          |                    |
| Unrealised Revaluation gain             | –  | –                            | –                   | 143,674        | –                       | –                  | (143,674)         | –                   | –                | –              | –                |                          |                    |
| Sale of interest in subsidiary          | –  | –                            | –                   | –              | –                       | –                  | –                 | –                   | –                | 57,905         | 57,905           |                          |                    |
| Acquisition of subsidiary               | –  | –                            | –                   | –              | –                       | –                  | –                 | –                   | –                | (4,151)        | (4,151)          |                          |                    |
| Share-based payments                    | –  | –                            | –                   | –              | –                       | –                  | 86,813            | –                   | 86,813           | –              | 86,813           |                          |                    |
| Share redemption                        | (34)   | –                            | –                   | –              | –                       | –                  | (787,380)         | –                   | (787,414)        | –              | (787,414)        |                          |                    |
| Other                                   | 2  | –                            | –                   | –              | –                       | –                  | (863)             | –                   | (861)            | (3,617)        | (4,478)          |                          |                    |
| Translation adjustment                  | (20)   | –                            | –                   | –              | –                       | –                  | 20                | –                   | –                | –              | –                |                          |                    |
| <b>Balance at 30 September 2012</b>     | <b>182</b>                                   | <b>(21,820)</b>              | <b>10,506</b>       | <b>239,726</b> | <b>(15,163)</b>         | <b>–</b>           | <b>2,232,259</b>  | <b>865,095</b>      | <b>3,310,786</b> | <b>869,557</b> | <b>4,180,343</b> |                          |                    |

## E. CONSOLIDATED STATEMENT OF CASH FLOWS

|  | Note | 2013             | 2012             |
|--|------|------------------|------------------|
|  |      | USD'M            | USD'M            |
| <b>Cash flows from operating activities</b>                                      |      |                  |                  |
| Profit before tax  |      | 2,278.7          | 1,220.6          |
| <b>Adjustments for:</b>  |      |                  |                  |
| Depreciation   | 12   | 358.1            | 265.6            |
| Amortisation of intangible assets  | 12   | 47.4             | 26.5             |
| Provisions   |      | 0.6              | 47.4             |
| Impairment losses on financial fixed assets                                      | 18   | 63.4             | 72.6             |
| Impairment losses on non-financial fixed assets                                  | 11   | 17.7             | 20.8             |
| Net finance costs  |      | 359.5            | 292.1            |
| Share of profit of equity-accounted investees                                    | 16   | 13.0             | (20.4)           |
| Gain on sale of non-financial fixed assets                                       | 11   | (5.9)            | (7.6)            |
| Gain on sale of equity accounted investees                                       | 11   | (7.1)            | (279.8)          |
| Gain on sale of other investments  | 11   | (22.6)           | –                |
| Gain on divestments of subsidiaries  | 11   | (1,462.5)        | –                |
| Gain on remeasurement of previously held interest in subsidiary acquired         | 13   | –                | (143.7)          |
| Equity-settled share-based payment transactions                                  | 29   | 70.9             | 89.1             |
| <b>Operating cash flow before working capital changes</b>                        |      | <b>1,711.0</b>   | <b>1,583.2</b>   |
| <b>Changes in:</b>   |      |                  |                  |
| Inventories  |      | 1,154.1          | (1,922.1)        |
| Trade and other receivables  |      | (1,852.4)        | (173.8)          |
| Prepayments  |      | (446.4)          | 525.1            |
| Trade and other payables   |      | 954.1            | (184.7)          |
| Accrued expenses   |      | 690.0            | 2,047.5          |
| <b>Cash generated from operating activities</b>                                  |      | <b>2,210.3</b>   | <b>1,875.3</b>   |
| Interest paid  |      | (528.7)          | (419.6)          |
| Interest received  |      | 169.2            | 127.5            |
| Dividends (paid)/received  |      | (6.7)            | (5.2)            |
| Tax (paid)/received  |      | (202.6)          | (129.9)          |
| <b>Net cash from operating activities</b>  |      | <b>1,641.6</b>   | <b>1,448.1</b>   |
| <b>Cash flows from investing activities</b>                                      |      |                  |                  |
| Acquisition of property, plant and equipment                                     | 14   | (1,754.1)        | (1,058.0)        |
| Proceeds from sale of property, plant and equipment                              | 14   | 77.2             | 48.6             |
| Acquisition of intangible assets   | 15   | (72.0)           | (114.5)          |
| Acquisition of equity accounted investees  | 16   | (89.9)           | –                |
| Disposal of equity accounted investees   | 16   | –                | 538.2            |
| Acquisition of loans receivable and advances                                     | 17   | (1,564.8)        | (235.5)          |
| Disposals of loans receivable and advances                                       | 17   | 38.8             | (4,151)          |
| Acquisition of other investments   | 18   | (134.0)          | (77.3)           |
| Disposal of other investments  | 18   | 93.5             | (20.8)           |
| Acquisition of subsidiaries, net of cash acquired                                | 8    | (871.1)          | (870.9)          |
| Disposal of subsidiaries, net of cash disposed of                                | 9    | 243.1            | –                |
| <b>Net cash used in investing activities</b>                                     |      | <b>(4,033.3)</b> | <b>(1,790.2)</b> |
| <b>Cash flows from financing activities</b>                                      |      |                  |                  |
| Proceeds from the issue of capital securities                                    | 23   | 491.4            | –                |
| Proceeds from capital contributions to subsidiaries by non-controlling interests | 9    | 25.5             | 5.9              |
| Redemption of shares   | 23   | (855.2)          | (787.4)          |
| Proceeds from long-term loans and borrowings                                     | 24   | 2,615.8          | 795.6            |
| Payment of finance lease liabilities   | 24   | (22.2)           | (9.5)            |
| Increase of short-term bank financing  | 24   | 553.9            | 818.2            |
| Acquisition of non-controlling interest  |      | (15.7)           | –                |
| <b>Net cash from/(used in) financing activities</b>                              |      | <b>2,793.5</b>   | <b>822.8</b>     |
| <b>Net increase in cash and cash equivalents</b>                                 |      | <b>401.8</b>     | <b>480.8</b>     |
| Cash and cash equivalents at 1 October   |      | 3,333.9          | 2,853.1          |
| <b>Cash and cash equivalents at 30 September (note 22)</b>                       |      | <b>3,735.7</b>   | <b>3,333.9</b>   |

See accompanying notes

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. CORPORATE INFORMATION**

The principal business activities of Trafigura Beheer BV (the 'Company') and its subsidiaries (the 'Group') are trading and investing in crude and petroleum products, non-ferrous concentrates, refined metals and bulk commodities such as coal and iron ore. The Group also invests in assets, including through investments in associates, which have strong synergies with its core trading activities. These include storage terminals, service stations, metal warehouses and mines.

The principal business office of the Company is at Ito Tower, Gustav Mahlerplein 102, 1082 MA Amsterdam, the Netherlands.

Farringford NV, registered in Curaçao, is the ultimate parent company of the Company.

The consolidated financial statements for the year ended 30 September 2013 were authorised for issue by the Board of Directors on 13 December 2013.

**2. STATEMENT OF COMPLIANCE**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) effective 30 September 2013 and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code. These are the Group's first consolidated financial statements prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied. For periods up to and including the year ended 30 September 2012, the Group prepared its consolidated financial statements in accordance with accounting principles generally accepted in the Netherlands (Dutch GAAP). Accordingly, the Group has prepared consolidated financial statements which comply with IFRS applicable for periods ending on 30 September 2013, together with the comparative period data as at and for the year ended 30 September 2012 as described in the accounting policies.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in note 31.

**3. BASIS OF PREPARATION**

The consolidated financial statements have been prepared under the historical cost convention except for inventories, derivatives and available for sale financial assets. The consolidated financial statements have been prepared on a going concern basis.

**a. Functional and presentation currency**

The Group's presentation currency is the US dollar (USD) and all values are rounded to the nearest million (USD'M) except when otherwise indicated. The US dollar is the functional currency of most of the Group's principal operating subsidiaries. Most of the markets in which the Group is involved are USD denominated.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing the opening IFRS statement of financial position at 1 October 2011, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

**a. Basis of consolidation**

The consolidated financial statements include the assets, liabilities and results of operations of all subsidiaries and branch offices, which the Company, either directly or indirectly, controls. Control exists when the Company has the power, directly or indirectly, to govern the financial and operational policies of an entity so as to obtain benefits from its activities. Control is usually assumed when the Company owns more than 50% of the voting rights or has the ability to appoint the directors. Subsidiaries are consolidated from the date on which control is obtained by the Company and cease to be consolidated from the date on which control is transferred to a person or entity outside of the control of the Company. Intercompany balances and transactions have been eliminated in the consolidation.

Non-controlling interests in subsidiaries are identified separately from the Company's equity and are initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions with any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received being recognised directly in equity and attributed to equity holders of the Company.

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

**b. Investments in equity-accounted investees**

Associates and jointly controlled entities (together 'Associates') in which the Group exercises significant influence or joint control are accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control those policies, and is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint control is established by contractual agreement and requires unanimous consent for strategic financial and operating decisions.

Under the equity method the Associate is carried at the cost of the Group's share in the net assets of the Associate, including goodwill, plus the Group's share in income or losses since acquisition, less dividends received and any impairment in the value of the underlying investments.

Unrealised gains and losses resulting from transactions between the Group and the Associate are eliminated to the extent of the interest in the Associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the Associate is impaired.

The financial statements of the Associates are prepared for the same reporting period as the Group, unless otherwise indicated.

Changes in the Group's interest in Associates are accounted for as a gain or loss on disposal with any differences between the amount by which the carrying value of the Associate is adjusted and the fair value of the consideration received being recognised directly in the statement of income.

**c. Jointly controlled operations**

A jointly controlled operation is a joint venture carried on by each venturer using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

**d. Business combinations**

As part of its transition to IFRS, the Group elected to restate only those business combinations that occurred on or after 1 October 2011. In respect of acquisitions prior to 1 October 2011, goodwill represents the amount recognised under the Group's previous accounting framework with some minor adjustments (refer to note 31).

The Company accounts for its business combinations under the acquisition method of accounting at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

When the fair value of the consideration transferred for a business combination exceeds the fair values attributable to the Group's share of the identifiable net assets, the difference is treated as goodwill, which is not amortised but is reviewed annually for impairment or when there is an indication of impairment.

When the excess is negative, after a reassessment of the identification of all assets acquired and liabilities assumed, any remaining gain is recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Determining the fair value of assets acquired and liabilities assumed requires management's judgement and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates and asset lives.

**e. Foreign currency****(i) Foreign currency transactions**

Subsidiaries, joint ventures and equity investees record transactions in the functional currency of the economic environment in which they operate. Transactions in currencies other than the functional currency of the subsidiary, joint ventures and equity investees are recorded at the rates of exchange prevailing at the date of the transaction in the accompanying statement of income.

Monetary assets and liabilities in currencies other than the functional currency are translated at the rates of exchange prevailing at the balance sheet date and gains and losses are reported in the statement of income.

**(ii) Foreign operations**

Upon consolidation, the balance sheets of subsidiaries with functional currencies other than the USD are translated at the rates of exchange prevailing at the end of the year. The statements of income denominated in currencies other than the USD are translated at the average rate for the year. The resulting exchange differences are recorded in equity through other comprehensive income and are included in the statement of income upon sale or liquidation of the underlying foreign subsidiary.

Upon the adoption of IFRS, the Group has elected to utilise the optional exemption under IFRS 1 *First-time Adoption of IFRS* and to zero out the balances recognised in other comprehensive income at 1 October 2011 (see note 31).

**f. Financial instruments****(i) Non-derivative financial assets**

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available for sale financial assets depending upon the purpose for which the financial assets were acquired.

Financial assets are initially recognised at fair value on the trade date, including, in the case of instruments not recorded at fair value through profit or loss, directly attributable transaction costs. Subsequently, financial assets are carried at fair value with changes therein recognised in profit or loss (financial assets at fair value through profit or loss) or amortised cost less impairment (loans and receivables and held-to-maturity financial assets). Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss. Unquoted equity instruments with unreliable fair value estimates are measured at cost less impairment.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position if, and only if, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

*(ii) Non-derivative financial liabilities*

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

*(iii) Derivative financial instruments, including hedge accounting*

Derivative instruments, which include physical contracts to sell or purchase commodities that do not meet the own use exemption, are initially recognised at fair value when the Company becomes a party to the contractual provisions of the instrument and are subsequently remeasured to fair value at the end of each reporting period. Any attributable transaction costs are recognised in profit or loss as incurred.

The Group utilises derivative financial instruments (shown separately in the statement of financial position) to hedge its primary market risk exposures, primarily risks related to commodity price movements, and to a lesser extent, exposure to foreign currency exchange rates and interest rate movements. Commodity derivative contracts may be utilised to hedge against commodity price risk for fixed priced physical purchase and sales contracts, including inventory. Commodity swaps, options and futures are used to manage price and timing risks in conformity with the Company's risk management policies.

Generally, the Group does not apply hedge accounting, but in some instances it may elect to apply hedge accounting. On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an on-going basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk.

Those derivatives qualifying and designated as hedges are either (i) a fair value hedge of the change in fair value of a recognised asset or liability or an unrecognised firm commitment, or (ii) a cash flow hedge of the change in cash flows to be received or paid relating to a recognised asset or liability or a highly probable transaction.

A change in the fair value of derivatives designated as a fair value hedge is reflected together with the change in the fair value of the hedged item in the statement of income. A change in the fair value of derivatives designated as a cash flow hedge is initially recognised as a cash flow hedge reserve in shareholders' equity. The deferred amount is then released to the statement of income in the same periods during which the hedged transaction affects the statement of income.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

*(iv) Current versus non-current classification*

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e. the underlying contractual cash flows).

Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and noncurrent portions) consistent with the classification of the underlying item.

**g. Cash and cash equivalents**

Cash and cash equivalents include all cash on hand and short-term highly liquid investments with original maturities of three months or less.

**h. Property, plant and equipment***(i) Recognition and measurement*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for exploration and evaluation assets (see note (j)). The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The costs of major repairs and maintenance (dry-docking or turnarounds) are capitalised and depreciated over their useful life.

Gains or losses on disposal of an item of property, plant and equipment are recorded in the statement of income under 'Other income/(expense)'.

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Assets in the course of construction are capitalised as a separate component of property, plant and equipment. Upon completion, the cost of construction is transferred to the appropriate category.

*(ii) Subsequent costs*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. On-going repairs and maintenance are expensed as incurred.

*(iii) Depreciation*

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each component. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use. Assets under construction are not depreciated.

Depreciation of assets held under finance leases is calculated over the shorter of the lease term or the estimated useful life of the asset.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

|                           |             |
|---------------------------|-------------|
| • buildings               | 20-33 years |
| • machinery and equipment | 3-20 years  |
| • barges and vessels      | 8-10 years  |
| • other fixed assets      | 1-5 years   |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

*(iv) Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are calculated using the effective interest rate method in accordance with IAS 39 and are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

All other borrowing costs (including borrowing costs related to exploration and evaluation expenditures) are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**i. Exploration and evaluation expenditure**

Exploration and evaluation expenditure relates to costs incurred on the exploration and evaluation of potential mineral and petroleum resources and include costs such as the acquisition of rights to explore, topographical geological, geochemical and geophysical studies, exploratory drilling and other activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource. These costs are capitalised as an asset and measured at cost and recognised as a component of property, plant or equipment. Purchased exploration and evaluation assets are recognised at their fair value at acquisition.

All capitalised exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest or at the cash generating unit level. To the extent that capitalised expenditure is not expected to be recovered it is charged to the statement of income.

When commercially recoverable reserves are determined and such development receives the appropriate approvals, capitalised exploration and evaluation expenditure is transferred to 'Development Properties'.

**j. Development expenditure**

Development expenditure incurred by or on behalf of the Group are accumulated separately for each area of interest in which economically recoverable reserves have been identified, and are capitalised only if they can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. They are included as a component of property, plant and equipment as 'Development Properties'.

With regards to mines, the development property is reclassified as 'Mining Interests' at the end of the development phase, when the mine is capable of operating in the manner intended by management.

No depreciation is recognised in respect of development properties until they are classified as 'Mining Interests'.

Each development property is tested for impairment, see note 4p.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

**k. Mining interests**

When further development expenditures are incurred in respect of a mining interest after the commencement of production, such expenditures are carried forward as part of the mining interests when it is probable that additional future economic benefits associated with the expenditure will flow to the consolidated entity. Otherwise such expenditures are classified as a cost of production.

Depreciation is charged using the unit of production method, with separate calculations being made for each area of interest. The unit of production basis results in a depreciation charge proportional to the depletion of proven and probable reserves.

Mining interests are tested for impairment.

**l. Deferred stripping costs**

Stripping costs incurred in the development of a mine (or pit) before production commences are capitalised as part of the cost of constructing the mine (or pit) and subsequently amortised over the life of the mine (or pit) on a unit of production basis. The removal of overburden waste is required to obtain access to the ore body.

Production stripping costs are deferred when the actual stripping ratio incurred significantly exceeds the expected long term average stripping ratio and are subsequently amortised when the actual stripping ratio falls below the long term average stripping ratio. Where the ore is expected to be evenly distributed, waste removal is expensed as incurred.

**m. Intangible assets and goodwill***(i) Goodwill*

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition see note d.

Goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain and loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

If a business combination results in a negative goodwill, the Group reassesses whether it has correctly identified and measured all assets acquired and all liabilities assumed. If the negative goodwill remains after the reassessment, it is recognised as a gain in the profit or loss.

In respect of acquisitions prior to 1 October 2011, goodwill was included on the basis of its deemed cost, which represents the amount recorded under Dutch GAAP, adjusted for the reclassification of certain intangibles (see note 31).

**(ii) Mineral and petroleum rights**

Mineral and petroleum reserves, resources and rights (together 'Mineral Rights') which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Mineral rights for which values cannot be reasonably determined are not recognised. Exploitable mineral rights are amortised using the unit of production method over the commercially recoverable reserves and, in certain circumstances, other mineral resources. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner.

**(iii) Other intangible assets**

Other intangible assets include licences and are stated at cost, less accumulated amortisation and accumulated impairment losses. Licences are amortised over the term of the licence, generally not exceeding 10 years.

An intangible asset acquired as part of a business combination is measured at fair value at the date of acquisition and is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights.

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in the accounting estimates.

Gains or losses on disposal of intangible assets are recorded in the statement of income under 'Other income' (expense).

**n. Leases**

The Group is the lessee of equipment, buildings, vessels and terminals under various operating and finance leases. The Group classifies its leases as operating or finance leases based upon whether the lease agreement transfers substantially all the risks and rewards of ownership.

For leases determined to be finance leases, an asset and liability are recognised at an amount equal to the lower of the fair value of the leased asset or the present value of the minimum lease payments during the lease term. Such assets are amortised on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset taking into account the residual value, with depreciation included in depreciation expense.

Leases that do not qualify as finance leases are classified as operating leases, and the related rental payments are expensed on a straight-line basis over the lease term.

**o. Inventories**

Trading-related inventories are measured at fair value less costs to sell.

Inventories of non-trading related products are measured at the lower of cost or net realisable value. Costs comprise all costs of purchases and other costs incurred.

**p. Impairment****(i) Non-derivative financial assets**

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that the loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

**(ii) Financial assets measured at amortised cost**

The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. The amount of impairment losses on financial assets carried at amortised cost is calculated as the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective rate of interest of the financial instrument determined on the initial recognition of the instrument.

Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities.

If the decrease in impairment relates to an objective event occurring after the impairment was recognised, a previously recognised impairment loss is reversed to a maximum of the amount required to carry the asset at amortised cost at the time of the reversal if no impairment had taken place. The impairment loss reversal is taken to the statement of income.

**(iii) Assets carried at cost**

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

**(iv) Available-for-sale financial assets**

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated

against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in the statement of income. If, in a subsequent period, the fair value of an impaired available-for-sale equity security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in other comprehensive income.

**(v) Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than stocks and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment that the carrying amount of an asset may not be recoverable. These include changes in the group's business plans, changes in commodity prices leading to sustained unprofitable performance, low plant utilization, evidence of physical damage or, for oil and gas assets, significant downward revisions of estimated volumes or increases in estimated future development expenditure. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**q. Accrued turnover**

Accrued turnover relates to sales made before the end of the year that have not been invoiced at the balance sheet date. Reasons for such delays include the need to determine final pricing, quantity and quality analysis. All are typical of the industry in which the Group operates.

**r. Employee benefits****(i) Post-employment benefits**

The Group provides direct contributions to individual employee pension schemes, which are expensed to net income in the year. Accordingly, there is no significant post-employment benefit liabilities associated with the Group.

**(ii) Employee share incentive plan and employee share trust**

Employees of the Group receive remuneration in the form of shares of Trafigura Beheer B.V. as consideration for services rendered. This is considered an equity-settled share scheme as the Company neither has a present legal nor constructive obligation to settle in cash nor has a past practice or stated policy of settling in cash.

The cost of the equity-settled transactions is measured at fair value at the grant date taking into account the terms and conditions upon which the shares were granted. This fair value is expensed over the vesting period with a corresponding credit to equity. For shares that immediately vest, the fair value is expensed in the same accounting period corresponding to the date of grant.

**s. Provisions**

The Group recognises provisions for liabilities and onerous contracts that have been incurred as of the balance sheet date and can be reasonably estimated. A provision is recognised when (i) the Group has a present obligation (legal or constructive) as a result of a particular event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) an estimate can be made of the amount of the obligation.

Provisions for claims, disputes and legal proceedings are recorded if it is probable that the Group will be liable in a proceeding, for the estimated amount at which the liability can be settled. If the amount for which the liability can be settled cannot be reliably estimated, the claim, dispute or legal proceeding is disclosed, if it is expected to be significant.

**(i) Restoration, rehabilitation and decommissioning**

Restoration, rehabilitation and decommissioning costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided for and capitalised at the time such an obligation arises. The costs are charged to the statement of income over the life of the operation through depreciation of the asset and the unwinding of the discount on the provision. Costs for restoration of subsequent site disturbance, which is created on an on-going basis during production, are provided for at their net present values and charged to the statement of income as extraction progresses. If the obligation results from production (e.g. extraction of reserves) these are recognised as extraction occurs.

**(ii) Onerous contracts**

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**u. Accrued costs of sales and expenses**

The accrued cost of sales and expenses relate to purchases and expenses made before the year end that have not been invoiced at the balance sheet date. Reasons for such delays include the need to determine final pricing, quantity and quality analysis. All are typical of the industry in which the Group operates.

**v. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. The following specific recognition criteria must also be met before revenue is recognised.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue from the sale of goods which are transported in discrete cargoes is recognised when the significant risk and rewards of the goods have passed to the buyer, which is usually the date of the bill of lading. Revenue from the sale of goods which are transported in continuous systems is recognised when the goods have been delivered.

Revenue from the sale of goods which are consigned to counterparties on a sale-and-return basis is recognised when the goods are sold to the customers on a non-recourse basis. At these points the quantity and the quality of the goods has been determined with reasonable accuracy, the price is fixed or determinable, and collectability is reasonably assured.

Revenue from rendering of services is recognised in the statement of income to the extent it seems likely that the economic benefits will accrue to the Group and the income from rendering of services can be reliably measured. The revenue is recognised in the statement of income in proportion to the stage of the rendered performance as at the balance sheet date.

**v. Cost of sales**

Cost of sales includes the purchase price of the products sold, as well as the costs of purchasing, storing, and transporting the products. It also includes the changes in mark to market valuation of all derivatives and forward contracts.

**w. Selling, general and administrative expenses**

Selling, general and administrative expenses includes the Group's corporate offices, rent and facility costs, and certain other general and administrative expenses which do not relate directly to the activities of a single business segment.

**x. Finance income and finance expense**

Interest income and interest expense are recognized on a time-proportion basis using the effective interest method.

**y. Corporate taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**(i) Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The charge for taxation includes Dutch and foreign corporate income taxation. Due to the different statutory rates applicable and non-deductible expenses, the Group effective tax charge differs from the statutory tax rate applicable in the Netherlands.

**(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(iii) Tax exposure**

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

**z. Assets held for sale and discontinued operations**

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

**aa. Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
  - i. has control or joint control over the Group;
  - ii. has significant influence over the Group; or
  - iii. is a member of the key management personnel of the group or of a parent of the Group.
- (b) A party is considered related to the Group if the party is an entity where any of the following conditions applies:
  - i. The entity and the Group are members of the same group;
  - ii. One entity is an associate or a joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - iii. The entity and the Group are joint ventures of the same third party;
  - iv. One entity is the joint venture of a third party and the other entity is an associate of the third entity;
  - v. The entity is a post-employment benefit plan for the benefit of the employees of either the Group or an entity related to the Group;
  - vi. The entity is controlled or jointly controlled by a person identified in (a); and
  - vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**bb. Segments**

The Group's operating segments are established on the basis of those components of the group that are evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and in assessing performance.

**cc. Use of estimates and judgements**

The preparation of the Group's financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The Group has identified the following areas as being critical to understanding Trafigura's financial position as they require management to make complex and/or subjective judgments and estimates about matters that are inherently uncertain.

**(i) Valuation of derivative instruments**

Derivative instruments are carried at fair value and the Group evaluates the quality and reliability of the assumptions and data used to measure fair value in the three hierarchy levels, Level 1, 2 and 3, as prescribed by IFRS 7. Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets (Level 1); by using models with externally verifiable inputs (Level 2); or by using alternative procedures such as comparison to comparable instruments and/or using models with unobservable market inputs requiring the Group to make market based assumptions (Level 3). For more details refer to note 28.

**(ii) Depreciation and amortisation of mineral rights and development costs**

Mineral rights and development costs are amortised using UOP (unit of production). The calculation of the UOP rate of amortisation, and therefore the annual amortisation charge to operations, can fluctuate from initial estimates. This could generally result when there are significant changes in any of the factors or assumptions used in estimating mineral or petroleum reserves, notably changes in the geology of the reserves and assumptions used in determining the economic feasibility of the reserves. Such changes in reserves could similarly impact the useful lives of assets depreciated on a straight line basis, where those lives are limited to the life of the project, which in turn is limited to the life of the proven and probable mineral or petroleum reserves. Estimates of proven and probable reserves are prepared by experts in extraction, geology and reserve determination. Assessments of UOP rates against the estimated reserve and resource base and the operating and development plan are performed regularly.

**(iii) Impairments**

Investments in associates and other investments, loans and other receivables and property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable or at least annually for goodwill and other indefinite life intangible assets. If an asset's recoverable amount is less than the asset's carrying amount, an impairment loss is recognised. Loans and receivables are evaluated based on collectability. Future cash flow estimates which are used to calculate the asset's fair value are based on expectations about future operations primarily comprising estimates about production and sales volumes, commodity prices, reserves and resources, operating, rehabilitation and restoration costs and capital expenditures. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management.

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## (iv) Provisions

The amount recognised as a provision, including tax, legal, restoration and rehabilitation, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. The Group assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

## (v) Restoration, rehabilitation and decommissioning costs

A provision for future restoration, rehabilitation and decommissioning costs requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance and the timing, extent and costs of the required closure and rehabilitation activities. To the extent that the actual future costs differ from these estimates, adjustments will be recorded and the statement of income could be impacted. The provisions including the estimates and assumptions contained therein are reviewed regularly by management.

## (vi) Taxation

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. These judgements are subject to risk and uncertainty and hence, to the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in income in the period in which the change occurs. The recoverability of deferred tax assets including the estimates and assumptions contained therein are reviewed regularly by management.

## dd. Fair value

In addition to recognising derivative instruments at fair value, as discussed above, an assessment of fair value of assets and liabilities is also required in accounting for other transactions, most notably, business combinations, marketing inventories, financial assets and liabilities. In such instances, fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end, and are therefore not necessarily reflective of the likely cash flow upon actual settlements. Where fair value measurements cannot be derived from publicly available information, they are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However, such information is by nature subject to uncertainty, particularly where comparable market based transactions rarely exist.

## 5. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has not applied the following new and revised IFRSs, which have been issued but are not yet effective, in these financial statements.

- IFRS 1 Amendments – Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Government Loans<sup>1</sup>
- IFRS 7 Amendments – Amendments to IFRS 7 Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities<sup>1</sup>
- IFRS 9 Financial Instruments<sup>3</sup>
- IFRS 10 Consolidated Financial Statements<sup>2</sup>
- IFRS 11 Joint Arrangements<sup>2</sup>
- IFRS 12 Disclosure of Interests in Other Entities<sup>2</sup>
- IFRS 13 Fair Value Measurement<sup>1</sup>
- IAS 19 Employee Benefits<sup>1</sup>
- IAS 27 (Revised) Separate Financial Statements<sup>1</sup>
- IAS 28 (Revised) Investments in Associates and Joint Ventures<sup>1</sup>
- IAS 32 Amendments – Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities<sup>2</sup>
- Annual Improvements 2009 – 2011 Cycle Amendments to a number of IFRSs issued in May 2012<sup>2</sup>:
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine<sup>1</sup>
- IFRIC 21 Levies<sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2013.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2014.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2015.

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. As at the date of this report, the Group's management does not expect that the impact on the Group's results of operations and financial position will be material upon adoption of these new Standards.

The amendment IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 that became effective as of 1 July 2012 is applied by the Company for the first time in the current period.

## 6. IFRS 1 FIRST-TIME ADOPTION OF IFRS

The Group has prepared its IFRS opening balance sheet as at 1 October 2011, its date of transition to IFRS. IFRS 1 First-time Adoption of International Financial Reporting Standards allows first-time adopters certain exemptions from the general requirement to apply IFRS as effective for September 2013 year end retrospectively.

The Group has taken the following exemptions:

- IFRS 3 Business Combinations – The Group has elected not to restate business combinations which occurred before 1 October 2011, the Group's date of transition.
- IAS 21 The Effects of Changes in Foreign Exchange Rates – The Group has elected to restate to zero all of the cumulative translation differences existing as of 1 October 2011.
- IAS 23 Borrowing Costs – The Group has elected to prospectively apply capitalisation of borrowing costs to new qualifying assets from 1 October 2011.

## 7. OPERATING SEGMENTS

The Group's operating businesses are organised and managed separately according to the nature of the products, with each segment representing a strategic unit that offers different products and serves different markets.

Segment results that are reported to the Group's Chief Executive Officer (CEO) (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

- The Oil & Petroleum products segment is engaged in the sourcing, provision and storage of oil, at all stages from crude to finished products such as naphtha and gasoline. This includes the blending required to make gasoline in the various grades suitable for the different specifications relevant in different countries. This segment also includes Puma Energy.
- The Non-Ferrous & Bulk segment trades copper, lead, zinc, aluminium, iron ore and coal in all forms including ores, concentrates, and refined metals. There is involvement in all the various stages from mining through smelting to the finished metal. The Group's segment also includes the Mining group and Impala Warehousing and Logistics and includes the blending of metal concentrates, iron ore, coal and alumina, as well as warehousing and transportation.
- Corporate and Other includes holding companies, and some smaller operating companies.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Group's CEO. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Trafigura accounts for inter-segment sales and transfers where applicable as if the sales or transfers were to third parties, i.e. at arm's length commercial terms.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items:

|  | Oil & Petroleum | Non-Ferrous & Bulk | Corporate and Other | Total          |
|--|-----------------|--------------------|---------------------|----------------|
|  | USD'M           | USD'M              | USD'M               | USD'M          |
| <b>2013</b>  |                 |                    |                     |                |
| Revenue from external customers                      | 101,143.9       | 31,882.3           | –                   | 133,026.2      |
| <b>Gross profit</b>                                  | <b>1,897.2</b>  | <b>995.0</b>       | <b>–</b>            | <b>2,892.1</b> |
| Other income/(expenses)                              | –               | –                  | –                   | 1,428.0        |
| General and administrative expenses                  | –               | –                  | –                   | (1,668.9)      |
| Finance income                                       | –               | –                  | –                   | 169.2          |
| Finance expense                                      | –               | –                  | –                   | (528.7)        |
| Share of profit/(loss) of equity-accounted investees | –               | –                  | –                   | (13.0)         |
| Income tax expense                                   | –               | –                  | –                   | (97.4)         |
| <b>Profit for the year</b>                           | <b>–</b>        | <b>–</b>           | <b>–</b>            | <b>2,181.3</b> |

|                             | Oil & Petroleum | Non-Ferrous & Bulk | Corporate and Other | Total           |
|-----------------------------|-----------------|--------------------|---------------------|-----------------|
|                             | USD'M           | USD'M              | USD'M               | USD'M           |
| <b>2013</b>                 |                 |                    |                     |                 |
| <b>Segment assets</b>       |                 |                    |                     |                 |
| Equity-accounted investees  | 1,946.8         | 153.8              | 33.8                | 2,134.4         |
| <b>Total segment assets</b> | <b>23,401.4</b> | <b>12,276.5</b>    | <b>4,348.9</b>      | <b>40,026.8</b> |

|                                  | Oil & Petroleum | Non-Ferrous & Bulk | Corporate and Other | Total           |
|----------------------------------|-----------------|--------------------|---------------------|-----------------|
|                                  | USD'M           | USD'M              | USD'M               | USD'M           |
| <b>2013</b>                      |                 |                    |                     |                 |
| <b>Segment liabilities</b>       |                 |                    |                     |                 |
| <b>Total segment liabilities</b> | <b>17,081.0</b> | <b>6,628.7</b>     | <b>11,013.5</b>     | <b>34,723.2</b> |

|                                    | Oil & Petroleum | Non-Ferrous & Bulk | Corporate and Other | Total   |
|------------------------------------|-----------------|--------------------|---------------------|---------|
|                                    | USD'M           | USD'M              | USD'M               | USD'M   |
| <b>2013</b>                        |                 |                    |                     |         |
| <b>Other segment information</b>   |                 |                    |                     |         |
| Capital expenditure                | 1,065.4         | 621.7              | 177.6               | 1,864.7 |
| Depreciation and amortisation      | 205.0           | 149.8              | 50.7                | 405.5   |
| Impairment of non-financial assets | 10.5            | 7.1                | 0.1                 | 17.7    |
| Impairment of financial assets     | 10.0            | 53.4               | –                   | 63.4    |

|                                 | Oil & Petroleum | Non-Ferrous & Bulk | Corporate and Other | Total          |
|---------------------------------|-----------------|--------------------|---------------------|----------------|
|                                 | USD'M           | USD'M              | USD'M               | USD'M          |
| <b>2012</b>                     |                 |                    |                     |                |
| Revenue from external customers | 91,641.8        | 28,777.6           | –                   | 120,419.4      |
| <b>Gross profit</b>             | <b>1,952.0</b>  | <b>672.6</b>       | <b>–</b>            | <b>2,624.6</b> |

|  | Oil & Petroleum | Non-Ferrous & Bulk | Corporate and Other | Total          |
|--|-----------------|--------------------|---------------------|----------------|
|  | USD'M           | USD'M              | USD'M               | USD'M          |
| <b>2012</b>  |                 |                    |                     |                |
| Other income/(expenses)                              | –               | –                  | –                   | 299.7          |
| General and administrative expenses                  | –               | –                  | –                   | (1,432.0)      |
| Finance income                                       | –               | –                  | –                   | 127.5          |
| Finance expense                                      | –               | –                  | –                   | (419.6)        |
| Share of profit/(loss) of equity-accounted investees | –               | –                  | –                   | 20.4           |
| Income tax expense                                   | –               | –                  | –                   | (216.5)        |
| <b>Profit for the year</b>                           | <b>–</b>        | <b>–</b>           | <b>–</b>            | <b>1,004.1</b> |

|                             | Oil & Petroleum | Non-Ferrous & Bulk | Corporate and Other | Total           |
|-----------------------------|-----------------|--------------------|---------------------|-----------------|
|                             | USD'M           | USD'M              | USD'M               | USD'M           |
| <b>2012</b>                 |                 |                    |                     |                 |
| <b>Segment assets</b>       |                 |                    |                     |                 |
| Equity-accounted investees  | 35.8            | 84.7               | 10.5                | 131.0           |
| <b>Total segment assets</b> | <b>21,363.5</b> | <b>12,290.6</b>    | <b>3,244.3</b>      | <b>36,898.4</b> |

|                                  | Oil & Petroleum | Non-Ferrous & Bulk | Corporate and Other | Total           |
|----------------------------------|-----------------|--------------------|---------------------|-----------------|
|                                  | USD'M           | USD'M              | USD'M               | USD'M           |
| <b>2012</b>                      |                 |                    |                     |                 |
| <b>Segment liabilities</b>       |                 |                    |                     |                 |
| <b>Total segment liabilities</b> | <b>17,411.9</b> | <b>9,693.5</b>     | <b>5,612.7</b>      | <b>32,718.1</b> |

|                                    | Oil & Petroleum | Non-Ferrous & Bulk | Corporate and Other | Total   |
|------------------------------------|-----------------|--------------------|---------------------|---------|
|                                    | USD'M           | USD'M              | USD'M               | USD'M   |
| <b>2012</b>                        |                 |                    |                     |         |
| <b>Other segment information</b>   |                 |                    |                     |         |
| Capital expenditure                | 750.4           | 587.3              | 176.0               | 1,513.7 |
| Depreciation and amortisation      | 182.2           | 68.4               | 41.5                | 292.1   |
| Impairment of non-financial assets | 12.2            | 8.6                | –                   | 20.8    |
| Impairment of financial assets     | 16.2            | 56.4               | –                   | 72.6    |

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## GEOGRAPHICAL INFORMATION

The following table sets out information about the geographical location of the Group's revenue from external customers:

| 2013   | Oil & Petroleum  | Non-Ferrous & Bulk | Total            |
|--|------------------|--------------------|------------------|
|  | USD'M            | USD'M              |                  |
| Revenue from external customers              |                  |                    |                  |
| Europe                                       | 25,202.4         | 8,492.4            | 33,694.8         |
| Asia   | 15,698.4         | 18,052.3           | 33,750.7         |
| North America                                | 10,545.1         | 2,509.2            | 13,054.3         |
| Latin America                                | 14,787.7         | 1,169.8            | 15,957.5         |
| Africa                                       | 28,121.3         | 1,082.6            | 29,203.9         |
| Australia                                    | —                | 397.5              | 397.5            |
| Middle East                                  | 6,789.0          | 178.5              | 6,967.5          |
| <b>Total revenue from external customers</b> | <b>101,143.9</b> | <b>31,882.3</b>    | <b>133,026.2</b> |

| 2012   | Oil & Petroleum | Non-Ferrous & Bulk | Total            |
|--|-----------------|--------------------|------------------|
|  | USD'M           | USD'M              |                  |
| Revenue from external customers              |                 |                    |                  |
| Europe                                       | 17,245.2        | 3,455.0            | 20,700.2         |
| Asia   | 12,097.7        | 19,005.5           | 31,103.2         |
| North America                                | 13,975.1        | 2,438.1            | 16,413.2         |
| Latin America                                | 13,434.4        | 825.9              | 14,260.3         |
| Africa                                       | 27,248.0        | 1,800.4            | 29,048.4         |
| Australia                                    | —               | 166.3              | 166.3            |
| Middle East                                  | 7,641.4         | 1,086.4            | 8,727.8          |
| <b>Total revenue from external customers</b> | <b>91,641.8</b> | <b>28,777.6</b>    | <b>120,419.4</b> |

## 8. ACQUISITIONS OF SUBSIDIARY AND NON-CONTROLLING INTERESTS

## 2013

## Ausfuel, Neumann Petroleum and Central Combined Group acquisitions

On 2 March 2013, Puma Energy completed the acquisition of Ausfuel Consolidated Pty Ltd and Neumann Petroleum Pty Ltd. On 1 June 2013, Puma Energy completed the acquisition of Central State Fuels Pty Ltd ("Central Combined Group"). These businesses, all incorporated under Australian law, add a retail portfolio of more than 250 service stations and access to the local mining industry fuel market.

The total consideration in respect of the acquisition of a 100% interest in each of these entities amounted to USD875 million including amounts for working capital. The acquisition is accounted for using the purchase method of accounting. Goodwill of USD659 million has been recognised which is provisional pending the finalisation of the related purchase price allocation. Due to the deconsolidation of Puma Energy as of 30 September 2013, the related assets and liabilities are not recorded in the Group's consolidated balance sheet as of that date.

## 2012

## ExxonMobil's fuels marketing supply acquisition

On 1 March 2012 Puma Energy completed the acquisition of ExxonMobil's fuels marketing supply businesses in Belize, El Salvador, Guatemala, Honduras, Nicaragua and Panama as well as ExxonMobil's Manref Refinery in Managua, Nicaragua (Esso Standard Oil S.A. Limited, Esso Standard Oil S.A., Esso Marine Supply Company Ltd, Servicios Santa Elena S.A. de C.V. and Automarket Ltd). In addition, Puma Energy acquired ExxonMobil's 65% stake in the RASA refinery in El Salvador (Refineria Petrolera Acajutla S.A. de C.V.). The consideration transferred consisted of cash totalling USD618 million including amounts for working capital and all debt with Exxon group settlement. The acquisition is accounted for using the purchase method of accounting. Goodwill additions include USD45 million relating to this acquisition by Puma Energy.

## Chevron's fuels marketing supply acquisition

On 1 August 2012 Puma Energy completed the acquisition of Chevron's fuel marketing and aviation businesses in Puerto Rico and the US Virgin Islands (Chevron Puerto Rico LLC). The consideration transferred consisted of cash totalling USD106 million including an amount for working capital subject to post-closing adjustments. The acquisition is accounted for using the purchase method of accounting. Goodwill additions include USD36 million relating to this acquisition by Puma Energy.

## Iberian acquisition

In February 2012, Urion Mining International BV, a wholly owned subsidiary of the Company, acquired more than 98% of the registered shares in Iberian Minerals Corp ("Iberian"), a company listed at the Canadian stock exchange. Before the take-over bid, the Company already owned 48.3% of the issued and outstanding Iberian shares. The purchase price amounted to CAD 1.10 per share. The total consideration paid amounted to USD310 million. The acquisition is accounted for using the acquisition method of accounting. As part of the purchase price allocation mineral rights of USD351 million were identified which are amortised over the remaining life of the mine.

The acquisition-date fair value of the equity interest in Iberian held by the Company immediately before the acquisition date was USD290 million and resulted in a revaluation gain recognised in the consolidated statement of income in 2012 of USD144 million.

The goodwill arising on the acquisition is principally attributable to the anticipated profitability achieved through perceived cost and revenue synergies. The fair value adjustments are based on an independent valuation at the time of the acquisition.

## 9. DECONSOLIDATION OF PUMA

During financial year 2013 there was a reorganisation of the Puma Group corporate structure to create a new top level holding company Puma Energy Holdings Pte Ltd ("Puma Holding") to be the ultimate parent company of all the Puma subsidiaries and therefore to (indirectly) hold the Puma Group. As part of this reorganisation, each shareholder exchanged their shareholdings in Puma Group for a direct stake in Puma Holding. A new entity, PE Investments Limited, was also created to hold the shareholdings of private investors in Puma Holding. Some of these private investors are related to Trafigura but neither these investors nor Trafigura can, individually or jointly, exercise control over this company.

During 2013, the Group reduced its stake in Puma Holding by selling a portion of its stake to minority shareholders. Further, Sonangol, one of the current minority shareholders of Puma Holding, made a capital contribution of USD 500 million into Puma Holding against issuance of new shares. As a result of the partial divestment of its stake to minority shareholders and the capital contribution of Sonangol, which has been accounted for as a single transaction together with the loss of control as described below, the Group's ownership in Puma Holding decreased to 48.79% (versus 61.67% as at 30 September 2012). Gains recognised in other income in relation to these divestments amount to USD304 million. At the end of financial year 2013, a new shareholders and governance structure became effective among the shareholders of Puma Holding. As result of all foregoing effects, including the assessment of the principal business and commercial agreements in place between Trafigura and Puma Holding, the Group has no longer the power, directly or indirectly, to govern the financial and operational policies of Puma Holding, and thus no longer control As a consequence, Puma Holding has been deconsolidated in the Group's consolidated financial statements as per 30 September 2013. The Group's remaining stake in Puma Holding has been recorded as investment in associate as from 30 September 2013 as disclosed in note 15.

The impact of Puma Holding on the Group's consolidated statement of income and cash flows is as follows:

|   | 2013           | 2012           |
|---|----------------|----------------|
|   | USD'M          | USD'M          |
| Revenue                                     | 11,162.6       | 7,723.5        |
| <b>Gross profit</b>                         | <b>1,104.6</b> | <b>911.2</b>   |
| <b>Operating profit</b>                     | <b>368.2</b>   | <b>336.8</b>   |
| <b>Profit for the year</b>                  | <b>180.2</b>   | <b>234.0</b>   |
| Net cash flows from operating activities    | 501.5          | 319.5          |
| Net cash flows used in investing activities | (1,360.1)      | (987.0)        |
| Net cash flows from financing activities    | 1,445.8        | 384.4          |
| <b>Net cash flows for the year</b>          | <b>587.2</b>   | <b>(283.1)</b> |

The effect of the divestment and deconsolidation of Puma Holding on the statement of financial position and statement of income is as follows:

|  | 2013           |
|--|----------------|
|  | USD'M          |
| Non-current assets   | 3,185.4        |
| Current assets   | 1,861.0        |
| Non-current liabilities  | (941.9)        |
| Current liabilities  | (2,274.9)      |
| Minority interest  | (131.0)        |
| <b>Net assets and liabilities</b>                                      | <b>1,698.6</b> |
| Deconsolidated non-controlling interest                                | 869.8          |
| Retained investment in Puma  | 828.8          |
| Retained investment in Puma remeasured at fair value                   | 1,951.6        |
| <b>Gain on remeasurement of retained interest at fair value</b>        | <b>1,122.8</b> |
| Gain on divestment and dilution  | 304.3          |
| <b>Total gain on divestment and remeasurement of retained interest</b> | <b>1,427.1</b> |

## 10. REVENUE

|                       | 2013             | 2012             |
|-----------------------|------------------|------------------|
|                       | USD'M            | USD'M            |
| Sales of goods        | 132,069.1        | 119,617.0        |
| Rendering of services | 957.2            | 802.5            |
| <b>Total</b>          | <b>133,026.2</b> | <b>120,419.4</b> |

## 11. OTHER INCOME/(EXPENSE)

|   | 2013           | 2012         |
|---|----------------|--------------|
|   | USD'M          | USD'M        |
| Release/(additions) to provisions                               | 0.6            | —            |
| Gain/(loss) on disposal of tangible and intangible fixed assets | 5.9            | 7.6          |
| Gain/(loss) from disposal of other investments                  | 22.6           | —            |
| Gain/(loss) on sale of equity-accounted investees               | 7.1            | 279.8        |
| Gain on divestment of subsidiaries                              | 339.5          | —            |
| Impairments of financial assets                                 | (63.4)         | (72.6)       |
| Impairments of non-financial assets                             | (17.7)         | (20.8)       |
| Dividend income   | 1.9            | 5.2          |
| Gain/loss on foreign exchange                                   | (0.3)          | (52.5)       |
| Revaluation gain  | 1,122.8        | 143.7        |
| Other   | 8.9            | 9.3          |
| <b>Total</b>  | <b>1,428.0</b> | <b>299.7</b> |

In 2013, Trafigura reduced its stake and deconsolidated Puma Holding as described in note 9. The gain from divestments of shares is included in gain on divestment of subsidiaries. The gain from remeasuring the retained interest at fair value is recorded in revaluation gain. USD35 million of profit on the sale of Condestable is included in gain from divestment of subsidiaries.

In 2012, USD241 million of profit on the sale of Anvil Mining Limited and USD35 million of profit on the sale of Tiger Resources Limited are included in profit/(loss) on sale of equity-accounted investees.

## 12. GENERAL AND ADMINISTRATIVE EXPENSES

|                               | 2013           | 2012           |
|-------------------------------|----------------|----------------|
|                               | USD'M          | USD'M          |
| Depreciation and amortisation | 405.5          | 292.1          |
| Staff costs                   | 682.1          | 647.7          |
| General & other               | 581.3          | 492.2          |
| <b>Total</b>                  | <b>1,668.9</b> | <b>1,432.0</b> |

The total fees in respect to the procedures applied to the Group by Ernst & Young Accountants LLP, the Netherlands, the external auditor, including their tax services and advisory groups amounted to USD 3.0 million in 2013 (2012: USD 3.9 million), which included USD 1.3 million (2012: USD 1.5 million) for assurance related services, USD 0.1 million (2012: USD 0.2 million) for tax advisory and compliance services, and USD nil million (2012: USD nil million) for transaction support services.

The financial statements audit fees include the aggregate fees in each of 2013 and 2012 financial years for professional services rendered for the audit of the Group's annual financial statements. Assurance related fees include the fees in relation to the annual statutory financial statement audit of subsidiaries or services that are normally provided by the auditor in connection with the audits. Transaction support fees relate to due diligence and assurance services in respect of potential acquisitions and/or divestitures. Refer to note 29, Employee benefits, for a breakdown of the staff costs.

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 13. TAX

## a. Tax expense

Income tax expense recognised in the statement of income consists of the following:

|  | 2013        | 2012         |
|--|-------------|--------------|
|  | USD'M       | USD'M        |
| Current income tax expense             | 153.3       | 172.1        |
| Current income tax from previous years | (7.7)       | 26.3         |
| Withholding tax in the current year    | 15.1        | 5.4          |
| Deferred tax expense/(income)          | (63.3)      | 12.7         |
| <b>Total</b>                           | <b>97.4</b> | <b>216.5</b> |

## b. Tax recognised directly in equity

The tax credit / (charge) relating to components of other comprehensive income and equity is as follows:

|  | 2013         | 2012       |
|--|--------------|------------|
|  | USD'M        | USD'M      |
| Tax expense/(income) on cash flow hedges | (1.2)        | 1.7        |
| <b>Total</b>                             | <b>(1.2)</b> | <b>1.7</b> |

## c. Reconciliation of effective tax rate

The Group's effective tax rate differs from the statutory income tax rate of the Netherlands, which is 25% (2012: 25%).

The following table reconciles the statutory blended tax rate of the Group with the effective tax rate as shown in the consolidated statement of income:

|   | 2013     |             | 2012     |              |
|---|----------|-------------|----------|--------------|
|   | USD'M    | %           | USD'M    | %            |
| Profit before tax   | 2,278.7  | -           | 1,220.6  | -            |
| Income tax expense at expected statutory blended tax rate                           | 346.6    | 15.2%       | 230.1    | 18.9%        |
| <b>Tax effect of adjustments to arrive at the effective income tax rate:</b>        |          |             |          |              |
| Tax rate differentials in the countries where the group operates – current tax      | (52.3)   | -           | 6.8      | -            |
| Non-taxable income  | (282.2)  | -           | (98.9)   | -            |
| Current income tax adjustments from previous years                                  | (7.7)    | -           | 26.3     | -            |
| Deferred income tax adjustments from previous years                                 | (3.3)    | -           | -        | -            |
| Effect of unrecognised and unused tax losses, not recognised as deferred tax assets | 24.6     | -           | 8.8      | -            |
| Withholding tax   | 15.1     | -           | 5.4      | -            |
| Minimum tax   | 9.4      | -           | -        | -            |
| Non-deductible expenses   | 86.7     | -           | 35.9     | -            |
| Adjustment for countries not based on net taxable income                            | (2.9)    | -           | -        | -            |
| Rate difference on opening deferred tax balances                                    | (3.8)    | -           | -        | -            |
| Rate difference on current year temporary items                                     | 2.3      | -           | -        | -            |
| Capital gains or losses   | 5.3      | -           | -        | -            |
| Other permanent differences   | (43.0)   | -           | -        | -            |
| Other   | 2.6      | -           | 2.1      | -            |
|   | 97.4     | -           | 216.5    | -            |
| <b>Effective tax rate</b>   | <b>-</b> | <b>4.3%</b> | <b>-</b> | <b>17.7%</b> |

## d. Deferred tax assets and liabilities

|   | 2013           | 2012           |
|---|----------------|----------------|
|   | USD'M          | USD'M          |
| Accelerated depreciation for tax purposes           | (6.2)          | (16.1)         |
| Property, plant and equipment and intangible assets | (143.3)        | (161.6)        |
| Losses  | 84.8           | 7.8            |
| Deferred taxes acquired in business combinations    | -              | (53.6)         |
| Other comprehensive income                          | 2.2            | 1.0            |
| Other temporary differences                         | (91.9)         | (127.8)        |
|   | (154.3)        | (296.7)        |
| <b>Net deferred tax asset / (liability)</b>         | <b>(154.3)</b> | <b>(296.7)</b> |

## Reflected in the consolidated balance sheet as follows:

|                          |         |         |
|--------------------------|---------|---------|
| Deferred tax assets      | 177.6   | 111.7   |
| Deferred tax liabilities | (331.9) | (408.4) |

## Deferred tax liability, net

|  |                |                |
|--|----------------|----------------|
| <b>Deferred tax liability, net</b>                         | <b>(154.3)</b> | <b>(296.7)</b> |
| Opening balance as at 1 October                            | (296.7)        | (144.2)        |
| Tax expense during the period recognised in profit or loss | 63.3           | (12.7)         |
| Other comprehensive income                                 | 1.2            | (1.7)          |
| Divestments of subsidiaries                                | 77.9           | -              |
| Acquisitions & disposals                                   | -              | (138.1)        |
| <b>Closing balance as at 30 September</b>                  | <b>(154.3)</b> | <b>(296.7)</b> |

At 30 September 2013 a deferred tax liability of USD33.4 million (2012: USD8.8 million) related to an investment in a subsidiary was not recognised because the Company controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

The tax losses expire within five years (USD8.7 million), more than five years (USD63.2 million) or do not expire (USD12.9 million). The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits from.

In 2012, USD1.8 million of previously unrecognised tax losses were recognised as management considered it probable that future taxable profits would be available against which they can be utilised.

The group has unrecognised deferred tax assets amounting of USD33.4 million (2012: USD8.8 million).

## e. Tax uncertainties

Trafigura operates in a multitude of jurisdictions worldwide resulting in cross border intercompany transactions whereby the transfer pricing rules applied in one country have an impact on the results in another country. In order to reduce transfer pricing uncertainties, transfer pricing studies are performed and reports are prepared to fulfil local Transfer Pricing requirements.

Due to complexity of tax rules, interpretation by local taxing authorities can differ from Trafifigura's interpretation based on opinions provided by local tax counsel. In Peru there is a dispute where taxing authorities are of the opinion that certain expenses are not deductible from local taxable income, whereby it is now up to the judicial system in Peru to decide. Based on expert opinions Trafifigura's position should ultimately prevail in court.

In countries where Trafifigura starts new operations or alters business models, the issue of permanent establishment and profit allocation

thereto may arise. The risk is that taxing authorities in multiple jurisdictions claim taxation rights over the same profit.

## 14. PROPERTY, PLANT AND EQUIPMENT

| USD'M                                      | Land and buildings | Machinery and equipment | Barges and vessels | Exploration and evaluation assets | Other fixed assets | Total          |
|--|--------------------|-------------------------|--------------------|-----------------------------------|--------------------|----------------|
| Cost                                       |                    |                         |                    |                                   |                    |                |
| Balance at 1 October 2012                  | 1,391.2            | 1,462.1                 | 228.9              | 267.9                             | 703.5              | 4,053.6        |
| Acquisitions through business combinations | 16.7               | 82.3                    | -                  | -                                 | 65.2               | 164.2          |
| Additions                                  | 193.9              | 225.9                   | 215.4              | 105.1                             | 1,055.9            | 1,796.3        |
| Reclassifications                          | 141.6              | 67.4                    | 9.8                | 9.2                               | (238.4)            | (10.4)         |
| Disposals                                  | (16.8)             | (14.4)                  | -                  | -                                 | (69.1)             | (100.3)        |
| Impairment                                 | (3.9)              | (1.9)                   | -                  | -                                 | (4.0)              | (9.6)          |
| Effect of movements in exchange rates      | (20.9)             | (14.1)                  | -                  | -                                 | (13.7)             | (48.7)         |
| Divestments of subsidiaries                | (848.2)            | (1,468.1)               | -                  | -                                 | (439.7)            | (2,756.0)      |
| <b>Balance at 30 September 2013</b>        | <b>853.8</b>       | <b>339.1</b>            | <b>454.1</b>       | <b>382.3</b>                      | <b>1,059.7</b>     | <b>3,089.0</b> |
| Depreciation and impairment losses         |                    |                         |                    |                                   |                    |                |
| Balance at 1 October 2012                  | 174.4              | 345.0                   | 22.4               | -                                 | 133.7              | 675.5          |
| Depreciation for the year                  | 111.6              | 148.4                   | 20.8               | -                                 | 77.4               | 358.1          |
| Impairment losses                          | 0.1                | 5.4                     | -                  | -                                 | -                  | 5.5            |
| Disposals                                  | (1.4)              | (8.5)                   | -                  | -                                 | (19.8)             | (29.6)         |
| Effect of movements in exchange rates      | (1.0)              | (0.6)                   | -                  | -                                 | 1.3                | (0.2)          |
| Reclassifications                          | 2.9                | 1.2                     | -                  | -                                 | (21.2)             | (17.1)         |
| Divestments of subsidiaries                | (133.1)            | (416.9)                 | -                  | -                                 | (39.4)             | (589.4)        |
| <b>Balance at 30 September 2013</b>        | <b>153.4</b>       | <b>74.1</b>             | <b>43.2</b>        | <b>-</b>                          | <b>132.1</b>       | <b>402.7</b>   |
| <b>Net book value at 30 September 2013</b> | <b>700.4</b>       | <b>265.0</b>            | <b>410.9</b>       | <b>382.3</b>                      | <b>927.7</b>       | <b>2,686.3</b> |

| USD'M                                      | Land and buildings | Machinery and equipment | Barges and vessels | Exploration and evaluation assets | Other fixed assets | Total          |
|--|--------------------|-------------------------|--------------------|-----------------------------------|--------------------|----------------|
| Cost                                       |                    |                         |                    |                                   |                    |                |
| Balance at 1 October 2011                  | 641.2              | 1,019.6                 | 105.7              | 20.5                              | 521.3              | 2,308.4        |
| Acquisitions through business combinations | 497.8              | 191.6                   | -                  | 23.7                              | (63.4)             | 649.6          |
| Additions                                  | 144.2              | 195.1                   | 106.6              | 199.7                             | 611.9              | 1,257.5        |
| Reclassifications                          | 142.9              | 121.0                   | 16.6               | 24.0                              | (310.7)            | (6.3)          |
| Disposals                                  | (15.3)             | (39.0)                  | -                  | -                                 | (12.5)             | (66.8)         |
| Impairment                                 | -                  | -                       | -                  | -                                 | (19.3)             | (19.3)         |
| Effect of movements in exchange rates      | (19.6)             | (26.2)                  | -                  | -                                 | (23.8)             | (69.6)         |
| <b>Balance at 30 September 2012</b>        | <b>1,391.2</b>     | <b>1,462.1</b>          | <b>228.9</b>       | <b>267.9</b>                      | <b>703.5</b>       | <b>4,053.6</b> |
| Depreciation and impairment losses         |                    |                         |                    |                                   |                    |                |
| Balance at 1 October 2011                  | 100.9              | 243.2                   | 10.5               | -                                 | 83.0               | 437.6          |
| Depreciation for the year                  | 68.6               | 126.0                   | 11.9               | -                                 | 59.1               | 265.6          |
| Impairment losses                          | 0.5                | -                       | -                  | -                                 | 0.2                | 0.7            |
| Disposals                                  | (3.2)              | (18.4)                  | -                  | -                                 | (4.1)              | (25.7)         |
| Effect of movements in exchange rates      | (3.3)              | (1.4)                   | -                  | -                                 | 0.7                | (4.0)          |
| Reclassifications                          | 10.9               | (4.4)                   | -                  | -                                 | (5.2)              | 1.3            |
| <b>Balance at 30 September 2012</b>        | <b>174.4</b>       | <b>345.0</b>            | <b>22.4</b>        | <b>-</b>                          | <b>133.7</b>       | <b>675.5</b>   |
| <b>Net book value at 30 September 2012</b> | <b>1,216.8</b>     | <b>1,117.1</b>          | <b>206.5</b>       | <b>267.9</b>                      | <b>569.8</b>       | <b>3,378.1</b> |

|  |              |              |              |              |              |                |
|--|--------------|--------------|--------------|--------------|--------------|----------------|
| <b>Balance at 30 September 2013</b>        | <b>153.4</b> | <b>74.1</b>  | <b>43.2</b>  | <b>-</b>     | <b>132.1</b> | <b>402.7</b>   |
| <b>Net book value at 30 September 2013</b> | <b>700.4</b> | <b>265.0</b> | <b>410.9</b> | <b>382.3</b> | <b>927.7</b> | <b>2,686.3</b> |

| USD'M                                      | Land and buildings | Machinery and equipment | Barges and vessels | Exploration and evaluation assets | Other fixed assets | Total          |
|--|--------------------|-------------------------|--------------------|-----------------------------------|--------------------|----------------|
| Cost                                       |                    |                         |                    |                                   |                    |                |
| Balance at 1 October 2011                  | 641.2              | 1,019.6                 | 105.7              | 20.5                              | 521.3              | 2,308.4        |
| Acquisitions through business combinations | 497.8              | 191.6                   | -                  | 23.7                              | (63.4)             | 649.6          |
| Additions                                  | 144.2              | 195.1                   | 106.6              | 199.7                             | 611.9              | 1,257.5        |
| Reclassifications                          | 142.9              | 121.0                   | 16.6               | 24.0                              | (310.7)            | (6.3)          |
| Disposals                                  | (15.3)             | (39.0)                  | -                  | -                                 | (12.5)             | (66.8)         |
| Impairment                                 | -                  | -                       | -                  | -                                 | (19.3)             | (19.3)         |
| Effect of movements in exchange rates      | (19.6)             | (26.2)                  | -                  | -                                 | (23.8)             | (69.6)         |
| <b>Balance at 30 September 2012</b>        | <b>1,391.2</b>     | <b>1,462.1</b>          | <b>228.9</b>       | <b>267.9</b>                      | <b>703.5</b>       | <b>4,053.6</b> |

## Depreciation and impairment losses

|                                       |              |              |             |          |              |              |
|---------------------------------------|--------------|--------------|-------------|----------|--------------|--------------|
| Balance at 1 October 2011             | 100.9        | 243.2        | 10.5        | -        | 83.0         | 437.6        |
| Depreciation for the year             | 68.6         | 126.0        | 11.9        | -        | 59.1         | 265.6        |
| Impairment losses                     | 0.5          | -            | -           | -        | 0.2          | 0.7          |
| Disposals                             | (3.2)        | (18.4)       | -           | -        | (4.1)        | (25.7)       |
| Effect of movements in exchange rates | (3.3)        | (1.4)        | -           | -        | 0.7          | (4.0)        |
| Reclassifications                     | 10.9         | (4.4)        | -           | -        | (5.2)        | 1.3          |
| <b>Balance at 30 September 2012</b>   | <b>174.4</b> | <b>345.0</b> | <b>22.4</b> | <b>-</b> | <b>133.7</b> | <b>675.5</b> |

|  |                |                |              |              |              |                |
|--|----------------|----------------|--------------|--------------|--------------|----------------|
| <b>Balance at 30 September 2012</b>        | <b>174.4</b>   | <b>345.0</b>   | <b>22.4</b>  | <b>-</b>     | <b>133.7</b> | <b>675.5</b>   |
| <b>Net book value at 30 September 2012</b> | <b>1,216.8</b> | <b>1,117.1</b> | <b>206.5</b> | <b>267.9</b> | <b>569.8</b> | <b>3,378.1</b> |

Machinery and equipment mainly consists of specialised industrial equipment.

Included in the Other fixed assets category is assets under construction, which relates to assets not yet in use. Total balance at 30 September 2013 amounted to USD530 million (2012: USD205 million). Once the assets under construction come into operation they are reclassified to the appropriate asset category and it is from that point that they are depreciated. Further other fixed assets mainly consist of small equipment, computer hardware, software licences, office equipment and refurbishment and capitalized IT development cost.

The net book value of property, plant and equipment acquired under finance leases at 30 September 2013 was USD59.2million (2012: USD50.9 million).

Certain items of property, plant and equipment are pledged as collateral for an amount of USD201.9 million (2012: USD298.6 million) mainly for vessel loans and in 2012 also related to loans granted to certain affiliates in the Baltics.

Depreciation expenses are included in general and administrative expenses. Impairment charges are included in other income and expense.

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 15. INTANGIBLE ASSETS

| USD'M                                      | Goodwill | Licences | Mineral rights | Other intangible assets | Total     |
|--|----------|----------|----------------|-------------------------|-----------|
| <b>Cost</b>                                |          |          |                |                         |           |
| Balance at 1 October 2012                  | 296.5    | 36.0     | 410.8          | 173.7                   | 917.0     |
| Acquisitions through business combinations | 688.6    | 2.8      | –              | 1.2                     | 692.6     |
| Reclassifications                          | (45.5)   | 4.7      | –              | 56.1                    | 15.2      |
| Other additions                            | –        | 4.5      | –              | 63.9                    | 68.4      |
| Disposals                                  | –        | (0.5)    | –              | (8.9)                   | (9.4)     |
| Impairment                                 | –        | –        | –              | (0.7)                   | (0.7)     |
| Effect of movements in exchange rates      | (72.8)   | (0.3)    | –              | (3.7)                   | (76.8)    |
| Divestments of subsidiaries                | (859.3)  | (41.0)   | –              | (122.0)                 | (1,022.3) |

**Balance at 30 September 2013** 7.4 6.2 410.8 159.5 583.8

**Amortisation and impairment losses**

|  |   |        |      |       |        |
|--|---|--------|------|-------|--------|
| Balance at 1 October 2012                  | – | 7.4    | 10.9 | 28.9  | 47.3   |
| Amortisation for the year                  | – | 7.4    | 19.3 | 20.6  | 47.4   |
| Impairment losses recognised in the income | – | 1.8    | –    | 1.8   | –      |
| Reclassification                           | – | 3.9    | –    | 18.0  | 21.9   |
| Disposals                                  | – | (0.2)  | –    | (8.6) | (8.8)  |
| Effect of movements in exchange rates      | – | (0.7)  | –    | 0.1   | 0.1    |
| Divestments of subsidiaries                | – | (16.6) | –    | (9.1) | (25.7) |

**Balance at 30 September 2013** – 3.8 30.2 49.9 83.9

**Net book value at 30 September 2013** 7.4 2.3 380.6 109.6 499.9

| USD'M                                      | Goodwill | Licences | Mineral rights | Other intangible assets | Total  |
|--|----------|----------|----------------|-------------------------|--------|
| <b>Cost</b>                                |          |          |                |                         |        |
| Balance at 1 October 2011                  | 247.2    | 16.3     | 20.0           | 69.2                    | 352.7  |
| Acquisitions through business combinations | (59.2)   | 7.7      | 350.6          | 31.0                    | 330.1  |
| Reclassifications                          | (17.0)   | (6.9)    | –              | 23.9                    | 6.0    |
| Other additions                            | 137.1    | 19.0     | 40.2           | 59.9                    | 256.2  |
| Disposals                                  | (1.7)    | –        | –              | (14.2)                  | (15.9) |
| Impairment                                 | (0.6)    | –        | –              | –                       | (0.6)  |
| Effect of movements in exchange rates      | (9.3)    | (0.1)    | –              | (2.1)                   | (11.5) |

**Balance at 30 September 2012** 296.5 36.0 410.8 173.7 917.0

**Amortisation and impairment losses**

|  |   |       |      |        |        |
|--|---|-------|------|--------|--------|
| Balance at 1 October 2011                  | – | 2.0   | –    | 33.8   | 35.8   |
| Amortisation for the year                  | – | 5.8   | 10.9 | 9.7    | 26.5   |
| Impairment losses recognised in the income | – | –     | –    | 0.2    | 0.2    |
| Reclassification                           | – | (0.3) | –    | 0.3    | –      |
| Disposals                                  | – | –     | –    | (14.2) | (14.2) |
| Effect of movements in exchange rates      | – | (0.1) | –    | (0.9)  | (1.0)  |

**Balance at 30 September 2012** – 7.4 10.9 28.9 47.3

**Net book value at 30 September 2012** 296.5 28.6 399.9 144.7 869.7

Goodwill is the only intangible asset with an indefinite life. All other intangible assets are being amortised as follows:

- Licence fees paid are being amortised evenly over their respective periods, for which the licences have been granted, generally not exceeding ten years;
- Other intangibles are being amortised evenly over their estimated useful economic life. Other intangibles mainly consist of mining concessions, payments made under exclusivity contracts with clients for petroleum fuels and lubricants, and exploration costs.

Amortisation expenses and impairment charges are included in general and administrative expenses.

Intangible assets with finite lives are tested for impairment when impairment indicators exist. Goodwill is tested for impairment annually

either individually or at the cash-generating unit (CGU) level. Annually, development costs are evaluated on a project-by-project basis by reviewing current status and project details.

For the purpose of impairment testing, goodwill is allocated to the CGUs, or groups of CGUs.

At 30 September 2013, the recoverable amounts of the CGU's were determined from value in use calculations. Goodwill held by CGUs is USD8million (2012: USD297 million). The decrease in goodwill compared to previous year is fully attributable to the Puma Holding. The goodwill remaining as at 30 September 2013 has been allocated across a number of CGUs in the Oil & Petroleum products segment and Non-Ferrous & Bulk segment. Management has carried out impairment tests and concluded all goodwill balances to be recoverable.

## 16. EQUITY-ACCOUNTED INVESTEEES

In 2012, equity-accounted investee disposals include the sale of the Company's shareholding in Anvil Mining Limited ('Anvil'). The Company realised a profit on the sale of USD241 million (included in 'Other Income (Expense)'). In addition, disposals of Associates include the sale of the Company's shareholding in Tiger Resources Limited ('Tiger'). The Company realised a profit on the sale of USD35 million (included in 'Other Income/(Expense)').

The Group's share of profit in its equity-accounted investees for the year was a loss of USD13.0 million (2012: a gain of USD20.4 million).

In 2013, the Group received dividends of USD0.2 million from its investments in equity-accounted investees (2012: USD1.2 million). The fair value of the listed equity accounted investees per 30 September 2013 is USD1.4 million (2012: USD5.0 million).

| Name  | Place of incorporation/ registration | Percentage of equity attributable to the Group 2013 | Percentage of equity attributable to the Group 2012 |
|---|--------------------------------------|---|---|
| Cadillac Ventures Inc.                      | Canada                               | 24.7  | 27.5  |
| Elo Puma Distribuidora de Combustiveis S.A. | Brazil                               | –   | 25.0  |
| Emoil Petroleum Storage FZCO                | UAE                                  | –   | 12.3  |
| Empresa Minera del Caribe S.A.              | Caribbean                            | 49.0  | –   |
| ECG S.A.                                    | Caribbean                            | –   | 30.8  |
| Langsat Terminal (One) Sdn. Bhd.            | Malaysia                             | –   | 12.3  |
| Langsat Terminal (Two) Sdn. Bhd.            | Malaysia                             | –   | 12.3  |
| Napoli Limited                              | Bermuda                              | 49.0  | 49.0  |
| Osmunda Limited                             | Isle of Man                          | 33.0  | 33.0  |
| Puma Energy Holdings Pte. Ltd.              | Singapore                            | 48.8  | N/A   |
| Transportadora Callao S.A.                  | Peru                                 | 30.0  | 30.0  |

The movements in the table below are mainly attributable to the deconsolidation of Puma Energy Holdings.

Summary financial information for equity-accounted investees (all associates) is as follows, these represent the aggregate amounts presented in their respective financial reporting.

|                            | 2013    | 2012    |
|----------------------------|---------|---------|
|                            | USD'M   | USD'M   |
| Assets                     | 6,390.0 | 1,392.4 |
| Liabilities                | 4,187.9 | 1,040.3 |
| Revenue                    | 7,257.0 | 7,417.4 |
| Profit/(loss) for the year | 0.2     | 32.8    |

Puma Holding has been deconsolidated per 30 September 2013 and therefore no revenue or profit or loss for the year is included for Puma in the summary above.

## 17. LOANS RECEIVABLE AND ADVANCES

|   | 2013           | 2012         |
|---|----------------|--------------|
|   | USD'M          | USD'M        |
| Loans to associates and related parties | 232.9          | 9.3          |
| Long-term prefinancings                 | 1,680.6        | 249.8        |
| Other non-current loans receivable      | 139.8          | 295.1        |
| <b>Total</b>                            | <b>2,053.3</b> | <b>554.2</b> |

Loans receivables include loans to related parties and advances provided to suppliers with repayment in products. These loans are held to maturity and generate a fixed or variable income for the group.

On 21 June 2013, Trafigura signed a long term export contract under which Rosneft will deliver 10.11 million metric tonnes of crude oil and petroleum oil products (by mutual agreement) over a period of 5 years. As part of the Export Contract, Trafigura also arranged a USD1.5 billion 5-years prepayment facility in favor of Rosneft. The facility was syndicated with a pool of international banks and fully disbursed on 30 September 2013. The prepayment to Rosneft is included in long-term prefinancings.

A portion of the long-term prefinancings, as well as short-term prepayments, is on a limited recourse basis.

## 18. OTHER INVESTMENTS

The Group's long term investments consist of equity securities which were designated as available-for-sale financial assets, and have no fixed maturity or coupon rate. The fair values of listed equity investments are based on quoted market prices.

For the financial year ended 30 September 2013, net gains from disposal of available-for-sale financial assets recognised in income amounted to USD22.6 million (2012: USDnil). At 30 September 2013, certain unlisted equity investments with a carrying amount of USD104.9 million (2012: USD123.6 million) were stated at cost less impairment. During 2013, a total amount of USD63.4 million of impairments in other investments was recorded (2012: USD72.6 million).

|   | 2013         | 2012         |
|---|--------------|--------------|
|   | USD'M        | USD'M        |
| Listed equity securities – available-for-sale | 121.5        | 239.3        |
| Unlisted equity investments, at cost          | 104.9        | 123.6        |
| <b>Total</b>                                  | <b>226.4</b> | <b>362.9</b> |

## 19. INVENTORIES

| Carrying amount      | 2013           | 2012           |
|----------------------|----------------|----------------|
|                      | USD'M          | USD'M          |
| Storage inventories  | 4,394.2        | 5,805.1        |
| Floating inventories | 3,443.4        | 3,802.5        |
| Supplies             | 18.7           | 21.5           |
| <b>Total</b>         | <b>7,856.3</b> | <b>9,629.1</b> |

As at 30 September 2013 (and 30 September 2012) all of the inventory has either been sold or hedged. The Group is committed to financing its day-to-day trading activity through self-liquidating transactional lines, whereby the financing banks retain security on the goods purchased. The percentage of total stocks financed in this way is carefully monitored, significantly all inventory is financed.

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 20. TRADE AND OTHER RECEIVABLES

|                                      | 2013            | 2012            |
|--------------------------------------|-----------------|-----------------|
|                                      | USD'M           | USD'M           |
| Trade debtors                        | 6,812.4         | 5,968.4         |
| Provision for bad and doubtful debts | (16.9)          | (35.5)          |
| Accrued turnover                     | 7,370.6         | 7,406.5         |
| Broker balances                      | 484.4           | 1,336.7         |
| Other debtors                        | 633.9           | 790.5           |
| Other taxes                          | 205.6           | 309.0           |
| Related parties                      | 303.8           | 16.8            |
| <b>Total</b>                         | <b>15,793.8</b> | <b>15,792.4</b> |

Of the USD6,812.4 million trade debtors, USD1,558 million had been sold on a non-recourse basis under the securitisation programme (2012: USD1,199.0 million). Refer to note 21.

As at 30 September 2013, 18.0% (2012: 16.2%) of receivables were between 1-60 days overdue, and 7.8% (2012: 15.9%) were greater than 60 days overdue. Such receivables, although contractually past their due dates, are not considered impaired as there has not been a significant change in credit quality of the relevant counterparty, and the amounts are still considered recoverable taking into account customary payment patterns and in many cases, offsetting accounts payable balances.

## 21. SECURITISATION PROGRAMME

The Group operates a Securitisation Programme which enables the Group to sell eligible receivables. The securitisation vehicle, Trafigura Securitisation Finance plc., is consolidated as part of the Group and consequently the receivables sold to the programme are included within the consolidated trade debtor balances.

Over time the external funding has increased significantly in size while incorporating a longer term committed funding element, principally through the issuance of Medium Term Notes (MTN), as well as retaining a significant proportion of variable funding purchased by bank sponsored conduits.

As at 30 September 2013, the maximum available amount of external funding of the programme was USD2,750 million (2012: USD2,725 million). The utilised funding of the programme as at 30 September 2013 was USD1,602 million (2012: USD1,570 million).

The available external funding of the securitisation programme consists of:

|                          | Interest rate  | Maturity                    | 2013           | 2012           |
|--------------------------|----------------|-----------------------------|----------------|----------------|
|                          |                |                             | USD'M          | USD'M          |
| AAA MTN                  | LIBOR + 2.40%  | 2015 – May                  | 400.0          | 400.0          |
| BBB MTN                  | LIBOR + 4.00%  | 2015 – May                  | 30.0           | 30.0           |
|                          |                | Various throughout the year |                |                |
| AAA VFN                  | See note below |                             | 2,093.5        | 2,093.5        |
|                          |                | Various throughout the year |                |                |
| BBB VFN                  | See note below |                             | 157.1          | 157.1          |
| Senior subordinated debt | LIBOR + 4.25%  | 2014 – March                | 69.4           | 44.8           |
| <b>Total</b>             |                |                             | <b>2,750.0</b> | <b>2,725.4</b> |

## a. Interest rate note

The rate of interest applied to the AAA Variable Funding Notes is defined in the Securitisation Facility Documentation and is principally determined by the demand for Commercial Paper issued by seven bank-sponsored conduits. The Group benchmarked the rate provided against overnight LIBOR. In the case of the rate of interest applicable to the BBB Variable Funding Notes, the rate of interest is principally determined by the liquidity of the interbank market.

## b. Maturity note

The maturity of the AAA Variable Funding Notes has been staggered so as to diversify the maturity profile of the AAA funding. This aims to mitigate the 'liquidity wall' risk associated with a single maturity date for a significant funding amount.

## 22. CASH AND CASH EQUIVALENTS

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents approximates the carrying value. An amount of USD143.9 million (2012: USD38.2 million) of cash and banks is restricted and can be collected when fixed asset construction invoices are presented to the banks.

|                          | 2013           | 2012           |
|--------------------------|----------------|----------------|
|                          | USD'M          | USD'M          |
| Cash at bank and in hand | 2,779.0        | 2,849.4        |
| Short-term deposits      | 956.7          | 484.5          |
| <b>Total</b>             | <b>3,735.7</b> | <b>3,333.9</b> |

As at 30 September 2013, the Group had USD5.9 billion (2012: USD4.9 billion) of committed revolving credit facilities of which USD1.9 billion (2012: USD1.1 billion) remained unutilised. The Group had USD1.2 billion (2012: USD1.5 billion) of immediately (same day) available cash in liquidity funds. The Group had immediate access to available liquidity balances from liquidity funds and corporate facilities in excess of USD3.1 billion (2012: USD2.6 billion).

## 23. CAPITAL AND RESERVES

## a. Share capital and share premium

The currency translation reserve, revaluation reserve and legal reserve are legal reserves and are therefore not freely distributable to the shareholders. The legal reserve is maintained for the undistributed profits of participating interests.

During the year the Company:

- Issued 629 E12 & F12 and 62,031 E13 & F13 preference shares;
- Redeemed 22,870 ordinary and ordinary equivalent shares held by Beheer Malta Limited for a total value of USD855,188,218, comprised of 8,327 ordinary shares, 2,106 A1 & B1, 2,910 A2 & B2, 731 A3 & B3, 1,525 A4 & B4, 1,252 A5 & B5, 31,513 C6 & D6, 33,159 C7 & D7, 21,567 C8 & D8 12,715 C9 & D9, 11,230 C10 & D10, 6,484 C11 & D11, 8,726 E12 & F12 and 557 E13 and F13 preference shares.

The Company intends to redeem the equivalent of 38,775 ordinary shares for USD1,515 million from 2014 to 2017 subject to compliance with its financial covenants and may periodically consider additional redemptions.

The Company's authorised share capital is denominated in EUR and as at 30 September 2013 amounts to EUR962.460 with total issued and fully paid share capital of EUR101.962 as set out below.

| Number of shares | Type                      | Class  | Nominal value | Participating |
|------------------|---------------------------|--------|---------------|---------------|
| 90,000           | Ordinary                  | A      | EUR 4.54      | 7,666         |
| 9,000            | Ordinary                  | B      | EUR 4.54      | 4,979         |
| 1,000            | Ordinary                  | C      | EUR 100       | 296           |
| 150,000          | Non-cumulative preference | A1-5   | EUR 0.01      | 17,236        |
| 150,000          | Non-cumulative preference | B1-5   | EUR 0.01      | 17,236        |
| 1,800,000        | Non-cumulative preference | C6-11  | EUR 0.01      | 600,139       |
| 1,800,000        | Non-cumulative preference | D6-11  | EUR 0.01      | 600,139       |
| 1,200,000        | Non-cumulative preference | E12-15 | EUR 0.01      | 130,262       |
| 1,200,000        | Non-cumulative preference | F12-15 | EUR 0.01      | 130,262       |

Share capital has been translated against year-end exchange rates:

|      |                    |
|------|--------------------|
| 2013 | USD1 = EUR 0.75557 |
| 2012 | USD1 = EUR 0.77758 |

Shareholders' voting rights are calculated by dividing the nominal value by EUR0.01.

One A preference share and one B preference share from the same issue have the same economic entitlement as an ordinary share. The C and D shares have one twentieth of the economic entitlement of A and B shares respectively. The E and F shares have one fiftieth of the economic entitlement of A and B shares respectively. The non-cumulative preference shares have a 100% dividend rate each year, so each preference share is entitled to EUR 0.01 dividend with the A, C and E preference shares entitled to any dividend declared in excess of this minimum dividend.

Farringford NV, through Beheer Malta Limited, is the founding investing company, is the ultimate shareholder of the Company. Shares are also held by employees (who hold B, D and F preference shares) and the employee trust Trafigura Trustees (Jersey) Limited (which holds A, C and E preference shares). Trafigura Nominee (Jersey) Limited also holds B, D and F preference shares on behalf of the employees.

## b. Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

## c. Other reserves

Other reserves comprise the share-based payment reserves and revaluation reserves. Included in the revaluation reserve is USD6.5 million related to the mark to market valuation of available-for-sale financial assets.

## d. Legal reserves

Legal reserves are reserves that originate from Dutch Law and include gains from associates where dividend payments cannot be enforced by Trafigura and positive revaluations of level 3 physical forward contracts. Furthermore included in legal reserves are unrealized fair value revaluation amounts on acquisitions and disposals of subsidiaries.

## e. Cash flow hedge reserve

Included in the cash flow hedge reserve is a loss of USD17.7 million (2012: USD15.2 million loss) related to the effective portion of the changes in fair value of cash flow hedges.

## f. Capital securities

The Company issued capital securities with a par value of USD500 million on 19 April 2013. The securities are perpetual securities in respect of which there is no fixed redemption date. The distribution of the capital securities is 7.625% per annum, payable semi-annually in arrears every six months from the date of issue. The company may elect to defer (in whole but not in part) any distribution in respect of these capital securities. The first distribution date was 19 October 2013. The capital securities may be redeemed at the Company's option in whole, but not in part, on the distribution payment date in April 2018 or any distribution date thereafter on giving not less than 30 or more than 60 days' notice to the holders.

The amount of the Company's net profit may affect the coupon payments on the capital securities. In the event of a winding-up, the rights and claims of the holders in respect of the capital securities shall rank ahead of claims in respect of the Company's junior securities, but shall be subordinated in right of payment to the claims of all present and future unsubordinated obligations, except for obligations of the Company that are expressed to rank pari passu with, or junior to, its obligations under the capital securities.

## g. Dividends

The dividends on the non-cumulative preference shares are the contractual coupon rates for these shares. The dividends have not been paid. No dividend has been declared on the ordinary shares. The value of the dividends amounts to USD19,790 (2012: USD21,077).

## 24. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk (see note 28).

| Carrying value of loans and borrowings | 2013            | 2012            |
|--|-----------------|-----------------|
|  | USD'M           | USD'M           |
| <b>Non-current</b>                     |                 |                 |
| Private placements                     | 375.0           | 230.0           |
| Revolving credit facilities            | 3,020.3         | 2,379.0         |
| Eurobond                               | 540.8           | 514.4           |
| Other loans                            | 1,804.7         | 1,218.1         |
| Finance leases                         | 33.5            | 24.0            |
| <b>Total non-current</b>               | <b>5,774.3</b>  | <b>4,365.5</b>  |
| <b>Current</b>                         |                 |                 |
| Private placements                     | –               | –               |
| Revolving credit facilities            | 229.0           | 900.0           |
| Other loans                            | 300.7           | 77.6            |
| Finance leases                         | 15.7            | 12.5            |
| Short-term bank borrowings             | 12,695.8        | 12,433.3        |
| <b>Total current</b>                   | <b>13,241.2</b> | <b>13,423.4</b> |

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## a. Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

| Principal                          | Interest rate | Maturity         | Floating/ixed rate debt | Note | < 1 year     | 1-5 years      | > 5 years      | Total          |
|------------------------------------|---------------|------------------|-------------------------|------|--------------|----------------|----------------|----------------|
|                                    |               |                  |                         |      | USD'M        | USD'M          | USD'M          | USD'M          |
| <b>Revolving credit facilities</b> |               |                  |                         |      |              |                |                |                |
| USD 2,938.3                        | Libor + 1.90% | 2016 – February  | Floating                |      | –            | 2,690.3        | –              | <b>2,690.3</b> |
| USD 229.0                          | Libor + 2.05% | 2013 – October   | Floating                |      | 229.0        | –              | –              | <b>229.0</b>   |
| USD 115.0                          | Libor + 1.70% | 2014 – October   | Floating                |      | –            | 115.0          | –              | <b>115.0</b>   |
| USD 215.0                          | Libor + 2.00% | 2015 – October   | Floating                |      | –            | 215.0          | –              | <b>215.0</b>   |
|                                    |               |                  |                         |      | 229.0        | 3,020.3        | –              | <b>3,249.3</b> |
| <b>Private placement</b>           |               |                  |                         |      |              |                |                |                |
| USD 44.0                           | 5.80%         | 2016 – April     | Fixed                   |      | –            | 44.0           | –              | <b>44.0</b>    |
| USD 88.0                           | 6.50%         | 2018 – April     | Fixed                   |      | –            | 88.0           | –              | <b>88.0</b>    |
| USD 98.0                           | 7.11%         | 2021 – April     | Fixed                   |      | –            | –              | 98.0           | <b>98.0</b>    |
| USD 36.0                           | 4.38%         | 2018 – March     | Fixed                   |      | –            | 36.0           | –              | <b>36.0</b>    |
| USD 51.5                           | 4.89%         | 2020 – March     | Fixed                   |      | –            | –              | 51.5           | <b>51.5</b>    |
| USD 57.5                           | 5.53%         | 2023 – March     | Fixed                   |      | –            | –              | 57.5           | <b>57.5</b>    |
|                                    |               |                  |                         |      | –            | 168.0          | 207.0          | <b>375.0</b>   |
| <b>Eurobonds</b>                   |               |                  |                         |      |              |                |                |                |
| EUR 400.0                          | 6.38%         | 2015 – April     | Fixed                   |      | –            | 540.8          | –              | <b>540.8</b>   |
|                                    |               |                  |                         |      | –            | 540.8          | –              | <b>540.8</b>   |
| <b>Other loans</b>                 |               |                  |                         |      |              |                |                |                |
| USD 400.0                          | Libor + 2.40% | 2015 – June      | Floating                | 21   | –            | 400.0          | –              | <b>400.0</b>   |
| USD 30.0                           | Libor + 4.00% | 2015 – June      | Floating                | 21   | –            | 30.0           | –              | <b>30.0</b>    |
| USD 150.0                          | Libor + 4.80% | 2014 – May       | Floating                |      | 150.0        | –              | –              | <b>150.0</b>   |
| USD 69.4                           | Libor + 4.25% | 2014 – March     | Floating                | 21   | 69.4         | –              | –              | <b>69.4</b>    |
| USD 65.0                           | Libor + 3.75% | 2019 – June      | Floating                |      | 20.4         | –              | 45.0           | <b>65.4</b>    |
| USD 13.9                           | Libor + 2.71% | 2018 – May       | Floating                |      | 3.0          | 10.9           | –              | <b>13.9</b>    |
| USD 490.0                          | 2.10%         | 2018 – September | Fixed                   |      | –            | –              | 490.0          | <b>490.0</b>   |
| EUR 200.0                          | 5.50%         | 2020 – July      | Fixed                   |      | –            | –              | 270.4          | <b>270.4</b>   |
| USD 200.0                          | Libor + 2.00% | 2043 – June      | Fixed                   |      | –            | –              | 200.0          | <b>200.0</b>   |
| JPN 9,000.0                        | 2.00%         | 2015 – January   | Fixed                   |      | –            | 91.8           | –              | <b>91.8</b>    |
| USD 39.6                           | 2.95%         | 2019 – October   | Fixed                   |      | 3.5          | 13.8           | 19.7           | <b>37.0</b>    |
| USD 26.8                           | 4.40%         | 2021 – July      | Fixed                   |      | 3.4          | 13.3           | 10.1           | <b>26.8</b>    |
| USD 26.8                           | 4.66%         | 2021 – August    | Fixed                   |      | 3.4          | 13.3           | 10.1           | <b>26.8</b>    |
| USD 26.8                           | 3.53%         | 2021 – March     | Fixed                   |      | 3.4          | 13.3           | 8.4            | <b>25.1</b>    |
| USD 26.8                           | 4.25%         | 2020 – December  | Fixed                   |      | 2.8          | 11.2           | 10.3           | <b>24.3</b>    |
| USD 15.3                           | 4.30%         | 2018 – April     | Fixed                   |      | 1.2          | 13.8           | 0.0            | <b>15.0</b>    |
| USD 15.3                           | 4.30%         | 2018 – April     | Fixed                   |      | 1.2          | 13.8           | 0.0            | <b>15.0</b>    |
| USD 15.6                           | 4.30%         | 2018 – April     | Fixed                   |      | 1.2          | 14.1           | 0.0            | <b>15.3</b>    |
| USD 17.6                           | 3.44%         | 2019 – April     | Fixed                   |      | 2.2          | 8.8            | 2.2            | <b>13.2</b>    |
| USD 16.0                           | 5.41%         | 2019 – February  | Fixed                   |      | 2.0          | 8.0            | 1.0            | <b>11.0</b>    |
| USD 16.0                           | 3.46%         | 2019 – February  | Fixed                   |      | 2.0          | 8.0            | 1.0            | <b>11.0</b>    |
| USD 11.6                           | 4.20%         | 2020 – January   | Fixed                   |      | 1.5          | 5.7            | 2.2            | <b>9.4</b>     |
| USD 11.6                           | 3.43%         | 2018 – November  | Fixed                   |      | 1.6          | 6.6            | 0.8            | <b>9.0</b>     |
|                                    |               |                  |                         |      | 28.5         | 35.9           | 21.2           | <b>85.6</b>    |
|                                    |               |                  |                         |      | 300.7        | 712.3          | 1,092.4        | <b>2,105.4</b> |
| <b>Finance leases</b>              |               |                  |                         |      | 15.7         | 30.5           | 3.0            | <b>49.2</b>    |
| <b>Total</b>                       |               |                  |                         |      | <b>545.4</b> | <b>4,471.9</b> | <b>1,302.4</b> | <b>6,319.7</b> |

For assets pledged under loans and borrowings agreements, please refer to note 14 (Property, plant and equipment).

## 25. PROVISIONS

The carrying amount of provisions made is as follows:

| Carrying amount of provisions       | 2013          | 2012         |
|-------------------------------------|---------------|--------------|
|                                     | USD'M         | USD'M        |
| Opening balance 1 October           | <b>142.6</b>  | –            |
| Additions                           | <b>3.7</b>    | 34.9         |
| Acquisition of subsidiary           | –             | 127.8        |
| Used during the year                | <b>(27.3)</b> | (28.7)       |
| Reversed during the year            | <b>(16.8)</b> | –            |
| Other                               | –             | 8.6          |
| Divestments of subsidiaries         | <b>(66.1)</b> | –            |
| <b>Closing balance 30 September</b> | <b>36.2</b>   | <b>142.6</b> |
| Non-current portion                 |               |              |
|                                     | <b>19.8</b>   | 101.7        |
| Current portion                     |               |              |
|                                     | <b>16.4</b>   | 40.9         |
| <b>Closing balance 30 September</b> | <b>36.2</b>   | <b>142.6</b> |

## Rehabilitation costs

Provisions for rehabilitation costs are recognised due to the environmental commitment the Group has made with local authorities and for its obligations to undertake site reclamation and remediation in connection with its mining activities. Expected outflow of resources is mainly expected to happen after one year. The balance of the rehabilitation provision is USD26.1 million (2012: USD30.3 million).

## 26. TRADE AND OTHER PAYABLES

|                                     | 2013            | 2012            |
|-------------------------------------|-----------------|-----------------|
|                                     | USD'M           | USD'M           |
| Trade creditors                     | <b>3,033.8</b>  | 2,281.4         |
| Accrued costs of sales and expenses | <b>8,029.9</b>  | 8,913.5         |
| Broker balances                     | <b>30.0</b>     | 42.9            |
| Related parties                     | <b>0.9</b>      | –               |
| <b>Total</b>                        | <b>11,094.7</b> | <b>11,237.8</b> |

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 28.

Finance lease commitments are principally for machinery and equipment. Original terms range from two years to five years, some containing renewal options.

At the time of entering into finance lease agreements, the commitments are recorded at their present value using the interest rate then applicable for long-term funding. At 30 September 2013, existing finance lease commitments are recorded at the remaining present value using the interest rate applied at commencement of the lease.

## 27. CONTINGENCIES AND COMMITMENTS

The following contingent liabilities exist in respect of trade financing:

|                      | 2013           | 2012           |
|----------------------|----------------|----------------|
|                      | USD'M          | USD'M          |
| Letters of credit    | <b>7,688.1</b> | 6,068.4        |
| Letters of indemnity | <b>7.2</b>     | 12.4           |
| Guarantees           | <b>176.4</b>   | 176.3          |
| <b>Total</b>         | <b>7,871.7</b> | <b>6,257.1</b> |

The Company and its subsidiaries are parties to a number of legal claims and proceedings arising out of their business operations. The Company believes that the ultimate resolution of these claims and proceedings will not, in the aggregate, have a material adverse effect on The Company's financial position, consolidated income or cash flows. Such legal claims and proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is unpredictable. It is possible that the Company could be required to make expenditures, in excess of established provisions, in amounts that cannot reasonably be estimated.

The Company is the fiscal parent of the fiscal unity for Dutch corporate income tax purposes. As a consequence, the Company is jointly and severally liable for corporate income tax liabilities of the fiscal unity.

The Company had outstanding commitments at the end of 30 September 2013, and 30 September 2012 as follows:

|                           | 2013           | 2012           |
|---------------------------|----------------|----------------|
|                           | USD'M          | USD'M          |
| Storage rental            | <b>817.3</b>   | 725.3          |
| Time charters             | <b>246.8</b>   | 141.0          |
| Office rent               | <b>134.2</b>   | 213.1          |
|                           | <b>1,198.3</b> | 1,079.4        |
| Assets under construction | <b>445.5</b>   | 239.9          |
| <b>Total</b>              | <b>1,643.8</b> | <b>1,319.3</b> |

Non-cancellable operating lease rentals are payable as follows:

|  | 2013           | 2012           |
|--|----------------|----------------|
|  | USD'M          | USD'M          |
| Less than one year                           | <b>435.6</b>   | 398.2          |
| Later than one year and less than five years | <b>611.6</b>   | 524.8          |
| Later than five years                        | <b>151.1</b>   | 156.4          |
| <b>Total</b>                                 | <b>1,198.3</b> | <b>1,079.4</b> |

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 28. FINANCIAL INSTRUMENTS

## a. Financial risk management

The Group is exposed to a number of different financial risks arising from normal business exposures as well as its use of financial instruments including: market risks relating to commodity prices, foreign currency exchange rates and interest rates; credit risk; and liquidity risk.

Prudently managing these risks is an integral element of Trafigura's business and has been institutionalised since the Group's foundation. Risk management guidelines are established at senior management level. The various risks the Group is exposed to 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. As a rule, Trafigura actively manages and lays off where possible a large majority of the risks inherent to its activity.

Trafigura's conservative risk management process is designed to:

- Provide a full and accurate awareness of risks throughout the Group
- Professionally evaluate and monitor these risks through a range of risk metrics
- Limit risks via a dynamic limit setting framework
- Manage risks using a wide range of hedging instruments and strategies
- Ensure a constant dialogue between trading desks, risk managers and senior management

The three main, reinforcing, components of Trafigura's risk management process are the Chief Risk Officer (CRO), the Derivatives Trading Committee, and the trading teams.

The Chief Risk Officer is independent of the revenue-producing units and reports to the Chief Operating Officer and the Management Board. The CRO has primary responsibility for assessing and monitoring Trafigura's market risks. The CRO's team liaise directly with the trading teams to analyse new opportunities and ensure that risk assessments adapt to changing market conditions. The CRO's team also ensures Trafigura's risk management capabilities incorporate ongoing advances in technology and risk management modelling capabilities.

The Derivatives Trading Committee, which is comprised of members of the Management Board, the Chief Risk Officer, and senior traders, is responsible for applying Trafigura's risk management capabilities towards improving the overall performance of the Group. In 2013, the Derivatives Trading Committee met weekly to discuss and set risk and concentration limits, review changing market conditions, and analyze new market risks and opportunities.

Trafigura's trading teams provide deep expertise in hedging and risk management in the specific markets each team operates in. While the trading teams have front line responsibility for managing the risks arising from their activities, our process ensures a strong culture of escalation and accountability, with well defined limits, automatic notifications of limit overages and regular dialogue with the CRO and Derivatives Trading Committee.

## b. Market risk

Market risk is the risk of loss in the value of Trafigura's positions due to changes in market prices. Trafigura holds positions primarily to ensure our ability to meet physical supply commitments to our customers, to hedge exposures arising from these commitments, and to support our investment activities. Our positions change due to changing customer requirements and investment opportunities. The value of our positions is accounted for at fair value and therefore fluctuates on a daily basis due to changes in market prices. Categories of market risk we are exposed to include:

- Commodity price risk results from exposures to changes in spot prices, forward prices and volatilities of commodities, such as crude oil, petroleum products, natural gas, base metals, coal and iron ore.
- Currency rate risk results from exposures to changes in spot prices, forward prices and volatilities of currency rates.
- Interest rate risk results from exposures to changes in the level, slope and curvature of yield curves, the volatilities of interest rates, and credit spreads.
- Equity price risk results from exposures to changes in prices and volatilities of individual equities and equity indices.

Trafigura hedges a large majority of price risks arising from its activities. When there is a difference in the characteristics of available hedging instruments and the corresponding commodity price exposures, Trafigura remains exposed to a residual price risk referred to as basis risk. Dynamically managing the basis risk that arises from Trafigura's activities requires specialist skills and is a core focus of our trading and risk management teams.

## Value at Risk

Value at Risk (VaR) is a statistical estimate of the potential loss in value of our positions and unsold in-transit material due to adverse market movements. Trafigura calculates VaR over a one-day time horizon with a 95% confidence level. We use an integrated VaR model which captures risks including commodity prices, interest rates, equity prices and currency rates. Trafigura's integrated VaR model facilitates comparison of VaR across portfolios comprised of a range of different risk exposures.

As of 30 September 2013, Trafigura's one day market risk VaR was USD11.3 million (2012: USD8.2 million). Average market risk VaR (1 day 95%) during the fiscal year was USD11.7 million compared to USD10.16 million in the previous fiscal year. Trafigura's Management Board has set a target of maintaining VaR (1 day 95%) below 1% of Group equity.

Trafigura is aware of the inherent limitations to VaR and therefore uses a variety of risk measures and risk management techniques to create a robust risk management process. Limitations of VaR include:

- VaR does not estimate potential losses over longer time horizons where the aggregate moves may be extreme.
- VaR does not take account of the liquidity of different risk positions and therefore does not estimate the losses that might arise if Trafigura liquidated large positions over a short period of time.
- VaR is based on statistical analysis of historical market data. If this historical data is not reflective of futures market prices movements, VaR may not provide accurate predictions of future possible losses.

Trafigura's VaR calculation cover its trading businesses in the crude, refined oil products, petrochemical, natural gas, metals, concentrates, coal, iron ore, and freight markets and assesses the open-priced positions which are those subject to price risk, including inventories of these commodities. Trafigura's VaR model is based on historical simulations, with full valuation of more than 5,000 market risk factors.

VaR is calculated based on simultaneously shocking these risk factors. More recent historical price data is more heavily weighted in these simulations, which enables the VaR model to adapt to more recent market conditions and improves the accuracy of our estimates of potential losses.

Trafigura's VaR model utilizes advanced statistical techniques that incorporate the non-normal price dynamics that are an important feature of commodity markets. Our VaR model is continuously and automatically calibrated and back-tested to ensure that its out-of-sample performance adheres to well defined targets. In addition, our VaR model is regularly updated to ensure it reflects the current observed dynamics of the markets Trafigura is active in.

Trafigura has made a significant, ongoing investment in risk management systems, include a reporting system which automatically distributes customised risk reports throughout the Group on a daily basis. These reports provide up-to-date information on each team's risk using industry standard measures such as 95 percent and 99 percent Value at Risk and performance indicators such as Sharpe ratios.

All trading books have well defined VaR risk limits and management and the trading teams are automatically notified whenever a book nears its risk limit, as well as whenever a VaR overage occurs. In addition, Trafigura'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 Trafigura'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.

## c. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument or physical contract fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Company has a formalised credit process with credit officers in the key locations around the world. Strict credit limits are set up for each counterparty on the basis of detailed financial and business analysis. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of the Group's balance sheet. The Company makes extensive use of the banking and insurance markets to cover any counterparty or country risks that are in excess of its credit limits.

The risk management monitoring and decision-making functions are centralised and make extensive use of the Company's integrated bespoke IT system. The Company conducts transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for both oil and bulk, e.g. producers, refiners/smelthers and end-users. Sales to investment grade and non-investment grade counterparties are made on open terms up to internally approved credit limits. Exposures above such limits are subject to payment guarantees.
- Payment guarantee counterparties, i.e. prime financial institutions from which the Company obtains payment guarantees.
- Hedge counterparties comprising a number of prime financial institutions and physical participants in the relevant markets. There is no significant concentration of risk with any single counterparty or group of counterparties. Collateral is obtained from counterparties when the Company's exposure to them exceeds approved credit limits. It is the Company's policy to have ISDA Master Agreements or ISDA-based Long-Form Confirmation Agreements in place with all hedging counterparties.

The Company trades in all major geographic regions. Where appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. The Company has gross credit exposure in locations across the world with a concentration in emerging markets. Most of this exposure is laid off with third parties while the Company retains between ten to 20 per cent on average of the individual exposures.

The Company's maximum exposure to credit risk, without considering netting agreements or without taking into account of any collateral held or other credit enhancements, is equal to the carrying amount of Trafigura's financial assets as indicated in the balance sheet plus the guarantees to third parties and associates. The Company's objective is to seek continued revenue growth while minimising losses incurred due to increased credit risk exposure.

## (i) Concentration of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect the Company's counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The carrying amount of financial assets represents the maximum credit exposure. The Company determines concentrations of credit risk by monitoring the country profile of its third party trade receivables on an on-going basis.

Trafigura has a diverse customer base, with no customer representing more than 4.5% (2012: 3.5%) of its revenues over the year ended 2013.

Refer to note 20 for the aging of trade and other receivables at the reporting date that were not impaired.

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(ii) *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and cash equivalents and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default. The credit quality of trade and other receivables is assessed based on a strict credit policy. The Group has monitored customer credit risk, by grouping trade and other receivables based on their characteristics.

Based on the Group's monitoring of customer credit risk, the Group believes that, except as indicated above, no impairment allowance is necessary in respect of trade receivables not past due.

*Financial assets that are either past due or impaired*

Information regarding financial assets that are either past due or impaired is disclosed in Note 21 (Trade and other receivables).

(iii) *Guarantees*

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. As part of the Group's ordinary physical commodity trading activities, Trafigura Beheer BV may act as guarantor by way of issuing guarantees accepting responsibility for subsidiaries' contractual obligations.

**d. Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its payment obligations when due, or that it is unable, on an on-going basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments.

The maturity analysis of the Groups financial liabilities based on the contractual terms is as follows

|  | Total           | 0-1 years       | 1-5 years      | > 5 years      |
|--|-----------------|-----------------|----------------|----------------|
|  | USD'M           | USD'M           | USD'M          | USD'M          |
| <b>30 September 2013</b>                     |                 |                 |                |                |
| <b>Financial liabilities</b>                 |                 |                 |                |                |
| Current and non-current loans and borrowings | 19,015.5        | 13,241.2        | 4,471.9        | 1,302.4        |
| Trade and other payables                     | 11,094.7        | 11,094.7        | –              | –              |
| Expected future interest payments            | 937.1           | 205.6           | 358.6          | 372.9          |
| Derivative financial liabilities             | 4,096.9         | 3,806.1         | 211.8          | 79.1           |
| <b>Total financial liabilities</b>           | <b>35,144.2</b> | <b>28,347.6</b> | <b>5,042.3</b> | <b>1,754.3</b> |
| <b>30 September 2012</b>                     |                 |                 |                |                |
| <b>Financial liabilities</b>                 |                 |                 |                |                |
| Current and non-current loans and borrowings | 17,788.9        | 13,423.4        | 4,158.1        | 207.4          |
| Trade and other payables                     | 11,237.8        | 11,237.8        | –              | –              |
| Expected future interest payments            | 514.7           | 143.3           | 235.6          | 135.8          |
| Derivative financial liabilities             | 2,938.5         | 2,659.2         | 207.7          | 71.6           |
| <b>Total financial liabilities</b>           | <b>32,479.9</b> | <b>27,463.7</b> | <b>4,601.4</b> | <b>414.8</b>   |

**e. Interest rate risk**

Trafigura is not exposed to significant interest rate risk. Interest rate risk of the Group is mainly applicable on the long-term funding of the Group, although a majority of debt, whether long-term or short-term, is floating rate.

At 30 September, assuming the amount of floating rate liabilities (excluding working capital financing) were outstanding for the whole year, interest rates were 50 basis points higher/lower and all other variables held constant, the Group's profit and equity for the year ended 30 September 2013 would decrease/increase by USD15.9 million (2012: USD18.4 million).

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash and cash equivalents and ready sources of committed funding available to meet anticipated and unanticipated funding needs. Sound financial management with a focus on liquidity has been instrumental to the Group's success. The Company has demonstrated the ability to raise the appropriate types of financing to match the needs of the business and to tap various investor bases (e.g. syndicated loan markets, trade finance markets, bond markets, USPP, securitisation etc.), maturities and geographies.

The Company manages its treasury and liquidity risks maintaining a strong liquidity position through the following:

- Targeting immediately-available cash on hand of around USD500 million under normal conditions (higher in the case of extreme volatility);
- Maintaining bilateral lines which allow the Group to mark-to-market financings to the value of the underlying physical assets. Mark to market financing is performed weekly (or intra-weekly in the case of extreme volatility) and provides an additional source of liquidity which is not available to competitors which are financed purely from revolving credit facilities;
- Committed unsecured credit facilities;
- Maintaining headroom under bilateral trade finance lines and committed revolving credit facilities %; and
- Limited distribution of profit (significant retained earnings) and subordination of repurchased equity.

From time to time the Group enters into interest rate derivatives transactions to lock-in current interest rate levels, for instance, interest rate swaps provide a method of reducing the Group's exposure to floating interest rates arising from its corporate funding programmes. To realise the desired matching of derivative results with the hedged interest rate payments, cash flow hedge accounting is applied and the derivatives are designated as hedging instruments. The derivatives are carried on balance and their effectiveness is tested on a quarterly basis.

**f. Currency risk**

Trafigura has few exposures to foreign currency risk on its trading activities and those that do exist are hedged out. The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

The Group uses cross-currency swaps to hedge currency risk on the principal and related payments of foreign currency denominated bonds.

| USD'M                             | Notional     |              | Fair values   |               |
|-----------------------------------|--------------|--------------|---------------|---------------|
|                                   | 2013         | 2012         | 2013          | 2012          |
| Cross currency swap               | 811.2        | 514.4        | (1.0)         | (38.2)        |
| Cross currency interest rate swap | 91.8         | 102.4        | (27.9)        | (3.4)         |
| <b>Total</b>                      | <b>903.0</b> | <b>616.8</b> | <b>(28.9)</b> | <b>(41.7)</b> |

**g. Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of both debt and equity, less amounts accumulated in equity related to cash flow hedges.

The Company is exclusively owned by its employees. This shareholding arrangement leads to an alignment of the long term interests of the Group and its management team. By virtue of having its own capital at risk, senior management is incentivised to take a long-term view of the Company's overall performance and to protect its capital.

The Group monitors capital using an adjusted debt to equity ratio, which is adjusted total debt divided by group equity. For this purpose, the adjusted debt metric represents the Group's total long and short-term debt less cash, readily marketable stock, debt related to the Group's securitization programme and the non-recourse portion of loans to third-parties.

The Group's long term average target adjusted debt to equity ratio is 1.0x. The Group's adjusted net debt to equity ratio at the end of the reporting period was as follows:

|  | 2013            | 2012            |
|--|-----------------|-----------------|
|  | USD'M           | USD'M           |
| Non-current loans and borrowings                           | 5,774.3         | 4,365.5         |
| Current loans and borrowings                               | 13,241.2        | 13,423.4        |
| <b>Total debt</b>  | <b>19,015.5</b> | <b>17,788.9</b> |
| Adjustments  |                 |                 |
| Cash and cash equivalents                                  | 3,735.7         | 3,333.9         |
| Stock  | 7,856.3         | 9,629.1         |
| Securitisation debt  | 1,602.2         | 1,569.7         |
| Non-recourse debt  | 490.0           | –               |
| <b>Adjusted total debt</b>                                 | <b>5,331.3</b>  | <b>3,256.2</b>  |
| <b>Group equity</b>  | <b>5,303.7</b>  | <b>4,180.3</b>  |
| <b>Adjusted debt to Group equity ratio at 30 September</b> | <b>1.01</b>     | <b>0.78</b>     |

**h. Fair value***(i) Fair values versus carrying amounts*

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

| 2013                               | Carrying value<br>USD'M | Available for sale<br>USD'M | Fair value through profit and loss<br>USD'M | Total<br>USD'M  |
|------------------------------------|-------------------------|-----------------------------|---|-----------------|
|                                    |                         |                             |   |                 |
| <b>Assets</b>                      |                         |                             |   |                 |
| Other investments                  | 104.8                   | 121.5                       | –   | 226.3           |
| Loans receivable and advances      | 2,053.3                 | –                           | –   | 2,053.3         |
| Trade and other receivables        | 15,793.8                | –                           | –   | 15,793.8        |
| Prepayments                        | 1,144.4                 | –                           | –   | 1,144.4         |
| Derivatives                        | –                       | –                           | 3,633.7                                     | 3,633.7         |
| Cash and cash equivalents          | 3,735.7                 | –                           | –   | 3,735.7         |
| <b>Total financial assets</b>      | <b>22,832.0</b>         | <b>121.5</b>                | <b>3,633.7</b>                              | <b>26,587.2</b> |
| <b>Liabilities</b>                 |                         |                             |   |                 |
| Loans and borrowings               | 19,015.5                | –                           | –   | 19,015.5        |
| Trade and other payables           | 11,094.7                | –                           | –   | 11,094.7        |
| Derivatives                        | –                       | –                           | 4,096.9                                     | 4,096.9         |
| <b>Total financial liabilities</b> | <b>30,110.2</b>         | <b>–</b>                    | <b>4,096.9</b>                              | <b>34,207.1</b> |

| 2012                               | Carrying value<br>USD'M | Available for sale<br>USD'M | Fair value through profit and loss<br>USD'M | Total<br>USD'M  |
|------------------------------------|-------------------------|-----------------------------|---|-----------------|
|                                    |                         |                             |   |                 |
| <b>Assets</b>                      |                         |                             |   |                 |
| Other investments                  | 123.6                   | 239.3                       | –   | 362.9           |
| Loans receivable and advances      | 554.2                   | –                           | –   | 554.2           |
| Trade and other receivables        | 15,792.4                | –                           | –   | 15,792.4        |
| Prepayments                        | 641.7                   | –                           | –   | 641.7           |
| Derivatives                        | –                       | –                           | 1,947.2                                     | 1,947.2         |
| Cash and cash equivalents          | 3,333.9                 | –                           | –   | 3,333.9         |
| <b>Total financial assets</b>      | <b>20,445.8</b>         | <b>239.3</b>                | <b>1,947.2</b>                              | <b>22,632.3</b> |
| <b>Liabilities</b>                 |                         |                             |   |                 |
| Loans and borrowings               | 17,788.9                | –                           | –   | 17,788.9        |
| Trade and other payables           | 11,237.8                | –                           | –   | 11,237.8        |
| Derivatives                        | –                       | –                           | 2,938.5                                     | 2,938.5         |
| <b>Total financial liabilities</b> | <b>29,026.7</b>         | <b>–</b>                    | <b>2,938.5</b>                              | <b>31,965.2</b> |

Management has determined that the carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables, and loans and borrowings reasonably approximate their fair values because these are mostly short-term in nature and are re-priced regularly.

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## (ii) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 1 classifications primarily include futures with a maturity of less than one year. Level 2 classifications primarily include swaps and physical forward transactions which derive their fair value primarily from exchange quotes and readily observable broker quotes. Level 3 classifications primarily include physical forward transactions which derive their fair value predominately from calculations that use broker quotes and applicable market based estimates surrounding location, quality and credit differentials. In circumstances where Trafigura cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

|   | Level 1      | Level 2  | Level 3  | Total        |
|---|--------------|----------|----------|--------------|
|   | USD'M        | USD'M    | USD'M    | USD'M        |
| <b>30 September 2013</b>                      |              |          |          |              |
| Listed equity securities – available-for-sale | 121.5        | –        | –        | 121.5        |
| <b>Total</b>                                  | <b>121.5</b> | <b>–</b> | <b>–</b> | <b>121.5</b> |

|                             | Level 1      | Level 2        | Level 3      | Total          |
|-----------------------------|--------------|----------------|--------------|----------------|
|                             | USD'M        | USD'M          | USD'M        | USD'M          |
| <b>Derivatives – Assets</b> |              |                |              |                |
| Futures                     | 415.8        | –              | –            | 415.8          |
| Swaps                       | –            | 362.2          | –            | 362.2          |
| Physical forwards           | –            | 2,705.8        | 140.7        | 2,847.5        |
| Cross-currency swaps        | –            | 4.2            | –            | 4.2            |
| Interest rate swaps         | –            | –              | –            | –              |
| Other derivatives           | –            | 4.0            | –            | 4.0            |
| <b>Total</b>                | <b>415.8</b> | <b>3,077.2</b> | <b>140.7</b> | <b>3,633.7</b> |

|                                  | Level 1      | Level 2        | Level 3      | Total          |
|----------------------------------|--------------|----------------|--------------|----------------|
|                                  | USD'M        | USD'M          | USD'M        | USD'M          |
| <b>30 September 2013</b>         |              |                |              |                |
| <b>Derivatives – Liabilities</b> |              |                |              |                |
| Futures                          | 643.7        | –              | –            | 643.7          |
| Swaps                            | –            | 272.1          | –            | 272.1          |
| Physical forwards                | –            | 2,765.4        | 371.6        | 3,137.0        |
| Cross-currency swaps             | –            | 33.2           | –            | 33.2           |
| Interest rate swaps              | –            | 0.4            | –            | 0.4            |
| Other derivatives                | –            | 10.5           | –            | 10.5           |
| <b>Total</b>                     | <b>643.7</b> | <b>3,081.7</b> | <b>371.6</b> | <b>4,096.9</b> |

|   | Level 1      | Level 2        | Level 3      | Total          |
|---|--------------|----------------|--------------|----------------|
|   | USD'M        | USD'M          | USD'M        | USD'M          |
| <b>30 September 2012</b>                      |              |                |              |                |
| Listed equity securities – available-for-sale | 239.3        | –              | –            | 239.3          |
| <b>Total</b>                                  | <b>239.3</b> | <b>–</b>       | <b>–</b>     | <b>239.3</b>   |
| <b>Derivatives – Assets</b>                   |              |                |              |                |
| Futures                                       | 606.5        | –              | –            | 606.5          |
| Swaps   | –            | 326.1          | –            | 326.1          |
| Physical forwards                             | –            | 724.9          | 279.8        | 1,004.7        |
| Cross-currency swaps                          | –            | –              | –            | –              |
| Interest rate swaps                           | –            | –              | –            | –              |
| Other derivatives                             | –            | 9.8            | –            | 9.8            |
| <b>Total</b>                                  | <b>606.5</b> | <b>1,060.8</b> | <b>279.8</b> | <b>1,947.2</b> |

|                                  | Level 1      | Level 2        | Level 3      | Total          |
|----------------------------------|--------------|----------------|--------------|----------------|
|                                  | USD'M        | USD'M          | USD'M        | USD'M          |
| <b>30 September 2012</b>         |              |                |              |                |
| <b>Derivatives – Liabilities</b> |              |                |              |                |
| Futures                          | 764.6        | –              | –            | 764.6          |
| Swaps                            | –            | 846.0          | –            | 846.0          |
| Physical forwards                | –            | 810.5          | 462.2        | 1,272.7        |
| Cross-currency swaps             | –            | 41.7           | –            | 41.7           |
| Interest rate swaps              | –            | –              | –            | –              |
| Other derivatives                | –            | 13.5           | –            | 13.5           |
| <b>Total</b>                     | <b>764.6</b> | <b>1,711.7</b> | <b>462.2</b> | <b>2,938.5</b> |

There have been no transfers between fair value hierarchy Levels in 2013 (2012: no transfers in either direction). Materially all level 3 physical forwards are settled in the next year.

## 29. EMPLOYEE BENEFITS

## a. Equity participation plan

The Company has an equity participation plan (EPP) which is open to employees of the Group. Shares issued to employees, are preference shares which give rights to economic benefits with limited voting rights. The founders of the Company, represented in Beheer Malta Limited, a parent company of Trafigura Beheer B.V., together with the Board of Directors of the Company decide on the share awards to be issued to employees. Annual remuneration (which includes the equity participation awards) is subject to review by the remuneration committee of the Company.

The value of the shares is based on the net asset value of an ordinary share as set out in Articles of Association of the Company which management believe is a fair approximation of the fair value. Shares awarded under the EPP may vest immediately or over a period of several years.

Employees do not have the right to sell shares that have vested unless a purchase offer has been made by Beheer Malta Limited. Upon termination of employment, employees must transfer all of their shares at the direction of Beheer Malta Limited. The Company does not have a legal nor constructive obligation to settle the shares held by employees in cash. If employment is ceased prior to the end of the vesting period the shares will be forfeited except otherwise determined by Beheer Malta Limited.

The Group accounts for the EPP as an equity settled plan, the fair value of the shares granted, determined at the grant date, is recorded in the statement of income ratably over the vesting period of the shares.

During 2013, 23,411 immediately vesting shares were granted to employees representing a value of USD28.6 million (2012: 62,277 shares representing a value of USD49.5 million) and 38,620 shares were granted with a vesting period of 3-5 years representing a value of USD47.1 million (2012: 36,324 shares representing a value of USD28.9 million).

Compensation in respect of share based payments recognised in staff costs amounted to USD70.8 million in 2013 (2012: USD89.1 million).

Unrecognised staff costs in respect of ratably vesting shares expected to be recognised from 2014 to 2018 amount to USD77.1 million at 30 September 2013 (2012: USD77.6 million).

## b. Personnel expenses

|                       | 2013         | 2012         |
|-----------------------|--------------|--------------|
|                       | USD'M        | USD'M        |
| Salaries and bonuses  | 551.9        | 496.6        |
| Social security costs | 40.0         | 45.6         |
| Pension costs         | 19.4         | 16.4         |
| Share-based payments  | 70.8         | 89.1         |
| <b>Total</b>          | <b>682.1</b> | <b>647.7</b> |

The average number of employees split geographically is depicted below:

| 2013                             | Oil & Petroleum | Non-ferrous & Bulk | Corporate and Other | Total        |
|----------------------------------|-----------------|--------------------|---------------------|--------------|
|                                  | FTE             | FTE                | FTE                 | FTE          |
| North, Central and South America | 991             | 1,652              | 181                 | 2,824        |
| Europe and Africa                | 2,290           | 1,181              | 466                 | 3,936        |
| Asia, Middle East and Australia  | 1,391           | 379                | 243                 | 2,013        |
| <b>Total</b>                     | <b>4,672</b>    | <b>3,212</b>       | <b>889</b>          | <b>8,773</b> |

| 2012                             | Oil & Petroleum | Non-ferrous & Bulk | Corporate and Other | Total        |
|----------------------------------|-----------------|--------------------|---------------------|--------------|
|                                  | FTE             | FTE                | FTE                 | FTE          |
| North, Central and South America | 1,194           | 2,128              | 99                  | 3,421        |
| Europe and Africa                | 2,790           | 968                | 460                 | 4,218        |
| Asia, Middle East and Australia  | 232             | 327                | 247                 | 806          |
| <b>Total</b>                     | <b>4,216</b>    | <b>3,423</b>       | <b>807</b>          | <b>8,445</b> |

## 30. RELATED PARTIES

## a. Transactions with key management personnel

## (i) Key management personnel compensation

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers. Executive officers also participate in the Group's share participation programme (see note 23). Compensation of key management personnel, including all members of the Board of Directors and Management Board, comprised of the following:

|                              | 2013       | 2012        |
|------------------------------|------------|-------------|
|                              | USD'M      | USD'M       |
| Short-term employee benefits | 2.5        | 3.1         |
| Post-employment benefits     | 0.3        | 0.3         |
| Share-based payments         | 4.9        | 6.7         |
| <b>Total</b>                 | <b>7.7</b> | <b>10.1</b> |

In addition, the members of the Supervisory Board received total remuneration of USD1.3 million (2012: USD1.3 million).

## (ii) Key management personnel and director transactions

As at 30 September 2013 loans receivable from the members of the Board of Directors and Management Board total USD2.6 million (2012: USD7.6 million). Interest is charged on the loans at approximately LIBOR + 1.0% and the loans are repayable within the 1-3 year bracket.

## b. Other related party transactions

|   | 2013         | 2012        |
|---|--------------|-------------|
|   | USD'M        | USD'M       |
| <b>Related party receivables/(payables)</b> |              |             |
| Farringford NV                              | 33.9         | 13.1        |
| Beheer Malta Ltd                            | 1.6          | (1.2)       |
| Ecore B.V.                                  | 24.5         | 1.0         |
| Valcoast Investment SA                      | 0.8          | 4.0         |
| Puma Energy                                 | 471.2        | –           |
| Other                                       | 4.3          | –           |
| <b>Total</b>                                | <b>536.2</b> | <b>16.9</b> |

|                  | 2013  | 2012  |
|------------------|-------|-------|
|                  | USD'M | USD'M |
| Sales            | 1.6   | 0.4   |
| Purchases        | 36.3  | 4.0   |
| Interest income  | –     | –     |
| Interest expense | –     | –     |

Puma Holding has been deconsolidated per 30 September 2013 and therefore no sales or purchases for the year are included in the table above.

Transactions between related parties are made on terms equivalent to those that prevail in arm's length transactions.

| Party                  | Nature of relationship    | Nature of transaction               |
|------------------------|---------------------------|-------------------------------------|
| Farringford NV         | Ultimate parent           | Loans and cost recharges            |
| Beheer Malta Ltd       | Parent company            | Buy back of treasury shares         |
| Ecore B.V.             | Cousin group              | Cost recharges, trading and hedging |
| Valcoast Investment SA | Other investment          | Loan                                |
| Puma Holding           | Equity-accounted investee | Financing and trading agreement     |

A list of consolidated subsidiaries and associates is included in note 47.

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 31. EXPLANATION OF TRANSITION TO IFRS

## a. Consolidated statement of financial position at 1 October 2011

The consolidated statement of financial position at the date of transition (1 October 2011), can be reconciled to the amounts reported under Dutch GAAP as follows:

|   | Note                | Dutch GAAP              | Remeasurements | IFRS                    |
|---|---------------------|-------------------------|----------------|-------------------------|
|   |                     | 1 October 2011<br>USD'M | USD'M          | 1 October 2011<br>USD'M |
| <b>Assets</b>   |                     |                         |                |                         |
| Property, plant and equipment                           | A                   | 1,862.8                 | 8.0            | 1,870.8                 |
| Intangible assets and goodwill                          | B                   | 302.3                   | 14.6           | 316.9                   |
| Equity-accounted investees                              |                     | 515.7                   | —              | 515.7                   |
| Loans receivable  |                     | 578.4                   | —              | 578.4                   |
| Other investments                                       |                     | 533.8                   | —              | 533.8                   |
| Deferred tax assets                                     | C                   | 20.7                    | 64.8           | 85.5                    |
| <b>Total non-current assets</b>                         |                     | <b>3,813.7</b>          | <b>87.4</b>    | <b>3,901.1</b>          |
| Inventories   | C                   | 7,697.1                 | -334.5         | 7,362.6                 |
| Trade and other receivables                             | D                   | 14,287.6                | -31.4          | 14,256.2                |
| Derivatives   | C                   | 2,252.2                 | 502.0          | 2,754.2                 |
| Prepayments   |                     | 1,166.8                 | —              | 1,166.8                 |
| Income tax receivable                                   |                     | 66.6                    | —              | 66.6                    |
| Cash and cash equivalents                               |                     | 2,853.1                 | —              | 2,853.1                 |
| <b>Total current assets</b>                             |                     | <b>28,323.4</b>         | <b>136.2</b>   | <b>28,459.6</b>         |
| <b>Total assets</b>                                     |                     | <b>32,137.1</b>         | <b>223.6</b>   | <b>32,360.7</b>         |
| <b>Equity</b>   |                     |                         |                |                         |
| Share capital   |                     | 0.2                     | —              | 0.2                     |
| Share premium   |                     | —                       | —              | —                       |
| Reserves  | C, E                | 122.3                   | -3.0           | 119.3                   |
| Retained earnings                                       | A, B, C, D, E, F, G | 3,329.1                 | -285.2         | 3,043.9                 |
| <b>Equity attributable to the owners of the Company</b> |                     | <b>3,451.7</b>          | <b>-288.2</b>  | <b>3,163.5</b>          |
| Non-controlling interests                               | A, B, C, D          | 706.7                   | -6.4           | 700.3                   |
| <b>Total group equity</b>                               |                     | <b>4,158.4</b>          | <b>-294.6</b>  | <b>3,863.7</b>          |
| <b>Liabilities</b>                                      |                     |                         |                |                         |
| Loans and borrowings                                    | C                   | 3,144.4                 | 5.9            | 3,150.3                 |
| Deferred revenue  |                     | —                       | —              | —                       |
| Derivatives   |                     | —                       | —              | —                       |
| Other payables  |                     | —                       | —              | —                       |
| Provisions  |                     | —                       | —              | —                       |
| Deferred tax liabilities                                | G                   | 58.8                    | 170.9          | 229.7                   |
| <b>Total non-current liabilities</b>                    |                     | <b>3,203.2</b>          | <b>176.9</b>   | <b>3,380.1</b>          |
| Current tax liabilities                                 |                     | 95.9                    | —              | 95.9                    |
| Loans and borrowings                                    |                     | 12,998.5                | —              | 12,998.5                |
| Trade and other payables                                | B, C, D             | 9,716.3                 | -239.4         | 9,476.9                 |
| Derivatives   | C                   | 1,964.8                 | 580.7          | 2,545.5                 |
| <b>Total current liabilities</b>                        |                     | <b>24,775.5</b>         | <b>341.4</b>   | <b>25,116.9</b>         |
| <b>Total group equity and liabilities</b>               |                     | <b>32,137.1</b>         | <b>223.6</b>   | <b>32,360.7</b>         |

## b. Consolidated statement of financial position at 30 September 2012

The consolidated statement of financial position at 30 September 2012 can be reconciled to the amounts reported under Dutch GAAP as follows:

|   | Note             | Dutch GAAP                 | Remeasurements | IFRS                       |
|---|------------------|----------------------------|----------------|----------------------------|
|   |                  | 30 September 2012<br>USD'M | USD'M          | 30 September 2012<br>USD'M |
| <b>Assets</b>   |                  |                            |                |                            |
| Property, plant and equipment                           | A                | 3,370.1                    | 8.0            | 3,378.1                    |
| Intangible assets and goodwill                          | B                | 671.1                      | 198.6          | 869.7                      |
| Equity-accounted investees                              |                  | 131.0                      | —              | 131.0                      |
| Loans receivable  |                  | 554.2                      | —              | 554.2                      |
| Other investments                                       |                  | 362.9                      | —              | 362.9                      |
| Deferred tax assets                                     | C                | 81.8                       | 29.9           | 111.7                      |
| <b>Total non-current assets</b>                         |                  | <b>5,171.1</b>             | <b>236.5</b>   | <b>5,407.6</b>             |
| Inventories   | C                | 9,409.6                    | 219.5          | 9,629.1                    |
| Trade and other receivables                             | D                | 15,823.8                   | -31.4          | 15,792.4                   |
| Derivatives   | C                | 1,660.3                    | 286.9          | 1,947.2                    |
| Prepayments   |                  | 641.7                      | —              | 641.7                      |
| Income tax receivable                                   |                  | 146.5                      | —              | 146.5                      |
| Cash and cash equivalents                               |                  | 3,333.9                    | —              | 3,333.9                    |
| <b>Total current assets</b>                             |                  | <b>31,015.8</b>            | <b>475.0</b>   | <b>31,490.8</b>            |
| <b>Total assets</b>                                     |                  | <b>36,186.9</b>            | <b>711.5</b>   | <b>36,898.4</b>            |
| <b>Equity</b>   |                  |                            |                |                            |
| Share capital   |                  | 0.2                        | —              | 0.2                        |
| Share premium   |                  | —                          | —              | —                          |
| Reserves  | B, C, E          | 61.4                       | 151.8          | 213.2                      |
| Retained earnings                                       | A, B, C, E, F, G | 3,627.9                    | -530.5         | 3,097.4                    |
| <b>Equity attributable to the owners of the Company</b> |                  | <b>3,689.5</b>             | <b>-378.7</b>  | <b>3,310.8</b>             |
| Non-controlling interests                               | A, B, C          | 867.0                      | 2.6            | 869.6                      |
| <b>Total group equity</b>                               |                  | <b>4,556.5</b>             | <b>-376.2</b>  | <b>4,180.3</b>             |
| <b>Liabilities</b>                                      |                  |                            |                |                            |
| Loans and borrowings                                    | C                | 4,391.0                    | -25.5          | 4,365.5                    |
| Deferred revenue  |                  | 12.1                       | —              | 12.1                       |
| Derivatives   |                  | 279.3                      | —              | 279.3                      |
| Provisions  |                  | 142.6                      | —              | 142.6                      |
| Deferred tax liabilities                                | B, G             | 190.0                      | 218.4          | 408.4                      |
| <b>Total non-current liabilities</b>                    |                  | <b>5,015.0</b>             | <b>192.9</b>   | <b>5,207.9</b>             |
| Current tax liabilities                                 |                  | 189.8                      | —              | 189.8                      |
| Loans and borrowings                                    |                  | 13,423.4                   | —              | 13,423.4                   |
| Trade and other payables                                | B, C, D          | 11,095.6                   | 142.2          | 11,237.8                   |
| Derivatives   | C                | 1,906.6                    | 752.6          | 2,659.2                    |
| <b>Total current liabilities</b>                        |                  | <b>26,615.4</b>            | <b>894.8</b>   | <b>27,510.2</b>            |
| <b>Total group equity and liabilities</b>               |                  | <b>36,186.9</b>            | <b>711.5</b>   | <b>36,898.4</b>            |

## FINANCIAL STATEMENTS

## F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## c. Consolidated statement of income at 30 September 2012

The consolidated statement of income for the year ended 30 September 2012 can be reconciled to the amounts reported under Dutch GAAP as follows:

|   | Note    | Dutch GAAP<br>2012<br>USD'M | Remeasurements<br>USD'M | IFRS<br>2012<br>USD'M |
|---|---------|-----------------------------|-------------------------|-----------------------|
| Revenue   |         | 120,419.4                   | –                       | 120,419.4             |
| Cost of sales                                   | B, C    | (117,677.8)                 | (117.0)                 | (117,794.8)           |
| <b>Gross profit</b>                             |         | <b>2,741.6</b>              | <b>(117.0)</b>          | <b>2,624.6</b>        |
| Other income/(expenses)                         | B, D    | 272.1                       | 27.6                    | 299.7                 |
| General and administrative expenses             | B, F    | (1,420.7)                   | (11.3)                  | (1,432.0)             |
| <b>Results from operating activities</b>        |         | <b>1,593.0</b>              | <b>(100.7)</b>          | <b>1,492.3</b>        |
| Finance income                                  |         | 127.5                       | –                       | 127.5                 |
| Finance expense                                 |         | (419.6)                     | –                       | (419.6)               |
| <b>Net financing costs</b>                      |         | <b>(292.1)</b>              | <b>–</b>                | <b>(292.1)</b>        |
| Share of profit of equity-accounted investees   |         | 20.4                        | –                       | 20.4                  |
| <b>Profit before tax</b>                        |         | <b>1,321.3</b>              | <b>(100.7)</b>          | <b>1,220.6</b>        |
| Income tax expense                              | A, B, C | (199.4)                     | (17.1)                  | (216.5)               |
| <b>Profit for the year</b>                      |         | <b>1,121.9</b>              | <b>(117.8)</b>          | <b>1,004.1</b>        |
| Profit attributable to<br>Owners of the Company |         | 991.9                       | (126.8)                 | 865.1                 |
| Non-controlling interests                       |         | 130.0                       | 9.0                     | 139.0                 |
| <b>Profit for the year</b>                      |         | <b>1,121.9</b>              | <b>(117.8)</b>          | <b>1,004.1</b>        |

## d. Consolidated statement of comprehensive income at 30 September 2012

The consolidated statement of comprehensive income for the year ended 30 September 2012 can be reconciled to the amounts reported under Dutch GAAP as follows:

|   | Note | Dutch GAAP<br>2012<br>USD'M | Remeasurements<br>USD'M | IFRS<br>2012<br>USD'M |
|---|------|-----------------------------|-------------------------|-----------------------|
| <b>Profit for the year</b>  |      | <b>1,121.9</b>              | <b>(117.8)</b>          | <b>1,004.1</b>        |
| Other comprehensive income<br>Items that are or may be reclassified to profit or loss:              |      |                             |                         |                       |
| Net change in fair value of available-for-sale financial assets reclassified through profit or loss |      | (6.5)                       | –                       | (6.5)                 |
| Gain on cash flow hedges  | B    | –                           | 13.7                    | 13.7                  |
| Tax on other comprehensive income   | B    | –                           | (1.7)                   | (1.7)                 |
| Exchange loss on translation of foreign operations  | D    | (20.9)                      | (20.7)                  | (41.7)                |
| <b>Other comprehensive income for the year net of tax</b>   |      | <b>(27.5)</b>               | <b>(8.7)</b>            | <b>(36.2)</b>         |
| <b>Total comprehensive income for the year</b>  |      | <b>1,094.4</b>              | <b>(126.5)</b>          | <b>967.9</b>          |
| Total comprehensive income attributable to:   |      |                             |                         |                       |
| Owners of the Company   |      | 964.4                       | (115.7)                 | 848.8                 |
| Non-controlling interests   |      | 130.0                       | (10.8)                  | 119.2                 |
| <b>Total comprehensive income for the year</b>  |      | <b>1,094.4</b>              | <b>(126.5)</b>          | <b>967.9</b>          |

Notes to the reconciliation between Dutch GAAP and IFRS as at 1 October 2011 and 30 September 2012:

**A. Borrowing cost** – Borrowing costs, which are directly attributable to the acquisition, construction or production of qualifying assets, have been expensed in the Dutch GAAP Financial statements up to 2012. Under IFRS these borrowing costs are capitalized and material adjustments have been recorded in the remeasurement column.

**B. Business combinations** – The Group has elected not to restate business combinations prior to 1 October 2011. Business combinations after 1 October 2011 are remeasured based on IFRS policies and included in the remeasurement column. The main other goodwill adjustments relate to the fact that under Dutch GAAP, goodwill is amortised, while under IFRS, goodwill is not amortised but tested for impairment annually. As a result, the Group has reversed the amortisation expense under Dutch GAAP.

In addition, under Dutch GAAP, acquisition-related costs are recognised as part of the cost of the acquisition and therefore capitalised, while under IFRS acquisition-related costs are expensed as incurred. As a result, the Group has reversed the costs capitalised under Dutch GAAP and has recognised these costs in the statement of income.

Furthermore, under Dutch GAAP, negative goodwill is recognised as a liability on the balance sheet, while IFRS requires the Group to re-measure the previously held equity interest in the acquiree at its fair value at the acquisition date. Any gains or losses are recorded in profit or loss. As a result, the Group has reversed the capitalisation of negative goodwill and related amortisation booked under Dutch GAAP and has recognised the negative goodwill in the statement of income.

**C. Accounting for stocks, physical forward contracts and derivatives** – The physical forward contracts and related derivatives are accounted for by applying cost-price hedge accounting under Dutch GAAP, leaving effective hedge relationships off-balance sheet. Under IFRS these contracts and related derivatives are brought on-balance sheet with changes in fair value recorded in the statement of income. Furthermore all trading related stock is measured at fair market value with changes in fair value recorded in the statement of income.

**D. Non-controlling interest** – Transactions with non-controlling interest holders are recorded through equity under IFRS, whereas under Dutch GAAP gains and losses from such transactions are recorded in the statement of income. Furthermore under Dutch GAAP, a reconciliation was provided of the Other Comprehensive Income attributable to Shareholders. Under IFRS, a Group OCI statement is shown including OCI items attributable to Non-controlling interest holders.

**E. Foreign currency** – The Group has elected to utilise the optional exemption under IFRS 1 and to zero out the balance of the currency translation reserve at transition date.

**F. Share-based payments** – Under Dutch GAAP, for certain shares issued to employees, the grant date was interpreted differently as compared to IFRS guidance. This resulted in a portion of the share based payment expense recorded under Dutch GAAP to be recorded as expense in the subsequent financial year.

**G. Deferred tax liability** – The value of inventories and trade receivables for tax purposes is lower than their value for accounting purposes, which give rise to the recognition of a deferred tax liability. Under Dutch GAAP, this deferred tax liability was measured at discounted value which was nil due to the quasi-permanent nature of the liability. IFRS does not permit discounting of deferred tax liabilities and the discounting has been reversed to measure the deferred tax liability at undiscounted value.

Apart from the effects of the remeasurements on the consolidated statement of income, there are materially no remeasurements on the consolidated statement of cash flows.

In addition to the entries above, there were a number of reclassification entries required to present the statement of financial position, the statement of income and the statement of other comprehensive income in accordance with IFRS.

## FINANCIAL STATEMENTS

## G. COMPANY STATEMENT OF FINANCIAL POSITION

|   | Note | 30 September 2013<br>USD'M | 30 September 2012<br>USD'M |
|---|------|----------------------------|----------------------------|
| <b>Assets</b>                             |      |                            |                            |
| Property, plant and equipment             | 34   | –                          | 65.8                       |
| Intangible assets                         | 35   | –                          | 44.1                       |
| Investments in subsidiaries               | 36   | 5,546.8                    | 3,396.1                    |
| Equity-accounted investees                | 36   | 2.2                        | 9.0                        |
| Loans receivable and advances             | 36   | –                          | 259.1                      |
| Other investments                         | 36   | 18.5                       | 125.5                      |
| Deferred tax assets                       | 41   | –                          | 31.8                       |
| <b>Total non-current assets</b>           |      | <b>5,567.5</b>             | <b>3,931.4</b>             |
| <b>Current assets</b>                     |      |                            |                            |
| Inventories                               | 37   | –                          | 3,786.7                    |
| Trade and other receivables               | 38   | 2,767.8                    | 9,457.2                    |
| Derivatives                               |      | –                          | 728.3                      |
| Prepayments                               |      | –                          | 719.5                      |
| Income tax receivable                     |      | 4.4                        | 4.4                        |
| Cash and cash equivalents                 |      | 0.5                        | 1,640.0                    |
| <b>Total current assets</b>               |      | <b>2,772.8</b>             | <b>16,336.1</b>            |
| <b>Total assets</b>                       |      | <b>8,340.3</b>             | <b>20,267.5</b>            |
| <b>Equity</b>                             |      |                            |                            |
| Share capital                             | 39   | 0.1                        | 0.2                        |
| Capital Securities                        | 39   | 491.4                      | (21.8)                     |
| Currency translation reserve              | 39   | (4.1)                      | (10.5)                     |
| Revaluation reserve                       | 39   | 6.5                        | 10.5                       |
| Legal reserve                             | 39   | 1,659.9                    | 239.7                      |
| Cash flow hedge reserve                   | 39   | (17.7)                     | (15.2)                     |
| Retained earnings                         | 39   | 2,903.6                    | 3,097.4                    |
| <b>Shareholders' equity</b>               |      | <b>5,039.7</b>             | <b>3,310.8</b>             |
| <b>Liabilities</b>                        |      |                            |                            |
| Loans and borrowings                      | 43   | 1,011.2                    | 3,288.5                    |
| Derivatives                               |      | 37.0                       | 57.0                       |
| Deferred tax liabilities                  | 41   | –                          | 171.0                      |
| <b>Total non-current liabilities</b>      |      | <b>1,048.2</b>             | <b>3,516.5</b>             |
| <b>Current liabilities</b>                |      |                            |                            |
| Current tax liabilities                   |      | 24.6                       | 82.2                       |
| Loans and borrowings                      | 43   | 1,025.3                    | 6,544.1                    |
| Trade and other payables                  | 40   | 1,082.8                    | 5,362.1                    |
| Derivatives                               |      | 119.7                      | 1,451.8                    |
| <b>Total current liabilities</b>          |      | <b>2,252.4</b>             | <b>13,440.2</b>            |
| <b>Total group equity and liabilities</b> |      | <b>8,340.3</b>             | <b>20,267.5</b>            |

## H. COMPANY STATEMENT OF INCOME

|   | Note | 2013<br>USD'M  | 2012<br>USD'M |
|---|------|----------------|---------------|
| Share of net income of subsidiaries       | 36   | 2,108.6        | 738.7         |
| Result of the Company net of income taxes |      | (76.4)         | 126.4         |
| <b>Net profit</b>                         |      | <b>2,032.2</b> | <b>865.1</b>  |
| See accompanying notes                    |      |                |               |

## I. NOTES TO THE COMPANY FINANCIAL STATEMENTS

## 32. GENERAL

The 2013 parent company financial statements of Trafigura Beheer B.V. (the Company) have been prepared in accordance with Part 9, Book 2 of the Netherlands Civil Code. As allowed by section 402, Book 2 of the Netherlands Civil Code, the statements of operations of the Company are presented in condensed form. In accordance with subsection 8 of section 362, Book 2 of the Netherlands Civil Code, the recognition and measurement principles applied in these parent company financial statements are the same as those applied in the consolidated financial statements (see Note 3 to the consolidated financial statements) except for the investments in subsidiaries, joint ventures and associates.

The principal business office of the Company is at Ito Tower, Gustav Mahlerplein 102, 1082 MA Amsterdam, the Netherlands.

## 33. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Investments in subsidiaries, joint ventures and associates are accounted for using the net equity value. The Company calculates the net equity value using the accounting policies as described in Note 4 to the consolidated financial statements.

## 34. PROPERTY, PLANT AND EQUIPMENT

| USD'M                                      | Land and buildings | Machinery and equipment | Other fixed assets | Total        |
|--|--------------------|-------------------------|--------------------|--------------|
| <b>Cost</b>                                |                    |                         |                    |              |
| Balance at 1 October 2012                  | 49.3               | 0.1                     | 56.4               | 105.8        |
| Additions                                  | 0.2                | –                       | 19.4               | 19.6         |
| Disposals                                  | (48.5)             | (0.1)                   | (74.9)             | (123.5)      |
| Business transfer agreement adjustments    | –                  | –                       | –                  | –            |
| <b>Balance at 30 September 2013</b>        | <b>1.0</b>         | <b>–</b>                | <b>0.9</b>         | <b>1.9</b>   |
| <b>Depreciation and impairment losses</b>  |                    |                         |                    |              |
| Balance at 1 October 2011                  | (26.0)             | (0.1)                   | (13.9)             | (40.0)       |
| Depreciation for the year                  | –                  | –                       | (6.4)              | (6.4)        |
| Impairment losses                          | (0.1)              | –                       | –                  | (0.1)        |
| Disposals                                  | 25.1               | 0.1                     | 19.4               | 44.6         |
| <b>Balance at 30 September 2012</b>        | <b>(1.0)</b>       | <b>–</b>                | <b>(0.9)</b>       | <b>(1.9)</b> |
| <b>Net book value at 30 September 2012</b> | <b>–</b>           | <b>–</b>                | <b>–</b>           | <b>–</b>     |

| USD'M                                      | Land and buildings | Machinery and equipment | Other fixed assets | Total         |
|--|--------------------|-------------------------|--------------------|---------------|
| <b>Cost</b>                                |                    |                         |                    |               |
| Balance at 1 October 2012                  | 39.9               | 0.1                     | 34.2               | 74.2          |
| Additions                                  | 9.4                | –                       | 34.4               | 43.8          |
| Disposals                                  | –                  | –                       | (12.2)             | (12.2)        |
| <b>Balance at 30 September 2013</b>        | <b>49.3</b>        | <b>0.1</b>              | <b>56.4</b>        | <b>105.8</b>  |
| <b>Depreciation and impairment losses</b>  |                    |                         |                    |               |
| Balance at 1 October 2011                  | (16.4)             | (0.1)                   | (9.8)              | (26.3)        |
| Depreciation for the year                  | (4.2)              | –                       | (10.6)             | (14.8)        |
| Disposals                                  | (0.1)              | –                       | 1.2                | 1.2           |
| Reclassifications                          | (5.2)              | –                       | 5.2                | –             |
| <b>Balance at 30 September 2013</b>        | <b>(26.0)</b>      | <b>(0.1)</b>            | <b>(13.9)</b>      | <b>(40.0)</b> |
| <b>Net book value at 30 September 2012</b> | <b>23.3</b>        | <b>–</b>                | <b>42.5</b>        | <b>65.8</b>   |

Other fixed assets mainly consist of small equipment, computer hardware, software licences and office equipment.

## 35. INTANGIBLE ASSETS

|  | Goodwill<br>USD'M | Licenses<br>USD'M | Other intangible assets<br>USD'M | Total        |
|--|-------------------|-------------------|----------------------------------|--------------|
| <b>Cost</b>                                |                   |                   |                                  |              |
| Balance at 1 October 2012                  | 7.2               | –                 | 40.2                             | 47.4         |
| Disposals                                  | (5.1)             | –                 | (40.2)                           | (45.3)       |
| <b>Balance at 30 September 2013</b>        | <b>2.1</b>        | <b>–</b>          | <b>–</b>                         | <b>2.1</b>   |
| <b>Amortisation and impairment losses</b>  |                   |                   |                                  |              |
| Balance at 1 October 2012                  | (3.4)             | –                 | –                                | (3.4)        |
| Amortisation for the year                  | –                 | –                 | (1.7)                            | (1.7)        |
| Disposals                                  | 1.3               | –                 | 1.7                              | 3.0          |
| <b>Balance at 30 September 2013</b>        | <b>(2.1)</b>      | <b>–</b>          | <b>–</b>                         | <b>(2.1)</b> |
| <b>Net book value at 30 September 2013</b> | <b>–</b>          | <b>–</b>          | <b>–</b>                         | <b>–</b>     |
| <b>Goodwill</b>                            |                   |                   |                                  |              |
| Balance at 1 October 2011                  | 2.1               | –                 | –                                | 2.1          |
| Additions                                  | 5.1               | –                 | 40.2                             | 45.3         |
| <b>Balance at 30 September 2012</b>        | <b>7.2</b>        | <b>–</b>          | <b>40.2</b>                      | <b>47.4</b>  |
| <b>Amortisation and impairment losses</b>  |                   |                   |                                  |              |
| Balance at 1 October 2011                  | (2.1)             | –                 | –                                | (2.1)        |
| Amortisation for the year                  | (1.3)             | –                 | –                                | (1.3)        |
| <b>Balance at 30 September 2012</b>        | <b>(3.4)</b>      | <b>–</b>          | <b>–</b>                         | <b>(3.4)</b> |
| <b>Net book value at 30 September 2012</b> | <b>3.8</b>        | <b>–</b>          | <b>40.2</b>                      | <b>44.0</b>  |

## FINANCIAL STATEMENTS

## I. NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

## 36. FINANCIAL FIXED ASSETS

As of 30 September 2013 and 30 September 2012, the Company held a number of subsidiaries which it accounts for using the equity method. The movement in the balance of the account is as follows:

|   | Subsidiaries   |            | Associates  |          | Other investments |       | Loans |       | Total |       |
|---|----------------|------------|-------------|----------|-------------------|-------|-------|-------|-------|-------|
|   | USD'M          | USD'M      | USD'M       | USD'M    | USD'M             | USD'M | USD'M | USD'M | USD'M | USD'M |
| Balance at 1 October 2012               | 3,396.1        | 9.0        | 125.5       | 259.1    | 3,789.7           |       |       |       |       |       |
| Effect of movements in exchange rates   | (33.1)         | —          | —           | —        | (33.1)            |       |       |       |       |       |
| Other changes in equity of subsidiaries | (16.9)         | —          | —           | —        | (16.9)            |       |       |       |       |       |
| Additions                               | 3,351.7        | 2.2        | —           | —        | 3,353.9           |       |       |       |       |       |
| Disposals/write offs                    | (3,147.4)      | (9.0)      | (107.0)     | (259.1)  | (3,522.5)         |       |       |       |       |       |
| Dividend received                       | (112.4)        | —          | —           | —        | (112.4)           |       |       |       |       |       |
| Share of net income                     | 2,108.6        | —          | —           | —        | 2,108.6           |       |       |       |       |       |
| Other movements                         | 0.2            | —          | —           | —        | 0.2               |       |       |       |       |       |
| <b>Balance at 30 September 2013</b>     | <b>5,546.8</b> | <b>2.2</b> | <b>18.5</b> | <b>—</b> | <b>5,567.5</b>    |       |       |       |       |       |

For a list of subsidiaries, joint ventures and associates, see Note 47.

## 37. INVENTORIES

|                               | 2013     |                | 2012  |       |
|-------------------------------|----------|----------------|-------|-------|
|                               | USD'M    | USD'M          | USD'M | USD'M |
| Storage inventories           | —        | 1,876.9        |       |       |
| Floating inventories – Sold   | —        | 1,143.4        |       |       |
| Floating inventories – Unsold | —        | 766.4          |       |       |
| <b>Total</b>                  | <b>—</b> | <b>3,786.7</b> |       |       |

The decrease in inventory balances is fully attributable to the global restructuring as described in note 47.

## 38. TRADE AND OTHER RECEIVABLES

|                                      | 2013           |                | 2012  |       |
|--------------------------------------|----------------|----------------|-------|-------|
|                                      | USD'M          | USD'M          | USD'M | USD'M |
| Trade debtors                        | —              | 2,028.6        |       |       |
| Amounts due from subsidiaries        | 2,733.8        | 2,841.7        |       |       |
| Provision for bad and doubtful debts | —              | (9.7)          |       |       |
| Accrued turnover                     | —              | 4,403.5        |       |       |
| Broker balances                      | —              | 51.0           |       |       |
| Other debtors                        | 0.3            | 116.6          |       |       |
| Other taxes                          | —              | 2.0            |       |       |
| Related parties                      | 33.7           | 23.5           |       |       |
| <b>Total</b>                         | <b>2,767.8</b> | <b>9,457.2</b> |       |       |

## 39. SHAREHOLDERS' EQUITY

The equity movement schedule is included in chapter D of the consolidated financial statements. For the notes to the equity reference is made to note 23 of the consolidated financial statements. Legal reserves for purposes of the parent company's shareholders' equity are the same as the reserves disclosed in note 23.

## 40. TRADE AND OTHER PAYABLES

|                                     | 2013           |                | 2012  |       |
|-------------------------------------|----------------|----------------|-------|-------|
|                                     | USD'M          | USD'M          | USD'M | USD'M |
| Trade creditors                     | 203.6          | 750.1          |       |       |
| Accrued costs of sales and expenses | 878.6          | 4,611.8        |       |       |
| Related parties                     | 0.6            | 0.2            |       |       |
| <b>Total</b>                        | <b>1,082.8</b> | <b>5,362.1</b> |       |       |

## 41. DEFERRED TAX

Deferred tax assets and liabilities are stated at nominal value.

## 42. CONTINGENCIES AND COMMITMENTS

The following contingent liabilities exist in respect of trade financing:

|                      | 2013         |                | 2012  |       |
|----------------------|--------------|----------------|-------|-------|
|                      | USD'M        | USD'M          | USD'M | USD'M |
| Letters of credit    | 557.3        | 3,145.5        |       |       |
| Letters of indemnity | 4.1          | 9.6            |       |       |
| Guarantees           | 5.6          | 117.9          |       |       |
| <b>Total</b>         | <b>566.9</b> | <b>3,273.0</b> |       |       |

In the normal course of business the Company has received legal claims in respect of business contracts. Management believes that no significant liability exists in respect of these claims, except for those contracts where specific provisions have been made. The Company is the fiscal parent of the fiscal unity for Dutch corporate income tax purposes. As a consequence, the Company is jointly and severally liable for corporate income tax liabilities of the fiscal unity.

The Company had outstanding commitments at the end of 30 September 2013, and 30 September 2012 as follows:

|                           | 2013         |              | 2012  |       |
|---------------------------|--------------|--------------|-------|-------|
|                           | USD'M        | USD'M        | USD'M | USD'M |
| Storage rental            | 77.0         | 224.9        |       |       |
| Time charters             | 78.0         | 1.8          |       |       |
| Office rent               | 2.7          | 2.1          |       |       |
|                           | <b>157.7</b> | <b>228.8</b> |       |       |
| Assets under construction | —            | 135.7        |       |       |
| <b>Total</b>              | <b>157.7</b> | <b>364.5</b> |       |       |

Non-cancellable operating lease rentals are payable as follows:

|  | 2013         |              | 2012  |       |
|--|--------------|--------------|-------|-------|
|  | USD'M        | USD'M        | USD'M | USD'M |
| Less than one year                           | 24.9         | 91.9         |       |       |
| Later than one year and less than five years | 73.7         | 107.9        |       |       |
| Later than five years                        | 59.1         | 29.1         |       |       |
| <b>Total</b>                                 | <b>157.7</b> | <b>228.9</b> |       |       |

|                                    | Principal | Interest rate | Maturity       | Floating/fixed rate debt | Note | < 1 years USD'M | 1-5 years USD'M | > 5 years USD'M | Total          |
|------------------------------------|-----------|---------------|----------------|--------------------------|------|-----------------|-----------------|-----------------|----------------|
|                                    |           |               |                |                          |      |                 |                 |                 | USD'M          |
| <b>Revolving credit facilities</b> |           |               |                |                          |      |                 |                 |                 |                |
| USD                                | 229.0     | Libor + 2.05% | 2013 – October | Floating                 |      | 229.0           | —               | —               | 229.0          |
| USD                                | 115.0     | Libor + 1.70% | 2014 – October | Floating                 |      | —               | 115.0           | —               | 115.0          |
|                                    |           |               |                |                          |      | 229.0           | 115.0           | —               | 344.0          |
| <b>Private placement</b>           |           |               |                |                          |      |                 |                 |                 |                |
| USD                                | 44.0      | 5.80%         | 2016 – April   | Fixed                    |      | —               | 44.0            | —               | 44.0           |
| USD                                | 88.0      | 6.50%         | 2018 – April   | Fixed                    |      | —               | 88.0            | —               | 88.0           |
| USD                                | 98.0      | 7.11%         | 2021 – April   | Fixed                    |      | —               | —               | 98.0            | 98.0           |
|                                    |           |               |                |                          |      | —               | 132.0           | 98.0            | 230.0          |
| <b>Eurobonds</b>                   |           |               |                |                          |      |                 |                 |                 |                |
| EUR                                | 400.0     | 6.38%         | 2015 – April   | Fixed                    |      | —               | 540.8           | —               | 540.8          |
|                                    |           |               |                |                          |      | —               | 540.8           | —               | 540.8          |
| <b>Other loans</b>                 |           |               |                |                          |      |                 |                 |                 |                |
| USD                                | 150.0     | 4.80%         | 2014 – May     | Floating                 |      | 150.0           | —               | —               | 150.0          |
| JPY                                | 9,000.0   | Libor + 2.00% | 2015 – January | Fixed                    |      | —               | 91.8            | —               | 91.8           |
| USD                                | 39.6      | 2.95%         | 2019 – October | Fixed                    |      | 3.5             | 13.8            | 19.7            | 37.0           |
|                                    |           |               |                |                          |      | 153.5           | 105.6           | 19.7            | 278.8          |
| <b>Total</b>                       |           |               |                |                          |      | <b>382.5</b>    | <b>893.4</b>    | <b>117.7</b>    | <b>1,393.6</b> |

The Company was in compliance with all its corporate and financial covenants as at 30 September 2013.

## 44. EMPLOYEE INFORMATION

The average number of employees during the year was 64 (2012: 513).

## 45. AUDITOR'S FEES

See note 12 in the consolidated financial statements.

## 43. LOANS AND BORROWINGS

|   | 2013           |                | 2012  |       |
|---|----------------|----------------|-------|-------|
|   | USD'M          | USD'M          | USD'M | USD'M |
| <b>Carrying value of loans and borrowings</b> |                |                |       |       |
| <b>Non-current</b>                            |                |                |       |       |
| Private placements                            | 230.0          | 230.0          |       |       |
| Revolving credit facilities                   | 115.0          | 2,229.0        |       |       |
| Eurobond                                      | 540.8          | 514.4          |       |       |
| Other loans                                   | 125.3          | 315.1          |       |       |
| Finance leases                                | —              | —              |       |       |
| <b>Total non-current</b>                      | <b>1,011.1</b> | <b>3,288.5</b> |       |       |
| <b>Current</b>                                |                |                |       |       |
| Private placements                            | —              | —              |       |       |
| Revolving credit facilities                   | 229.0          | 125.0          |       |       |
| Other loans                                   | 153.5          | 9.9            |       |       |
| Short-term bank borrowings                    | 642.9          | 6,544.0        |       |       |
| <b>Total current</b>                          | <b>1,025.4</b> | <b>6,678.9</b> |       |       |

## 46. REMUNERATION OF THE SUPERVISORY BOARD, BOARD OF DIRECTORS AND MANAGEMENT BOARD

The Supervisory Board members received total remuneration of USD1.3 million (2012: USD1.3 million) and the members of the Board of Directors and Management Board received total remuneration of USD7.7 million (2012: USD10.1 million) for the year.

As at 30 September 2013 loans receivable from the members of the Board of Directors and Management Board total USD2.6 million (2012: USD7.6 million). Interest is charged on the loans at approximately LIBOR + 1.0% and the loans are repayable within the 1-3 year bracket.

## FINANCIAL STATEMENTS

## I. NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

## 47. CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

For entities where legal shareholding is less than 50%, the Group has consolidated based on the definition of control under IFRS. Certain entities with a percentage of interest below 50% are held through intermediate holding companies controlled by the Group.

| Principal consolidated operating subsidiaries            | Location                              | % Owned |
|--|---------------------------------------|---------|
| Angola Exploration Mining Resources S.A.                 | Angola                                | 30.0%   |
| AngoRecycling Industry, Lda.                             | Angola                                | 25.0%   |
| Catalina Huancá Sociedad Minera S.A.C.                   | Peru                                  | 100.0%  |
| Chuntle Holdings s.a.r.l.                                | Luxembourg                            | 100.0%  |
| Consorcio Minero S.A.                                    | Peru                                  | 100.0%  |
| DT Investments DMCC                                      | United Arab Emirates                  | 50.0%   |
| DT Trading Ltd.  | Bahamas                               | 50.0%   |
| DTS Commercial Pte. Ltd.                                 | Singapore                             | 50.0%   |
| DTS Refining Pte. Ltd.                                   | Singapore                             | 50.0%   |
| Edenfield Procurement DMCC                               | United Arab Emirates                  | 100.0%  |
| EF90 LLC   | United States                         | 100.0%  |
| Empresa de Recolha de Resíduos de Angola, Lda            | Angola                                | 50.0%   |
| Fangchenggang Guo Tong Import and Export Co. Ltd         | China                                 | 100.0%  |
| Galena Asset Management B.V.                             | Netherlands                           | 100.0%  |
| Galena Asset Management Limited                          | United Kingdom                        | 100.0%  |
| Galena Investments S.A. r.l.                             | Luxembourg                            | 100.0%  |
| Galena Investments limited                               | Malta                                 | 100.0%  |
| Genghis Holding Company Limited                          | Malta                                 | 100.0%  |
| Iberian Finance s.a.r.l.                                 | Luxembourg                            | 100.0%  |
| Iberian Minerals Corp. Plc                               | Jersey                                | 100.0%  |
| Iberian Minerals Financing S.A.                          | Luxembourg                            | 100.0%  |
| Iberian Minerals Holding Cooperatief U.A.                | Netherlands                           | 100.0%  |
| IM Finance s.a.r.l.                                      | Luxembourg                            | 100.0%  |
| Impala (MI) LLC  | Marshall Islands                      | 100.0%  |
| Impala Colombia SAS                                      | Colombia                              | 100.0%  |
| Impala Holdings Limited                                  | Malta                                 | 100.0%  |
| Impala Logistics (Shanghai) Company Limited              | China                                 | 100.0%  |
| Impala Peru S.A.C.                                       | Peru                                  | 100.0%  |
| Impala Warehousing & Logistics SPRL                      | Congo, The Democratic Republic of the | 100.0%  |
| Impala Warehousing (US) LLC                              | United States                         | 100.0%  |
| Impala Warehousing S.A. de C.V.                          | Mexico                                | 100.0%  |
| IWL (Luxembourg) S.à r.l.                                | Luxembourg                            | 100.0%  |
| IWL Capital LLC  | Marshall Islands                      | 100.0%  |
| IWL Holdings (Luxembourg) S.à r.l.                       | Luxembourg                            | 100.0%  |
| IWL Investments (Malta) Limited                          | Malta                                 | 100.0%  |
| Luna Mining srl  | Congo, The Democratic Republic of the | 100.0%  |
| Manatee Holding Company Limited                          | Malta                                 | 100.0%  |
| Meteor Ltd   | Isle of Man                           | 100.0%  |
| Minas de Aguas Teñidas, S.A.U. ("MATSA")                 | Spain                                 | 100.0%  |
| NEMS (USA) Inc.  | United States                         | 100.0%  |
| Ningbo Minghui Recycling Resources Co., Ltd              | China                                 | 95.0%   |
| North European Marine Services Limited                   | United Kingdom                        | 100.0%  |
| Petromining S.A.   | Argentina                             | 100.0%  |
| Puma Energy Holdings, Malta 2 Limited                    | Malta                                 | 100.0%  |
| Puma Energy Holdings, Malta Limited                      | Malta                                 | 100.0%  |
| Shanghai Trafigura Energy and Resources Trading Co., Ltd | China                                 | 100.0%  |
| Sonatraf DMCC  | United Arab Emirates                  | 100.0%  |
| Trafigura AG   | Switzerland                           | 100.0%  |
| Trafigura Calgary Ltd.                                   | Canada                                | 100.0%  |
| Trafigura Chile Limitada                                 | Chile                                 | 100.0%  |
| Trafigura Derivatives Limited                            | United Kingdom                        | 100.0%  |
| Trafigura DMCC   | United Arab Emirates                  | 100.0%  |

| Principal consolidated operating subsidiaries                                 | Location           | % Owned |
|---|--------------------|---------|
| TAC ECO Recycling (UK) Limited (Previously known as Trafigura Energy Limited) | United Kingdom     | 100.0%  |
| Trafigura Eurasia LLC   | Russian Federation | 100.0%  |
| Trafigura Funding S.A.  | Luxembourg         | 100.0%  |
| Trafigura Holdings Limited  | Malta              | 100.0%  |
| Trafigura Holdings S.à r.l.   | Luxembourg         | 100.0%  |
| Trafigura India Private Limited   | India              | 100.0%  |
| Trafigura Investment (China) Co.,Ltd  | China              | 100.0%  |
| Trafigura Investments S.à r.l.  | Luxembourg         | 100.0%  |
| Trafigura Italia S.r.l  | Italy              | 100.0%  |
| Trafigura Limited   | United Kingdom     | 100.0%  |
| Trafigura Maritime Ventures Limited   | Malta              | 100.0%  |
| Trafigura Marketing Inc.  | United States      | 100.0%  |
| Trafigura Marketing Ltd.  | Canada             | 100.0%  |
| Trafigura Mexico, S.A. de C.V.  | Mexico             | 100.0%  |
| Trafigura Nat Gas Limited   | Malta              | 100.0%  |
| Trafigura Overseas Projects Pte. Ltd  | Singapore          | 100.0%  |
| Trafigura Pte Ltd   | Singapore          | 100.0%  |
| Trafigura Services Pte. Ltd.  | Singapore          | 100.0%  |
| Trafigura Services South Africa (Pty) Ltd                                     | South Africa       | 100.0%  |
| Trafigura Trade Investments (Luxembourg) S.à r.l.                             | Luxembourg         | 100.0%  |
| Trafigura Trading (Tangshan) Co.,Ltd  | China              | 100.0%  |
| Trafigura Ventures Trading Ltd  | Mauritius          | 100.0%  |
| Urion Holdings (Malta) Limited  | Malta              | 100.0%  |

| Associates carried at net equity value | Location    | % Owned |
|--|-------------|---------|
| Cadillac Ventures Inc.                 | Canada      | 24.7%   |
| Empresa Minera del Caribe S.A.         | Caribbean   | 49.0%   |
| Napoli Limited                         | Bermuda     | 49.0%   |
| Osmonda Limited                        | Isle of Man | 33.0%   |
| Puma Energy Holdings Pte. Ltd.         | Singapore   | 48.8%   |
| Transportadora Callao S.A.             | Peru        | 30.0%   |

Note that Puma Energy Holdings PTE Ltd is deconsolidated at the end of financial year 2013. Results from the period are included in the statement of income until the moment that Trafigura lost control over the entity.

Trafigura has completed a global restructuring of the Group. The main drivers are to (i) separate the trading function of Trafigura Beheer B.V. ("TBBV") from its holding function; and (ii) align the trading division profile with one of our key strategic markets (Asia). The restructuring involves the transfer of two groups of assets from TBBV. Its trading assets are transferred to Trafigura Pte Ltd and its non-trading assets to various specific holding companies. The restructuring includes the consolidation of TBBV's trading activities under Trafigura Pte Ltd ("TPTE"). Going forward, TPTE will act as the main booking entity for the group's trading activities, with a number of exceptions such as the US trading activity which remain in Trafigura AG. With effect of 1 October 2012 TBBV entered into a Transfer Agreement with TPTE for the transfer of the trading business from TBBV to TPTE. Following accounting guidelines the related assets and liabilities in the TBBV standalone financial statements have been derecognised on 1 October 2012 in as far as they have met the derecognition criteria for the individual assets and liabilities involved.

## 48. SUPERVISORY AND BOARD OF DIRECTORS

| THE BOARD OF DIRECTORS | THE SUPERVISORY BOARD |
|------------------------|-----------------------|
| Chris Cox              | Philippa Blavier      |
| Claude Dauphin         | Thomas Strathclyde    |
| Mark Irwin             | Eric de Turckheim     |
| Pierre Lorinet         | Andrew Vickerman      |
| Mike Wainwright        |                       |
| Jeremy Weir            |                       |

Amsterdam, 13 December 2013.

## J. OTHER INFORMATION

## 49. APPROPRIATION OF NET PROFIT

According to Article 20 of the Company's Articles of Association, the annual meeting of shareholders determines the appropriation of the Company's net profit for the year.

According to Article 20.4 first a 100% dividend of the nominal value of each of the classes of preference shares is deducted from those profits. The Board of Directors propose that the remaining net profit of USD2,032.2 million for the year ended 30 September 2013 be transferred to retained earnings.

## 50. SUBSEQUENT EVENTS

There were no events after the end of the reporting period that require disclosure.

## 51. SUMMARY OF BRANCH OFFICES

| Trade Name   | Location     |
|--|--------------|
| Trafigura Beheer BV, Ashgabat Branch                   | Turkmenistan |
| Trafigura Beheer BV, Fujairah Free Zone, Branch Office | UAE          |
| Trafigura Beheer BV, Abu Dhabi Branch Office           | UAE          |
| Trafigura Beheer BV, (Dubai Branch)                    | UAE          |
| Trafigura Beheer BV, (Oman Branch)                     | Oman         |
| Trafigura Beheer BV, Branch Office Geneva              | Switzerland  |
| Trafigura Beheer BV, Branch Office Lucerne             | Switzerland  |

## FINANCIAL STATEMENTS

### INDEPENDENT AUDITOR'S REPORT

To: the shareholders, the Supervisory Board and the Board of Directors of Trafigura Beheer B.V.

#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements for the year ended 30 September 2013 of Trafigura Beheer B.V., Amsterdam. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 30 September 2013, the consolidated statement of income, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company statement of financial position as at 30 September 2013, the company statement of income for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

#### MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### OPINION WITH RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Trafigura Beheer B.V. as at 30 September 2013 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

#### OPINION WITH RESPECT TO THE COMPANY FINANCIAL STATEMENTS

In our opinion, the company financial statements give a true and fair view of the financial position of Trafigura Beheer B.V. as at 30 September 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 13 December 2013  
Ernst & Young Accountants LLP  
Signed by A.A. Heij



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**DECLARATION OF LINDSEY FRANK – EXHIBIT M**

MAY 9 2012 6:09 PM

Updated 13667

Karina Ureña Romero, Esq. [*Licenciada*]

Mariam Robles 124069-108

[Faint rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
PUBLIC [...] OF PANAMA

EMBLEM OF THE  
REPUBLIC OF  
PANAMA

REGISTER

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2

[Signature]

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83541  
2012

**REPUBLIC OF PANAMA**  
**PROVINCE OF PANAMA**

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*Legal*  
*Mercantile*

**FIRST NOTARY OFFICE OF THE CIRCUIT OF PANAMA**

*Luis Fraiz Docabo, Esq.* [*Licenciado*]

Phone: 264-3585  
264-8927

OBARRIO  
SAMUEL LEWIS AVENUE  
OLIVELLA BUILDING  
SECOND FLOOR

P.O. Box: 0819-12727  
El Dorado, Panama, Rep. of Panama

Fax: 264-8047

**COPY OF**

**ESCRITURA** [Deed] **No.** 8125 **DATED** May 4, 2012

**Whereby**

A NOTARY RECORD IS MADE OF A CERTIFICATE OF AMENDMENT PERTAINING TO THE *SOCIEDAD ANÓNIMA* [CORPORATION] ESSO STANDARD OIL, S.A., WHEREBY ARTICLE 1 (ONE) OF THE *PACTO SOCIAL* [ARTICLES OF INCORPORATION] IS AMENDED.

ARIAS, FABREGA & FABREGA

[Handwritten:]  
*Julio Lara*  
*B-282247*

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[...]  
Diary Department  
Document [...] Section

Amount of [...] \_\_\_\_\_  
[...] Certificate of Good Standing: Original \_\_\_\_\_ Copy \_\_\_\_\_  
IDAA Certificate of Good Standing: Original \_\_\_\_\_ Copy \_\_\_\_\_  
Flat-Rate Fee: Original \_\_\_\_\_ Copy \_\_\_\_\_  
Lot Plan: Original \_\_\_\_\_ Copy \_\_\_\_\_  
Date and Name: \_\_\_\_\_ *5/9/12* \_\_\_\_\_ *12000 23199*

[Faint rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
PUBLIC REGISTRY OF PANAMA

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REPUBLIC OF PANAMA  
[...]20 B/ [...] P 32[...]

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50-

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[...] PANAMA  
[...] REGISTRY [...]

[Faint rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
[...] REGISTRY [...]

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
4.19.12 B/. 8.00

**REPUBLIC OF PANAMA**  
**NOTARIAL STATIONERY**  
[EMBLEM OF THE REPUBLIC OF PANAMA]

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
FIRST NOTARY OFFICE  
OF THE CIRCUIT

[...] POSTALIA 42948[...]

**FIRST NOTARY OFFICE OF THE CIRCUIT OF PANAMA**

*ESCRITURA PÚBLICA* [PUBLIC DEED] NUMBER EIGHT THOUSAND ONE HUNDRED TWENTY FIVE ----- (8125) -----

**WHEREBY A NOTARY RECORD IS MADE OF A CERTIFICATE OF AMENDMENT PERTAINING TO THE *SOCIEDAD ANÓNIMA* [CORPORATION] ESSO STANDARD OIL, S.A., WHEREBY ARTICLE 1 (ONE) OF THE *PACTO SOCIAL* [ARTICLES OF INCORPORATION] IS AMENDED.** -----

-----Panama, May 4, 2012 -----

In the city of Panama, Capital of the Republic and Headquarters of the Notary Circuit of the same name, on the fourth (4th) day of the month of May of the year two thousand twelve (2012), before me, LUIS FRAIZ DOCABO, Esq. [*Licenciado*], First Notary Public of the Circuit of Panama, bearer of personal identification document number eight-three hundred eleven-seven hundred thirty four (8-311-734), appeared in person **GIAN CASTILLERO**, Esq. [*Licenciado*], male, of legal age, married, an attorney, Panamanian, a resident of this city, bearer of personal identification document number eight-three hundred ten-eight hundred eighty seven (8-310-887), whom I know, in his capacity as Legal Representative of the law firm ARIAS, FABREGA & FABREGA, which is the Resident Agent of the *sociedad anónima* **ESSO STANDARD OIL, S.A.**, registered in the Public Registry, Mercantile Entity Section, in Volume one hundred forty two (142), Page ninety six (96), Entry thirty six thousand six hundred twenty (36620) on the eighth (8) of October of the year one thousand nine hundred forty five (1945) and updated in Card thirteen thousand six hundred sixty seven (13667), and he provided to me, for the creation of a notary record, a document containing a Certificate of Amendment pertaining to the *sociedad anónima* **ESSO STANDARD OIL, S.A.**, whereby Article 1 (one) of the *Pacto Social* [Articles of Incorporation] is amended, and to that effect I have created a notary record.-----

The content of the abovementioned document is transcribed in a copy of this Document. ----- After reading this *Escritura* [Deed] to the party appearing before me in the presence of the instrumental

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[Faint rubber stamp with the emblem of the Republic of Panama:]  
[...] PANAMA  
[...] REGISTRY [...]

[Faint rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
[...]

witnesses, Ms. ARIADNE RÍOS, with personal identification document number four-seven hundred fifty five-nine hundred fifty seven (4-755-957), and Ms. CLAUDIA GARCÍA, with personal identification document number eight-four hundred ninety one-seventy five (8-491-75), both of them of legal age, residents of this city, whom I know and who are qualified to act as witnesses, all of them found it to be correct, provided their approval and signed it, for the record, before me, the Notary, to which I attest.-----

THIS *ESCRITURA* [DEED] HAS THE SEQUENCE NUMBER EIGHT THOUSAND ONE HUNDRED TWENTY FIVE ----- (8125) -----

(Signed) GIAN CASTILLERO ----- ARIADNE RÍOS ----- CLAUDIA GARCÍA -----  
LUIS FRAIZ DOCABO, Esq., [*Licenciado*], First Notary Public of the Circuit of Panama. -----

----- **CERTIFICATE OF AMENDMENT OF THE *PACTO SOCIAL*** -----  
----- **[ARTICLES OF INCORPORATION] OF ESSO STANDARD OIL, S.A.** -----

We, the undersigned, **Eyda I. Varela** and **Miguel Céspedes**, in our capacity as President and Secretary, respectively, of Esso Standard Oil, S.A., registered in the Public Registry, Mercantile Entity Section, in Volume 142, Page 96, Entry 36620, and updated in Card 13667, (the “*Sociedad*” [Corporation]), hereby certify that the *Pacto Social* [Articles of Incorporation] of the abovementioned *Sociedad* has been amended so that hereinafter Article 1 of said *Pacto Social* shall read as follows: -----

ONE: The name of the *sociedad* is **Puma Energy Standard Oil, S.A.** -----  
Date: March 29, 2012 -----

(Signed) **Eyda I. Varela – President** --- (Signed) **Miguel Cespedes – Secretary** -----  
----- Certification -----

We, the undersigned, **Eyda I. Varela** and **Miguel Cespedes**, in our capacity as President and Secretary, respectively, of Esso Standard Oil, S.A., registered in the Public Registry, Mercantile Entity Section, in Volume 142, Page 96, Entry 36620, and updated in Card 13667, (the “*Sociedad*”

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[Faint rubber stamp with the emblem of the Republic of Panama:]  
[...] PANAMA  
[...] PANAMA

[Faint rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
[...]

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
4.19.12 B/. 8.00  
[...] POSTALIA 42948[...]

**REPUBLIC OF PANAMA**  
**NOTARIAL STATIONERY**  
[EMBLEM OF THE REPUBLIC OF PANAMA]  
**FIRST NOTARY OFFICE OF THE CIRCUIT OF PANAMA**

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
FIRST NOTARY OFFICE  
OF THE CIRCUIT

[Corporation]), hereby certify that by means of a resolution adopted by the holders of all the shares issued and outstanding, during a Shareholders' Meeting which was held on March 29, 2012 in the City of Panama, Republic of Panama, after notice for the convening of the meeting had been waived, and in which quorum was attained, we have been authorized to grant the abovementioned Certificate of Amendment. -----

Date: March 29, 2012 -----

(Signed) **Eyda I. Varela – President** ---- (Signed) **Miguel Cespedes – Secretary** -----

This document is issued, stamped and signed by me in the City of Panama, Republic of Panama, on the fourth (4) day of the month of May of the year two thousand twelve (2012) and is a true copy of its original. -----

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
FIRST NOTARY OFFICE  
OF THE CIRCUIT

[Signature]  
LUIS FRAIZ DOCA[...], Esq. [Lcdo.]  
First Notary Public  
[Stamp]  
7

ENTERED IN THE PUBLIC REGISTRY OF PANAMA

Province: Panama  
Volume: 2012  
Submitted by: JULIO LARA  
Statement No: 00001200023199  
Entered by: JAROPA03

Date and time: May/09/2012 6:12:47:1 PM  
Entry: 083541  
ID: b-282247  
Total Fees: 50.00

[Signature]  
Chief - Document Entry  
and Quality Control

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
PUBLIC REGISTRY OFFICE

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[Rubber stamp with handwritten insertions:]

**Entered in the Information Technology System of the  
Public Registry of Panama**

Section *Entities*                      Card *13667*              Initials *S.A.*  
Redi Document No.                      *2171677*  
Operation performed                      *Record*  
Registration fees B/.                      *40.00*  
Qualification fees B/.                      *10.00*  
Registration place and date              *Panama, May 14, 2012*

[*Signature*]  
Registration Chief

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of the Republic of Panama]

Republic of Panama  
Public Registry of Panama

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PUBLIC REGISTRY OF PANAMA

[...]  
[...]  
[...]  
[...]  
[...]

[Rubber stamp with the emblem  
of the Republic of Panama]

Republic of Panama  
Public Registry of Panama

01/30/2020

[*Signature*]

[...]

26.00

[...]

1402526121

241455-480774

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT

[In the left margin:]  
No. 459618

*[Emblem of the Republic of Panama]*

**REPUBLIC OF PANAMA**

**APOSTILLE**

*(Convention de La Haye du 5 octobre 1961)*

1. In Panama this public document
2. has been signed by: **Elizabeth Marciaga de Garibaldo**
3. acting in his/her capacity as: **Assistant**
4. and bears the stamp/seal of: **Public Registry – Volume, Microfilm and Registration Entry Department**

**Certified**

5. in **Ministry of Foreign Affairs**
6. on **March 4, 2020**
7. by **Authentication and Legalization Department**
8. Under No. **2020-241455-480774**
9. Seal/stamp
10. Officer's signature

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT  
*[Signature]*

*[Signature]*  
Gretel Kabeth Bonilla  
**CERTIFYING OFFICER**

*[QR Code]*

## **CERTIFICATE OF TRANSLATION**

**I, Nahum Hahn, am competent to translate from Spanish into English, and certify that the translation of the attached document, “Exhibit M to the Declaration of Lindsey Frank”, is true and accurate to the best of my abilities.**

**June 11, 2020**

A handwritten signature in black ink, appearing to be 'Nahum Hahn', written in a cursive style.

**Nahum Hahn**

**161 Gordonhurst Ave.**

**Montclair, NJ 07043**

**(917) 680-4699**



Actualizado 13667

Licda. Kurina Ureña Romero Marian Robles 12299-108



Handwritten circled number '2'.

2119 MAR 6 REGISTRAR

83541 / 2012

REPUBLICA DE PANAMA  
PROVINCIA DE PANAMA

Handwritten signature: *J. Ureña*

NOTARIA PRIMERA DEL CIRCUITO DE PANAMA

*Licda. Luis Fraiz Docabo*

Teléfonos: 264-3585,  
264-8927,  
Fax: 264-8047

OBARRIO  
AVE. SAMUEL LEWIS  
EDIF. OLIVELLA  
PLANTA ALTA

Apartado: 0819-12727  
El Dorado, Panamá, Rep. de Panamá

COPIA  
ESCRITURA No. 8,125 DE 4 DE mayo DE 2012

POR LA CUAL SE PROTOCOLIZA UN CERTIFICADO DE REFORMA DE LA SOCIEDAD ANÓNIMA DENOMINADA ESSO STANDARD OIL, S.A., MEDIANTE EL CUAL SE REFORMA EL ARTÍCULO PRIMERO DEL PACTO SOCIAL.

ARIAS, FABREGA & FABREGA

*Julio Lara*  
B-282247

Cantidad de Planchas: \_\_\_\_\_ Copia \_\_\_\_\_  
 Paz y Salvo de Ingresos: \_\_\_\_\_ Copia \_\_\_\_\_  
 Paz y Salvo de IVA: \_\_\_\_\_ Copia \_\_\_\_\_  
 Tasa Única: \_\_\_\_\_ Copia \_\_\_\_\_  
 Plano de Lote: Original \_\_\_\_\_ Copia \_\_\_\_\_  
 Fecha y Nombre: *9/6/2012 / 12020 23/99*



10  
5









instrumentales, señoras ARIADNE RÍOS con cédula de identidad personal número Cuatro-Setecientos cincuenta y cinco- Novecientos cincuenta y siete (4-755-957) y CLAUDIA GARCÍA con cédula de identidad personal número Ocho-Cuatrocientos noventa y uno-Setenta y cinco (8-491-75), mayores de edad, vecinas de esta ciudad, a quienes conozco y son hábiles para el cargo, la encontraron todos conforme, le impartieron su aprobación y la firman todos ante mí para constancia, el Notario que doy fe, ---- ESTA ESCRITURA LLEVA EL NÚMERO OCHO MIL CIENTO VEINICINCO----- (8,125)-----

(Fdos.) GIAN CASTILLERO -- ARIADNE RÍOS -- CLAUDIA GARCÍA --  
 Licenciado LUIS FRAIZ DOCABO, Notario Público Primero del Circuito de Panamá.

-----CERTIFICADO DE REFORMA DEL PACTO SOCIAL DE-----  
 -----ESSO STANDARD OIL, S.A.-----

Los suscritos, Eyda I. Varela y Miguel Céspedes, en su calidad de Presidenta y Secretario respectivamente, de Esso Standard Oil, S.A., inscrita al Tomo 142, Folio 96, Asiento 36620, de la Sección de Personas Mercantil del Registro Público y actualizada a la Ficha 13667, (la "Sociedad"), por el presente medio certificamos que el Pacto Social de dicha Sociedad, ha sido reformado de manera que en lo sucesivo el Artículo Primero de dicho Pacto Social lea así:-----

PRIMERO: El nombre de la sociedad es Puma Energy Standard Oil, S.A. --  
 Fecha: 29 de Marzo de 2012-----

(Fdo.) Eyda I. Varela -- Presidenta --- (Fdo.) Miguel Céspedes --  
 Secretario -----

-----Certificación-----

Los suscritos, Eyda I. Varela y Miguel Céspedes, en su calidad de Presidenta y Secretario respectivamente, de Esso Standard Oil, S.A., inscrita al Tomo 142, Folio 96, Asiento 36620, de la Sección de Personas Mercantil del Registro Público y actualizada a la Ficha





13667, (la "Sociedad"), por el presente medio certificamos que hemos sido autorizados para otorgar el Certificado de Reforma que antecede por resolución adoptada por los tenedores de la totalidad de las acciones emitidas y en circulación en una sesión de la junta de accionistas celebrada conforme renuncia de la convocatoria el 29 de Marzo de 2012, en la Ciudad de Panamá, República de Panamá, en la que hubo quórum.

Fecha: 29 de Marzo de 2012

(Fdo.) Eyda I. Varela - Presidenta ---- (Fdo.) Miguel Cespedes - Secretario

Concuerda con su original esta copia que expido, sello y firma, en la ciudad de Panamá, República de Panamá, a los cuatro (4) días del mes de mayo de dos mil doce (2012).



Ldo. Miguel Cespedes, DOCAT  
NOTARIO PUBLICO PRIMERO

INGRESADO EN EL REGISTRO PÚBLICO DE PANAMÁ

Provincia: Panamá Fecha y Hora: 2012/May/09 18:12:47  
Tomo: 2012 Asiento: 083541  
Presentante: JULIO LARA Cedula: b-282247  
Liquidación No.: 00001200023199 Total Derechos: 50.00  
Ingresado Por: JAROPA03

*Emmanuel Bernaldo*

Jefe de Ingreso de Documentos y Control de Calidad





Inscrito en el Sistema Tecnológico de Información del Registro Público de Panamá

Sección Personas Ficha No. 13607 Sigla No. S.A.  
Documento Redi No. 2171677  
Operación Realizada Acta  
Derechos de Registro B/. 40.00  
Derecho de Calificación B/. 10.00  
Lugar y Fecha de Inscripción 14 de mayo de 2020  
Minuto de Acta

Registrador Jefe



30/1/2020 Elizabeth de Garibaldi  
26.00  
1402526121  
291455-480774



REPÚBLICA DE PANAMÁ

APOSTILLE

(Convention de la Haye du 5 octobre 1961)

Nº 459618

1. En Panamá el presente documento público
2. ha sido firmado por Elizabeth Marciaga de Garibaldi
3. quien actúa en calidad de Asistente
4. lleva el sello/timbre de Registro Público - Departamento de Tomos, Micropelículas y Asientos Registrales Certificado
5. en Ministerio de Relaciones Exteriores
6. el día 4 de marzo de 2020
7. por Departamento de Autenticación y Legalización
8. Número 2020-241455-480774
9. Sello / Timbre
10. Firma del funcionario



Gretel Bonilla

Gretel Kabeth Bonilla  
CERTIFICADOR





**DECLARATION OF LINDSEY FRANK – EXHIBIT N**

Updated 13667

Karina Ureña Romero, Esq. [*Licenciada*]

MAY 9 2012 2:45 PM

Mariam Robles 124069-108

REGISTER

[Faint rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
PUBLIC REGISTRY OF PANAMA

EMBLEM OF THE  
REPUBLIC OF  
PANAMA

[*Signature*]

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1

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83104  
2012

REPUBLIC OF PANAMA  
PROVINCE OF PANAMA

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*Legal*  
*Mercantile*

FIRST NOTARY OFFICE OF THE CIRCUIT OF PANAMA

*Luis Fraiz Docabo, Esq.* [*Licenciado*]

Phone: 264-3585  
264-8927

OBARRIO  
SAMUEL LEWIS AVENUE  
OLIVELLA BUILDING  
SECOND FLOOR

P.O. Box: 0819-12727  
El Dorado, Panama, Rep. of Panama

Fax: 264-8047

COPY OF

**ESCRITURA** [Deed] **No.** 8124 **DATED** May 4, 2012

Whereby

A NOTARY RECORD IS MADE OF ONE ELECTION CERTIFICATE PERTAINING TO THE *SOCIEDAD ANÓNIMA* [CORPORATION] ESSO STANDARD OIL, S.A., IN WHICH THE ELECTION OF NEW DIRECTORS AND SENIOR OFFICERS HAS BEEN RECORDED.

ARIAS, FABREGA & FABREGA

[Handwritten:]  
*Julio Lara*  
*B-282247*

Public Registry of Panama  
Diary Department  
Document Entry Section

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GENERAL DIRECTORATE  
FOR REVENUE  
[...]

MAY 9, 2012 P 3.18

[*Signature*]  
Authorized signature

Amount of paper authorized: \_\_\_\_\_  
Real Estate Certificate of Good Standing: Original \_\_\_\_\_ Copy \_\_\_\_\_  
IDAAN Certificate of Good Standing: Original \_\_\_\_\_ Copy \_\_\_\_\_  
Flat-Rate Fee: Original \_\_\_\_\_ Copy \_\_\_\_\_  
Lot Plan: Original \_\_\_\_\_ Copy \_\_\_\_\_  
Date and Name: 5/9/12 [*Signature*]

[Faint rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
PUBLIC REGISTRY OF PANAMA

[Handwritten:]  
12000 23201

[Faint rubber stamp with the emblem of the Republic of Panama:]  
[...] OF PANAMA  
[...]18.20 B/. 00008.0  
P 321413

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50-

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[...] PANAMA  
PUBLIC REGISTRY OF PANAMA

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REPUBLIC OF PANAMA  
PUBLIC REGISTRY OF PANAMA

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REPUBLIC OF PANAMA  
4.19.12 B/. 8.00

**REPUBLIC OF PANAMA**  
**NOTARIAL STATIONERY**  
[EMBLEM OF THE REPUBLIC OF PANAMA]

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
FIRST NOTARY OFFICE OF THE CIRCUIT

[...] POSTALIA 42948[...]

**FIRST NOTARY OFFICE OF THE CIRCUIT OF PANAMA**

*ESCRITURA PÚBLICA* [PUBLIC DEED] NUMBER EIGHT THOUSAND ONE HUNDRED TWENTY FOUR ----- (8124) -----

**WHEREBY A NOTARY RECORD IS MADE OF ONE ELECTION CERTIFICATE PERTAINING TO THE *SOCIEDAD ANÓNIMA* [CORPORATION] ESSO STANDARD OIL, S.A., IN WHICH THE ELECTION OF NEW DIRECTORS AND SENIOR OFFICERS HAS BEEN RECORDED.** -----

-----Panama, May 4, 2012 -----

In the city of Panama, Capital of the Republic and Headquarters of the Notary Circuit of the same name, on the fourth (4th) day of the month of May of the year two thousand twelve (2012), before me, LUIS FRAIZ DOCABO, Esq. [*Licenciado*], First Notary Public of the Circuit of Panama, bearer of personal identification document number eight-three hundred eleven-seven hundred thirty four (8-311-734), appeared in person **GIAN CASTILLERO**, Esq. [*Licenciado*], male, of legal age, married, an attorney, Panamanian, a resident of this city, bearer of personal identification document number eight-three hundred ten-eight hundred eighty seven (8-310-887), whom I know, in his capacity as Legal Representative of the law firm ARIAS, FABREGA & FABREGA, which is the Resident Agent of the *sociedad anónima* **ESSO STANDARD OIL, S.A.**, registered in the Public Registry, Mercantile Entity Section, in Volume one hundred forty two (142), Page ninety six (96), Entry thirty six thousand six hundred twenty (36620) on the eighth (8) of October of the year one thousand nine hundred forty five (1945) and updated in Card zero thirteen thousand six hundred sixty seven (013667), and he provided to me, for the creation of a notary record, a document containing one Election Certificate pertaining to the *sociedad anónima* **ESSO STANDARD OIL, S.A.**, in which the election of new Directors and Senior Officers has been recorded, and to that effect I have created a notary record.-----

The content of the abovementioned document is transcribed in a copy of this Document. ----- After reading this *Escritura* [Deed] to the party appearing before me in the presence of the instrumental

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[Faint rubber stamp with the emblem  
of the Republic of Panama:]  
[...] AMA  
[...]

[Faint rubber stamp with the emblem  
of the Republic of Panama:]  
REPUBLIC OF PANAMA  
[...]

witnesses, Ms. ARIADNE RÍOS, with personal identification document number four-seven hundred fifty five-nine hundred fifty seven (4-755-957), and Ms. CLAUDIA GARCÍA, with personal identification document number eight-four hundred ninety one-seventy five (8-491-75), both of them of legal age, residents of this city, whom I know and are qualified to act as witnesses, all of them found it to be correct, provided their approval and signed it, for the record, before me, the Notary, to which I attest.-----

THIS *ESCRITURA* [DEED] HAS THE SEQUENCE NUMBER EIGHT THOUSAND ONE TWENTY FOUR -----

(8124) -----

(Signed) GIAN CASTILLERO ----- ARIADNE RÍOS ----- CLAUDIA GARCÍA -----  
LUIS FRAIZ DOCABO, Esq., [*Licenciado*], First Notary Public of the Circuit of Panama. -----

**ELECTION CERTIFICATE PERTAINING TO THE SOCIEDAD** -----

**ESSO STANDARD OIL, S.A. (the "Sociedad")** -----

I, the undersigned, **Guillermo Enrique Villegas**, Secretary of the meeting, hereby -----

CERTIFY: -----

1. That an Extraordinary General Meeting of Shareholders of the *Sociedad* took place in the offices of the abovementioned company on February 29, 2012, and that the notice for the convening of the meeting became unnecessary given that the shareholders or representatives of all the *Sociedad's* capital stock shares issued and outstanding were in attendance. -----
2. That the Meeting was attended, either in person or through due representation, by the holders of 100% of the Company's shares issued and outstanding, who make up the quorum as required by the rules. -----
3. That in the abovementioned Meeting, Mr. Omar Luis de León was appointed to act as President of the meeting and Mr. Guillermo Enrique Villegas was appointed to act as Secretary of the meeting. -----

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[Faint rubber stamp with the emblem of the Republic of Panama:]  
[...] AMA  
[...]

[Faint rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
[...]

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
4.19.12 B/. 8.00  
[...]

**REPUBLIC OF PANAMA**  
**NOTARIAL STATIONERY**  
[EMBLEM OF THE REPUBLIC OF PANAMA]

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
FIRST NOTARY OFFICE  
OF THE CIRCUIT

**FIRST NOTARY OFFICE OF THE CIRCUIT OF PANAMA**

4. That the abovementioned Meeting unanimously adopted the following resolutions, which are transcribed verbatim from the corresponding record that appears in the Minutes Book of the *sociedad*. -----

DECIDES: to accept the resignations submitted by the Directors of the *Sociedad*, Ms. Eyda Varela de Chinchilla, Mr. Guillermo Enrique Villegas and Mr. Omar Luis de León, effective as of March 1, 2012, on the condition that the Directors will not be released from any responsibility derived from previous acts of fraud or illegal acts, and without any claim against them, for which reason they are granted the widest and most complete termination. -----

DECIDES: To elect the following persons as Directors for a term of five (5) years beginning on March 1, 2012, unless this Meeting should agree to revoke such designations: -----

Director: ----- Pierre Eladari, who has stated that he -----  
----- accepts the position. -----

Director: ----- Denis Chazarain, who has stated that he ---  
----- accepts the position. -----

Director: ----- Serafin Ruiz, who has stated that he -----  
----- accepts the position. -----

ALSO DECIDES: That the elected Directors shall perform their functions free of charge, or *ad honorem*, during this term. -----

5. That a meeting of the Board of Directors of the *Sociedad* took place in Geneva, Switzerland, on March 1, 2012. -----

6. That the abovementioned meeting was attended by all the Directors, i.e., -----

----- Pierre Eladari -----

----- Denis Chazarain -----

----- Serafin Ruiz -----

7. That in the abovementioned meeting, Mr. Pierre Eladari was appointed to act as President of the

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[...]  
[...] PANAMA

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REPUBLIC OF PANAMA  
[...]

meeting, and Mr. Serafin Ruiz was appointed to act as Secretary of the meeting. -----

8. That the abovementioned meeting unanimously adopted the following resolutions, which are transcribed verbatim from the corresponding record that appears in the Minutes Book of the *sociedad*. -----

DECIDES: To accept the resignations submitted by Ms. Eyda Varela de Chinchilla, Mr. Guillermo Enrique Villegas, Ms. Ilza de Pérez, Mr. Miguel A. Céspedes and Mr. Omar Luis de León to the positions of President, Vice-President, Secretary, Vice-Secretary, Treasurer and Comptroller of the *Sociedad*, respectively, on the condition that they will not be released from any responsibility derived from previous acts of fraud or illegal acts, and without any claim against them, for which reason they are granted the widest and most complete termination. -----

DECIDES: To elect the following persons as Senior Officers as of today for a term of five (5) years beginning on March 1, 2012, unless this Board should agree to revoke such designations: -----

President: ----- Eyda I. Varela, who has stated that she ----  
----- accepts the position. -----

Vice-President: ----- Guillermo E. Villegas, who has stated that  
----- he accepts the position. -----

Secretary: ----- Miguel Cespedes, who has stated that he --  
----- accepts the position. -----

Vice-Secretary: ----- Tomas Marrero, who has stated that he ----  
----- accepts the position. -----

Treasurer: ----- Ilza E. Pérez, who has stated that she ----  
----- accepts the position. -----

Comptroller: ----- Christian de León, who has stated that he -  
----- accepts the position. -----

IN WITNESS THEREOF, this Certificate is issued in the city of Panama, Republic of Panama, on the twenty ninth (29) day of the month of March of the year two thousand twelve (2012). -----

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[...]  
[...] PANAMA

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REPUBLIC OF PANAMA  
[...]

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REPUBLIC OF PANAMA  
4.19.12 B/. 8.00

**REPUBLIC OF PANAMA**  
**NOTARIAL STATIONERY**  
[EMBLEM OF THE REPUBLIC OF PANAMA]

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
FIRST NOTARY OFFICE OF THE CIRCUIT

[...] POSTALIA 42948[...]

**FIRST NOTARY OFFICE OF THE CIRCUIT OF PANAMA**

(Signed) Guillermo Villegas -- Secretary of the Meeting -----

This document is issued, stamped and signed by me in the City of Panama, Republic of Panama, on the fourth (4) day of the month of May of the year two thousand twelve (2012) and is a true copy of its original. -----

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
FIRST NOTARY OFFICE OF THE CIRCUIT

[Signature]  
LUIS FRAIZ DOCABO, Esq. [Lcdo.]  
First Notary Public  
[Stamp]  
7

ENTERED IN THE PUBLIC REGISTRY OF PANAMA

Province: Panama

Date and time: May/09/2012 14:54:26:8

Volume: 2012

Entry: 083104

Submitted by: JULIO LARA

ID: b-282247

Statement No: 00001200023201

Total Fees: 50.00

Entered by: MACLPA03

[Signature]  
Chief - Document Entry  
And Quality Control

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
PUBLIC REGISTRY OFFICE

[Rubber stamp with handwritten insertions:]

**Entered in the Information Technology System of the Public Registry of Panama**

Section *Entities* Card *13667* Initials *S.A.*  
Redi [...] No. *2171735*  
Operation performed *Record*  
Registration fees B/. *40.00*  
Qualification fees B/. *10.00*  
Registration place and date *Panama, May 14, 2012*

[Signature]  
Registration Chief

[Rubber stamp with the emblem of the Republic of Panama]

Republic of Panama  
Public Registry of Panama

[Handwritten:]

Card 13667

Doc 2171735

05/14

[Faint rubber stamp with handwritten insertions:]

[...]  
[...]  
[...]  
[...]  
[...]  
[...]

[Rubber stamp with the emblem  
of the Republic of Panama]

Republic of Panama  
Public Registry of Panama

01/30/2020

[...]

[...]

30.00

1402526121

241455-480773

[Signature]

[In the left margin:]  
No. 459619

[Rubber stamp with the emblem of the Republic of Panama:]

REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT

[Signature]

[Emblem of the Republic of Panama]

**REPUBLIC OF PANAMA**

**APOSTILLE**

*(Convention de La Haye du 5 octobre 1961)*

1. In Panama this public document
2. has been signed by: **Elizabeth Marciaga de Garibaldo**
3. acting in his/her capacity as: **Assistant**
4. and bears the stamp/seal of: **Public Registry – Volume, Microfilm and Registration Entry Department**

**Certified**

5. in **Ministry of Foreign Affairs**
6. on **March 4, 2020**
7. by **Authentication and Legalization Department**

8. Under No. **2020-241455-480773**

9. Seal/stamp

10. Officer's signature

[Rubber stamp with the emblem of the Republic of Panama:]  
REPUBLIC OF PANAMA  
MINISTRY OF FOREIGN AFFAIRS  
AUTHENTICATION AND LEGALIZATION DEPARTMENT  
[Signature]

[Signature]  
Gretel Kabeth Bonilla  
**CERTIFYING OFFICER**

[QR Code]

## **CERTIFICATE OF TRANSLATION**

**I, Nahum Hahn, am competent to translate from Spanish into English, and certify that the translation of the attached document, “Exhibit N to the Declaration of Lindsey Frank”, is true and accurate to the best of my abilities.**

**June 11, 2020**

A handwritten signature in black ink, appearing to be 'N. Hahn', written over the printed name.

**Nahum Hahn**

**161 Gordonhurst Ave.**

**Montclair, NJ 07043**

**(917) 680-4699**



Actualizado 13667

Licda. Karina Ureña Romero Marian Robles 124069-108



2012 MAY 6 2:45 PM

REGISTRAR

83104  
2012

1

Juan Carlos  
Mendoza

REPUBLICA DE PANAMA  
PROVINCIA DE PANAMA

NOTARIA PRIMERA DEL CIRCUITO DE PANAMA

Licdo. Luis Fraiz Docabo

Teléfonos: 264-3585  
264-8927  
Fax: 264-8047

OBARRIO  
AVE. SAMUEL LEWIS  
EDIF. OLIVELLA  
PLANTA ALIA

Apartado: 0819-12727  
El Dorado, Panamá, Rep. de Panamá

COPIA  
ESCRITURA No. 8,124 DE 4 DE mayo DE 2012

POR LA CUAL

SE PROTOCOLIZA UN CERTIFICADO DE ELECCIÓN DE LA  
SOCIEDAD ANÓNIMA DENOMINADA ESSO STANDARD OIL, S.A.,  
DONDE CONSTA LA ELECCIÓN DE NUEVOS DIRECTORES Y  
DIGNATARIOS.

Julio Cesar  
ARIAS, FABREGA & FABREGA  
B-282247

Registro Público de Panamá  
Departamento del Diaro  
Sección de Ingreso de Documentos

|                               |  |
|-------------------------------|--|
| Cantidad de Papel Habilitado: |  |
| Paz y Salvo de Inmueble:      | Original <input type="checkbox"/> Copia <input type="checkbox"/> |
| Paz y Salvo de IDAAN:         | Original <input type="checkbox"/> Copia <input type="checkbox"/> |
| Tasa Unica:                   | Original <input type="checkbox"/> Copia <input type="checkbox"/> |
| Plano de Lote:                | Original <input type="checkbox"/> Copia <input type="checkbox"/> |
| Fecha y Nombre:               | 9/5/12 <i>[Signature]</i>  |

2012 MAY 9 P 3:18

SECRETARIA GENERAL

12000 23201



50







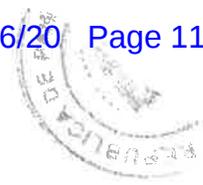
ESCRITURA PÚBLICA NÚMERO OCHO MIL CIENTO VEINTICUATRO-----

----- (8,124) -----

POR LA CUAL SE PROTOCOLIZA UN CERTIFICADO DE ELECCIÓN DE LA SOCIEDAD ANÓNIMA DENOMINADA ESSO STANDARD OIL, S.A., DONDE CONSTA LA ELECCIÓN DE NUEVOS DIRECTORES Y DIGNATARIOS.-----

-----Panamá, 4 de mayo de 2012.-----

En la ciudad de Panamá, Capital de la República y Cabecera del Circuito Notarial del mismo nombre, a los cuatro (4) días del mes de mayo del año dos mil doce (2012), ante mí, Licenciado LUIS FRAIZ DOCABO, Notario Público Primero del Circuito de Panamá, con cédula de identidad personal número Ocho-Trescientos once-Setecientos treinta y cuatro (8-311-734), compareció personalmente el Licenciado GIAN CASTILLERO, varón, mayor de edad, casado, abogado, panameño, vecino de esta ciudad, portador de la cédula de identidad personal número Ocho-Trescientos diez-Ochocientos ochenta y siete (8-310-887), a quien conozco, en su carácter de Representante Legal de la sociedad de abogados ARIAS, FABREGA & FABREGA, la cual es Agente Residente de la sociedad anónima denominada ESSO STANDARD OIL, S.A., inscrita en el Registro Público, Sección de Personas Mercantil, a Tomo ciento cuarenta y dos (142), Folio noventa y seis (96), Asiento treinta y seis mil seiscientos veinte (36620) el ocho (8) de octubre de mil novecientos cuarenta y cinco (1945) y actualizada a la Ficha trece mil seiscientos sesenta y siete (13667), y me entregó para su protocolización, como en efecto protocolizo, un documento que contiene un Certificado de Elección de la sociedad anónima denominada ESSO STANDARD OIL, S.A., donde consta la elección de nuevos Directores y Dignatarios. ---- El contenido del mencionado documento se transcribe en copia de este Instrumento. ----- Habiéndosele leído al compareciente esta Escritura en presencia de las testigos



instrumentales, señoras ARIADNE RÍOS con cédula de identidad personal número Cuatro-Setecientos cincuenta y cinco-NOVECIENTOS cincuenta y siete (4-755-957) y CLAUDIA GARCÍA con cédula de identidad personal número Ocho-Cuatrocientos noventa y uno-Setenta y cinco (8-491-75), mayores de edad, vecinas de esta ciudad, a quienes conozco y son hábiles para el cargo, la encontraron todos conforme, le impartieron su aprobación y la firman todos ante mí para constancia, el Notario que doy fe. --- ESTA ESCRITURA LLEVA EL NÚMERO OCHO MIL, CIENTO VEINTICUATRO--- (8,124)---

(Fdos.) GIAN CASTILLERO -- ARIADNE RÍOS -- CLAUDIA GARCÍA -- Licenciado LUIS FRAIZ DOCABO, Notario Público Primero del Circuito de Panamá.-----

-----CERTIFICADO DE ELECCIÓN DE LA SOCIEDAD-----

-----ESSO STANDARD OIL, S.A. (la "Sociedad")-----

El suscrito, Guillermo Enrique Villegas, Secretario de la sesión, por este medio -----

-----C E R T I F I C O:-----

1. Que una reunión de la Junta General Extraordinaria de Accionistas de la Sociedad tuvo lugar en las oficinas de dicha compañía, el día 29 de febrero de 2012, de la cual resultó innecesaria la convocatoria, ya que se encontraban reunidos los accionistas o representantes de todas las acciones emitidas y en circulación del capital social de la Sociedad.-----

2. Que en dicha Junta se encontraban presentes personalmente o debidamente representadas el 100% del total de las acciones emitidas y en circulación de la Compañía, quienes contribuyen el quórum reglamentario.-----

3. Que en la citada Junta el señor Omar Luis de León, actuó como Presidente de la reunión por designación y el señor Guillermo Enrique Villegas, actuó como Secretario de la reunión por designación.-----



**REPUBLICA DE PANAMA**  
**PAPEL NOTARIAL**

19-112  
 87-800  
 POSTALIA 429483

**NOTARIA PRIMERA DEL CIRCUITO DE PANAMA**



4. Que en la mencionada Junta se adoptaron por unanimidad las siguientes resoluciones, que se transcriben literalmente del acta correspondiente que consta en el registro de actas de la sociedad:----

**RESUELVE:** Aceptar la renuncia presentada por los Directores de la Sociedad, señores Eyda Varela de Chinchilla, Guillermo Enrique Villegas y Omar Luis de León, con efectos a partir del 01 de marzo de 2012, a condición de que los Directores no quedarán liberados de cualquier responsabilidad derivada de actos previos de fraude o actos ilegales, no teniendo nada que reclamarles, por lo que se les extiende el más amplio y total finiquito.-----

**RESUELVE:** Elegir como Directores, por el período de cinco (5) años, a partir del 01 de marzo de 2012, salvo revocación acordada por esta Junta, a las siguientes personas:-----

**Director:** -----Pierre Eladari, quien ha manifestado aceptar -----  
 -----el cargo conferido.-----

**Director:** -----Denis Chazarain, quien ha manifestado -----  
 -----aceptar el cargo conferido.-----

**Director:** -----Serafin Ruiz, quien ha manifestado aceptar -----  
 -----el cargo conferido.-----

**ADEMAS RESUELVE:** Que los emolumentos correspondientes a los Directores electos serán a título gratuito o ad-honorem por la gestión que realizarán en el presente periodo.-----

5. Que una sesión de la Junta Directiva de la Sociedad tuvo lugar en Ginebra, Suiza, el día 01 de marzo de 2012.-----

6. Que en la citada sesión se encontraban presentes la totalidad de los Directores, a saber:-----

- Pierre Eladari.-----
- Denis Chazarain-----
- Serafin Ruiz-----

7. Que en la citada sesión, el señor Pierre Eladari actuó como



Presidente de la reunión por designación y el señor Serafín Ruiz, actuó como Secretario de la reunión por designación.-----

8. Que en la mencionada sesión se adoptaron por unanimidad las siguientes resoluciones, que se transcriben literalmente del acta correspondiente que consta en el registro de actas de la sociedad:----

**RESUELVE:** Aceptar la renuncia presentada por los señores Eyda Varela de Chinchilla, Guillermo Enrique Villegas, Ilza de Pérez, Miguel A. Cespedes y Omar Luis de León a los cargos de Presidenta, Vice-Presidente, Secretaria, Secretario Asistente, Tesorero y Contralor de la Sociedad, respectivamente, a condición de que no quedarán liberados de cualquier responsabilidad derivada de actos previos de fraude o actos ilegales, no teniendo nada que reclamarles, por lo que se les extiende el más amplio y total finiquito.-----

**RESUELVE:** Elegir como Dignatarios, a partir de esta fecha por el período de cinco (5) años, a partir del 01 de marzo de 2012, salvo revocación acordada por esta Junta, a las siguientes personas:-----

**Presidenta:**-----Eyda I. Varela, quien ha manifestado ----  
-----aceptar el cargo conferido.-----

**Vice-Presidente:**-----Guillermo E. Villegas, quien ha ----  
-----manifestado aceptar el cargo conferido.-----

**Secretario:**-----Miguel Cespedes, quien ha manifestado---  
-----aceptar el cargo conferido.-----

**Secretario Asistente:**-----Tomas Marrero, quien ha manifestado ----  
-----aceptar el cargo conferido.-----

**Tesorera:**-----Ilza E. Pérez, quien ha manifestado-----  
-----aceptar el cargo conferido.-----

**Contralor:**-----Christian de León, quien ha manifestado-----  
-----aceptar el cargo conferido.-----

**EN FE DE LO CUAL,** se suscribe el presente certificado en la ciudad de Panamá, República de Panamá a los veintinueve (29) días del mes de



REPÚBLICA DE PANAMÁ

PAPEL NOTARIAL



NOTARIA PRIMERA DEL CIRCUITO DE PANAMÁ

Marzo del dos mil doce (2012).

(Fdo.) Guillermo Villegas - Secretario de la Reunión

Concuerda con su original esta copia que expido, sello y firmo, en la ciudad de Panamá, República de Panamá, a los cuatro (4) días del mes de mayo de dos mil doce (2012).



INGRESADO EN EL REGISTRO PÚBLICO DE PANAMÁ

Provincia: Panamá Fecha y Hora: 2012/May/09 14:54:26:8  
Tomo: 2012 Asiento: 083104  
Presentante: JULIO LARA Cedula: b-282247  
Liquidación No.: 00001200023201 Total Derechos: 50.00  
Ingresado Por: MACLPA03

*Emmanuel Peralta*

Jefe de Ingreso de Documentos y Control de Calidad



Inscrito en el Sistema Tecnológico de Información del Registro Público de Panamá

Sección Alfombra Ficha No. 13667 Sigla No. SA  
Documento Redi No. 217/235  
Operación Realizada Nota  
Derechos de Registro B/. 40  
Derecho de Calificación B/. 10  
Lugar y Fecha de Inscripción 14 de mayo de 2012  
Municipio de Espino

Registrador Jefe



13667

30/1/2020 Elizabeth de Garibaldo

Debito Pagado de: 30.00

Identificación No. 1402526121

241455-480773



REPÚBLICA DE PANAMÁ

**APOSTILLE**

(Convention de la Haye du 5 octobre 1961)

- 1. En Panamá el presente documento público
- 2. ha sido firmado por Elizabeth Marclaga de Garibaldo
- 3. quien actúa en calidad de Asistente
- 4. lleva el sello/timbre de Registro Público - Departamento de Tomos, Micropelículas y Asientos Registrales

**Certificado**

- 5. en Ministerio de Relaciones Exteriores
- 6. el día 4 de marzo de 2020
- 7. por Departamento de Autenticación y Legalización
- 8. Número 2020-241455-480773
- 9. Sello / Timbre
- 10. Firma del funcionario

Nº 459619



*Retel Bonilla*

Retel Kabeth Bonilla  
CERTIFICADOR



**DECLARATION OF LINDSEY FRANK – EXHIBIT O**

KNOW ALL MEN BY THESE PRESENTS that the undersigned, holder of all the issued and outstanding capital stock of Esso Standard Oil, S.A., a corporation duly organized and existing under the laws of the Republic of Panama, does hereby authorize the Board of Directors of the said Esso Standard Oil, S.A., to do any and all things necessary or advisable to effect the sale and transfer of all the franchises, business, property and assets of the said Esso Standard Oil, S.A., either located in Panama, Canal Zone, Costa Rica, Nicaragua, Honduras, British Honduras, El Salvador, Guatemala, Dominican Republic, Haiti, Puerto Rico, Virgin Islands, Jamaica, Bahamas, Bermuda, British Guiana, Surinam, Trinidad and Tobago, Martinique, Guadeloupe, French Guiana, Barbados, Windward Islands (including Grenada, St. Vincent, St. Lucia, Dominica), Leeward Islands (including Antigua, St. Kitts, Nevis, Montserrat), Netherlands Antilles, United States, their territories and dependencies, or attributable to the business of that company in those places, on such terms and conditions as its Board of Directors deem expedient.

IN WITNESS WHEREOF, Standard Oil Company (New Jersey) has caused this authorization to be executed this 27th day of June, 1960, and its corporate seal to be hereto affixed, attested by the signature of its proper officer.

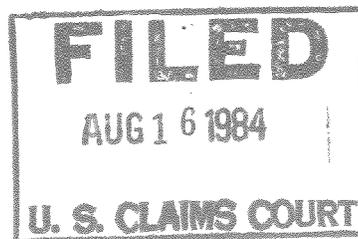
|                           |          |   |  |
|---------------------------|----------|---|--|
| IN THE U. S. CLAIMS COURT |          |   |  |
| No. <u>235-79T</u>        |          |   |  |
| Pltf's.                   | Def't's. | Ex. No. <u>178</u>                          | (No. of Sheets <u>1</u> )                    |
| Joint                     | Ct's.    | For ID. <input checked="" type="checkbox"/> | In Evid. <input checked="" type="checkbox"/> |

STANDARD OIL COMPANY (NEW JERSEY)

By W.H. Haider  
Vice President

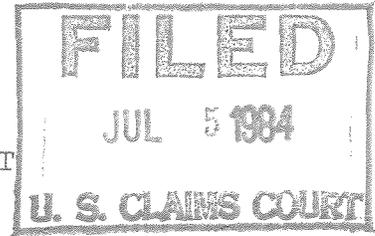
ATTEST:

A. M. Fortes  
Assistant Secretary



**DECLARATION OF LINDSEY FRANK – EXHIBIT P**

ORIGINAL



IN THE UNITED STATES CLAIMS COURT

by leave of the Judge

EXXON CORPORATION,

Plaintiff,

v.

THE UNITED STATES,

Defendant.

No. 235-79T

JOINT STIPULATIONS  
AND STIPULATED EXHIBITS

Background and Jurisdictional Facts

1. Exxon Corporation ("Exxon") is a corporation organized and existing under the laws of the State of New Jersey. Exxon has its principal offices at 1251 Avenue of the Americas, New York, New York 10020. Since the early 1900's, Exxon's principal business has been producing, refining, transporting, buying and selling crude petroleum and petroleum products at wholesale and retail. Prior to November 1, 1972, Exxon was known as Standard Oil Company (New Jersey) ("Standard").

2. For the calendar taxable year 1960, Standard filed a timely consolidated federal income tax return on the accrual basis. Esso Export Corporation ("Esso Export") and Creole Petroleum Corporation ("Creole"), both domestic corporations and members of the affiliated group of which Standard was the common parent corporation, were included in that return.

3. The consolidated return for 1960 included two bad debt deductions and a worthless security deduction arising out of the taking, without compensation, of all of the assets and liabilities of Esso Standard Oil S.A. ("Essosa") by the Cuban government in 1960. Esso Export claimed a bad debt deduction under §166 of the Internal Revenue Code of 1954, as amended ("Code"), for the full amount of an open account debt (\$27,397,440) owed to it for crude oil, petroleum products and supplies consumed by the Cuban Division of Essosa. Standard claimed a bad debt deduction under §166 of the Code for the full amount of a \$9,000,000 loan made by it as partial financing for the expansion of the Belot Refinery operated by Essosa's Cuban Division. Standard also claimed a worthless stock loss under §165(g) of the Code for \$2,131,177, the full amount of the basis it claimed in its Essosa stock at the time of the expropriation.

4. Standard timely paid the income tax liability shown on its 1960 consolidated federal income tax return. Thereafter, the Commissioner of Internal Revenue ("Commissioner") audited the 1960 return and assessed deficiencies and interest against Standard in the total amount of \$41,135,593, consisting of \$24,073,066 in tax deficiency and \$17,062,527 in interest. To the extent of \$14,773,128 of tax and \$10,470,912 of assessed interest, these assessments related to a disallowance (\$27,357,644) of the bad debt deduction claimed by Esso Export. The \$9 million bad debt deduction and the \$2,131,177 worthless

stock loss claimed by Standard were allowed on audit, but the defendant has challenged these deductions by way of offset in its Third Amended Answer.

5. On January 26, 1973, Exxon timely paid the deficiency in tax and interest assessed for 1960.

6. On January 24, 1975, Exxon timely filed a claim for refund of tax and assessed interest with respect to the Commissioner's disallowance of Esso Export's bad debt deduction. The refund claimed with respect to the \$27,357,644 disallowance totaled \$14,773,128 in tax liability and \$10,470,912 of assessed interest. The Internal Revenue Service ("Service") has never acted on the refund claim.

7. On May 29, 1979, Exxon timely filed this action in the United States Court of Claims to recover on its refund claim. The government filed its answer on September 26, 1979. Amended answers were filed on December 4, 1980, January 16, 1981, and June 15, 1984. Jurisdiction of this case was transferred to the United States Claims Court on October 1, 1982.

#### Essosa Background

8. Essosa was a wholly owned Panamanian subsidiary of Standard and the successor to Standard's operations in the Caribbean basin, including Central America. These operations had been consolidated and divided on several occasions between 1934 and 1960. In each case, the Service ruled, under §367 of the

Code and its predecessors, that the reorganization transaction did not have as one of its principal purposes the avoidance of federal income taxes.

9. Essosa was formed in 1951, when Standard decided to combine again the assets and activities of its Caribbean basin subsidiaries into a single corporation as part of an administrative restructuring. Pursuant to this plan, Esso Standard Oil (Central America) S.A. ultimately acquired the assets and businesses of Esso Standard Oil (Antilles) S.A., Esso Standard Oil (Caribbean) S.A., Standard Oil (Canal Zone) Company, a Delaware corporation, and Esso Standard Oil Company (Cuba), a Cuban corporation. In addition, it acquired 100 percent of the stock of Esso Standard Oil (Puerto Rico), a Puerto Rican corporation whose assets, under Puerto Rican law, could not be acquired by a Panamanian corporation. As part of the reorganization, Esso Standard Oil (Central America) S.A. changed its name to Essosa.

10. Essosa retained this structure until June 30, 1960, when it reorganized again by separating all of its non-Cuban assets, liabilities and business activities from those in Cuba. The non-Cuban assets and liabilities were transferred to a new corporation, Esso Standard Oil S.A., Ltd. ("Essosa Ltd.") in exchange for its stock, which Essosa distributed to Standard. After this reorganization, Essosa's sole assets and liabilities were those located in Cuba.

11. Between 1951 and 1960, Essosa conducted its activities through multiple divisions, with its headquarters located in Havana, Cuba. This divisional system was a continuation of earlier operating policy under which separate divisions were responsible for the business operations located in each of the Caribbean basin countries. A division manager supervised each division's operations and an integrated staff of division employees. Operations, financial reporting, payroll and sales were handled separately by each division. Essosa's headquarters provided technical assistance to the separate divisions, such as supply and transportation services, and coordinated their overall activities.

12. In early 1960, Essosa operated the following 17 divisions in addition to the one located in Cuba: the Bahamas, Bermuda, British Guiana, British Honduras, Canal Zone (Panama), Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama, Puerto Rico, Trinidad, and Surinam. These divisions were engaged solely in marketing of imported petroleum products and supplies in their respective countries.

#### Cuban Division

13. The Cuban Division conducted both refining and marketing in Cuba. During the 1950's it was Essosa's largest division.

14. At the time of the June 30, 1960 reorganization, the Cuban Division's assets included the Belot Refinery, four ocean terminals, six bulk storage plants, a fleet of 28 tank trucks, 254 tank cars, and 94 service stations. The Cuban Division's offices and personnel were separate from Essosa's Havana headquarters office.

15. Cuban Division operations began in 1882, when Standard acquired a partial interest in a small, 60 barrel per day refinery, located near Havana. In 1895, it was moved to the Belot area of Havana. In 1922, a Standard subsidiary acquired complete ownership of the facility. In 1926, Esso Standard Oil Company (Cuba) ("Esso Cuba") took over the Cuban business. Esso Cuba's paid-in capital was \$6.9 million. On December 4, 1952, Essosa formed a branch under Cuban law, and on March 31, 1953, Esso Cuba's business was merged into the Cuban branch and became the Cuban Division of Essosa. For purposes of the formation of the Cuban branch of Essosa, the Cuban Division's assigned capital was \$6.9 million.

16. In 1957, the Belot Refinery was expanded at a cost of more than \$30 million. The capacity of its Belot Refinery increased from 9,000 to 34,500 barrels per day. This expansion was financed in part by a \$9 million loan from Standard to Essosa, which was made pursuant to a loan agreement dated November 14, 1956. Under this agreement, Essosa executed four notes between May 1957 and December 1958 for funds advanced.

Each note provided for interest at an annual rate of 4 percent, payable semi-annually (June 30 and December 31), with the entire principal on each note due December 31, 1968.

17. The expanded Belot Refinery facility was designed to process 34,500 barrels per day of Tia Juana Medium (TJM) crude (27.0 API<sup>o</sup>) and to make fuel and specialty products. The new processing facilities included a two-stage pipestill, a power-former, a middle distillate hydrofiner, a Model IV cat cracker, a light ends plant, an N.S. polymerization plant, and new product blending and storage facilities. In addition, refinery support facilities were expanded and modernized. The harbor was dredged to 38 feet to accommodate supertankers and new dock facilities were built. New loading facilities for tank cars and trucks were also provided. A new shop, warehouse, three additional steam boilers, a cooling water pump station, a new power distribution system, laboratory, medical clinic, fire and safety facilities, and expanded office facilities were added.

18. Shortly after completion of the refinery expansion, a program for the expansion and modernization of the refinery's facilities for the production of lubricating oils and manufacturing greases was undertaken. This modernization program was scheduled for completion in March 1960, but was not actually completed until June 1960. Its ultimate cost was approximately \$1 million.

19. By the late 1950's, the Cuban Division had the most extensive petroleum product distribution system in Cuba and imported and refined almost one-half of Cuba's total petroleum requirements. Cuba imports most of its crude oil requirements because it has very small domestic crude oil reserves. During the 1950's, Cuban domestic crude oil production amounted to only about 500 barrels per day, compared with consumption that had reached 65,000 barrels per day by 1960.

20. The crude requirements not supplied by the Cuban Division were largely imported and refined by subsidiaries of the Texas Oil Company ("Texaco") and the Royal Dutch Petroleum Corporation ("Shell"). In July 1957, Texaco completed a new refinery at Santiago de Cuba with a capacity of 20,000 barrels per day. Shell completed a new refinery, located adjacent to the Cuban Division's Belot Refinery, in January 1957. The Shell refinery had a capacity of 27,000 barrels per day. There was also a small refinery owned by local interests located at Cabaiguan. The Cuban Division's refinery expansion and the construction of the new Shell and Texaco refineries were the result of Law Decree 1758, which the Cuban government passed in 1954 to encourage refinery expansion and construction by granting certain tax and other concessions.

21. Texaco and Shell sold their refined products both inside and outside Cuba. The Cuban Division sold virtually its entire production in Cuba through an island-wide chain of service stations. Cuban Division exports were occasional and insignif-

icant. Sinclair Oil Company ("Sinclair"), another United States oil company, had distribution facilities in Cuba but had no refinery there. Sinclair imported refined petroleum products for distribution in Cuba or purchased refined products locally, principally from the Cuban Division. In addition, there were numerous local independent petroleum product distributors in Cuba.

#### Cuban Division Crude Oil Supplies

22. Commencing in approximately 1944, Esso Export coordinated the purchase, by Standard affiliates and third parties throughout the world, of crude oil and petroleum products produced by Standard's affiliates. Creole was primarily engaged in producing crude oil in Venezuela. Pursuant to periodic agreements, Creole engaged Esso Export to obtain export markets for Creole's Venezuelan crude oil. The agreement dated September 15, 1955, attached as Exhibit 1, was in effect throughout the period relevant here. Under this agreement, Esso Export entered into supply contracts with refiners and marketers and assigned those contracts to Creole, which delivered the crude oil and petroleum products, f.o.b. Venezuelan ports, to the contract purchasers. Title passed directly from Creole to the purchasers, and Creole invoiced each purchaser and transferred the invoices to Esso Export for collection. Upon receipt of an invoice, Esso Export would immediately pay Creole and assume all risks of collection.

As compensation for its services, Esso Export received one percent of Creole's invoice price. All transactions were accounted for in dollars.

23. This procedure was followed with respect to the sale of Venezuelan crude oil to Essosa's Cuban Division and its predecessor, Esso Cuba. During 1959 and 1960, each sale of crude oil to Essosa's Cuban Division was offered by Export to Creole and accepted by Creole. Creole shipped the crude oil to Cuba f.o.b. Venezuelan ports and invoiced the Cuban Division directly. The invoice was stamped with a notice that Creole had assigned it to Esso Export for collection. Exhibits 2-5. Esso Export paid Creole in United States dollars and took the risk of collection.

24. Esso Export also acted as the middleman when the Cuban Division and the other Essosa divisions purchased refined petroleum products (gasoline, motor oil, and aviation gas), related products and supplies (tires, batteries, and accessories), and technical services. In the case of these items, the purchases were made by Esso Standard, a division of Humble Oil and Refining Company, a domestic subsidiary of Standard. Esso Standard placed the orders, paid the suppliers directly, and received reimbursement from Esso Export. The products were shipped directly to Essosa's divisions, which then paid Esso Export *in dollars.*

25. Esso Export carried the invoices for crude oil and related products and supplies shipped to Essosa's divisions on open account. Rather than paying on an invoice-by-invoice basis, each division made payments directly to Esso Export as funds became available.

26. Historically, the Cuban Division's open account balance to Esso Export fluctuated widely and often reached substantial amounts, due to seasonal fluctuations in the availability of dollar foreign exchange in Cuba. Sugar sales represented 70-80 percent of Cuba's total exports. Since the Cuban sugar harvest occurred in January-March of each year, foreign exchange availability historically peaked in late spring or early summer and generally declined during the remainder of the year. The United States was Cuba's principal trading partner, purchasing 65-70 percent of its total exports and supplying 60-80 percent of Cuba's imports. Under the Sugar Act of 1948, Cuba had a favorable quota for the export of sugar to the United States, supplying in excess of one-third of the total United States quota. Moreover, under the Sugar Act, Cuba received approximately twice the world market price for sugar exported to the United States. Accordingly, the United States accounted for 70-80 percent of Cuba's total sugar exports.

27. When foreign exchange was more plentiful in the spring and early summer, the Cuban Division was better able to make substantial payments on its open account debt to Esso Export

because its customers were better able to pay their own debts during this period, thereby increasing the amount of the Cuban Division's liquid peso assets.

28. The Cuban Division's open account balance as of December 31, 1958, was \$9.5 million. When Essosa's assets and liabilities were taken in 1960, the open account balance was \$27,397,440. A schedule detailing the monthly fluctuations in the account from January 1959 through 1960 is attached as Exhibit 6. A schedule providing additional detail of charges and credits from March 31 to June 30, 1960 is attached as Exhibit 7.

#### Cuban Revolution

29. A revolution occurred in Cuba in the late 1950's, culminating with the installation of a new government under Fidel Castro in January 1959. From 1952 through 1958, President Fulgencia Batista had headed a Cuban government generally supported by the United States. To combat revolutionary activities, the Batista government had become increasingly repressive during the mid-1950's, which eventually caused the United States to withdraw its support. In March 1958, the United States suspended arms shipments to the Batista government which, in disregard of an agreement with the United States, had used United States arms to combat the revolutionary movement headed by Castro.

30. President Batista left Cuba in defeat on the night of December 31, 1958. In early January, Castro proclaimed a provisional government under President Manuel Urrutia. Castro became Prime Minister on February 16, 1959. When the Castro

regime came to power, the United States viewed it sympathetically and officially recognized it on January 7, 1959. The United States welcomed Castro's promises of political freedom and social justice for the Cuban people.

31. During the revolution, Castro had promised his followers democratic rule, a return to the Constitution of 1940, and land reform which would break up the traditionally large land holdings of private individuals and foreign interests. In addition, he had advocated the nationalization of the country's telephone facilities. Except as necessary to carry out the promised agrarian reform and to assure the orderly transition of governments, Castro showed no sign of favoring state ownership of property other than utilities. Accordingly, Castro's success in overthrowing Batista had no immediate effect on the conduct of business in Cuba. A number of U.S. businesses in Cuba demonstrated their support of the new government by early payment of tax liabilities that were not due until March 31, 1959.

32. On February 7, 1959, the government replaced the Constitution of 1940 with the Fundamental Law of the Republic, which retained many of the provisions of the earlier constitution. Among these was Article 24 of the Fundamental Law, which followed Article 24 of the Constitution and provided in part as follows:

No other individual or body corporate may be deprived of his property except by a competent judicial authority for duly established reasons of public utility or social interest, and in

every case after payment in cash of proper compensation, the amount of which will be determined by the court.

Article 24 contained an exception to the general rule of compensation, which authorized the confiscation of the property of Batista and his collaborators, and a temporary provision which authorized payment in forms other than cash where necessary to implement agrarian reform.

33. On March 4, 1959, the Cuban government, pursuant to Law No. 122, "intervened" the Cuban Telephone Company, which was owned by International Telephone and Telegraph Corporation. The purpose of the intervention was in part to rescind a 1957 rate increase agreement approved by the Batista government. Ownership of the intervened property remained with the true owners, but the appointed interventor assumed responsibility for the management and operations of the enterprise in conformity with government policy.

34. On May 17, 1959, the Cuban government adopted the Law of Agrarian Reform, which was amended and finalized in June 1959. Further implementing legislation was approved in the fall of 1959. The object of the law was to limit the size of all agricultural land holdings. Although the Constitution of 1940 contained provisions for land reform, they had never been implemented. Under the new law, payment for excess holdings taken by the government was to be made in interest-bearing twenty-year bonds. The law was administered by the National Institute of Agrarian Reform ("INRA"), which was also authorized to intervene

agricultural properties to maintain productivity. The United States expressed its support for this mechanism of accomplishing land reform, including the taking of private property, provided that former landowners were provided just and prompt compensation.

#### Foreign Exchange Problems

35. The revolution had little immediate effect on the Cuban Division's operations, except that exchange control regulations imposed in January 1959, by the Banco Nacional de Cuba ("National Bank"), required the Cuban Division to remit its payments for crude oil and petroleum product imports directly to the supplier of the goods. Since the suppliers had already been paid by Esso Export, these remittances were repaid to Esso Export for the credit of the Cuban Division.

36. The Cuban Division also began to experience delays in obtaining the dollar foreign exchange necessary to pay its debts to Esso Export. As a result, the Cuban Division's portion of the open account balance grew from approximately \$9.5 million at year-end 1958 to approximately \$15.6 million at the end of May 1959. By August 1959, however, it was reduced to under \$10 million.

37. As of July 1959, Esso Export personnel were aware that Cuban Division personnel expected the account balance to decline to between \$4-5 million by late 1959. Esso Export recognized, however, that the foreign exchange restrictions and a 25

percent decline in sugar exports during the first half of 1959 exposed the account to an exchange risk in the event of devaluation.

38. From 1914, the Cuban peso had maintained an official exchange rate of 1:1 with the dollar, with a 2 percent Cuban tax imposed on foreign remittances. No devaluation ever occurred.

39. Contrary to the expectations of mid-1959, the open account balance did not decline to \$4-5 million by year-end, but began to grow in the last quarter of 1959. This was the direct result of new foreign currency exchange restrictions imposed by the Cuban government, which further limited the Cuban Division's ability to obtain dollars for payment to Esso Export. The continuing build-up in the account from September 1959 to June 30, 1960, was solely attributable to these restrictions on the availability of dollar foreign exchange.

40. On August 26, 1959, the Cuban Monetary Stabilization Fund (MSF), a division of the National Bank, issued Circular 812, which for the first time required importers to obtain prior approval from the MSF to remit dollars to their suppliers.

41. On September 23, 1959, the government adopted Law No. 568, which imposed penalties for the violation of a long list of prohibited foreign exchange transactions.

42. As of September 30, 1959, the Cuban Division's portion of the open account balance was approximately \$12.1 million.

43. In early October 1959, Esso Export Treasurers personnel monitoring the Cuban debt recommended that Esso Export's controller's department establish a separate account for the Cuban Division to facilitate monitoring the open account balance. Up to that time, the controller's department had maintained a single account for all of Essosa's divisions. Detailed records of individual division balances had been maintained by Essosa's headquarters office, and less detailed division records were maintained by Esso Export's Treasurers group. Based on the recommendation, Esso Export's controller's department established a separate account number for each of Essosa's divisions, effective January 1, 1960.

44. In response to Law No. 568, Cuban Division representatives met with officers of the National Bank on a number of occasions in October and November 1959, to discuss the Cuban Division's foreign exchange requirements. The first meeting occurred on October 2, 1959, with Dr. Felipe Pazos, the President of the bank and a personal friend of Essosa's President. The general manager of the Cuban Division, Mr. William Potts, described the details of the Cuban Division's operations and the impact of the foreign exchange regulations. Dr. Pazos responded that pending exchange applications would be approved as regularly as possible until payments were brought up to date. At Dr. Pazos' suggestion, Mr. Potts wrote to Dr. Jose Guerra, the manager of the National Bank, on October 7, 1959, and had a personal meeting with him on that date to further explain the Cuban

Division's foreign exchange problems. Dr. Guerra requested the Cuban Division to continue operations as usual. At Dr. Guerra's request, Mr. Potts submitted another letter, also dated October 7, 1959, summarizing the Cuban Division's financial arrangements with local banks.

45. On October 22, 1959, a follow-up meeting was held with Dr. Pazos. At this point \$7.2 million in exchange applications had accumulated since the August 26 regulations, with only \$638,000 having been remitted. Dr. Pazos explained that foreign exchange reserves were depleted due to the sugar crop cycle, but that there was a tendency to exaggerate the problem. He expressed his expectation that the situation would improve in early 1960 as foreign exchange increased. He requested Essosa's understanding and cooperation. He further promised that all exchange applications filed between August 26 and October 1 (\$5.2 million) would be approved in a week to 10 days. Shortly thereafter, the Cuban Division received \$2.3 million and expected to receive the remainder of the \$5.2 million by November 1. On October 26, 1959, this situation was communicated to Esso Export employees monitoring the Cuban Division debt.

46. On November 3, 1959, the Cuban government issued Regulation No. 11, which required all exporters and all other Cubans receiving payments in foreign exchange to deliver any dollars received to the MSF.

47. On November 23, 1959, Mr. L. J. Brewer, President of Essosa, met with Dr. Pazos, who agreed to approve pending foreign exchange applications for past Cuban Division imports as soon as possible until the balance was reduced to \$3.5 million, an amount equal to about one month of Cuban Division imports. Dr. Pazos also agreed that foreign exchange applications for current imports would be approved regularly so that the pending balance would not exceed \$3.5 million. In the meantime, the Cuban Division was requested to continue operating in the usual manner. Shortly thereafter, Dr. Pazos resigned his position and became an economic ambassador to Europe. He was replaced as President of the National Bank by Commander Ernesto (Che) Guevara.

48. On October 20, 1959, Esso Export shipped the first test cargo of 70,000 barrels of crude oil to the Cabaiguan refinery on open account. This 2,500 barrel per day refinery had been taken over by the government on the ground that the owners were Batista collaborators. Although payment for the test cargo had not been made when it became due on November 19, 1959, Esso Export decided to continue shipments to the Cabaiguan refinery on open account in a manner consistent with its policy of supplying the Cuban Division. At the time, Esso Export personnel expected increased foreign exchange from the coming sugar harvest to alleviate the Cuban payment problems.

49. Between October 22, 1959 and January 13, 1960, Esso Export shipped four cargoes to the Cabaiguan refinery on open account with a total value in excess of \$781,614. After these shipments, the Cabaiguan refinery switched to another supplier.

50. At about this time, Essosa decided to move the supply and transportation activities of its headquarters office from Havana to Coral Gables, Florida. In part, the move was intended to avoid any question regarding the imposition of Cuban tax on these headquarters activities. Since Essosa established its headquarters in Havana in 1951, the headquarters' activities had been exempt from Cuban tax, and the Cuban Division filed its own tax return.

51. On December 3, 1959, the MSF published Circular 217, which revised and consolidated prior Cuban import and foreign exchange regulations. Under this regulation, import licenses were required prior to importation of nearly all Cuban imports, including crude oil and petroleum products. All future imports by the Cuban Division complied with these procedures.

52. On December 17, 1959, Cuban Division representatives met with the director of the MSF, Mr. Segundo Ceballos, to discuss the foreign exchange applications filed by it prior to the issuance of Circular 217. Mr. Ceballos requested additional information.

53. On December 29, 1959, President Guevara of the National Bank wrote to Texaco allowing them to offset \$17 million in export proceeds against their crude oil importations for the period April 1958 through September 1959. He also promised to make available \$500,000 per month, commencing in January 1960, to retire their backlog on importations of crude oil for the period October-December 1959.

54. In late December 1959, the United States Congress established Cuba's 1960 sugar quota at 3,119,655 tons, an increase of 59,180 tons over the 1959 quota.

55. On December 31, 1959, the Cuban Division's open account balance was \$15,275,604.

56. On January 4 and January 18, 1960, in response to the request made by Mr. Ceballos at the December 17, 1959, meeting, Mr. W. C. Barnes, the new general manager of the Cuban Division, sent letters to the National Bank detailing its foreign exchange situation. In the second letter, Mr. Barnes proposed a payment schedule for imports received prior to Circular 217's import license system. He proposed to accept payment for pre-Circular 217 imports at the rate of \$1 million a month, beginning January 1, 1960, with interest at five percent a year, provided that prompt payments were made for current imports. He estimated that the backlog debt for crude oil and petroleum product imports received prior to Circular 217's publication on December 3, 1959, amounted to \$13.1 million. He further estimated that foreign exchange of \$3.7 million monthly would be required to pay for

current imports subject to Circular 217's import license system. His letter expressed his understanding that there would be no difficulty in obtaining prompt payment approval for current imports. The initial draft of this second letter was prepared by Esso Export personnel.

57. At a meeting on January 27, 1960, Mr. Ceballos, director of the MSE, advised Cuban Division representatives that a decision on payments for imports received prior to Circular 217's publication would be delayed until the Cuban government had an opportunity to study its foreign exchange situation. He also advised them that the National Bank would try to authorize foreign exchange during the next few months for the Cuban Division imports of \$5.4 million received between the date of Circular 217 (December 3, 1959) and January 27, 1960. He stated that foreign exchange for imports received after January 27, 1960, would be made available by 60 or 90-day commercial bank letters of credit, and that periodic payments would be allowed against pre-Circular 217 backlogged debt. A remittance of \$601,843 applicable to the pre-December backlogged debt had been made on January 25, 1960, reducing the backlog from approximately \$13.1 million to approximately \$12.5 million.

58. At the end of January 1960, the Cuban Division's open account debt to Esso Export was \$17.9 million.

59. On February 10, 1960, Mr. L. J. Brewer, the President of Essosa, wrote to the National Bank requesting a meeting with President Guevara and restating the payment proposals dis-

cussed with Mr. Ceballos during January 1960. The letter stated that (1) payments for imports received prior to the publication of Circular 217 should be made at the rate of \$1 million monthly, and (2) payments for imports subject to Circular 217's import license system should be made currently. The letter also advised that the MSF's failure to make a definite commitment for payment of the Cuban Division's pre-Circular 217 imports of \$12.5 million, and its proposal that payment be made for future imports by 60 or 90-day letters of credit, were unacceptable to Cuban Division suppliers.

60. Cuban Division suppliers, including Esso Export, were willing to accept the National Bank's suggestion of payment on a 60 to 90-day basis using commercial bank letters of credit for current imports, provided the letters were irrevocable and confirmed without recourse by a prime New York bank. Cuban banks and foreign banks located in Cuba refused to make the letters of credit irrevocable, however, because of Cuban foreign exchange regulations and limitations on their credit lines. The National Bank was advised of this situation in a letter dated February 22, 1960.

#### Internal Revenue Service Ruling

61. In view of Cuba's economic and political climate, Standard decided in January 1960, that as a precautionary measure the ownership of Essosa's non-Cuban assets and liabilities should be separated from ownership of its Cuban Division. By January 1960, Essosa had already moved its supply and transportation

activities and most of its other headquarters operations from Havana to Coral Gables, Florida. The headquarters office remained open in Havana, however, with several expatriate employees supervising the Cuban staff. The Cuban Division, which maintained offices separate from Essosa's headquarters, was unaffected by the headquarters move and continued its operations as usual.

62. On February 3, 1960, Standard filed a ruling request with the National Office of the Service seeking approval to segregate Essosa's non-Cuban assets and liabilities from its Cuban Division in a tax-free reorganization. The ruling request proposed that Essosa form a new Bermuda corporation and transfer its non-Cuban assets and liabilities to that corporation in exchange for stock. The application requested a ruling that the transfer of the non-Cuban assets and liabilities, followed by Essosa's distribution of the new corporation's stock to Standard, would be a tax-free transaction described in §368(a)(1)(D) and §355 of the Code. Standard also requested a ruling under §367 of the Code that the proposed transaction would not be considered as being in pursuance of a plan having as one of its principal purposes the avoidance of federal income taxes. The consolidated balance sheet of Essosa as of December 31, 1958, attached to the application, showed "Accounts and Notes Payable to Affiliated Companies" of \$21,216,190. Exhibit 8.

63. In response to a request from the National Office, Standard furnished to the Service by letter dated February 11, 1960, combined income statements of Essosa for the years 1955 through 1959, detailed by division, and a combined Essosa balance sheet as of December 31, 1959, showing the assets and liabilities of each division. Essosa's December 31, 1959, balance sheet showed assets of approximately \$147 million and liabilities of approximately \$75 million, of which \$79 million in assets and \$52 million in liabilities were attributable to the Cuban Division. The remaining \$68 million of assets and \$23 million of liabilities were attributable to Essosa's non-Cuban divisions and its headquarters operations. Exhibit 9.

64. Additional information was submitted to the National Office in support of the ruling application on March 18, 22 and 28, 1960. On March 22, 1960, representatives of Essosa and Standard also met with representatives of the Service to discuss the reasons for the proposed reorganization of Essosa. Exhibits 10-14. They explained that the reorganization was a necessary business precaution because the Cuban government might adopt a "mind and management" theory for corporations. Under this theory, they stated that Essosa might be deemed to be a Cuban corporation, even though it was incorporated in Panama, if the mind and management of the company were deemed to be located in Cuba. Essosa's headquarters had been located in Cuba until January 1960, and Essosa still maintained a Havana office separate from the Cuban Division. Moreover, the Cuban Division, by

far the company's largest division, continued its normal operations in Cuba. Consequently, Standard stated that the Cuban government might assert jurisdiction over all of Essosa's assets, including its non-Cuban divisions, in the event an intervention or expropriation of Essosa's assets occurred due to a cut-off of oil supplies or otherwise. Standard explained that there was reason to believe that certain Caribbean governments sympathetic to the Cuban government might be willing to honor Cuba's extra-territorial claims to the non-Cuban assets of Essosa. For these reasons, Standard stated that Essosa had been advised by its outside Cuban counsel to remove its headquarters from Cuba and transfer the assets and liabilities of its non-Cuban divisions to a new corporation located outside Cuba, in exchange for stock which would be distributed by Essosa to Standard. Standard said the stock distribution was necessary to prevent the Cuban government from claiming indirect ownership of the non-Cuban assets. An additional reason given by Standard for the reorganization was that a mind and management approach might lead to an attempt by the Cuban government to tax Essosa's non-Cuban operations.

65. On April 18, 1960, the Service issued a favorable ruling to Standard relating to Essosa's proposed reorganization. The ruling, a copy of which is attached as Exhibit 15, contained the following conclusions:

Based solely upon the information furnished, it is held as follows:

(1) The transaction described above is not in pursuance of a plan having as one of its principal purposes the avoidance of Federal income taxes within the meaning of section 367 of the Internal Revenue Code of 1954.

(2) The transfer of all of the net assets of Essosa, other than those physically situated in Cuba, or attributable to its Cuban operations, to a new company located in Bermuda, in exchange for all the stock of the new company, which will be distributed to [Standard], the shareholder of Essosa, will constitute a reorganization under section 368(a)(1)(D) of the Internal Revenue Code of 1954.

(3) In accordance with the provisions of section 355 of the Code, no gain or loss will be recognized to, and no amount will be includible in the income of, [Standard] upon the receipt by it of all the stock of the new company as a distribution with respect to its stock [in Essosa].

#### Continuing Foreign Exchange Negotiations

66. In the interim, Cuban Division personnel continued their efforts to obtain the release of dollar foreign exchange. At a meeting on February 29, 1960, the director of the MSF agreed to arrange for payments to be made on a 90-day basis for imports received after January 1, 1960. January shipments were to be paid in April 1960. He also promised that imports for the period December 4 through December 31, 1959, would be paid within the first 15 days of March. With respect to the backlog of \$12.5 million for imports received prior to December 4, 1959, he promised that a study would be completed by May 11, 1960, and estimated that the balance would be liquidated over a three-year period. The results of this meeting were reported to Esso Export personnel on March 2, 1960.

67. At the end of February 1960, the Cuban Division open account balance was \$20.4 million.

68. On March 2, 1960, Mr. Brewer and Cuban Division personnel met with the President of the National Bank to confirm the MSF proposals. He was assured that regular payments would be made for current imports and that Essosa would receive treatment no less favorable than that received by other oil companies.

Exhibit 18. In this connection, pursuant to the letter of December 29, 1959, Texaco had received \$250,000 in January 1960, and \$750,000 in February 1960.

69. At the meeting, Major Guevara noted that Russian crude oil might be an answer to the foreign exchange problem. He asked Mr. Brewer if the refinery would process Russian crude, and Mr. Brewer replied that it would if the Cuban government refused foreign exchange for importations from regular suppliers.

70. Mr. Brewer asked Mr. Guevara about the future of the private oil companies in Cuba in light of possible purchases of Russian crude and the activities of the Cuban Petroleum Institute. Mr. Guevara responded that: (1) the government had no plan to take over the companies; and (2) the government would build a refinery and operate its refining and marketing facilities in competition with the private companies.

71. On March 4 and 11, 1960, the Cuban Division wrote to the National Bank to furnish requested information regarding foreign exchange requirements for technical services furnished to the Belot Refinery and for sales of aviation fuel and supplies to the government airline, Compania Cubana de Aviacion ("Cuban National Airlines").

72. On March 14, 1960, Mr. I. H. Taylor, Jr. of Esso Export's Treasurer's department prepared a comprehensive memorandum describing the situation in Cuba and the status of foreign exchange negotiations with the government. The memorandum summarized Mr. Ceballos' oral promises regarding 90-day remittances for shipments after December 3, 1959 and noted that only \$2,590 of the \$2,114,000 debt attributable to December had been paid as promised within the first 15 days of March. It also noted that Mr. Ceballos refused to accept the cargo loading date as the beginning of the 90-day period and had suggested that the period begin when the exchange applications were completed. The later date was unacceptable to Esso Export because it had taken up to 45 days to get Cuban customs to release the documents necessary to complete the exchange applications.

73. In a letter to the National Bank dated March 18, 1960, Mr. Brewer summarized the results of the March 2, 1960, meeting and reviewed the past meetings and correspondence regarding the Cuban Division's foreign exchange backlog. Exhibit 19. Mr. Brewer's letter referred to Esso Export's cable dated March 15, 1960, to the Cuban Division concerning the nonreceipt of the remittances for December 1959 imports previously promised by Mr. Ceballos.

74. At this time, Esso Export was considering the cut-off of shipments as of the end of April, if the December backlog remained substantially unpaid by the end of March, and if the Cuban authorities refused to resume discussions. This date

was selected on the basis that the combined open account balance by that time would exceed the value of nine months' supplies, the limit which had been set when similar situations arose and were resolved successfully in Argentina, Brazil, and Uruguay.

75. On March 30, 1960, the Cuban Division prepared its spring financial forecast for 1960-1962.

76. By the end of March 1960, the Cuban Division open account balance was \$23.7 million.

77. On April 4, 1960, the Cuban Petroleum Institute ("ICP"), which had been established in 1959 as an agency of INRA to regulate the production, refining and marketing of petroleum products, publicly announced that it planned to market products refined from Russian crude oil through an island-wide chain of service stations, and that a new terminal in Havana was being prepared to receive the first shipment of Russian crude oil. On February 13, 1960, Cuba had signed trade and economic aid agreements with the Soviet Union. The Soviet Union agreed to buy 1 million tons of sugar annually for five years, payable 20 percent in hard currency and 80 percent in barter goods. It also agreed to extend \$100 million in credit for purchases of equipment. The Cuban Division viewed the ICP as its principal competitor for the future and began to consider ways to reduce its crude and transportation costs to meet this competition.

78. On April 12, 1960, the Cuban Division received a letter from the MSF giving written confirmation that dollar remittances for current importations would be authorized approxi-

mately 90 days after the arrival of petroleum imports at Cuban ports. The implication of the letter was that this arrangement was effective January 1, 1960. Thus, the December shipments became part of the long-term backlog debt with a new balance of \$14.7 million.

79. On April 13, 1960, the Cuban Division wrote to Mr. Ceballos at the National Bank explaining the need for funds to pay for technical services to the refinery.

80. On April 21, 1960, the first remittances for January 1960 deliveries were received, totalling \$648,655. Although on that date Esso Export was still considering a change in payment procedure involving letter of credit arrangements, it decided to continue the open account arrangement in order not to invite a withdrawal of the MSF's written approval of April 12.

81. By the end of April 1960, the Cuban Division's open account balance was \$26.1 million.

82. As of May 6, 1960, Esso Export was advised by Mr. Brewer that due to recent payments for 1960 shipments and reduced tensions in Cuba, the normal collection procedures for the Cuban Division should not be changed for the time being.

83. On May 10, 1960, the Cuban Division wrote to Mr. Ceballos at the National Bank, acknowledging his letter of April 12 regarding current supply importations. The letter pointed out the need to reach agreement on remittances for the following additional transactions:

- a. Deliveries abroad of gasoline for the Cuban National Airlines.

- b. Payment of the December 1959 semi-annual interest obligation on the \$9 million on Standard's refinery expansion loan.
- c. Retirement of the 1959 importation backlog.
- d. Repayment to Essosa of \$10 million expended on the refinery expansion.
- e. Payments for technical refinery services.

84. On May 17, 1960, the President of the National Bank wrote to Mr. Brewer and agreed to make available up to \$20 million of foreign exchange during the remainder of 1960 to be applied to the unpaid 1959 backlogs for petroleum imports of Essosa, Texaco and Shell. Essosa estimated that the Cuban Division's share of this amount would be approximately \$5 million. He also reaffirmed that foreign exchange for 1960 imports would be provided approximately 90 days after the cargoes arrived at Cuban ports. Exhibit 20.

85. The May 17, 1960, letter also informed Essosa of the trade agreement between Cuba and the Soviet Union and the fact that the Cuban government expected to import from the Soviet Union up to one-half of Cuba's daily petroleum requirements for the remainder of 1960. Essosa, Texaco and Shell were expected to refine equal shares of this oil. Essosa's share of the Russian crude was estimated to be 11,000 barrels per day.

86. On May 23, 1960, the Cuban government issued a decree cancelling all exclusive contracts between foreign oil companies and local gasoline stations, fuel dealers and major consumers.

87. By May 18, 1960, the government's rate of compliance on the 90-day payment terms for 1960 shipments to the Cuban Division was 59 percent. On May 19, Esso Export expected payment for a February cargo within a week and a \$500,000 payment against the 1959 backlog in the near future. Payments received on May 24 (\$623,790) and May 31 (\$621,166) brought total payments for May to approximately \$3.5 million.

88. At the same time, Esso Export learned that Texaco had received no payments since receipt of \$1 million in January and February against the 1959 backlog and two March payments for January cargoes of \$773,000. It also learned that Shell had received no cargo remittances since December, but was receiving 30 to 60-day remittances on chemicals, lubes and materials.

89. On May 18, 1960, Essosa advised Standard that parliamentary restrictions imposed by the legislature of Bermuda would postpone until October 1960 the incorporation of the new subsidiary contemplated in the April 18 ruling.

90. On June 1, 1960, the ICP informed the Cuban Division that crude oil deliveries from the Soviet Union would begin in July, and that arrangements were to be made immediately for the Cuban Division to handle its quota.

91. On June 6, 1960, a dollar remittance of \$589,272 was approved and paid. On the same day, Mr. Brewer rejected in writing the proposal that the Cuban Division purchase and refine Russian crude oil. Similar rejections were filed on June 6 by Texaco and Shell. On June 8, 1960, the Director of the ICP

announced that the foreign oil companies had rejected the Soviet crude oil proposal, but that he doubted any retaliatory action would be taken.

92. The three companies refused the Russian crude oil at the request of the United States government. In early June, Treasury Secretary Robert B. Anderson had asked representatives of Standard and Texaco to refuse the Russian oil. President Eisenhower had conveyed a similar request regarding the Shell operations to the British government.

93. In a television broadcast on June 10, 1960, Prime Minister Castro called upon Essosa, Texaco and Shell to reconsider their decisions not to refine the Russian crude oil. He warned that their refineries would be seized if they persisted in their refusals.

#### Ruling Modification

94. On June 3, 1960, Essosa's general counsel conferred with Bahamian counsel regarding the requirements for incorporation of the new company in the Bahamas.

95. On June 7, 1960, Standard requested the Service to modify its April 18, 1960, ruling to permit the reorganization to be carried out using a new Bahamian corporation, rather than a Bermuda corporation. The request was made because of the legal restriction in Bermuda's law that would have delayed the reorganization until the Bermuda Parliament reconvened in October 1960. Exhibit 16.

96. On June 16, 1960, the Service issued a supplemental letter stating that the use of a new Bahamian corporation would not adversely affect the earlier ruling. Exhibit 17.

97. As of June 16, 1960, the Cuban government was 67 percent in compliance with its 90-day payment commitment. Of the approximately \$2.3 million in arrears, \$1.1 million was attributable to two crude deliveries on March 10 and March 15. Another \$690,000 was attributable to six fuel oil deliveries (January 7-March 3), and \$540,000 was attributable to deliveries of lubes, chemicals and miscellaneous materials between January 1 and March 16. Esso Export personnel were uncertain whether the bulk of the approximately \$1.2 million attributable to fuel oil and other supplies was technically in default because exchange applications had only been filed for \$291,000 of January fuel oil deliveries.

98. On June 27, 1960, Essosa incorporated Essosa Ltd. in Nassau, the Bahamas, and Standard authorized the proposed transfer of Essosa's non-Cuban assets.

99. Between June 28-30, 1960, Cuban government officials met in Washington, D.C. with United States officials for the first time to discuss the purchase of the United States government's Nicaro nickel facility in Cuba. The government's ownership of this facility was administered by the General Services Administration. These negotiations were recessed until July 5, but were later postponed and resumed in Havana, Cuba on August 2 and 4. At that time the Cuban government offered \$5.4

million, payable in installments. The last purchase discussions prior to the intervention and expropriation of the Nicaro facility in October 1960, occurred on September 20, 1960.

100. On June 24, 1960, the Cuban Division received a cable from Creole to the effect that dollar remittances had not been received in accordance with Major Guevara's May 17 letter and further crude oil shipments would be conditioned on compliance with the 90-day payment agreement or payment in advance.

101. On June 29, 1960, the Cuban government intervened Texaco's Cuban refinery after plant officials refused to process a token shipment of Russian crude oil. The intervention caused Esso Export personnel to postpone the loading of a crude shipment to Cuba.

102. On June 30, 1960, Essosa was reorganized pursuant to the April 18 and June 16 ruling letters from the Service. On that date, the Boards of Directors of Essosa and Essosa Ltd. met in Coral Gables, Florida. Essosa Ltd.'s board authorized its officers to enter into an agreement to issue 1,299,995 shares of stock to Essosa in exchange for Essosa's non-Cuban assets. Essosa's board approved acceptance of 1,299,995 shares of Essosa Ltd. stock in exchange for its non-Cuban assets, and the distribution of those shares to Standard. Pursuant to these authorizations, Essosa and Essosa Ltd. executed on June 30, 1960, an

agreement providing for the transfer of the assets and liabilities of Essosa's non-Cuban divisions to Essosa Ltd. in exchange for stock of Essosa Ltd.

103. On June 30, 1960, the Cuban Division open account balance was \$27,397,440, the value of approximately nine months' worth of crude oil and supplies. Approximately 80 percent of this amount was attributable to crude oil supplies. The refinery expansion debt to Standard on that date was \$9,000,000.

104. Essosa's June 30, 1960, balance sheet showed approximately \$143 million of assets and \$69 million of liabilities. Non-Cuban assets of \$68 million and liabilities of \$21 million were transferred to Essosa Ltd. After the reorganization, Essosa retained only its Cuban Division, with assets of \$76 million, liabilities of \$48 million (including the debts to Esso Export and Standard), and a balance sheet net worth of approximately \$28 million. Exhibit 21.

105. Of Standard's total basis of approximately \$7.59 million in its Essosa stock immediately before the reorganization, Standard allocated \$2,131,177 to the Essosa stock retained by it and the remainder to the Essosa Ltd. stock it received. The \$2,131,177 allocated to the Essosa stock represented Standard's basis in the stock of Esso Cuba when it was merged into the Cuban Division in 1953.

Cuban Division Intervention

106. On June 30, 1960, the Cuban government issued Resolution 190 to the ICP, instructing it to supply sufficient Russian crude oil to sustain the Cuban Division's Belot Refinery operation and to intervene if Essosa refused to accept the crude oil.

107. In the mid-morning on July 1, 1960, 1,500 barrels of Soviet crude oil were offered to the Belot Refinery for processing and were rejected by Mr. W. C. Barnes, the general manager of the Cuban Division. As a result, formal intervention of the Cuban Division's refining and marketing facilities was effected in accordance with Resolution 190. Pursuant to ICP Resolution 33, Major Onelio Pino was appointed Interventor and continued the Cuban Division's operations in its name, with its employees. The intervention resolutions and the memorandum of the intervention are contained in Exhibit 24. Shell was similarly intervened on July 1, 1960.

108. The legal basis for the resolutions on intervention was the alleged failure of the companies to comply with the Mineral Fuel Law of 1938 in refusing to purchase and refine the Russian crude. The companies interpreted the 1938 law, which obligated the companies to refine the government's oil, to be restricted to royalty oil acquired by the government from Cuban exploration. Moreover, the companies believed that Law Decree

1758 of 1954, under which the new refinery facilities were built, provided the exclusive regime for government regulation of the refineries.

109. On July 3, 1960, the United States Congress approved a one-year extension of the Sugar Act of 1948, with an amendment that gave the President authority to reduce the import quota for Cuban sugar. The Act had been scheduled to expire automatically at the end of 1961, and the Eisenhower administration's proposal for its extension included an amendment giving the President discretionary authority to cut Cuba's quota. On June 2, 1960, the House Agriculture Committee had rejected the amendment. Secretary of State Herter testified before the Committee in support of the amendment on June 22. On June 27, the Committee approved the amendment and the House passed it on June 30. The Senate passed similar legislation on July 3 and a conference bill was approved by both houses on that day.

110. On July 5, 1960, the United States formally protested the intervention of the Texaco and Essosa properties and expressed hope that the Cuban government would rescind those actions.

111. On July 5, 1960, the Cuban Council of Ministers adopted Law No. 851 in response to the Sugar Act amendments. Exhibit 22. The law amended Article 24 of the Fundamental Law to authorize the expropriation of the property of United States citizens, with compensatory payments to be made in 30-year sugar bonds, rather than in cash. The bonds were to be funded by

foreign exchange earnings on United States sugar imports, to the extent those imports exceeded three million tons annually at a designated price. The United States government promptly protested the law as discriminatory, arbitrary and confiscatory by reason of its failure to provide for prompt, adequate and effective compensation.

112. On July 6, 1960, President Eisenhower signed the Sugar Act extension and cut Cuba's remaining 1960 sugar quota from 739,752 tons to 39,752 tons.

113. On July 12, 1960, Essosa filed an administrative appeal with the President of Cuba challenging Resolution 190. On July 27, 1960, it filed a petition with the Supreme Court of Cuba seeking an injunction against the Cuban government's intervention. On August 5, 1960, Essosa filed another administrative appeal with the President of the National Institute of Agrarian Reform and the Director of the Industrialization Department.

114. During intervention, Commander Pino operated the refining and marketing facilities in the name of Essosa's Cuban Division and used Cuban Division letterhead. He met with representatives of Essosa to resolve personnel matters, signed approvals of applications for exports of furniture, and discussed crude oil supplies. He expressly stated that the intervention was not a confiscation and stated the intention to correspond with Essosa's headquarters office on business matters.

115. The ICP likewise distinguished between intervention and confiscation. On July 27, 1960, a member of the law department of the ICP responded to Interventor Pino's request for guidance on responding to requests for information from Mr. Barnes, the former general manager of the Cuban Division. It confirmed that the interventor was not required to furnish an accounting until the termination of the intervention.

Expropriations of Essosa and Others

116. On August 5, 1960, Prime Minister Fidel Castro announced at a youth rally in Havana the imminent expropriation of companies owned or controlled by United States citizens. On August 6, 1960, Resolution No. 1 under Law No. 851 declared the expropriation of the assets and liabilities of 26 companies owned by United States interests, including Essosa's Cuban Division. Exhibit 23. Castro justified the expropriation by accusing the United States of economic aggression in reducing Cuba's sugar quota. The expropriation of the Cuban Division left Essosa without any assets.

117. On August 8, 1960, the United States delivered a diplomatic note protesting the seizures under Resolution No. 1.

118. By resolution dated September 2, 1960, the President of Cuba denied Essosa's administrative appeals on intervention. On September 14, 1960, Essosa's petition to the Supreme Court of Cuba for injunctive relief was denied on the ground that Essosa was not suffering irreparable damages, since its damages could be settled monetarily. On October 13, 1960,

the Supreme Court rejected the appeal of unconstitutionality with two judges dissenting. Outside Cuban counsel advised Essosa that there was no legal challenge to the expropriation under Law No. 851.

119. On September 17, 1960, three Cuban banks owned by United States interests were expropriated under Resolution No. 2 to Law No. 851. On October 13, 1960, pursuant to Laws No. 890 and 891, the remaining banks in Cuba, except two Canadian banks, and 382 companies owned by Cubans and foreign nationals were nationalized. On October 24, 1960, an additional 166 companies owned by United States interests were expropriated pursuant to Resolution No. 3 of Law No. 851. At approximately this time, the United States government embargoed most trade with Cuba.

120. On December 16, 1960, President Eisenhower fixed the first quarter 1961 Cuban sugar quota at zero. President Kennedy fixed the Cuban sugar quota at zero for the remainder of 1961 on March 31, 1961.

121. By the end of 1960, it was clear that there was no realistic prospect that expropriation bonds or other compensation would be forthcoming from the Cuban government and none was. Likewise, Essosa was insolvent and unable to satisfy its outstanding liabilities.

122. The United States terminated diplomatic relations with Cuba on January 3, 1961.

123. In 1967 Standard filed, on behalf of itself and its subsidiaries, a claim against the Cuban government before the Foreign Claims Settlement Commission ("FCSC") of the United States. The claim was based on the trial balance of the Cuban Division at June 30, 1960, which Essosa personnel had obtained from Interventor Pino. Standard claimed \$71,686,003, the balance sheet net worth of the Cuban Division, increased by the liabilities to Esso Export for crude oil and supplies and to Standard for the refinery expansion loan. Exhibits 24-25.

124. A proposed FCSC decision, dated September 3, 1969, awarded Standard \$71,611,003. The proposed decision became final on October 13, 1969. Exhibit 26.

125. It is agreed that the \$9 million refinery loan and the \$27.4 million open account were bona fide debts.

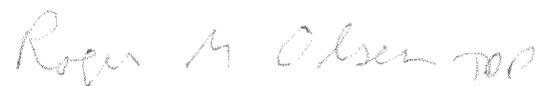
126. The applicable legal standard for determining whether Essosa's creditors had claims against Standard for its receipt of the Essosa Ltd. stock is whether the transfer of the stock by Essosa was a fraudulent conveyance because the transfer was made without consideration and rendered Essosa insolvent on June 30, 1960. The defendant also reserves the right to assert a fraudulent conveyance based on actual fraud if any is proven at trial.

127. Exhibits 1-26 are made a part of these stipulations. Although not made a part of these stipulations, the parties agree that either may introduce into evidence any of the

exhibits jointly numbered 101-189. ~~The parties also agree that~~  
~~the reports of plaintiff's experts may be introduced into~~ RMO  
~~evidence.~~

Respectfully submitted,

  
Robert L. Moore, II  
Counsel for Plaintiff

  
Roger M. Olsen  
Acting Assistant Attorney General  
Counsel for Defendant

July 5, 1984

STIPULATION EXHIBITS

1. 1955 Creole/Export agreement.
2. 1959 Export advice to Creole re Cuban Division sale.
3. 1959 Creole invoice to Cuban Division.
4. 1960 Export advice to Creole re Cuban Division sale.
5. 1960 Creole invoice to Cuban Division.
6. Cuban Division monthly account 1959-1960.
7. March-June 1960 detail of Cuban Division account.
8. February 3, 1960 ruling application.
9. February 11, 1960 supplemental letter.
10. March 18, 1960 supplemental letter.
11. March 22, 1960 letter Koch/Paschall re meeting.
12. Butler memo of March 22 meeting.
13. March 28, 1960 supplemental letter.
14. April 1, 1960 Burfeind file memorandum.
15. April 18, 1960 ruling letter.
16. June 7, 1960 supplemental request.
17. June 16, 1960 supplemental ruling.
18. Memorandum of March 2, 1960 meeting between Guevara and Brewer.
19. March 18, 1960 letter from Brewer to Guevara.
20. May 17, 1960 letter from Guevara to Brewer.
21. Essosa's June 30 and August 6, 1960 balance sheets.
22. Law No. 851.
23. Resolution No. 1.
24. Foreign Claims Settlement Commission ("FCSC") Claim-Book No. 1.
25. FCSC Claim-Book No. 2.
26. FCSC award.

July 5, 1984

STIPULATED EXHIBITS NOT FILED WITH STIPULATION

101. Controller's 1956 financial history of Essosa.
102. 1934 reorganization ruling.
103. September 1951 request for reorganization ruling.
104. October 1951 reorganization ruling.
105. November 1951 letter from Essosa to Standard tax.
106. December 1951 agreement between Esossa and Caribbean.
107. Standard executive committee minutes re 1951 reorganization.
108. Pamphlet entitled Esso in Cuba: 1882 to Expropriation.
109. History of refinery capacity.
110. Standard executive committee minutes 1952-1956 re refinery expansion.
111. January 1960 description of expanded Belot operation.
112. Standard loan agreement and notes.
113. Cuban Division 1959 tax return.
114. 1944 outline regarding Export's formation.
115. 1944 documents re Export's fee.
- 116-117 December 1944 memos re Export operations.
118. January 1945 memo re Export's fees.
119. 1949 memo re Export practices.
120. 1949 N.Y State letter re Export tax exemption.
121. 1950 letter from Export to IPC re sale arrangement.
122. 1952 memo re Export/Creole practices.
123. 1955 letter Export to Creole re 1955 agreement.
124. 1955 memo re 1952-1955 Export/Creole fees.
125. 1975 Commerce Dept. statistics -- U.S./Cuba trade.
126. Finance Committee statistics on Sugar Act prices.
127. March 1959 Gerard memo re Law No. 122.
128. January 1959 Essosa letter re exchange regulations.
129. August 17, 1959 Bonn memo re foreign exchange.
- 130-132. Memos and letters re Circular 812.
- 133-134. Law 568 and summary.
135. October 7, 1959 letter from Potts to Guerra.
136. October 7, 1959 letter from Potts to Guerra.
137. October 27, 1959 memo Taylor to Bonn.
138. November 30, 1959 memo Buckley to Stokke.
139. December 2, 1959 memo Stokke to Lindroth.
140. Cabaiguan ledger card.
141. November 20, 1959 Conroy memo re Article 19 tax exemption and S&T department.
142. Circular 217.
143. December 18, 1959 memo on Circular 217.
144. December 29, 1959 letter from Guevara to Texaco.
145. January 4, 1960 letter from Barnes to National Bank.
146. January 18, 1960 letter from Barnes to National Bank.
147. Taylor draft of January 18 letter.
148. February 10, 1960 letter from Brewer to Guevara.
149. January 29, 1960 Buckley memo re letters of credit.

150. February 4, 1960 letter from Export to Brewer.
151. February 22, 1960 letter from Ordono to Vazquez.
152. Memo of February 29, 1960 with Ceballos.
153. Taylor memo March 2, 1960 re meeting of February 29.
154. Taylor 3144 status summary and Stokke transmittal.
155. March 4, 1960 Barnes letter to Ceballos.
156. March 11, 1960 letter to MSF.
157. March 22, 1960 Brewer/Guevara telegram.
158. March 18, 1960 Taylor memo with Stokke and Lindroth transmittals.
159. G. Koch September 6, 1960 file note re extra-territorial tax as a reason for the reorganization.
160. March 28, 1960 First National Bank of Boston release regarding March 20 news articles.
161. March 30, 1960 spring financial forecast.
162. March 30, 1960 memo re ICP.
163. Ceballos April 12, 1960 letter (Spanish).
164. April 21, 1960 Taylor letter for Lindroth signature.
165. April 13, 1960 Garcia letter to Ceballos.
166. May 6, 1960 Moyer memo re Brewer comments.
167. May 10, 1960 letter Garcia to Ceballos.
168. May 18, 1960 backlog memo.
169. May 19, 1960 M. K. King memo re expectations.
170. May 18, 1960 Taylor/Lindroth memo re Texaco and Shell.
171. March 23, 1960 Taylor/Stokke memo re Texaco.
172. May 18, 1960 Butler/Koch letter re Bermuda.
173. June 3, 1960 draft of crude refusal letter.
174. Spanish version June 6, 1960 Brewer letter.
175. June 3, 1960 Keffer memo re Bahamas corporation.
176. June 14, 1960 backlog analysis.
177. June 8, 1960 Stokke memo on backlog.
178. Standard's June 27, 1960 reorganization authorization.
179. June 29, 1960 M. K. King memo to Stokke re Adrias and Borgia.
180. Essosa June 30, 1960 director's minutes.
181. Essosa Ltd. June 30, 1960 director's minutes.
182. June 30, 1960 Essosa/Essosa Ltd. reorganization agreement.
183. U.S. protest of Law No. 851.
184. July 6, 1960 Gerard file memo.
185. July 14, 1960 Gerard file memo.
186. July 18, 1960 M. W. Johnson memo to Haider re intervention.
187. July 22, 1960 ICP letter to Pino.
188. NFTC notice of U.S. protest of Resolution No. 1.
189. January 1961 memo re intervention.

July 5, 1984

EXHIBIT 12

MEMORANDUM

E-31 Not used - Dietrich

all copies except this

REORGANIZATION OF ESSO STANDARD OIL CO., S.A.

one to hold for record. J. Butler

This memorandum is in support of a request by Standard Oil Company (New Jersey) for a ruling from the Commissioner of Internal Revenue upon the tax-free nature of the proposed reorganization of its wholly-owned affiliate, Esso Standard Oil Co., S.A. ("Essosa"), as set forth in our ruling request of February 3, 1960. The Tax Rulings Division of the Internal Revenue Service requested further information as to the business purpose which dictates this proposed reorganization.

game oral presentation of reasons for reorgana

Until recently, Essosa's headquarters were located in Havana, Cuba. A substantial part of its assets, including its only operational refinery, are also situate in Cuba. However, Essosa has valuable assets located without that country. It is a matter of public knowledge that the Government of Cuba has recently embarked on a program of intervention with respect to privately-owned industries and a substantial possibility exists that this program may soon be extended to the oil marketing and manufacturing industry.

1. extra territorial

More disturbing, however, is the growing tendency of the Cuban Government to adopt the "mind and management" theory in regard to companies operating in Cuba. That is, there is some indication that the Government will disregard the place of incorporation of any company operating in Cuba and take the position that, if the "mind and management" of the corporation is in Cuba, the company is essentially Cuban, and its total assets are subject to Cuban expropriation, regardless of where they are physically situate. Too, there is reason to believe that governments of other Caribbean nations sympathetic to the present Cuban leadership may honor claims of Cuban extraterritoriality, and permit expropriation of corporate assets located in their respective jurisdictions.

v. Because principle operation in Cuba may give rise to holding that this in reality Cuban Corp.

In order to mitigate this problem to the extent possible, counsel familiar with principles of international law have advised Essosa to take two positive steps with no undue delay. First, they advised that Essosa's management should be removed from its offices in Cuba. This action has already been taken. Secondly, they advised that all of its net assets (other than those having situs in or attributable to Cuba) be segregated from Essosa in a new corporation organized in an area (other than Cuba) in which Essosa presently operates, and that the stock of the new corporation be distributed by Essosa to its parent company, Jersey. It is this proposed action upon which your ruling was requested.

3. Non - existence of parliamentary procedures on legislative e.g. Jersey law.

March 16, 1960

Presented at

meeting with

Mr. A. Rockwell Int.

Rev. Service 3/27/60

JTB 3/23/60

**DECLARATION OF LINDSEY FRANK – EXHIBIT Q**

IN THE U. S. CLAIMS COURT

No. 235-79 T

|       |                                     |                          |                                     |                                     |
|-------|-------------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| Joint | Def't                               | Pl't                     | W. f. S. ts                         | 1                                   |
|       | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

THIS AGREEMENT, made this 30th day of June, 1960, by and between ESSO STANDARD OIL, S.A., a corporation organized under the laws of the Republic of Panama, and ESSO STANDARD OIL S.A. LIMITED, a corporation organized under the laws of the Bahama Islands, WITNESSETH:

WHEREAS, pursuant to a plan of organization, Standard Oil Company (New Jersey), holder of all the issued and outstanding capital stock of Esso Standard Oil, S.A., executed document of June 27, 1960, authorizing the Board of Directors of Esso Standard Oil, S.A. to do any and all things necessary or advisable to effect the transfer of all of its franchises, business, property and assets in various places on such terms and conditions as the Board of Directors of Esso Standard Oil, S.A. may deem expedient;

NOW, THEREFORE, in consideration of the premises and of the mutualities hereof, the parties hereto agree as follows:

1. As of the close of business on June 30, 1960, Esso Standard Oil, S.A. shall transfer and assign its business and all of its assets of every nature whatsoever either located in Panama, Canal Zone, Costa Rica, Nicaragua, Honduras, British Honduras, El Salvador, Guatemala, Dominican Republic, Haiti, Puerto Rico, Jamaica, Bahamas, Bermuda, British Guiana, Surinam, Trinidad and its operating areas of Barbados, Grenada, St. Vincent, St. Lucia, Dominica, Antigua and St. Kitts-Nevis, their territories and dependencies, or attributable to the business of that company in those places, to Esso Standard Oil S.A. Limited, and Esso Standard Oil S.A. Limited shall accept the same and shall assume all of the liabilities of Esso Standard Oil, S.A., in the said places.

2. Esso Standard Oil S.A. Limited shall, upon receipt by it of the business and assets of Esso Standard Oil, S.A. as above provided, issue and deliver to Esso Standard Oil, S.A., 1,299,995 shares of its capital being all of its authorized capital with the exception of five shares issued for statutory requirements to the subscribing organizers of said company, and Esso Standard Oil, S.A. which shall accept the same.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their officers thereunto duly authorized and their corporate seals to be hereunto affixed, the day and year first above written.

ATTEST

ESSO STANDARD OIL, S.A.

Ronald H. Cocco  
Secretary

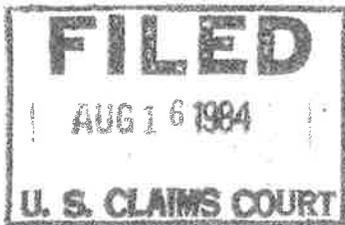
[Signature]  
President

ATTEST

ESSO STANDARD OIL S.A. LIMITED

[Signature]  
Secretary

[Signature]  
Executive Vice-President



**DECLARATION OF LINDSEY FRANK – EXHIBIT R**

# ESSO STANDARD OIL S. A. LIMITED

INCORPORATED

IN THE BAHAMA ISLANDS UNDER THE COMPANIES ACT

Capital £13,000,000 divided into 1,300,000 Shares of £10 each.

No. 6

£ 10 SHARES

This is to Certify that Esso Standard Oil, S.A.

of \_\_\_\_\_ is the registered holder of 1,294,995 shares numbered - 6 - to 1,300,000 inclusive, in the above-named Company, subject to the Memorandum and Articles of Association thereof, and that the sum of Ten Pounds has been paid up upon each of the said shares.

GIVEN under the Common Seal of the said Company this 14<sup>th</sup> day of JULY A.D. 1960  
The Common Seal of the said Company was hereunto affixed in the presence of

|                                   |   |
|-----------------------------------|---|
| <u>[Signature]</u><br>PRESIDENT.  | <u>[Signature]</u><br>EXECUTIVE-VICE-PRESIDENT. |
| <u>A. F. Berkef</u><br>TREASURER. | <u>[Signature]</u><br>SECRETARY.                |

NOTE—No transfer of any portion of the shares comprised in this Certificate can be registered unless accompanied by this Certificate.

For value received \_\_\_\_\_ hereby sell, assign and transfer unto  
STANDARD OIL COMPANY

\_\_\_\_\_ 1,299,995 shares  
represented by the within certificate and do hereby irrevocably constitute and appoint

\_\_\_\_\_ Attorney to  
transfer the said shares on the books of the within-named corporation with full power  
of substitution in the premises.

Dated JULY 14, 1960

In presence of  
A. E. Becker

ESSO STANDARD OIL S.A.

H. B. [Signature]

PRESIDENT

**DECLARATION OF LINDSEY FRANK – EXHIBIT S**

FCSC Form 666

**FOREIGN CLAIMS SETTLEMENT COMMISSION  
OF THE UNITED STATES**  
Washington, D.C. 20579

*ack 1-10-67*

IN THE MATTER OF THE CLAIM OF

**Standard Oil Company (Incorporated in  
New Jersey)**  
Against the Government of Cuba under Title V of  
the International Claims Settlement Act of 1949,  
as amended by Public Law 88-666, approved October  
16, 1964.

CLAIM No. CU 938

**RECEIVED**  
JAN 10 1967  
Mail Room  
Foreign Claims  
Settlement  
Commission

WRITE IN THIS SPACE

An original and one copy of this form and each supporting exhibit must be submitted. Each document in a foreign language must be accompanied by a verified English translation. Answers should be typed or printed. Attach additional sheets as needed for any items where space on the form is insufficient. The information and instruction sheet attached hereto, with directions for each numbered item on the claim form, was prepared for the purpose of assisting you in the preparation of your claim. It is suggested that you read it thoroughly before completing this claim form.

**IMPORTANT—ALL QUESTIONS CONTAINED IN THIS FORM MUST BE ANSWERED.**—  
If claimant does not know the answer to a question or the question is not applicable to his claim, claimant should write "UNKNOWN" or "INAPPLICABLE" in the proper space.

1. Name of claimant Standard Oil Company (Incorporated in New Jersey)  
(Last) (First) (Middle)
2. Address of claimant 30 Rockefeller Plaza, New York, N.Y. 10020
3. Name and address of attorney (if any) LeRoy Marceau  
Law Department, Standard Oil Company (New Jersey)  
30 Rockefeller Plaza, New York, N.Y. 10020

**SUMMARY OF LOSSES CLAIMED** See attachment 1

|   | Amount in<br>dollars | Total<br>claimed |
|---|----------------------|------------------|
| 4. Real estate:   |                      |                  |
| (a) Land  | \$                   |                  |
| (b) Buildings   | \$                   |                  |
| 5. Personal property, furniture, equipment, merchandise, etc. |                      |                  |
| 6. Securities (name of corporation entity)                    |                      |                  |
| 7. Debts:   |                      |                  |
| (a) Owed by nationalized enterprises or Cuban Government      | \$                   |                  |
| (b) Charges upon property nationalized or taken               |                      |                  |
| 8. Death, injury, or permanent disability                     |                      | not applicable   |
| 9. TOTAL AMOUNT OF CLAIM                                      |                      | \$               |

*71,656,002.90*

10. If claimant is an individual, indicate how United States nationality was acquired (check one), and submit supporting documentary evidence.
  - Birth . . . . . Date \_\_\_\_\_ Place \_\_\_\_\_
  - Naturalization . . . . . Date \_\_\_\_\_ Place \_\_\_\_\_ Cert. No. \_\_\_\_\_
  - Marriage . . . . . Date \_\_\_\_\_ Name of spouse \_\_\_\_\_
  - Through parents . . . . . Date \_\_\_\_\_ Name of parent(s) \_\_\_\_\_
  - Reacquired . . . . . Date \_\_\_\_\_

(This information must be furnished with respect to a deceased person. If claim is being filed by the heir or survivor of a deceased person, this information must also be furnished with respect to such person.)

*Handwritten mark*

16. (Continued)

(b) If inherited, give date of inheritance \_\_\_\_\_, and from whom \_\_\_\_\_. Value at time inherited \_\_\_\_\_. What was nationality of the previous owner? \_\_\_\_\_

(c) Cost of improvements, if any, made since acquisition See attachment 1.

(d) Do you know of any other person, firm, corporation, or other legal entity now, or since the date of loss who had or who has any interest in the property above described or in the claim hereby asserted? (Indicate the names and present addresses of all such parties.)

No  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

17. If the claim is based on the ownership of securities in a corporation, association, or other entity, indicate below the name, address, place of incorporation of such corporation, association or entity, and the number of shares outstanding.

|                               |                                    |                          |                 |
|-------------------------------|------------------------------------|--------------------------|-----------------|
| <u>Eso Standard Oil, S.A.</u> | <u>Coral Gables, Florida 33134</u> | <u>Panama</u>            | <u>115,257</u>  |
| (Name)                        | (Address)                          | (Place of incorporation) | (Number shares) |
| _____                         | _____                              | _____                    | _____           |
| (Name)                        | (Address)                          | (Place of incorporation) | (Number shares) |
| _____                         | _____                              | _____                    | _____           |
| (Name)                        | (Address)                          | (Place of incorporation) | (Number shares) |

AMOUNT OF CLAIM

18. This claim is asserted for the total amount of \$ To be supplied later. It is computed as follows: The book value on June 30, 1960, of the property taken was 71,686,002.90.

19. (a) Has claimant filed or asserted any claim with respect to the subject matter of this claim or any related matter with or against any other agency of the United States Government or any other place? YES (Yes or No). If the answer is "Yes," give date of filing, agency or other place with which claim was filed, amount claimed, disposition of claim, and amount of award, if any Claimant informed the Department of State, on October 11, 1961,

in accordance with the Department's memorandum of March 1, 1961.

(b) Apart from this claim, has claimant or any predecessor in interest received, or has he any reason to expect to receive, any benefits, pecuniary or otherwise, on account of the loss resulting from the action for which this claim is filed? (If so, explain.) NO

(c) Has a tax deduction ever been asserted by claimant or any other predecessor with respect to losses described in this claim? \_\_\_\_\_ (Yes or No). If answer is "Yes," give year such claim was asserted, amount of loss claimed, whether loss was allowed, and name of person claiming such tax deduction \_\_\_\_\_

to be supplied later

*see also of Feb 6, 1967*

11. If claimant is a corporation or other legal entity, complete following:

- (a) At all times between June 30, 1960, and the presentation of this claim, more than 50 percent of the outstanding capital stock of all classes or of other beneficial interest in the claimant has been owned, directly or indirectly, by persons who were then United States nationals. (Indicate in blank space the date on which such continuous ownership commenced.)  
216,532,661
- (b) On the date of loss, the claimant has outstanding \_\_\_\_\_ shares of capital stock of all classes or other evidence of beneficial interest, which were then held by 621,405 persons.  
217,999,208
- (c) On the date of the presentation of this claim, the claimant had outstanding \_\_\_\_\_ shares of capital stock of all classes or other evidence of beneficial interest, which were then held by 737,203 persons.  
(Number)

Attach a statement by the secretary or other principal officer of the corporation (or other entity) certifying above. 1/ This statement is made as if the claim were presented on December 6, 1966, the most recent date on which figures are available.

12. Have there been any changes in nationality status of claimant since the date of loss?  
NO (Yes or No). If so, explain \_\_\_\_\_

**NATURE OF CLAIM**

13. The claim arose on July 1, 1960 at Cuba  
(Date of loss) (Location)  
\_\_\_\_\_ as a result of the following action:

Intervention pursuant to Resolution No. 33 dated July 1, 1960, issued by  
the Instituto Tribuno de Petroleo, based on Resolution No. 190, dated  
June 30, 1960, issued by the Prime Minister, under the Revolutionary  
Government of Cuba.

14. If the claim is based upon real or personal property, please furnish description of property, location at time of loss or damage, and nature of claimant's interest.

The property involved was the Cuba Division of Esso Standard Oil, S.A.  
That company is wholly owned by Standard Oil Company.

15. If this claim is based on losses or injuries other than real or personal property covered under the preceding question, please furnish description of such losses or injury.

Not applicable

16. If this claim is based on loss of property, state when and how such property was acquired:

(a) If purchased, give date of purchase \_\_\_\_\_, and  
consideration paid \_\_\_\_\_

See attachment 1.

20. Set forth any additional facts pertinent to this claim.

See attachments 1, 2 and 3

**GENERAL**

21. Has the claimant or any person for whose benefit any award upon this claim may inure, been convicted of a violation of any provision of Chapter 115 of Title 18 of the United States Code, or any other crime involving loyalty to the United States? NO (Yes or No). If answer is "Yes," specify \_\_\_\_\_

22. (In the case of an individual claimant.) The undersigned states that he is the claimant herein; that he has read the foregoing statement of claim and each statement and exhibit attached thereto and knows the contents thereof; that the same is true to his own knowledge, except as to matters therein stated to be alleged on information and belief, and that as to those matters he believes them to be true.

Dated \_\_\_\_\_, 196\_\_\_\_ (Signature or mark)

If by mark, two witnesses:

Name \_\_\_\_\_ Address \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_

23. (For use in the case of a corporate or other entity claimant.) The undersigned states that he is the Assistant Comptroller of the claimant herein; that he is duly authorized to sign and file this claim on behalf of the claimant; that he has read the foregoing statement of claimant and each statement and exhibit attached thereto and knows the contents thereof; that the same is true to his own knowledge, except as to matters therein stated to be alleged on information and belief, and that as to those matters he believes them to be true.

Dated January 9, 1967 By: [Signature]  
STANDARD OIL COMPANY (NEW JERSEY)  
(Signature)

SEAL (If any; if none, so state).