ANGLO AMERICAN PLATINUM LIMITED

INTEGRATED REPORT 2019

RE-IMAGINING MINING TO IMPROVE PEOPLE'S LIVES

AngloAmerican

Real Mining. Real People. Real Difference.

PURPOSE: RE-IMAGINING MINING TO IMPROVE PEOPLE'S LIVES

We are guided by our purpose to "re-imagine mining to improve people's lives". Our purpose is our reason for being, and why we exist. The Platinum Group Metals that we mine provide tremendous benefit to society, from auto catalyst that clean up vehicle emissions, to cancer drugs and other medical devices; electronic components that are safer and more durable. For Anglo American Platinum, by re-imagining mining we will unlock the potential of our precious metals and people, to create a positive impact on people's lives and the environment.

The next phase of our strategy has been formulated to maximise margins, returns and cash flows within a changing market and competitor landscape – focused on:

- Operational efficiency improvements – achieving and beating world benchmarks and modernisation
- Break through opportunities – step-change through new technology
- Investing in our operations – East payback, high margin, value-enhancing and growth projects
- Market development – drive demand for new applications for PGMs.

Refers to other pages in this report.

SUPPORTING DOCUMENTATION ON THE WEBSITE

Full annual financial statements (AFS)
Full Ore Reserves and Mineral Resources report
Environmental, social and governance (ESG) report
Notice of annual general meeting

www.angloamericanplatinum.com/investors/annual-reporting/2019

CONTENTS

OUR APPROACH TO REPORTING

Amplats is a member of the global Anglo American plc group, guided by the purpose and values of our parent while considering the complexities of the PGM industry in developing our strategic priorities. The synergies created by a common purpose, shared values and strategic focus underpin significant benefits for all stakeholders (page 15).

This report sets out our approach to governance and key decisions in the review period, as well as progress against strategic goals, with additional information on our website. For completeness, we discuss risks, opportunities and trade-offs between our capitals under each strategic element, as well as the relationships between external and internal factors that enable Amplats to create value. We detail our outlook, again considering the risks, opportunities and trade-offs, to give stakeholders a balanced view of our group and its prospects.

INTEGRATED REPORT

Our annual integrated report provides a holistic assessment of the group's ability to create value.

It includes information from the annual financial statements and supplementary reports, particularly the environmental, social and governance (ESG) report which covers non-financial aspects that could have a material impact on our performance and our business if not managed effectively.

The report is developed for a range of stakeholders, including employees, local communities, non-governmental organisations (NGOs), customers, investors and government.

ESG REPORT

Provide a detailed account of performance covering key environmental, social and governance elements, in accordance with core requirements of the Global Reporting Initiative (GRI Standard).

ANNUAL FINANCIAL STATEMENTS

The audited annual financial statements present statutory and regulatory information required by the company's stock exchange listing.

ORE RESERVES AND MINERAL RESOURCES REPORT

In line with the JSE Listings Requirements, Amplats prepared Mineral Resource and Ore Reserve statements for all its assets as per the SAMREC Code guidelines and definitions (2016 edition). Competent persons assume responsibility for Mineral Resource and Ore Reserve statements.

FORWARD-LOOKING STATEMENTS DISCLAIMER

Certain elements in this integrated report constitute forward-looking statements. These are typically identified by terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes' and 'anticipates', or negative variations. Such forward-looking statements are subject to a number of risks and uncertainties, many beyond the company's control and all based on the company's current beliefs and expectations about future events. Such statements could cause actual results and performance to differ materially from expected results or performance, expressed or implied. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the company and its subsidiaries.

OUR APPROACH TO REPORTING CONTINUED

This integrated report is one of our primary communications with stakeholders. While it is prepared mainly for providers of capital and shareholders, financial information is balanced with commentary on our most material sustainability issues for a holistic view of the company. This report covers the 12 months to 31 December 2019 and follows a similar report for the year to 31 December 2018.

REPORTING PRINCIPLES AND APPROACH

Our integrated report is structured against the framework of the International Integrated Reporting Council (IIRC) and considers its guiding principles:

CONSISTENCY AND COMPARABILITY	STRATEGIC FOCUS AND FUTURE ORIENTATION	ACCOUNTABILITY	RELIABILITY AND COMPLETENESS	CONNECTIVITY OF INFORMATION
Year-on-year comparisons demonstrate progress towards our strategic goals.	Insight on how our strategy influences our ability to create value in the short, medium and long term.	Our leaders are accountable for the company's actions, and they are the custodians of our governance framework. The governance structures and key issues they dealt with in 2019 are detailed from page 114.	Our leaders provide assurance that this report includes all our material priorities in a balanced way, and without material error.	This report is a holistic view of Amplats, covering financial, operational and non-financial aspects.

This report includes disclosure on all entities in our consolidated financial statements, but excludes non-financial data on our joint ventures.

For completeness, we also consider threats, opportunities and outcomes emanating from other entities or stakeholders with a significant effect on our ability to create value.

We disclose our performance across all platinum group metals (PGMs, expressed as platinum, palladium, rhodium, gold, iridium and ruthenium metal-in-concentrate) to better reflect the basket of metals we produce.

REPORT CONTENT

As noted, in 2019 we report against our strategic progress, after repositioning our business in recent years to establish the platform for sustainable growth in the next phase of our strategy. Importantly, given the recent spate of corporate failures and scandals, we have elected to expand disclosure on our approach to governance and key decisions in the review period, to highlight to stakeholders how our governance structures reduce risk and ensure we create value for all.

Our material issues (from page 32) are woven into this narrative and defined as issues with the greatest real and potential impact – positive and negative – on achieving our business objectives.

These may be related to our internal or external environments, significant risks and opportunities identified in our integrated risk management process (page 38), or issues important to stakeholders (page 24).

To identify as many relevant matters as possible, we took a three-pronged approach:

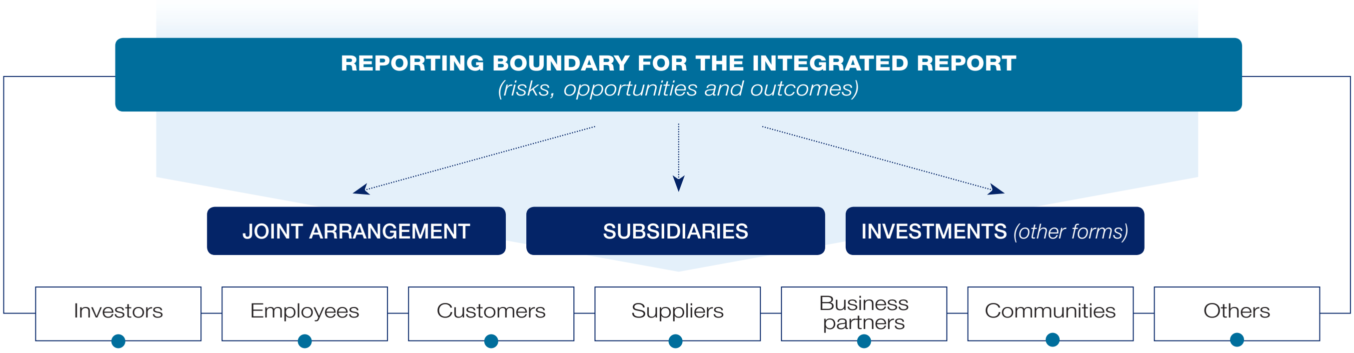
- Internal materiality review
- External materiality review
- Materiality workshop.

The prioritisation of our material issues was reviewed and confirmed by the executive committee and then by the board.

Our business model (page 16) illustrates how Amplats considers the capitals – financial, manufactured, human, social and relationship, natural and intellectual – articulated by the IIRC in creating value, as well as the trade-offs.

DETERMINING THE REPORTING BOUNDARY

In line with the IIRC framework, in determining the boundary, we work outward from the financial reporting entity, Amplats, to consider risks, opportunities and outcomes associated with other entities or stakeholders that have a significant effect on our ability to create value, illustrated below.



Sound corporate governance is a critical foundation for protecting stakeholder value and achieving the group's strategic growth objectives. Our governance universe (below) shows how the pillars of value are monitored via the four governance segments – board, finance, risk, and social and sustainable – in support of the Amplats purpose and strategy. The elements in each segment are governed by appropriate processes, systems and resources to ensure we demonstrate the desired governance outcomes.

The six capitals under the IIRC framework translate across our pillars of value as follows:

IIRC CAPITAL	Financial	Manufactured	Human	Social and relationship	Natural	Intellectual
THE AMPLATS PILLAR OF VALUE	Financial/cost	Production	People, safety and health	Socio-political	Environment	**ALL PILLARS**

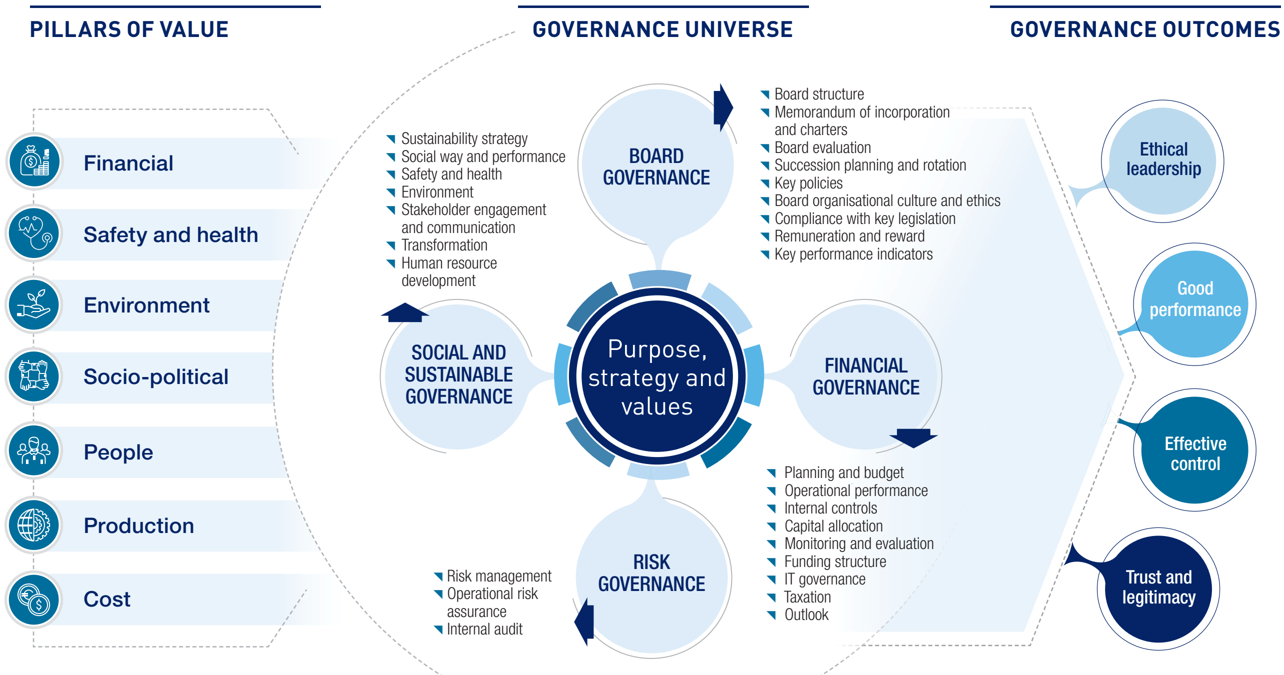
APPROVAL OF REPORT

The board acknowledges its responsibility for ensuring the integrity of the integrated report, and has applied its collective mind to the preparation and presentation of this report. In our opinion, the 2019 integrated report is presented in accordance with the IIRC framework by addressing all material matters to offer a balanced view of our strategy and how it relates to Amplats' ability to create value in the short, medium and long term.

Norman Mbazima
Chairman

Chris Griffith
Chief executive officer

Our pillars of value (below) are fundamental to how we manage all aspects of our business to achieve our purpose and strategy.



Governance elements of the business model and value-creation process

GROUP PERFORMANCE

SAFETY AND HEALTH
Do no harm to our workforce

FATALITIES	KPIs
Zero	Eliminate fatalities

TRCFR	
2.50 (2018: 3.0)	Reduce total recordable case frequency rate (TRCFR). Target 3.45

SOCIO-POLITICAL
Partner with local communities and government in the benefits of mining

COMMUNITY INVESTMENT	KPIs
R619 million (2018: R609 million)	Corporate social investment Socio-economic development Enterprise and supplier development

ENVIRONMENT
Minimise our impact

ENERGY INTENSITY	KPIs
0.80 (2018: 0.79)	Reduce gigajoules/t milled

WATER INTENSITY	KPIs
1.00 (2018: 0.96)	Reduce m^3/t milled

PEOPLE
Create a sustainable competitive advantage through capable people and effective performance-driven organisation

PRODUCTIVITY	KPIs
110.5 (2018: 108)	PGM oz/employee

TRAINING	
6.59%	

Training and development of total payment

COST
Be competitive by operating as efficiently as possible

	All-in sustaining cost
R22,294 per Pt oz (2018: unit cost R20,684)	**USD293** (2018: USD286)

FINANCIAL RETURNS
Sustainable returns to shareholders

RETURN ON CAPITAL EMPLOYED	KPIs
58% (2018: 24%)	EBITDA Cash flow Return on capital employed

PRODUCTION
Sustainably deliver valuable product

PGM (M&C) PRODUCTION	KPIs
4.4Moz (2018: 5.2Moz)	Operational improvement projects Sales volumes

HEADWINDS IN 2019

- Eskom power outages
- Unprotected strike at Mototolo
- Cracked mill at Mogalakwena, rebuild of rope shovel

WHAT DIFFERENTIATES AMPLATS?

QUALITY ASSETS AND OPERATIONAL EXCELLENCE

- 70% production in H1 of primary producer cost curve
- Only open-pit PGM mine of scale in the world
- Long-life mineral resources
- Progress on operational improvement with significant potential still possible

CAPITAL DISCIPLINE AND SHAREHOLDER RETURNS

- Strong balance sheet and earnings
- Focused capital allocation
- Sustainable cash dividend
- Industry leading returns

LONG-TERM SUSTAINABILITY

- Project studies on value-add growth optionality
- Grow demand for PGMS
- Modernising mining through innovation
- Invest in people and communities

HOW WE ARE DOING AGAINST GLOBAL BENCHMARKS

SUSTAINALYTICS

GLOBAL LEADER OF 55 PEERS

FTSE4Good

ESG LEADER IN SECTOR, TOP 30 INDEX SINCE INCEPTION

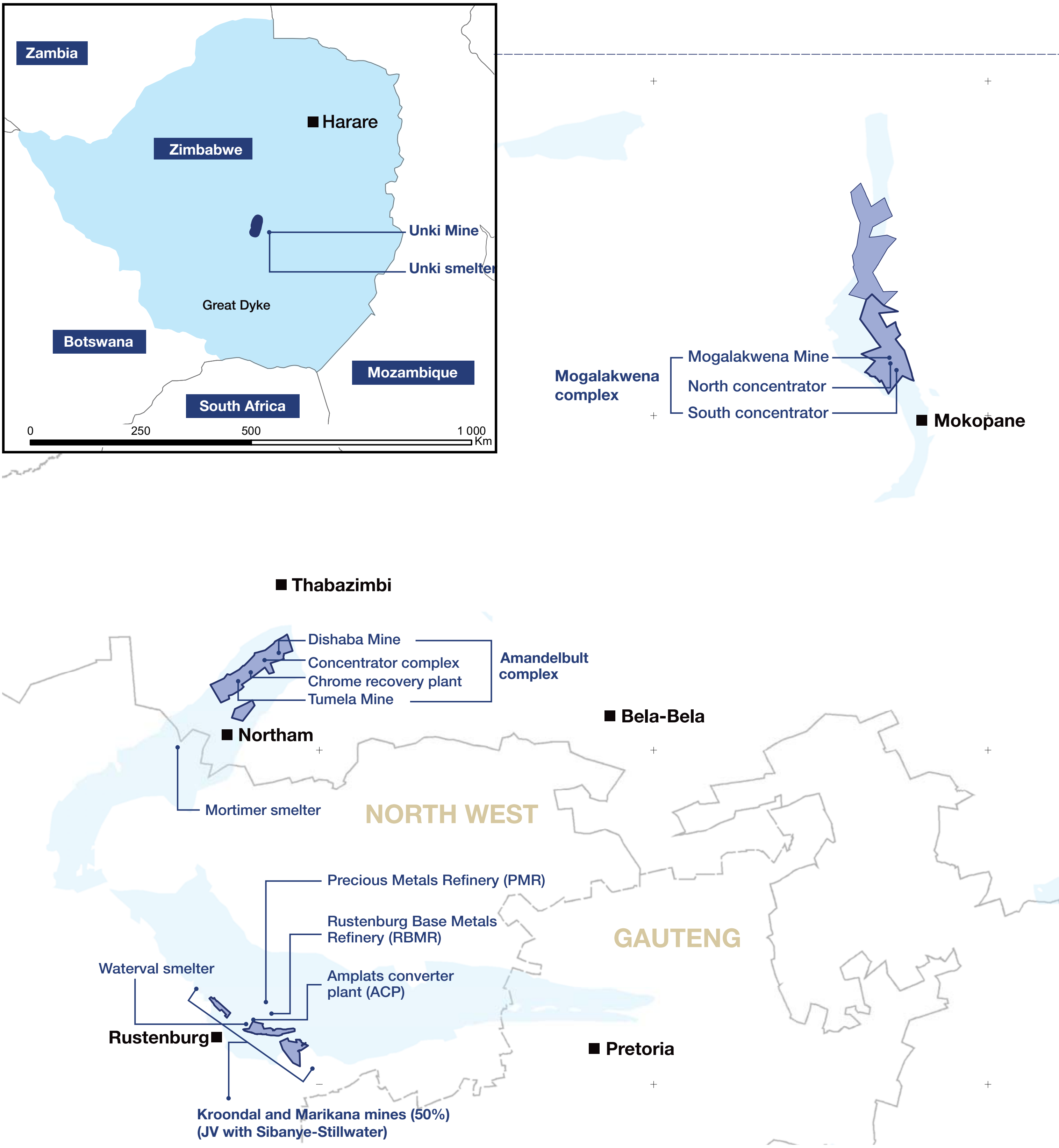
ISS ESG

TOP SCORE SOCIAL AND ENVIRONMENT

2020 Bloomberg Gender-Equality Index

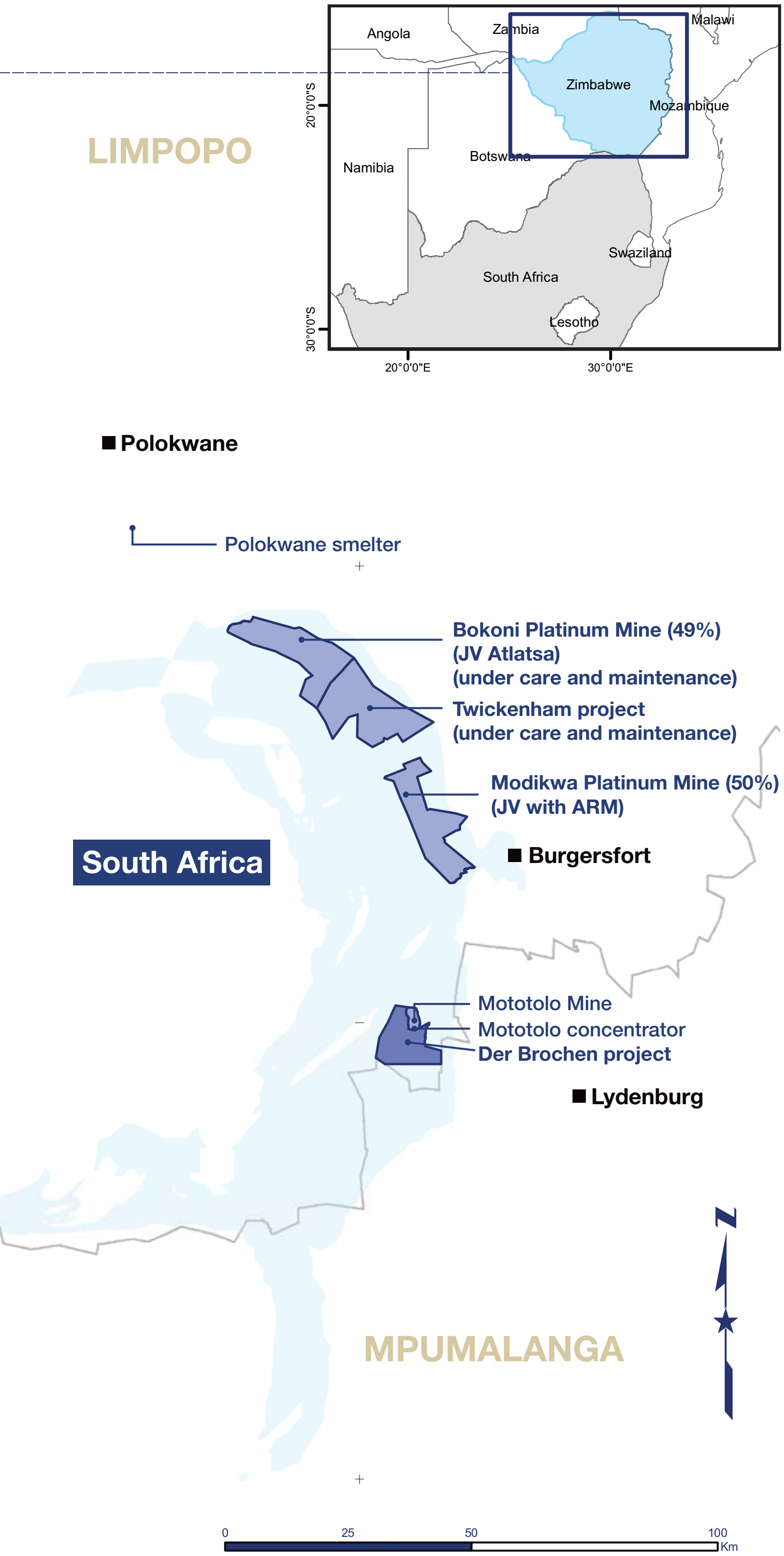
FIRST INCLUSION

OPERATIONAL FOOTPRINT



Amplats is listed on the JSE Limited and headquartered in Johannesburg, South Africa. Our majority shareholder is Anglo American plc (79.9%). We focus on extracting value from all the PGMs and base metals we mine – metals that make modern life possible in safe, smart and responsible ways.

We have a portfolio of low-capex, high-return and fast-payback investment opportunities that enhance value. Attractive growth options are available to expand margins, cash flows and returns.



We own and operate three mining complexes in South Africa's Bushveld complex: Mogalakwena, Amandelbult and Mototolo. We also operate Unki Mine on the Great Dyke in Zimbabwe. We have interests in two joint ventures (JVs):

- Modikwa Platinum Mine (50%), with African Rainbow Minerals Mining Consortium Limited
- A pooling-and-sharing agreement with Sibanye-Stillwater, covering the shallow reserves of the Kroondal and Marikana mines (latter on care and maintenance).

Our smelting and refining operations treat concentrates from our owned operations, and from our JVs and third parties.

Recent corporate action: We acquired the Kwanda North and Central Block prospecting rights in the Northern Limb, which have been incorporated into the Mogalakwena mining right.

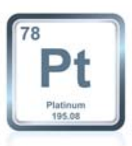
For more detail on our operations, mineral resources and reserves see our full ore reserves and mineral resources report.

OUR MARKETS

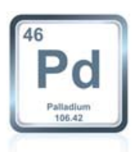
Long-term supply and demand fundamentals for PGMs remain attractive. Rising demand from some existing applications and new demand from those being developed, as well as measures to develop the PGM market, will support sustainable demand and, in time, foster growth.

SUPPLY AND DEMAND IN 2019

	Platinum		Palladium		Rhodium	
Supply (000 oz)	**2019**	2018	**2019**	2018	**2019**	2018
South Africa	**4,411**	4,467	**2,648**	2,543	**621**	618
Zimbabwe	**667**	687	**378**	2,976	**39**	69
Russia	**323**	330	**2,802**	959	**59**	22
North America	**480**	474	**943**	393	**22**	43
Other	**139**	152	**123**	135	**5**	5
Total primary supply	**6,020**	**6,110**	**6,894**	**7,006**	**746**	**757**
Autocatalyst recycling	**1,513**	1,340	**2,932**	2,634	**372**	335
Jewellery recycling	**708**	720	**13**	12		
Secondary supply	**2,221**	**2,060**	**2,945**	**2,646**		
Gross supply	**8,241**	**8,170**	**9,839**	**9,652**	**1,018**	**1,092**
Demand						
Autocatalyst: gross	**2,913**	2,967	**9,677**	8,782	**1,003**	877
Jewellery: gross	**2,082**	2,261	**140**	148		
Industrial: net	**2,318**	2,455	**1,271**	1,373		
Investment	**1,056**	67	**(116)**	(574)		
Other					**141**	165
Gross demand	**8,369**	**7,750**	**10,972**	**9,729**	**1,144**	**1,042**
(Deficit)/surplus	**(128)**	420	**(1,133)**	(77)	**(26)**	50



PRIMARY SUPPLY **-1.5%** | DEMAND **8%**



PRIMARY SUPPLY **-1.6%** | DEMAND **13%**

PRIMARY SUPPLY **-1.4%** | DEMAND **9.8%**

PGM DEMAND FUNDAMENTALS

Platinum faced headwinds from weaker demand in the European light-duty diesel sector and a challenging environment for the Chinese jewellery sector, but strong investment demand pushed it into a deficit for the year and drove the price higher.

Palladium broke records throughout the year, peaking at USD2,000 in December (and reaching USD2,427 in January 2020), on strong automotive demand and constrained supply (eighth-year of fundamental deficit).

Stronger automotive demand also helped the **rhodium** price reach an 11-year high of USD6,150 in 2019 despite soft global car sales. In January 2020 it rose further.

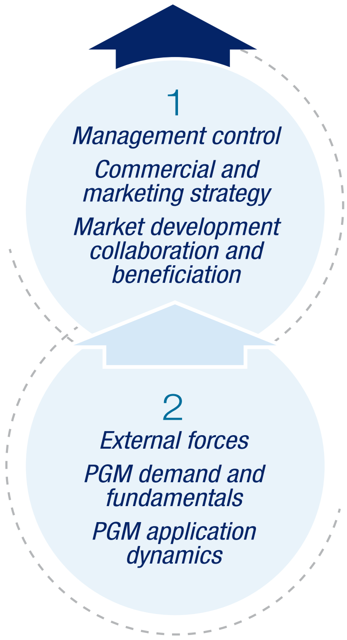
PGM SUPPLY FUNDAMENTALS

Lower global primary (mine) supply of **platinum** reflected further rationalisation of South African production.

Global mine supply of **palladium** decreased, offset by higher secondary supplies and material recycling in the autocatalyst sector.

Mine production of **rhodium** was virtually unchanged, although metal recovery from used catalytic converters rose 11.0%.

PGM PRICES AND CONTRIBUTION



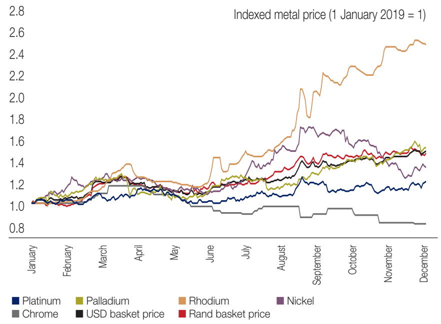
STRONGER BASKET PRICE, SUPPORTED BY PALLADIUM AND RHODIUM

USD PALLADIUM PRICE INCREASE
48%
achieved prices year-on-year

USD BASKET PRICE INCREASE
27% achieved prices year-on-year

RAND BASKET PRICE INCREASE
38%
achieved prices year-on-year

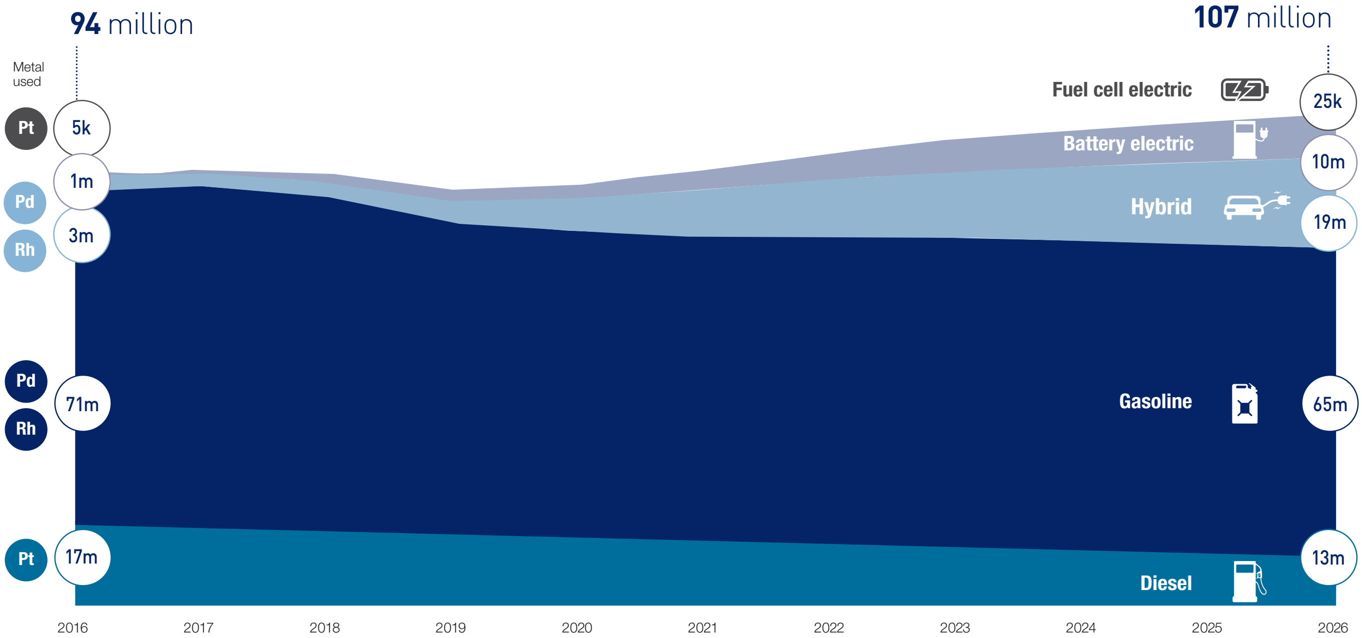
METAL PRICE MOVEMENT
(1 January 2019 to 31 December 2019)



PGM PRICES AND CONTRIBUTION

For the first time, palladium became the single-largest revenue generator for Amplats, accounting for 40% of sales in 2019. Platinum's contribution fell to 29%, while rhodium accounted for 18% of net sales revenue.

GLOBAL LIGHT VEHICLE PRODUCTION FORECASTS



Source: LMC Automotive

The average platinum market price decreased by 1.8% to USD864 per ounce with the achieved dollar basket price increasing by 27% to USD2,819 (2018: USD2,219). The South African rand average rate on achieved sales was up 9% at R14.5/USD in 2019 leading to an increase of 38% in the achieved rand basket price of R40,862 per ounce (2018: R29,601). The average palladium market price increased by 49.5% to USD1,539 per ounce (2018: USD1,029 per ounce). The average rhodium market price increased to USD3,914 per ounce (2018: USD2,221 per ounce).

PGM MARKET DYNAMICS

Autocatalyst

Global light vehicle sales contracted by 4.4% in 2019 to 90.3 million units. China was the biggest driver, with the automotive sector weakening as the economy slowed. Globally, tighter emissions legislation and increasing average vehicle size meant that overall demand for PGMs climbed.

Vehicles containing PGMs will continue to dominate light-duty vehicle sales over at least the next decade.

Jewellery

Gross global jewellery demand for platinum declined 8% in 2019, driven by a 15% drop in China. The jewellery sector in China is changing its approach to focus on margins, with early positive signs, but the decline is likely to continue at least into 2020.

Demand in the Indian jewellery sector again climbed strongly in 2019, supported by marketing campaigns.

Industrial

Platinum demand from industrial applications, net of recycling, contracted by 5.6% in 2019 on lower demand from the glass and petroleum refining sectors after significant capacity expansion. Industrial demand for palladium contracted 7.4% in 2019 following strong demand in 2017 and 2018 when the chemical sector purchased more metal to support additional capacity.

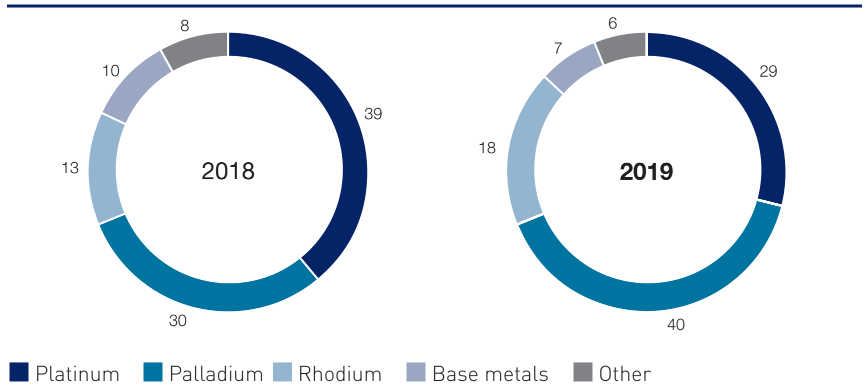
Investment

Net investment demand for platinum increased substantially in 2019, reflecting its attractiveness as a long-term holding and initiatives by the World Platinum Investment Council. Palladium investment demand was again negative in 2019.

OUTLOOK

The fundamental outlook for PGMs is supported by a strong pipeline of demand over the short and longer term.

REVENUE PER METAL
(%)



OUR MARKETS CONTINUED

MARKET DEVELOPMENT

Growing the market for PGMs remains a strategic priority for Amplats. Our approach also continues to evolve as we find new ways and new partners to grow demand for each of our metals. Today we have a broad range of programmes under way that support both near- and long-term demand creation.

Case study:

BREAKING GROUND WITH A FUEL-CELL HAUL TRUCK

Anglo American has announced its intentions to develop a fuel cell solution for heavy-duty haul trucks. This will provide sustainable economic returns while creating next-generation mining vehicles as part of our FutureSmart Mining technology and innovation initiative.

The project entails oversizing the solar photovoltaic (PV) capacity planned for Amplats' Mogalakwena site, then using the additional energy to produce the hydrogen needed to power this vehicle. The truck will be trialled in 2020 and this approach will go a long way to decarbonising our operations.

In addition to providing energy security in the long term, this project could be transformational for the hydrogen industry. By contributing to green hydrogen production at the scale needed to power these considerable vehicle fleets, it could bring down the cost of green hydrogen and make it a more affordable alternative energy source.

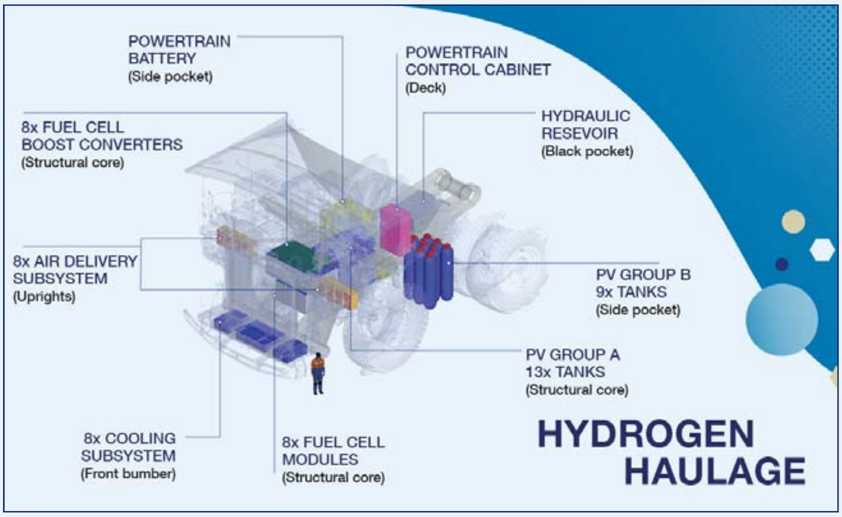
Current estimates are for an overall carbon reduction of 30% to 50% for the processing facility and 100% in the truck.

800kW
of fuel cell power and a total solar power generation of 360MW

The project also has potential to benefit surrounding communities through:

- Noise reduction
- Local air quality improvement
- Employment for security and basic maintenance tasks
- Ability to connect local communities to the grid.

Developing these next-generation mining vehicles is just one of the steps Anglo American and Amplats are taking to advance the hydrogen economy and clean mobility.



JEWELLERY

Jewellery market development is done through Platinum Guild International (PGI) which is funded by the industry. In India, PGI India is exclusively funded by Amplats. A summary of our activities, by major jewellery market, appears below.

China

The coming years will remain critical for platinum jewellery development in China. The market is structurally changing as consumer preferences evolve, specifically as the purchasing power of women and millennials grow. These consumers prefer branded jewellery collections over the generic designs prevalent in China. PGI has developed marketing programmes like 'Platinum Moment' and 'the Authentic me' to both safeguard platinum's strong equity in bridal jewellery and target love-gifting occasions, a large segment for future growth – especially in China's fast-growing lower-tier cities. In 2019, PGI partnered with Hong Kong retailer, Lukfook Jewellery, and launched the mother-child 'Baby Darling' collection. PGI also partnered with the world's largest jewellery retailer, Chow Tai Fook, and launched 'The Angel of Peace' to celebrate the retailer's 90th anniversary. The collection has over 20 different designs, available exclusively in platinum, and combines the world's rarest precious metal with eye-catching enamel in the brand's distinctive red.

In October 2019, PGI opened its first showroom in Shenzhen, China, to showcase leading design trends. The state-of-the-art showroom is part of the comprehensive strategy in China to accelerate the manufacture and distribution of new-generation platinum jewellery designs.

PGI INDIA HAS LAUNCHED BRANDED PLATINUM JEWELLERY FOR MEN, WHICH HAS BECOME A PROMISING CATEGORY IN THE WORLD'S FASTEST-GROWING PLATINUM JEWELLERY MARKET.

Men of Platinum advertising campaign

India

After successfully introducing platinum jewellery to the Indian market, PGI India continues to drive the high-margin opportunity that platinum presents by encouraging retailers to upsell in the gold section. Existing programmes, such as Platinum Day of Love and Evara-branded franchises, continue to perform. Retail sales by PGI's strategic partners again grew in 2019. In the review period, PGI also successfully launched its fourth edition of 'the Platinum season of Love' and announced its entry to men's jewellery with the launch of 'Men of Platinum'.

Japan

This is the most mature platinum jewellery market in the world, with the highest per-capita consumption and share of market. In 2019, PGI launched a new design brand 'Hello me, Platinum' which showcases the beauty of platinum for sophisticated women with discerning taste who enjoy finding pieces that truly fit their style.

Platinum retains its cachet as a premium metal and Japanese consumers' preferred precious metal for fine jewellery.

USA

Platinum sales continue to rise on the back of a strong economy and historically low platinum prices in the US. Platinum has a unique opportunity to leverage diamond jewellery sales as recognition of this metal as the most secure setting for a diamond grows.

PGI's Platinum Crown initiative has boosted sales of platinum prongs by over 10% among participating partners. In 2019, PGI USA also introduced the Platinum Born fashion jewellery brand to the US market.

De Beers successfully launched a Platinum-only bridal line in spring 2019.

OUR MARKETS CONTINUED

INVESTMENT DEMAND

Investment demand-creation activities are undertaken by the industry-funded World Platinum Investment Council (WPIC). In 2019, the WPIC continued to make progress, ending the year with an enlarged distribution of insights to more investors globally, and 15 active, ounce-producing product partnership projects across North America, Europe, China and Japan. Less positive was the withdrawal of Sibanye-Stillwater as a member and funder of WPIC towards the end of the year.

Highlights of 2019 include:

- Together with Amplats, WPIC hosted and participated in a hydrogen and fuel cell summit in Shanghai, highlighting the link between the long-term value of platinum and the hydrogen economy.
- WPIC successfully positioned itself as an important provider of platinum market information in China, attracting key media partners (Wall Street CN, Gold Topnews and Puoke Financial) to disseminate platinum market research and investment content for Chinese investors.
- WPIC trained over 3,000 managers of Bank of China and Agricultural Bank of China to promote platinum investment products to their customer base in 2020.
- An educational series developed by WPIC and hosted by the Chicago Mercantile Exchange (CME) was launched to help make the investment case for platinum.

INDUSTRIAL AND OTHER MARKET-DEVELOPMENT INITIATIVES

Beyond the jewellery and investment sectors, Amplats continues to innovate in finding new ways and opportunities to grow demand for our metals. Our activities include investing in primary research and development; investing in early-stage companies commercialising PGM technologies; and working towards a favourable policy environment for these technologies.

Over USD230 million

was committed by various partners to Amplats spin-out, AP Ventures

Following the successful launch of AP Ventures in 2018, several new strategic partners invested in 2019. These investments, from major global organisations, further validates our market-development approach, and positions AP Ventures as the premier hydrogen and fuel cell-focused venture capital fund globally. Importantly, it highlights our ability to drive third-party capital towards PGM-centric technologies.

Our global advocacy activities continue to make an impact in creating conducive policy environments for hydrogen and fuel cell technologies in the major early-adopter markets of China, the European Union, United Kingdom and United States. This work involves actively participating in several industry associations including the global Hydrogen Council and Chinese International Fuel Cell and Hydrogen Association, with Amplats being a founding member of both bodies. Amplats is also a member of Brussels-based Hydrogen Europe, London-based UK Hydrogen and Fuel Cell Association, Washington DC-based Fuel Cell and Hydrogen Energy Association, and California-based California Fuel Cell Partnership. Each organisation provides a platform to engage relevant industry and government partners.

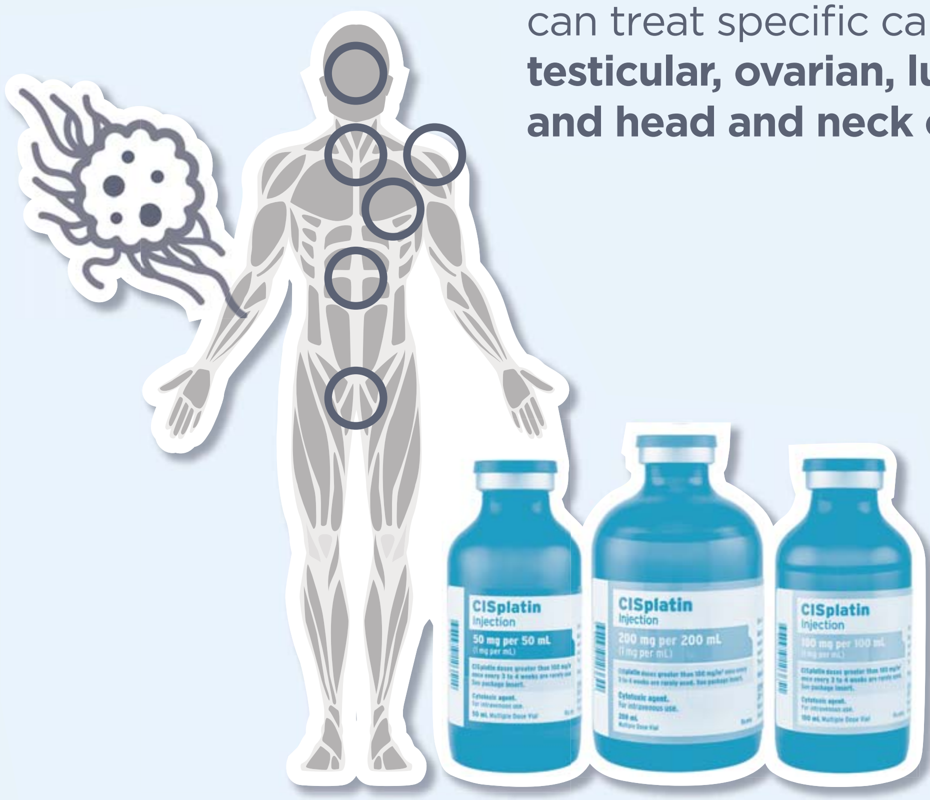
Highlights in 2019 from our advocacy work include co-organising the fuel cell vehicle congress and roadshow in Rugao, China. The congress attracted thousands of participants over three days while the roadshow enabled engagement with millions of viewers via the WeChat platform and television broadcasting.

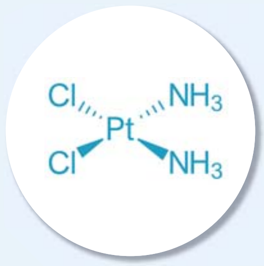
In the review period, several other exciting initiatives were launched, including:

- Sponsoring the UK University of Warwick's research into anti-cancer therapies, with the university recently announcing that it has discovered a compound, named Organo-Osmium FY26. This new organo-metal compound enables cancer cells to be seen through nano-imaging, and targeted and killed from the inside with Organo-Osmium FY26 attacking the weakest parts of the cells. It is the first time that an osmium-based compound – which is 50 times more active than cisplatin – has been seen to target the disease in this way.
- The launch of Lion Battery Technologies Inc (Lion) in conjunction with Platinum Group Metals Ltd to accelerate the development of next-generation battery technology using platinum and palladium. Lion has concluded an agreement with Florida International University to further advance a research programme that uses platinum and palladium to unlock the potential of lithium air and lithium sulfur battery chemistries to increase their discharge capacities and cyclability.
- The lack of innovation on Pt jewellery alloys remains an inhibitor to accelerated adoption of the metal by jewellery manufacturers globally. At end-2019, we concluded an agreement with OxMet Technologies, an Oxford University spin-out. Together, OxMet and Anglo American will build a PGM alloy computational and experimental engine and develop, as a start, new Pt alloys for the jewellery sector.
- Importantly, where possible, the company aims to integrate demand stimulation with developing skills and building capacity in South Africa. In 2019, we held the 20th annual PlatAfrica Jewellery Design and Manufacturing Awards in partnership with PGI India and Metal Concentrators. This reflects our strategy to actively grow the market for platinum jewellery in South Africa and our successful partnership with Metal Concentrators. Metal Concentrators also manages our metal financing scheme that provides platinum to local jewellery manufacturers on favourable financial terms.

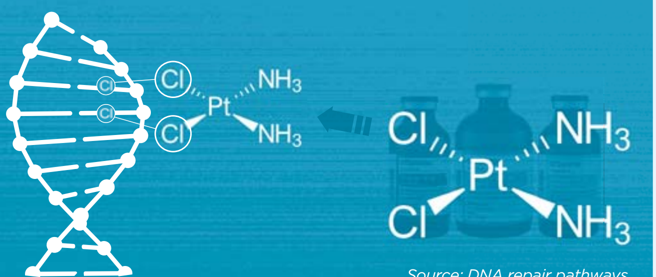
Case study:

Platinum compounds such as **cisplatin** damage cancer cells and can treat specific cancers, including **testicular, ovarian, lung, bladder, and head and neck cancers.**





Cisplatin compounds produce changes in DNA structure, which causes cancer cell death (apoptosis).



Source: DNA repair pathways and cisplatin resistance: an intimate relationship healthengine.com.au

Source: WPIC, Visual Capitalist

ADDING VALUE TO SOUTH AFRICA'S ECONOMY

A FIVE-YEAR VIEW

VALUE REINVESTED

R32.8bn

Reinvested in Amplats to remain sustainable by modernising and mechanising as well as developing our projects.

SALES REVENUE

R361.6bn

Sales of all products after deducting operating costs and other expenditure.

TAX TO GOVERNMENT

R24.0bn

Direct and indirect tax, including royalties, paid to SA government.

DIVIDENDS TO SHAREHOLDERS

R18.2bn

Shareholders use dividends to create wealth and invest in other businesses.

COMMUNITY DEVELOPMENT PRODUCTS

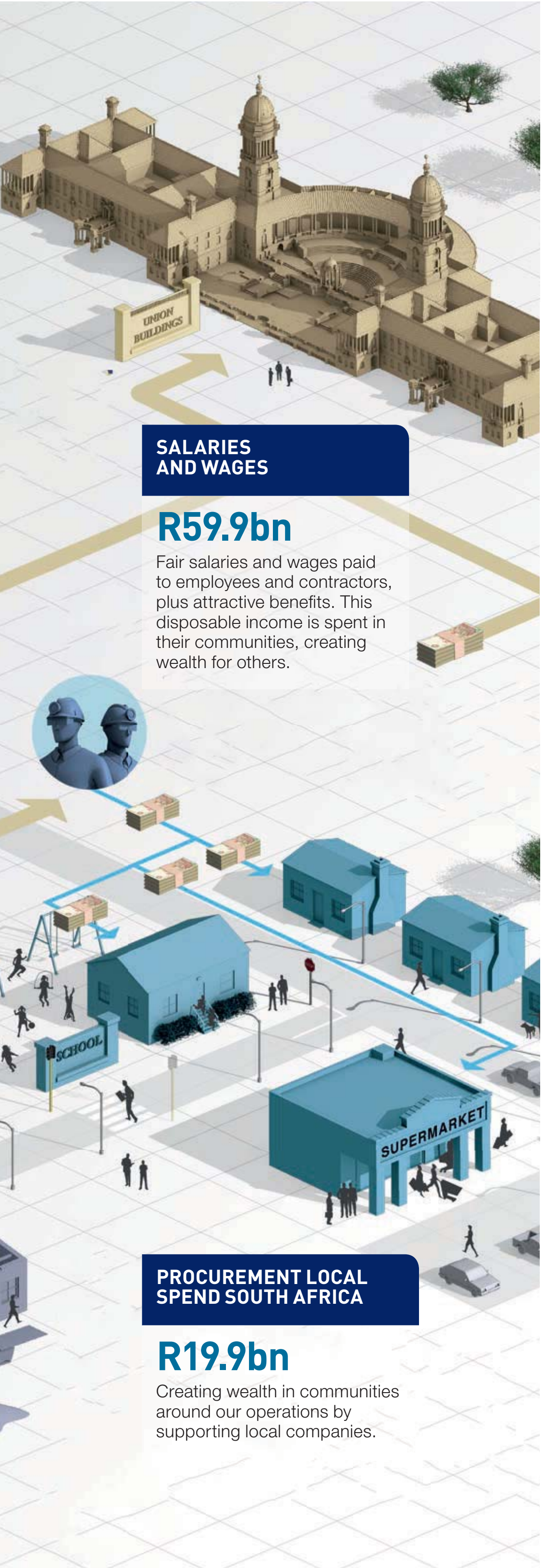
R2.6bn

We invest in healthcare, education, skills training and infrastructure development to uplift our communities.

PROCUREMENT SOUTH AFRICA

R116.2bn

Amplats needs a range of goods, services, materials and utilities to operate. 17.14% of these are procured in South Africa.



SALARIES AND WAGES

R59.9bn

Fair salaries and wages paid to employees and contractors, plus attractive benefits. This disposable income is spent in their communities, creating wealth for others.

PROCUREMENT LOCAL SPEND SOUTH AFRICA

R19.9bn

Creating wealth in communities around our operations by supporting local companies.

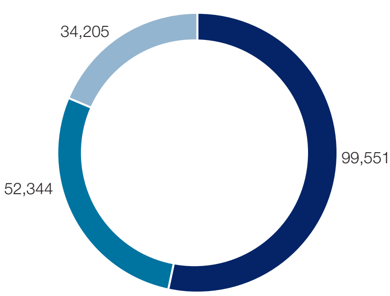
	2019 R million	%	2018 Revised R million
Value created	**99,551**		74,582
Net sales revenue (after operating costs)	**99,551**	33	74,582
Value added by operations	**52,344**	82	28,788
Value distributed	**52,128**	73	30,100
Salaries, wages and other benefits	**10,900**	12	9,732
Skills development	**107**	3	104
Percentage of total payroll (%)	**1%**		1%
Taxation	**7,681**	58	4,876
Providers of capital	**520**	(44)	922
Minority shareholders as dividends	**111**	(44)	198
Dividends declared to shareholders**	**14,185**	368	3,034
Total social investment*	**619**	2	609
Development programme***	**–**	100	35
Environmental investment	**82**	20	68
Waste disposal, emissions treatment and remediation	**24**	23	20
Pollution and environmental management	**58**	20	49
Total value distributed	**34,205**	75	19,578
Reinvested in the group	**17,923**	70	10,522
Losses from investments net of interest received	**216**	(116)	(1,312)
	52,344	82	28,788

* *Total social investment includes social and labour plans and corporate social investment expenditure of R285 million, payments into community trusts of R27 million and operations community expenses of R80 million and the dividends to communities of R227 million. Also including Unki CSI.*

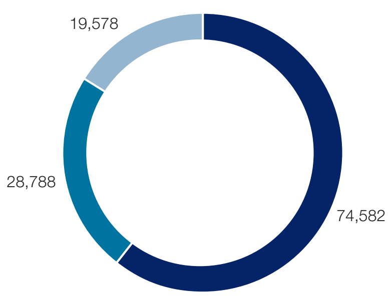
**	*Interim*	***2,967***	*1,009*
**	*Final*	***11,219***	*2,025*

*** *2019 development programme included in total social investment.*

ADDING VALUE – 2019
(Rm)



ADDING VALUE – 2018
(Rm)



Value created
Value added by operations
Total value distributed

HOW WE CREATE VALUE

Our value-creation process

Through our pillars of value – financial, safety and health, environment, socio-political, people, production and cost – we deliver significant value from our large PGM resource base.

Key factors affecting our ability to deliver shared value

WITHIN OUR CONTROL
- High-quality reserve and resource base
- Industry leading smelting and refining operations
- Stakeholder relationships and collaboration
- Product quality and mix
- Sales contracts and customer relations
- Operational efficiency and improvements
- Cost control and capital allocation

BEYOND OUR CONTROL
- Exchange rate volatility
- Commodity prices
- Macro-economic impacts and political influences
- Mining charter and other regulations
- Geological faults

Capital inputs

Financial
- Available debt facilities of R20.5 billion
- Committed undrawn facilities of R20.2 billion
- Working capital of R3.1 billion

Manufactured
- Mineral reserves
- Mining rights
- Capital investment in personal protective equipment (PPE)
- Technology advancements
- Processing assets – 7 concentrators, 4 smelting complexes, 1 base metal refinery, 1 precious metal refinery
- Head office and regional offices

Intellectual
- Intellectual property applied to new mining equipment
- Intellectual property and technological advantages in processing
- Elimination-of-fatalities taskforce to create safer work environments
- Company culture
- Brand and reputation

Human
- Workforce of 25,268 employees
- Diversity and inclusive policy
- Strong leadership team
- Reskilling the workforce for the modern mining environment
- Culture of care and respect
- Diverse and skilled board

Social and relationship
- Respecting human rights of all stakeholders
- Maintaining social licence to operate
- Extensive engagement with trade unions to ensure good labour relations
- Constructive engagement with government and regulators
- Collaborative partnerships
- Increased engagement with communities to build relations
- Engaging with mining industry through Minerals Council

Natural
- Largest precious metal resource base in the world
- Water
- Energy
- Biodiversity
- Clean air

For more on our value chain see page 18

By reinvesting the value (inherent and generated) from our pillars into the financial capital on which our business depends, we maintain our capacity to create sustainable value for all stakeholder.

Key enablers that help us drive value creation

- Achieving safe production by creating a resilient safety culture
- A healthy and productive workforce by effectively managing hygiene risk exposures
- Effective management of resources, with reduced impact on the environment
- Progress leadership, culture and skills development towards an engaged collaborative and team-based workforce
- Socio-economic development that will create economically diverse and sustainable communities, and achieve our goal of being a trusted corporate citizen via our FutureSmart sustainable mining plan (page 95)
- Achieving best practice, modernisation and innovation across our value chain – develop and deliver a pathway to exceed industry best-in-class process and equipment performance.

Read more on our value chain on page 18

Governing the value-creation process through a board that:

- Steers and sets strategic direction
- Approves planning, policy and budget
- Oversees and monitors
- Commits to ethical leadership and behaviour
- Ensures accountability
- Ensures appropriate remuneration for performance

Strategic priorities

- Extracting the full potential from our operations through our people and innovation
- Investing in our core portfolio that delivers industry-leading cash flows and returns
- Facilitating development of the market for platinum group metals to increase demand

Our capital outputs and outcomes

Financial

- R99.6 billion in revenue
- R16.9 billion in operating free cash flow
- R18.6 billion in headline earnings
- R14.2 billion declared in dividends

Manufactured

- Modernisation and mechanisation of Amandelbult – R514 million invested in new mining technology

Intellectual

- Investment in mining technology
- FutureSmart Mining technology expenditure
- Project studies for Mogalakwena expansion

Human

- R10.9 billion paid in salaries
- R24,754 per FTE spent on development/education
- 7% increase in women employees

Social and relationship

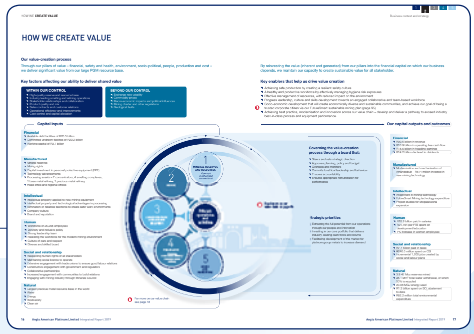
- R7.7 billion paid in taxes
- R240.5 million spent on CSI
- Incremental 1,200 jobs created by social and labour plans

Natural

- 3.9 4E Moz reserves mined
- 25.1 Mm^3 total water withdrawal, of which 50% is recycled
- 20.08 MGJ energy used
- R1.3 billion spent on SO_2 abatement to date
- R82.2 million total environmental expenditure

OUR VALUE CHAIN

Amplats’ operations are vertically integrated – each activity/process feeds into the next one until a final product is manufactured. Our value chain therefore spans the entire mining process from exploration or discovery of mineral resources, to mining ore, processing it by concentrating, smelting and refining, and selling finished products as final metal to our global customers.



Mining takes place at six operations (four owned and two non-managed joint ventures or JVs) after which ore is delivered to six on-mine concentrator complexes where it is crushed and processed to separate metal-bearing concentrate and waste tailings.

The **concentrate** is then transported offsite to four smelter complexes and assayed (tested to determine its quality) to quantify the contained metals content. Concentrate is routed to different smelters based on many variables, eg base metal, chrome and sulphur content, available capacity of the smelters and transport arrangements. Each smelter therefore contains a mixture of feeds from different mines.

The **concentrate** is smelted to produce furnace matte which is transported and further treated in a single converter plant to produce slow-cooled **converter matte**. This unique process allows Amplats to separate the converter matte into a **precious metals** (magnetic) and **base metals** (non-magnetic) fraction. The base metal fraction is processed in the base metal refinery to extract base metals (predominantly nickel, copper and cobalt) while the precious metals fraction is processed in parallel in the precious metals refinery to extract precious metals (PGMs).

Amplats also purchases concentrate from our JVs and third-party miners that do not have their own smelting and refining facilities. One third-party contract provides for some of the metals to be toll-refined and the resultant refined products are returned to this supplier.

The purchased/toll inputs are managed under long-term agreements. All concentrate received is evaluated using agreed best-practice methodologies to quantify the contained metal contents.

Precious metals are refined into three forms: ingot, sponge or grain to industry-leading specifications. **Base metals** are produced as cathode (nickel and copper) or salt (cobalt).

MANAGING OUR TRADE-OFFS FOR LONG-TERM VALUE

To achieve our purpose, our underlying business model focuses on effectively converting one capital stock (ore reserves and mineral resources in the ground) into value across all six capitals.

For over seven decades, Amplats has invested its financial and human resources into mining metals and minerals, to convert these into global products that create value for our owners, employees, local communities, customers, suppliers and host governments, while minimising our impact on the environment.

The challenge is to understand how the continued availability, quality and affordability of significant capitals affect our ability to achieve our strategic objectives and continue creating value. In other words, we need to balance short-term loss for long-term gain. Managing this process to enhance value inevitably involves trade-offs – how and when value is shared between different stakeholders, and how that value is created, transformed or depleted across the capitals. Below, we summarise trade-offs across the capitals, and detail the key trade-off in FY19.

Capital*	Pillar of value	Trade-off	Capital depleted ▼ Capital increased ▲
Financial	FINANCIAL RETURNS	Our future depends on modern, mechanised mines and efficient smelting and refining processes. We therefore need to invest in technology to improve operational efficiencies and reskill people. In FY19, capital expenditure of R6.0 billion was allocated to maintaining assets and growth projects, while our various training and development programmes focuses on reskilling our people. Our biggest challenge is the shortage of technical and specialist skills, although currency depreciation also has cost implications.	Financial ▼
	COST		Manufactured ▲
Manufactured	PRODUCTION		People ▲
Human	PEOPLE	Our intense focus on eliminating fatal risks has ensured our managed operations have been fatality-free since 18 October 2018. We have intensified the proactive management of tuberculosis (TB) and roll-out of isoniazia prophylaxis. The combined HIV and TB initiatives contributed to the TB incidence declining from 1,020 per 100,000 people in 2014 to 328 in 2019, significantly below the South African national average of 567. Our greatest challenge in both safety and health is human behaviour: we are using our intellectual capital to develop innovative solutions that encourage people to change their behaviour.	Intellectual ▲ Manufactured ▲
	SAFETY AND HEALTH		Financial ▼ People ▲ Manufactured ▲
Social and relationship	SOCIO-POLITICAL	As sentiment on mining has turned sharply negative in recent years, we need to restore trust, based on a common understanding of our challenges and purposes. We invested R251 million in legislated and voluntary initiatives that benefit our communities. We also supported the economies of South Africa and Zimbabwe by paying taxes of R67,7 billion.	Financial ▼ Social and relationship ▲
Natural	ENVIRONMENTAL	Amplats is a mining group, and our activities significantly affect the natural environment. In addition to rehabilitating 27 hectares of land we provide water to 70,000 affected community members around Mogalakwena. We also invested R800 million in 2019 in reducing our emissions via SO_2 abatement.	Natural (short term) ▼, (long term) ▲ Financial ▼ Social and relationship ▲
Intellectual	ALL PILLARS	Our intellectual capital is applied to almost all our initiatives. Our challenge is to maintain the level of expertise that underpins our competitive advantage. In FY19, we invested R24,754 million per FTE on training and development in attracting and retaining talent.	Financial ▼ People ▲ Intellectual ▲

* *Stocks of value on which we depend for our success as inputs to our business model, and which are increased, decreased or transformed through our activities and outputs (IIRC definition).*

OUR STRATEGY

OUR PURPOSE – RE-IMAGINING MINING TO IMPROVE PEOPLE'S LIVES

By re-imagining mining, we unlock the potential of our precious metals and people to create a positive impact on people's lives and the environment.

With the portfolio successfully reshaped, we are now in pursuit of further opportunities to extract value from our core portfolio. Through our people and innovation our strategy seeks to extract the full potential from our operations identified from P101 and FutureSmart™ initiatives.

Our strategic priorities

SHORT TERM (1 to 2 years) | **MEDIUM TERM (3 to 5 years)** | **LONG TERM**

1 EXTRACTING THE FULL POTENTIAL FROM OUR OPERATIONS THROUGH OUR PEOPLE AND INNOVATION

- Improve asset reliability
- Drive mining excellence and modernisation
- Enhance concentrator performance
- Pursue process excellence
- FutureSmart technology and innovation
- Digitalisation
- Implement sustainable mining plan, centred around three pillars:
  - *Trusted corporate leader*
  - *Thriving communities*
  - *Healthy environment*

2 INVESTING IN OUR CORE PORTFOLIO THAT DELIVERS INDUSTRY-LEADING CASH FLOWS AND RETURNS

- Implement fast-payback low-capex projects
- Progress growth options studies – Mogalakwena and Der Brochen

See page 60

3 FACILITATING DEVELOPMENT OF THE MARKET FOR PLATINUM GROUP METALS TO INCREASE DEMAND

- Stimulate investment demand through WPIC
- Increase jewellery demand through PGI
- Stimulate industrial demand by investing in R&D and AP Ventures
- Drive global advocacy efforts towards a greener economy

ZERO HARM
Safety, health and environment

Organisational culture anchored on significant leadership style and values orientation

Achieving best practice, modernisation and innovation across value chain

Building leading community and stakeholder relationships to make a lasting contribution

... delivered in a safe, value-driven and socially responsible way

By investing across our portfolio of assets there is meaningful opportunity to add value by progressing low capex, fast payback projects and selectively growing.

Facilitating the growing of the market for PG Ms is a long-standing strategic priority. Our market development is undertaken globally through a mix of efforts in existing or near-term demand segments, such as jewellery; investment; and targeted market development in longer-term growth areas, such as fuel cells, hydrogen and clean energy. Global policy advocacy and South African beneficiation objectives form part of broader market development activities.

Progressing on strategic priorities

1 OPERATIONAL EFFICIENCY – BENCHMARK AND BEYOND

Double benching at Mogalakwena

Reducing waste tonnes mined and gaining a larger ore footprint

Rope shovel efficiencies

Reduce cost through higher use of equipment

Modernisation at Amandelbult

Productivity and cost improvements

FUTURESMART MINING™ TECHNOLOGY

Bulk-ore sorter trial under way

Trialling technology to increase grade to concentrator plant

Coarse particle rejection – Q1 2021

Unlocks downstream concentrator capacity, reduces energy requirements

Extra-low profile equipment at Tumela 15E

Mechanised section for safer, more efficient production of steeper, narrow orebody

2 HIGH-RETURN, HIGH-MARGIN, FAST-PAYBACK PROJECTS 2021-2022

Project		NPV	IRR
Modikwa chrome recovery plant	approved	R0.2bn	>50%
RBMR copper debottlenecking	approved	R0.7bn	>35%
Unki debottlenecking	approved	R1.3bn	>35%
Amandelbult modernisation	approved	R0.7bn	>60%
Tumela 15E	approved	R1.1bn	>20%

PROJECT STUDIES ON VALUE-ACCRETIVE GROWTH OPTIONS

Mogalakwena expansion

Options being studied:
- Construct 3rd concentrator with breakthrough technology
- Upgrade and debottleneck existing concentrators
- Examining underground mining options

Feasibility study on track for 2021

Der Brochen/Mototolo replacement and growth

- Feasibility study on replacement of Mototolo
- Need to establish Der Brochen south shaft to replace Lebowa shaft
- Shaft infrastructure designed to allow expansion
- Der Brochen/Mototolo expansion project (prefeasibility B) breakthrough technology to increase throughput and improve grade to concentrator

Key performance indicators

COST
- Unit costs
- Capital expenditure

PRODUCTION
- Productivity

PEOPLE
- TRCFR
- Productivity

SOCIO-POLITICAL
- Environmental incidents
- Compliance to SO_2 emission permits

ENVIRONMENTAL
- Total energy used
- Energy intensity
- Water intensity

SAFETY AND HEALTH
- TRCFR
- Fatalities
- HIV management

FINANCIAL
- EBITDA
- Operating free cash flow
- Return on capital employed

See performance review, beginning with the chairman's letter on page 47, for progress and strategic plans to continue creating value

HOW WE ENHANCE VALUE – DELIVERING ON OUR STRATEGY

How we reward success

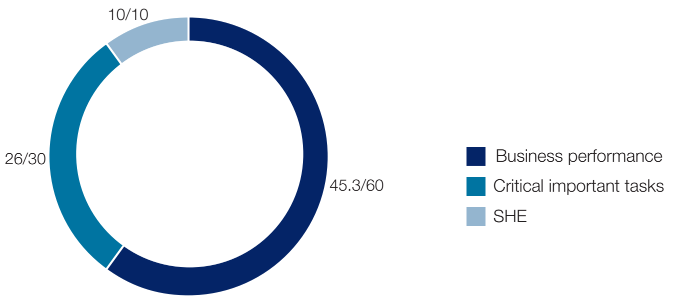
The key results areas shown below for the CEO and prescribed officers translate into measurable KPIs that determine the variable component in their remuneration (see remuneration report from page 147). Flowing from this reward structure, our most important KPIs are summarised below.

Pillar of value	KPI	Unit	2019 target	2019 actual	Achievement
SAFETY AND HEALTH	TRCFR	/million hours	3.45*	2.50	
	Fatalities	Number	0	0	
	HIV management (90:90)	%	90:90	97:91	
ENVIRONMENTAL	Zero level 4 and 5 incidents	Number	0	0	
	Energy intensity	GJ/tonnes milled	0.81	0.80	
	Total energy used	million gigajoules	20.5	20.1	
	Water intensity	m³/tonnes milled	1.17	1.00	
	Total water withdrawals	Megalitres	29.6	25.1	
	Compliance to SO_2 emission permits	%	100	100	
SOCIO-POLITICAL	Anglo social way	Score average 3.2	3.2	4.1	
PRODUCTION	PGM M&C production	koz	4,200 – 4,500	4,441	
	Refined PGM production	koz	4,600 – 4,900	4,650	
	Productivity PGM ounce per employee	PGM oz	106.0	110.5	
	Unit costs	R/Pt oz	21,000 – 22,000	22,294	
FINANCIAL RETURNS	EBITDA	R billion	31.6	30.0	
	Operating free cash flow	R billion	25.3	25.1	
	Return on capital employed (ROCE)	%	19.2	58.0	
	Capital expenditure (capex)	R billion	5.7 – 6.3	6.0	
	Cash flow return	%	18.1	49.8	

Fully achieved   Partially achieved   Not achieved   * Revised – including Mototolo complex

CEO PERFORMANCE OUTCOME

(%)



Case study:

AMPLATS' TAILINGS STORAGE FACILITIES ARE WORLD CLASS

In January 2019, a tailings dam belonging to Vale collapsed, spewing millions of tonnes of sludge that killed 257 people, with over 1,000 displaced and 13 still missing. In addition to the tragic loss of life, the financial and reputational repercussions were catastrophic for Vale, the world's biggest producer of iron ore, and moved the global spotlight firmly on to standards for similar structures across the mining industry.

In the wake of this disaster, the Church of England Pensions Board and Swedish Council on Ethics for the AP Funds (representing 96 institutional investors) made a public call to over 680 extractive companies. They wanted to establish an independent and publicly accessible international standard for tailings dams based on the consequences of failure. In response to their request, a global review was co-convened by the International Council on Mining and Metals (ICMM), the Principles for Responsible Investment (PRI) and the United Nations Environment Programme (UNEP).

There is currently no consolidated global public register of TSFs, with an estimated 18,000 TSFs worldwide, of which some 3,500 are currently active. However, without a global register, the precise scale of the risks is not clear, nor is it clear which company has responsibility for which facilities.

By June 2019, Amplats had compiled and published details of its nine mineral residue facilities. We followed a comprehensive and rigorous process to collate the information and data requested, which included:

- Coordinating data table completion with the Anglo American technical and sustainability function to ensure complete, consistent and accurate information was publicly disclosed
- Input and review by the TSF engineers of record and competent persons
- Management and executive review and sign-off
- Engagement with key stakeholders such as the DMRE and local government officials
- Group legal and public affairs input, review and sign-off.

The resulting information confirmed that our managed TSFs are safe and subject to the highest global safety standards. We apply our parent Anglo American's mandatory standard for mineral residue facilities and water management structures, which was completely revised and updated in 2014 to exceed regulatory and other industry requirements in all host jurisdictions.

Amplats manages six active TSFs, five in the Limpopo province of South Africa and one in the Midlands province of Zimbabwe. We also manage three slag dumps, two in Limpopo and one in Zimbabwe. At our joint ventures, there are eight TSFs (two on care and maintenance) in the North West and Limpopo provinces of South Africa, and we have received assurances from their operators on the safety of these facilities.

All our managed tailings dams have been constructed using the upstream method, except the Blinkwater dam at Mogalakwena Mine in Limpopo, which uses a downstream method, and dam 1 at Unki Mine (Zimbabwe), which uses a hybrid downstream/upstream method. Upstream tailings dams are generally considered an appropriate design for facilities in dry and seismically stable regions with flat topography, including the locations of our TSFs in South Africa and Zimbabwe.

Anglo American's group technical standard, which applies to all TSFs managed by Amplats, sets minimum requirements for design criteria, monitoring, inspection and surveillance, and was peer-reviewed by international specialists. In line with that standard, all our managed TSFs have a competent person in charge as well as an external engineer of record, providing continuous technical management from initial design and construction to monitoring and support. A dedicated team of engineering specialists at our parent company provides strategic direction and technical assurance.

Following this mammoth exercise, the Amplats board and executive management are confident that all TSFs (both managed and non-Amplats managed) are safe to operate and that our managed TSFs conform to the highest global safety standards.

Details on each Amplats TSF and interactive database are available on www.angloamericanplatinum.com/sustainability/managing-tailings-safely. Anglo American's group technical standard and other materials on TSFs can be accessed at www.angloamericanplatinum.com/tsf.

Modikwa tailings

STAKEHOLDERS

Effectively engaging with stakeholders is a crucial element to business longevity and overall success. We are proving that transparent, two-way communication can create positive impacts for the company and strengthen relationships across the value chain.

Amplats engages continuously with stakeholders: host communities, communities in labour-sending areas, unions, employees, investors, the media, government, non-governmental organisations (NGOs), members of our supply chain and our joint venture (JV) partners.

We focus on the concerns and opinions of our stakeholders and responding appropriately to support both our social capital and licence to operate. Our approach is based on being transparent and responding timeously and professionally to their concerns.

In the materiality process, we engaged a number of key stakeholders to identify issues they consider important to our ability to create value. Interviews were held with key external stakeholders including: Coronation Fund Managers, Johnson Matthey, Corruption Watch, International Platinum Association, and Fauna and Flora International. These interviews provided in-depth feedback on our performance on sustainability issues and recommendations for improvement. In addition, Epiroc and Old Mutual Invest provided detailed written responses to the questionnaire used for telephonic interviews. Our annual materiality workshop with a multidisciplinary team of internal and external stakeholders gave them the opportunity to add material issues that were not identified through internal and external reviews. Internal stakeholders included representatives from several Amplats departments: strategy, marketing, investor relations, environmental management, human resources, corporate affairs, company secretary and representatives from the Mogalakwena social performance team. External stakeholders included representatives from two labour unions (NUM, UASA), WWF, University of Cape Town's department of chemical engineering (economic complexity of natural resource clusters) as well as the Anglo American social performance team.

Engaging with regional partners is an ongoing process in our social economic development programme in Limpopo (page 15 of ESG report). This initiative draws on partnerships with other mining companies, research organisations, philanthropic bodies, governmental agencies and local communities to effect much-needed socio-economic development in the province.

KEY ISSUES IN 2019

* Strong relationships Cordial relationships Weak relationships

Community

Quality of relationship*	Key issues	Response
	Demand for compensation for ploughing fields for Sekuruwe and Ga-Molekana communities	Settlement agreement signed and compensation paid to affected communities
	Legitimacy of individuals or groups that engage (or want to engage) with Amplats on behalf of mining communities	Amplats continues to engage with interested and affected parties, organised structures and individuals. Engaging with communities is critical as part of our social way and specific engagement plans are in place at all sites. In addition, we have field workers who engage with individual families to ensure that information is not only given to representatives in the structures. We are working with municipalities to develop structures that would be widely accepted by communities and drive development in line with agreed plans

* ◆ Strong relationships ◆ Cordial relationships ◆ Weak relationships

Community (continued)

Quality of relationship*	Key issues	Response
◆	Relocating the remaining 63 households in the old Motlhotlo village in the Mogalakwena mining right	Agreement was reached with 47 of these households. An amendment to the June 2012 agreement was signed in August 2018. In principle, agreements have also been reached with the remaining households. Of the 47 households that agreed to relocate to ext 14, 13 moved in December 2019. The remaining households are resisting relocation to their new, fully serviced houses on ext 14, in the hope that they will be employed by the mine and benefit from more community service contracts
◆	Invasion of Amplats' land in the Paardekraal and Seraleng areas around Rustenburg process operations, as well as in Mogalakwena mine lease areas	Amplats worked with the municipality and law-enforcement agencies to interdict and remove illegal occupants. We continue to work on a broad land strategy with all operations and have donated 204ha of land to the Rustenburg municipality
◆	Grave relocation at Mareesburg tailings facilities	Agreement reached with affected families; all compensated as per agreement. All graves successfully relocated with the support of the municipality and Department of Cooperative Governance and Traditional Affairs. Construction of phase one of the tailings facility was completed and more procurement and job opportunities given to local communities
◆	Employment and procurement opportunities demands around all operations	Continued engagement with affected parties and contractors to ensure local employment and procurement is prioritised and other jobs are created outside of mining to reduce dependency on the mine. Support to local suppliers through Anglo Zimele has increased, with more local business receiving business support, training and mentoring
◆	Inadequate municipal water supply to Mapela communities	The Hall Core Water Mapela project was initiated in 2018, to supply water to communities in Mapela. In 2019 water was supplied to over 80,000 community members in Mapela and created employment opportunities to young people around the Mapela villages

Government relations *(national and provincial)*

Quality of relationship*	Key issues	Response
◆	Premier Employment Growth Advisory Council (PEGAC)	The Limpopo premier has reappointed the Amplats CEO to co-chair the integrated infrastructure technical working group for PEGAC from 2019 to 2024. Our CEO will be co-chairing with the MEC of public works
	Amplats CEO's engagement with the Department of Mineral Resources and Energy (DMRE) on safety and security in the Far-eastern Limb	Positive response from minister Gwede Mantashe to Amplats CEO on the company's good record in employee safety and health. Ministerial assurance that government will support the platinum coin project. DMRE supported establishment of the joint operation centre to address crime
	Amplats CEO's engagement with minister of police on escalating violence and social unrest in the Eastern Limb region	Agreed to establish a ministerial working committee, including DMRE, Department of Justice and the so-called Hawks (directorate for priority crime investigation)

STAKEHOLDERS CONTINUED

* ◆ Strong relationships ◆ Cordial relationships ◆ Weak relationships

Government relations *(national and provincial)* (continued)

Quality of relationship*	Key issues	Response
◆ (Strong)	Disclosure on Amplats' tailings storage facilities	• Following the TSF disaster in Brazil in January 2019, we initiated a comprehensive review of our own facilities and disclosed the results on our website in June 2019. We also shared the link with all stakeholders • Three local municipalities showed their commitment by partnering with Amplats on community safety and designated members to serve on our response committees. This positioned Amplats as a trusted partner on safety matters among local municipalities • Provincial government departments welcomed our proactive engagement and disclosure on TSFs. This has helped build trust and relationships • The South African Human Rights Commission appreciated the proactive way in which we engaged with stakeholders, and commended our adherence to policies, processes and standards • While the traditional council appreciated greater awareness, it raised concerns on how the mine should collaborate with it on the TSF and emergency preparedness • There was interest in the economic benefits of the TSF and an eagerness to see the mine fast-tracking proposals on tailings • Many stakeholders were keen to be involved in response teams
◆ (Strong)	Land donation to Rustenburg local municipality and Rustenburg development trust	Some 242ha of land, valued at around R17 million, was transferred to the Rustenburg local municipality. Some 27 hectares of land, valued at over R9 million, will be transferred to the Rustenburg Alchemy Development Trust. We established this trust to ensure communities benefit from a shareholding in Amplats and receive dividends in addition to our corporate social investment contributions

Government relations *(municipal)*

Quality of relationship*	Key issues	Response
◆ (Strong)	Engaging with municipalities through the capacity development programme	Ongoing engagement with municipalities where we operate to ensure alignment, collaboration and resolution of issues that affect service delivery
	• Rustenburg – finalise donation of land in Bokamoso • Mogalakwena – finalise Motlhotlo resettlement action plan and township establishment where community will be resettled	Planning committee established to facilitate land donation The inter-organisational working group meets every two weeks to identify and resolve issues
	Polokwane – implement community development initiatives	Strong relationship with mayor established

* ◆ Strong relationships ◆ Cordial relationships ◆ Weak relationships

Investors

Quality of relationship*	Key issues	Response
◆	◥ Disciplined capital allocation ◥ Potential for Mogalakwena expansion ◥ Market supply and demand for platinum, palladium and rhodium	Communicating a disciplined capital-allocation framework Dividend reintroduced in FY17; policy increased to 40% payout ratio of headline earnings, totalling R5 billion declared in 2019 Improving total shareholder returns Explanation of how growth projects need to meet strict quantitative and qualitative criteria, and give updates on progress of project studies to expand Mogalakwena Consistent engagement with investors to ensure understanding of market fundamentals and outlook for demand for platinum, palladium and rhodium. Appropriate market development under way to establish demand for and alternate uses of PGMs

Employees

Quality of relationship*	Key issues	Response
◆	Employee relations steering committee: ◥ Outlining business strategy ◥ Key decisions by the company ◥ Policies and procedures ◥ Dispute-resolution processes ◥ Union-specific issues affecting relations ◥ Relationship building	Engagement structures include regional union leadership and operational unit partnership forums where key operational issues are discussed and employment disputes are handled by both management and organised labour

STAKEHOLDERS CONTINUED

* ◆ Strong relationships ◆ Cordial relationships ◆ Weak relationships

Employees *(internal communication)*

Quality of relationship*	Key issues	Response
◆	Community communication	Implemented situation-room network to understand the complexities of the host community landscape and proactively manage social risk Fully deployed multichannel/medium strategy for ongoing, two-way communication with host communities
	Employee communication	Supported our cultural transformation with targeted, planned communication Motivated employees by promoting a culture of reward and recognition Supported effective integration of Mototolo operation into Amplats Promoted employee volunteering through PlatinumForGood to positively impact community sentiment and develop mutual trust
	Issues management	Developed narrative and messaging for internal channels to proactively position our business realities (and moderate expectations) Leveraged the company's leading environmental performance for reputational value and brand building (internal and external) Ensured crisis readiness in support of operations
	Strategic communication	Activate our purpose and strategy at all levels of the company Support implementation of dedicated programme driving strategic goals
	Group initiatives	Support alignment, integration and implementation

Media

Quality of relationship*	Key issues	Response
◆	Community concerns at Mogalakwena	Amplats received complaints from communities around Mogalakwena, with a number of community members contacting journalists to air their concerns on a broader public platform. These concerns include insufficient local employment and procurement opportunities, grave relocations, land access and other matters related to previously resettled communities, and the environmental impact on water quality and dust levels. Amplats has made great progress with its community engagement initiatives, community spend, health and safety performance and environmental management in recent years, and we are committed to continuous improvement in line with our vision of re-imagining mining to improve people's lives. In 2019, the total social investment spend was R619 million, which included social and labour plan and corporate social investment spend in South Africa.

* ◆ Strong relationships ◆ Cordial relationships ◆ Weak relationships

Media (continued)

Quality of relationship*	Key issues	Response
◆	Water supply challenges at Twickenham Mine communities	eNCA's Checkpoint programme investigated the Sekhukhune district municipality's challenges with supplying water to villages in its area. A part of the investigation focused on the lack of water supply to villages adjacent to Twickenham Mine. While water supply falls under the jurisdiction of municipalities, Amplats is investigating options to replicate the successful Hall Core Water Mapela (HCWM) project in Twickenham's host communities. HCWM currently supplies drinking water to about 70,000 people in 42 villages around the Mogalakwena complex, with Amplats paying for the supply of 3.5 million litres of water per day. HCWM is a successful partnership between Hall Core, Mapela communities and Mogalakwena local municipality
	Water use licence conditions	Some media outlets covered a report by the Department of Water and Sanitation on mining companies' compliance with the conditions of their water use licences (WULs). The report, which was submitted to parliament, contained outdated information and we engaged with the department to ensure accurate information is at hand. Detailed responses were also provided to journalists to highlight numerous actions that are planned and/or under way to improve compliance levels at all our operations. In 2019, no confirmed fines or directives for non-compliance with environmental regulations, licences or permits were imposed by authorities on any of our managed operations in South Africa or Zimbabwe. Refer to the environment section on page 23 of the ESG report for further details
	Corruption Watch Royalties Research Report 2018, aimed at facilitating and improving transparency and accountability in the mining royalties system	We published a detailed report responding to references made to our mining operations, notably Bokoni Mine (our joint venture with Atlatsa Resources) and Twickenham Mine. The response, detailing our approach to community engagement, transparency and accountability, mining rights, land management (particularly in terms of royalties and leases), community benefits, aspects of environmental impact management and our response to Corruption Watch's recommendations, is available on our website

NGOs

Quality of relationship*	Key issues	Response
◆	Historically, unconstructive and often adversarial relationships with mining companies. More recently, we have worked closely with certain NGOs, resulting in collaboration and productive engagements	Amplats continues to pursue in-depth conversations with both national and international NGOs, recognising that they have an important and growing influence in the mining sector in South Africa and the world. They play a role in analysing and advocating for policy decisions, holding mining companies and government accountable and partnering with communities and other NGOs on the doorstep of many operational sites on a range of issues including environmental, economic, social, labour and sustainability reporting. Pursuing transparent and collaborative engagements, a number of formal and transparent responses were prepared to NGO queries and reports. In addition, numerous meetings were held with identified NGOs to discuss key issues, leveraging on specialist skills and competency. Honest and transparent dialogue with affected NGOs enabled greater collaboration and unity in delivering sustainable and meaningful socio-economic and environmental performance

STAKEHOLDERS CONTINUED

* ◆ Strong relationships ◆ Cordial relationships ◆ Weak relationships

Customers

Quality of relationship*	Key issues	Response
◆	Our security of supply and approach to sustainability allowed us to increase our sales to these customers, particularly in the automotive space. Traceability and sustainability continue to be important areas of discussion and added advantage. In a high price environment, our flexibility and responsiveness to consumer needs has boosted relationships too	Our work on certification of our mines through IRMA has allowed us to show our leading sustainability credentials to customers. We regularly communicate with customers through the commercial team and have also proactively initiated engagement with our sustainability team in South Africa, deepening our relationship with our core customer base

Suppliers

Quality of relationship*	Key issues	Response
◆	A large supplier of mining equipment engaged actively with Amplats in 2019 on progress with sustainability issues. This created the need for regular feedback meetings, where detail was provided on pertinent topics	At quarterly feedback meetings, we discuss progress on key sustainability-related matters. The engagement has proved beneficial to both parties, as the latest global sustainability trends are discussed regularly

Unions

Quality of relationship*	Key issues	Response
◆	The wage agreement of 2016 to 2019 expired on 30 June 2019. Amplats finalised wage negotiations with the three recognised unions for 2019 to 2022. There was a three-week protected strike at Mototolo Mine, after employees were transferred to Platinum Health Medical Scheme following the section 197 transfer	Quarterly meetings with senior union leadership to discuss key strategic issues: ◥ Safety, health and environment (SHE) through community forums/ bilateral sessions ◥ Company strategies and implementation ◥ Performance of the company (leadership forum attended by executives) ◥ Relationship-building with union leadership and dispute resolution using different platforms ◥ Address unions' interest issues or community issues affecting business (leadership forum and CEO sessions) ◥ All issues affecting Amplats are addressed in various forums and, where appropriate, escalated to the CEO ◥ Through our collective bargaining process, the parties managed to resolve and sign the wage agreement without any strike action ◥ In dealing with the Mototolo strike, engagements were held with GIWUSA, the majority union at the mine, resulting in a signed strike settlement agreement

Case study:

ENGAGING WITH OUR HOST COMMUNITIES

IN LINE WITH THE ANGLO AMERICAN SOCIAL WAY, EACH OF OUR OPERATIONS HAS MAPPED THE STAKEHOLDERS WHO HAVE AN INTEREST IN AND ARE AFFECTED BY OUR OPERATIONS.

They update their stakeholder engagement plans annually, informed by risks and impacts in host areas and as part of maintaining relationships with different stakeholders.

All our operations have community engagement forums or leadership forums in place. Monthly engagements with these community-elected structures address issues of mutual interest and track progress commitments made by the mines, such as SLP delivery, CSI initiatives, employment and procurement opportunities.

In addition, Amplats has partnered with interfaith leaders in our communities as an engagement and development partner. This is part of the Courageous Conversation movement in which churches engage with the mining industry to address issues affecting host communities and as a trusted stakeholder to help shape development agendas. The programme started in Mapela in 2017, and has been rolled out to all our sites in South Africa. It includes church leaders, and other faith leaders such as traditional healers who have been incorporated into the programme to ensure inclusivity. Over 500 leaders are participating in the programme and have undergone training and orientation.

The leadership and character-building initiative (moral regeneration programme) is delivering positive results in improving the performance of schools around our operations. At present, 14,000 learners in primary and secondary schools are participating daily and over holidays in the programme. We support 3,298 learners at early childhood development level and nine sessions/ workshops were held with school governing bodies, teachers and parents, focused on overall performance improvement in schools. In addition, over 4,000 grade 11 and 12 learners were supported in mathematics, science, English and geography to improve matric results. Additional equipment such as tablets, projectors and smart screens have been donated to improve the delivery of lessons and access to technology in schools.

We also engage with different business forums in our host communities, mainly on procurement opportunities and supplier-development issues in our operations. Amplats' operations have multipurpose hubs where emerging, and established, entrepreneurs can access information about opportunities on mines, as well as ways to access financial or business support from our supply chain division or from Anglo American Zimele.

OUR FIELD WORKERS, MAINLY PREVIOUSLY UNEMPLOYED YOUTH FROM HOST COMMUNITIES, CONTINUE TO ENGAGE WITH AND PROVIDE FEEDBACK TO STAKEHOLDERS WHO HAVE RAISED ISSUES OR QUERIES WITH ANY OF OUR SITES.

The field workers ensure that, individually, families do not have to wait for the forums to get information or feedback, but can engage directly with the field workers in their own homes.

Our community newspapers were collectively recognised as 'best publication with a limited budget' in the 2019 South African Publication Forum corporate awards – proof of their professional quality and cost-effective production. These publications are one element of a comprehensive community communication strategy, implemented four years ago to create mutual understanding and positively impact relations with host communities through consistent, ongoing engagement while minimising the risk of social unrest affecting production.

Gobetse School – Der Brochen area

Groenfontein Farm – Mogalakwena – Mokopane

Groenfontein Farm – poultry section – Catherine Hlorgware

OUR MATERIAL ISSUES

Our strategic objectives may be affected by matters that substantively affect our ability to create value over the short, medium and long term. Our success will be measured by how well we manage these issues while retaining our focus on longer-term goals.

Socio-political/people

Material issues and related matters	Impact	Mitigating actions	Read more
Social licence to operate - Community unrest - BEE procurement - Labour unrest - Stakeholder engagement - Human rights assessment and management - Employee housing and debt relief	Developing trust as a corporate leader, providing ethical value chains and improved accountability to the communities we work with. To expand local employment opportunities, increase tax revenues, and meet growing community demands for improved infrastructure and greater environmental protection, government continues to put pressure on the mining industry. Accordingly, there is a growing need to achieve measurable social outcomes and build sound relationships around operations. Engaging with stakeholders is key to implementing our business strategy. Failing to do so jeopardises our social licence to operate and could reduce opportunities in the market. Amplats aspires to be a global leader in sustainable mining and aims to positively influence areas where the industry may be lagging in terms of sustainability. This will have benefits for society and should, in turn, spur growth in the PGM market.	There is a growing need to achieve measurable social outcomes and build sound relationships around our operations. Effective stakeholder engagement, which has been conducted in 2019, is therefore key to implementing our business strategy. Please refer to the communities section for further information on how Amplats maintains its social licence to operate.	Communities section, ESG report

Our established materiality process (page 37) aims to ensure that societal, environmental and economic issues that present risks and opportunities to Amplats are identified, while considering issues of salient concern to external stakeholders.

Financial

Material issues and related matters	Impact	Mitigating actions	Read more
Deliver maximum potential of operating assets - Failure to make investment - Mogalakwena expansion - Amandelbult modernisation	The portfolio has been reshaped; we now aim to extract further value through the sustainable delivery of our strategy, with the largest contributor to unlocking value being the drive to extract the full potential from operations through people and innovation. With a simplified mining asset portfolio, we will achieve our strategic goals, primarily through technology initiatives and investing in our core portfolio. Failing to make efficient and value-creating investments on time and within budget would jeopardise the sustainability of our business.	Our business model and strategy outline the pillars of value creation for our stakeholders.	Business model page 16, strategy page 20

Safety and health

Material issues and related matters	Impact	Mitigating actions	Read more
Improving health and safety - Employee and community safety - Employee health and wellbeing - Fire risk and explosives management - Reducing airborne pollutants and inhalable hazards - Tailings storage facility integrity	Injury and absentee rates are generally linked to trends in morale and productivity. Our goal is zero harm, supported by targeted initiatives that should result in fewer health and safety incidents.	By amending the wording of this material issue in 2019 from 'health and safety' to 'improving health and safety', we emphasise our commitment to improving the health and safety of employees and communities. This includes the focus on employee wellbeing in 2019.	Health and safety sections, ESG report

OUR MATERIAL ISSUES CONTINUED

Financial/socio-political

Material issues and related matters	Impact	Mitigating actions	Read more
Market conditions ◥ Future demand and supply of PGMs ◥ Macro-economic uncertainty ◥ PGM prices ◥ Growing the market for PGMs ◥ Fuel cell technology	One of the key factors in ensuring the long-term sustainability of the PGM industry is demand for these metals. Changing global economic conditions affect markets and, in turn, our position in those markets. Future demand for PGMs is at risk from slower growth in combustion engine manufacturing, technological developments in battery vehicles, suppressed jewellery sales, as well as Amplats' dependency on market segments such as autocatalyst and diesel vehicles. Market development is therefore a long-standing strategic priority, and latent demand across jewellery, investment and industrial segments presents a large and growing opportunity.	Market development is undertaken globally through a mix of marketing initiatives in existing or near-term demand segments such as jewellery through Platinum Guild International (PGI); investment through the World Platinum Investment Council (WPIC); and targeted market development in longer-term growth areas such as fuel cells, hydrogen and clean energy, in part through our new venture-capital vehicle, AP Ventures. Global policy advocacy and South African beneficiation objectives form part of broader market development activities.	Market development section

Socio-political/financial

Material issues and related matters	Impact	Mitigating actions	Read more
Socio-political environment ◥ Regulatory compliance risk ◥ Lack of municipal capacity and service delivery ◥ Unreliable power supply ◥ Mining charter and MPRDA ◥ Enhanced community expectation ◥ Land access and resettlement ◥ Unemployment and job losses	Changes in the socio-political and regulatory environment (eg mining charter 2018, MPRDA amendments, failing to deliver on social and labour plans, changes to land and water legislation) can impact our business through increased compliance requirements and costs. Socio-political instability can also affect business operations as it impacts investor sentiment. Therefore, one of the main ways in which government can support a stable and productive mining sector that will benefit the South African economy is by working with industry to grow investor and customer confidence.	Government urgently needs to collaborate with the mining industry to grow investor and customer confidence. This can be achieved by addressing key issues including: unreliable power supply, unemployment and job losses, as well as a lack of municipal capacity and service delivery (added to material issues in 2019). Please refer to the government section under stakeholders which highlights engagements on key matters.	Stakeholders

Socio-political/people

Material issues and related matters	Impact	Mitigating actions	Read more
Create thriving communities ◥ Local procurement and supplier development ◥ Local economic development ◥ Alchemy community empowerment initiative ◥ Planning for local economic activity and social sustainability post life of mine	Building thriving communities with better health, education and levels of employment. Our vision is for economically diverse and sustainable communities with a future beyond mining, through mining. This will require companies to leverage digital infrastructure, create new education models, improve communication, develop suppliers, or deliver other services.	To build thriving communities, we have listened carefully to their expressed needs. We are playing our part as a responsible corporate citizen through a range of initiatives, including: Alchemy, local economic development, local procurement and supplier development (included as material topics in 2019).	Community development in ESG report

People

Material issues and related matters	Impact	Mitigating actions	Read more
Ethical leadership and culture ◥ Improved NGO and religious leader cooperation ◥ Fraud and corruption ◥ Contravening business and ethical principles	The contravention of business and ethical principles, especially fraud and corruption, remains a serious concern. Fuelled by the economic downturn, exposure to corrupt practices and unethical leadership within society heightens the risk to Amplats. Given that mining companies face regional and global scrutiny, complying with formal ethical standards of conduct is non-negotiable.	Mandatory training conducted on the group code of conduct.	Governance report, ethics management
Inclusion and diversity ◥ Gender-based violence ◥ Gender equity ◥ Talent and development	An inclusive and diverse environment is promoted at Amplats, where every colleague is valued and respected for who they are and given the opportunity to fulfil their potential.	Gender equity supports employment equity by creating an environment where women have equitable access to resources and opportunities.	People section, ESG report

OUR MATERIAL ISSUES CONTINUED

Production/cost

Material issues and related matters	Impact	Mitigating actions	Read more
Technology and innovation ◥ Mechanisation and modernisation ◥ Beneficiation and recycling of PGMs ◥ Using data insights to drive value ◥ Re-envisioning talent management in the digital age	Modernisation of the PGM industry in South Africa is crucial to our global competitiveness and sustainability. We are working towards a future that, through collaborative partnerships between stakeholders, will shape an industry that is safer, more sustainable and efficient, and better harmonised with the needs of communities and of society as a whole. Accordingly, it has become critical that the future of work and the employee of the future be looked at holistically, but also with the Amplats lens.	With the introduction of new mining technologies at Amplats, new and different skill sets are required for our people. It is therefore critical that the future of work is assessed in tandem with the employee of the future. We are addressing this through a step-change in our approach and innovative initiatives.	Technology and innovation page 21, the future of work page 105 of the ESG report

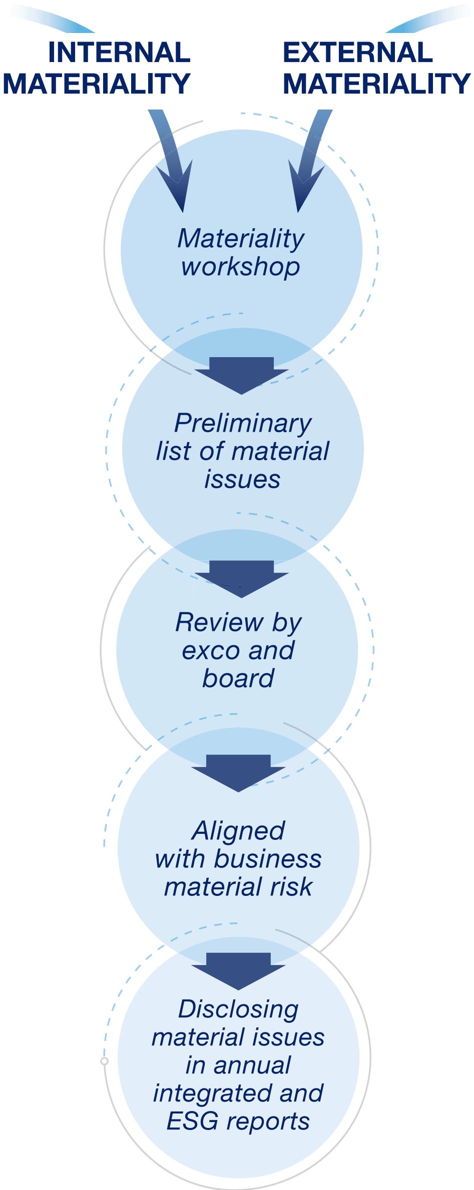
Environment

Material issues and related matters	Impact	Mitigating actions	Read more
Maintain a healthy environment ◥ Energy management ◥ Climate change (carbon tax) ◥ Water infrastructure and management ◥ Emissions reduction and renewable energy ◥ Zero waste to landfill ◥ Biodiversity stewardship ◥ Circular economy waste to resource ◥ Mine closure and rehabilitation	The growing scarcity of non-renewable natural resources is arguably the greatest risk to corporate sustainability in modern history. Our goal is to support our long-term sustainability by effectively managing resources, reducing our impact on the environment and communities, and complying with legal requirements.	Amplats is committed to creating waterless, carbon-neutral mines and delivering positive biodiversity outcomes with social co-benefits, which implies full implementation of the impact-mitigation hierarchy, including avoidance, minimisation, restoration and offset measures. In line with this approach, our zero-waste-to-landfill initiative has become increasingly significant.	Environment section, ESG report

IDENTIFYING, EVALUATING AND PRIORITISING MATERIAL RISKS

- Sustainability reporting is built on the materiality assessment process. Our well-established materiality process identifies societal, environmental and economic issues that present risks and opportunities and impact value creation. We follow a four-step process in our materiality assessment framework, aligned with the AA 1000 AccountAbility principles (2018)
- Internal materiality: desktop assessment
- External materiality: interviews with selected stakeholders
- Materiality workshop
- Review and approval of key material issues by exco and board.

Our materiality determination and reporting process



Insight from each of these steps is integrated into the materiality process, resulting in the prioritised top 10 material issues. Each issue is expanded into subcategories, linked to the group pillars of value and six capitals enshrined in the International Integrating Reporting Council (IIRC) framework.

INTERNAL MATERIALITY

We conducted an internal materiality scan to identify and contextualise Amplats' relevant issues. This involved assessing matters that directly affect the company by reviewing relevant information such as board and committee packs; social, ethics and transformation reports; audit and risk committee reports; safety and sustainable development reports; remuneration committee packs; nomination committee packs and exco summary notes. All were analysed to identify relevant issues acknowledged or addressed in the period.

EXTERNAL MATERIALITY

Issues affecting our external environment, and the mining sector in general, were assessed by analysing media articles, research materials, industry benchmarking studies and economic outlook reports as well as interviews with key stakeholders.

To ensure impartiality, we commissioned an external specialist to engage with key stakeholders individually. Interviews were held with representatives from Coronation Fund Managers, Johnson Matthey, Corruption Watch, the International Platinum Association (IPA), and Fauna and Flora International (FFI). In addition, Epiroc and Old Mutual Invest provided detailed written responses to the questionnaire used for telephonic interviews. These interviews provided in-depth feedback on our performance on sustainability issues and recommendations for improvement. This process also helped validate whether identified material issues are aligned to issues stakeholders believe are most material to our ability to create value.

MATERIALITY WORKSHOP

A workshop with relevant internal and external stakeholders refined and prioritised our material issues based on their potential impact and Amplats' ability to influence these.

The workshop group (a multidisciplinary group of 30 representatives) was given the opportunity to add any material issues not identified through internal and external reviews.

This year, the workshop was held in September. Internal stakeholders included representatives from relevant departments in Amplats: strategy, marketing, investor relations, environmental management, human resources, corporate affairs, company secretary and the Mogalakwena social performance team. External stakeholders included representatives from NUM, UASA, WWF, University of Cape Town's department of chemical engineering (economic complexity of natural resource clusters) and the Anglo American social performance team.

All participants raised their views on issues they deemed material and ranked these according to two matrixes. The first matrix ranked material issues in terms of shared value (an issue that has business value as well as environmental and social impacts). The second was an impact/influence matrix, where influence refers to the degree of influence Amplats has over a particular topic or issue and impact refers to the level of impact experienced or likely to be experienced by any stakeholder or stakeholder group. The highest-ranking issues are summarised in the list of material issues.

STAKEHOLDER ENGAGEMENT ON MATERIAL ISSUES

The external specialist engaged with representatives from key external stakeholders to identify the issues they believe are most material to Amplats. The relevant matters fed into the prioritisation and review steps described above and ultimately into the final list of material issues.

OUR APPROACH TO RISK AND OPPORTUNITY MANAGEMENT

GROUP RISK FRAMEWORK

In an evolving risk environment filled with technological changes and new global commodities, identifying and managing risks and opportunities is critical to our business. Amplats' integrated risk management framework ensures the effective governance of operational and strategic risks. We define risks as situations or actions with the potential to threaten our ability to deliver on our strategic priorities and, ultimately, to create value. Our risk management process is aligned with ISO 31000 international risk management standards and King IV requirements.

REPORTING AND MONITORING

- Management is responsible for managing and monitoring progress on mitigating key risks and determining if the risk is operating within the limits of our risk appetite
- Management is supported by an internal audit programme, which evaluates the design and effectiveness of controls
- The risk management process is continuous; key risks are reported to the audit and risk committee, with sustainability risks also reported to the sustainability committee. The chairmen of these committees report to the board each quarter.

IDENTIFYING RISKS

- We use a robust methodology to identify key risks across the business, operations and projects. This is applied consistently by developing and implementing the Anglo American group integrated risk management standard
- Operations identify risks by function. This information is consolidated and considered by the Amplats executive committee, audit and risk committee, and the board in a formal risk workshop where risks are compared and aligned to those identified at a strategic level.

ANALYSING RISKS AND CONTROLS TO MANAGE IDENTIFIED RISKS

- Once identified, the process evaluates these risks to establish root causes, financial and non-financial impacts and likelihood of occurrence
- Risk treatments are considered to create a prioritised risk register
- External views are also considered – including risks identified by our customers, investors and the market.

DETERMINING MANAGEMENT ACTIONS REQUIRED

- The effectiveness and adequacy of controls are assessed. If additional controls are required, these are identified and responsibilities assigned.

We aim to embed the process of identifying risks and opportunities so that it becomes part of everything we do to achieve the full scope of risk management.

CATASTROPHIC RISKS

We also face certain risks that we deem catastrophic. This is a risk or series of related risks potentially generating financial, operational and/or reputational impacts of such significance that they force an unplanned, fundamental change to our strategy, the way we operate or our financial viability. Accordingly, catastrophic risks are treated with the highest priority.

The following catastrophic risks have been identified, and all relevant technical standards are in place to provide minimum criteria for managing these risks. Monitoring, inspections and training and awareness programmes are provided by technical experts.

Fall-of-ground	Explosion and fire	Slope failure
Transportation	Asset structural failure	Integrity of tailings storage facility

Risk appetite and tolerance

The concept of risk appetite guides our risk management activities. It enables the executive committee and board to establish a baseline level of risk the company is willing to accept and evaluates the likelihood and impact of certain threats. We look at risk appetites from the context of severity of consequences should the risk materialise, any relevant internal or external factors influencing the risk and the status of management actions to mitigate the risk. Risk tolerance refers to the amount of risk Amplats is able to withstand. Both are core considerations in determining our strategy.

OUR JOURNEY IN RISK APPETITE MATURITY

Using risk management as a tool to address uncertainties, applying the risk appetite methodology in 2019 showed that all risks can be considered to be within our risk appetite as defined, except for fire and explosion. All risks are considered to be within Amplats' tolerance limits. Structural integrity was reclassified from outside the risk appetite limit (as reported in 2018) to back within the risk appetite as significant control improvements were observed in the 2019 results. Work continues to close the control gaps identified in respect of fire and explosion. Our review evaluates data from the operational risk assurance programme and, where control weaknesses are identified, these are addressed through management actions, comprising immediate interventions supported by long-term plans to bring these catastrophic risks back within appetite. This will be a continuous improvement process executed by applying the following principles:

OPPORTUNITIES

As part of our risk management process and in line with King IV requirements, we have considered opportunities (where available). An opportunity is a set of exploitable circumstances with an uncertain outcome that requires committing resources and involves exposure to risk. The opportunities identified demonstrate the value that our initiatives and strategies could yield to the growth of our company. Our business model (page 16) and market review (page 8) elaborate on how we leverage opportunities to ultimately create value.

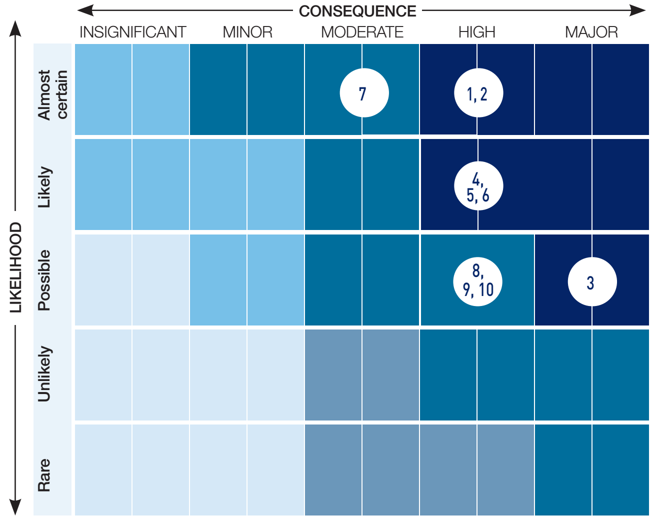
Opportunities	Description
New technology adoption	Amplats is committed to digitally transform mining through the pervasive adoption of technologies, new ways of working and developing people's technology skills. Implementing our digital transformation strategy will enable IT architecture and interfaces as well as digital technologies that drive and support improvements.
Mogalakwena expansion and Der Brochen	Both growth projects are being considered to meet our strategic objectives and create value in time.
PGMs to form part of new world commodities	Established a venture capital fund (AP Ventures) dedicated to investing in technological innovation across PGMs. Initiatives in the jewellery (PGI) and investment (WPIC) sectors have created new partnerships and launched products.

OUR APPROACH TO RISK AND OPPORTUNITY MANAGEMENT CONTINUED

TOP 10 RISKS

The heat map positions below reflect residual risks.

AMPLATS' TOP 10 RISKS



1	Employee safety
2	Infrastructure power
3	Future demand for and supply of PGM
4	Macro-economic uncertainty creating price and exchange rate volatility
5	Political and regulatory compliance risk
6	Social licence to operate
7	Information security
8	Labour unrest
9	Failing to deliver the full potential of operating assets
10	Failing to invest to secure and grow our leadership position

Below we summarise the top 10 risks facing the business, our mitigating strategies and where these risks fit in with our strategic priorities.

1 Employee safety *(No change in risk rating from prior year)*

Description of risk and its context

Failing to deliver a sustained improvement in safety performance. Senior management continues to prioritise safety risk management. Given the number and nature of high-potential incidents (HPI) and an increase in incidents from not adhering to basic safety rules and standards, significant work remains.

ROOT CAUSE

- Inconsistent application of safety rules and hazard identification, including non-compliance to critical controls
- Exposure to major safety-related issues: material handling, fall-of-ground, transport, moving machinery, working at heights

POTENTIAL IMPACTS

- Loss of life
- Workplace injuries
- Safety-motivated stoppages by regulators
- Threats to our licence to operate

MITIGATION

- Implementing safety management system standards, fatal risk standards and safety golden rules, supported by robust risk management and risk assurance processes
- Creating a leadership approach and culture conducive to innovation and improved safety performance. Enhance people development, using KPI-based reward and recognition to drive behaviours
- Move up the hierarchy of controls through innovation and engineering capability
- A continued, relentless focus on safety improvement and safety risk management adopted by executive management
- Elimination of fatalities programme

RISK APPETITE

- Currently within risk appetite, but potential to exceed it

RISK TOLERANCE

- Within tolerance

Commentary

In 2019, there were **zero fatalities** in our managed operations, compared with two in 2018. The elimination-of-fatalities programme is yielding positive results. Management remains committed to eliminating fatalities.

2 Infrastructure (power) *(Risk rating increased (previous 7))*

Description of risk and its context	Commentary
The current financial state and ability of Eskom to sustainably supply power poses a risk to Amplats. **ROOT CAUSE** ◥ Dependency on Eskom ◥ Eskom requires funding for generation ◥ Poor management of Eskom business and significant management changes ◥ Eskom coal-supply contracts (security of supply concern) **POTENTIAL IMPACTS** ◥ Unplanned and short-notice electricity supply outages, leading to loss of production ◥ Safety implications particularly for underground mines and process activities ◥ Above-inflation future costs increase placing business viability at risk **MITIGATION** ◥ Load curtailment process ◥ Participation at the Energy User Group ◥ Detailed emergency plans in place for short-notice electricity supply outages ◥ Continuous improvement of efficiencies **RISK APPETITE** ◥ Currently within risk appetite, but potential to exceed it. **RISK TOLERANCE** ◥ Within tolerance	Seek alternatives such as independent power producers' options or renewables to offset reliance on Eskom.

3 Future demand and supply of PGMs *(No change in risk rating)*

Description of risk and its context	Commentary
Future demand for PGM is at risk from potentially slower growth in manufacturing combustion-engine motor vehicles, technological developments resulting in battery electric vehicles competing with hydrogen fuel cell electric vehicles, and suppressed jewellery sales, although some upside potential also exists. Amplats' dependency on certain market segments, eg autocatalyst and diesel vehicles, puts the company at risk. **ROOT CAUSE** ◥ Changes to consumer preference and environmental legislation impacting diesel motor vehicle demand ◥ Battery electric vehicle adoption substituting internal combustion engine (ICE) and threatening/delaying adoption of fuel cell electric vehicles ◥ Suppressed or negative jewellery demand ◥ Secondary PGM supply from recycling ◥ Potential increase of primary supply from competitors (exacerbating demand/supply imbalance) ◥ Future technological developments that may result in significantly lower entry barriers into PGM mining industry ◥ Price sensitivity of individual commodities and price substitution ◥ Potential to substitute palladium with platinum in gasoline vehicle catalysts ◥ Potential upside for growth from heavy-duty diesel, fuel cells and Indian jewellery **POTENTIAL IMPACTS** ◥ Weakened cash flow, profitability and ROCE ◥ Loss of investor confidence **MITIGATION** ◥ Investigating multiple demand segments to reduce risk through marketing and stimulating demand ◥ Invest in new PGM technologies, leveraging our footprint to add value ◥ Active market development in Indian/Chinese jewellery **RISK APPETITE** ◥ Currently within risk appetite, but potential to exceed it **RISK TOLERANCE** ◥ Within tolerance	We see this as a longer-term threat to the business, but various initiatives are under way to mitigate the risk.

OUR APPROACH TO RISK AND OPPORTUNITY MANAGEMENT CONTINUED

4 Macro-economic uncertainty creating price and exchange rate volatility *(No change in risk rating)*

Description of risk and its context	Commentary
Macro-economic uncertainty creating price and exchange rate volatility impacting levels of cash flow, profitability and ROCE. **ROOT CAUSE** - The global economic environment could impact the price for PGM - Current political factors could impact the exchange rate - Slower-than-expected growth in emerging economies - Weak demand for and negative sentiment on PGM could affect the price - Global trade wars **POTENTIAL IMPACTS** - Weakened cash flow, profitability and ROCE - Reduced ability to exploit future growth/value-enhancing initiatives **MITIGATION** - Strategy to position Amplats in H1 of cost curve, ensuring sustainable return - Integrated planning process - Regular updates of economic analysis and commodity price assumptions to management - Continued focus on operational improvements, cost control, disciplined capital allocation and cash generation - Unprofitable production will be removed **RISK APPETITE** - Currently within risk appetite, but potential to exceed it **RISK TOLERANCE** - Within tolerance	Outlook shows 2020 will experience subdued economic growth. Immediate impact observed on markets due to the coronavirus outbreak.

5 Political and regulatory compliance *(No change in risk rating)*

Description of risk and its context	Commentary
Failure to resolve critical country-specific issues such as economic growth, land reform, education, healthcare, infrastructure development and corruption continues to impact Amplats. In addition, changing regulatory requirements increase the risk of non-compliance and failing to deliver on our social and labour plans (SLP). **ROOT CAUSE** - Uncertain regulatory environment - Critical country-specific issues such as economic growth, land reform, education, healthcare, infrastructure development and corruption - Local procurement requirements and unemployment **POTENTIAL IMPACTS** - Non-compliance to mining charter requirements and SLP commitments - Sections 53 and 54 stoppages leading to loss of production and financial loss - Increased costs of conducting business through additional regulation **MITIGATION** - Active engagement with government and other stakeholders - Deliver on agreed SLP, mine work plans and environmental management programmes - Actively monitoring regulatory developments, updating applicable policies and procedures to ensure compliance **RISK APPETITE** - Currently within risk appetite, but potential to exceed it **RISK TOLERANCE** - Within tolerance	Focus on ensuring compliance with internal standards and ensure these are aligned to regulatory compliance.

6 Social licence to operate *(No change in risk rating)*

Description of risk and its context	Commentary
If local communities and wider society actively oppose the existence of our operations, our ability to conduct our activities could be threatened. There are rising levels of dissatisfaction among communities on social delivery, unresolved legacy issues, and less-than-expected benefits from mining. **ROOT CAUSE** - Dissatisfaction among communities on social delivery, community perception of transformation, employment and procurement activities - Use of trust money by communities - Poor service delivery of local municipalities to communities - Less-than-expected benefits from mining - Trust relationship between communities and Amplats - Poor engagement between traditional leaders and communities - Resettlement obligations - Society, NGOs' expectations as information scrutiny increases **POTENTIAL IMPACTS** - Reduced levels of trust between mine and communities - Community over-reliance on mines for economic benefits - Potential human rights impacts on communities during protests - Loss of production and possible damage to assets - Negative reputational consequences **MITIGATION** - Implementing social strategy: collaborative regional development approach, social risk and impact management, increased community and employee ownership, community participation model - Compliance to the Anglo American social way - Strategic stakeholder engagement with communities, local government, traditional leaders, NGOs and broader society - Effective grievance mechanisms - Initiate and implement remediation plans for previously resettled communities at Ga-Sekhaolelo Ga-Puka, Ga-Pila and Magobading - Empower municipalities, traditional leaders and interfaith leaders **RISK APPETITE** - Currently within risk appetite but potential to exceed it **RISK TOLERANCE** - Within tolerance	Strategies and plans in place to further empower communities around us, eg Anglo American Zimele's youth development programme that aims to address the youth unemployment crisis in South Africa. We have local government initiatives in place, established joint community and operating decision-making frameworks, and improved NGO/religious leaders' cooperation which all have the potential to grow our business and standing with our host communities.

OUR APPROACH TO RISK AND OPPORTUNITY MANAGEMENT CONTINUED

7 Information security *(No change in risk rating)*

Description of risk and its context	Commentary
Failing to sufficiently protect the data and information of certain initiatives or knowledge holders from leakage or attack. Anglo American as a group has recorded a rise in attacks. **ROOT CAUSE** ◥ Improved capabilities of hackers/attackers ◥ Industrial espionage ◥ Rise in cyber breaches (eg phishing, spoofing and hacking attempts) **POTENTIAL IMPACTS** ◥ Loss of critical and/or sensitive data ◥ Reputational damage ◥ Safety impacts (through loss of control of operating systems, particularly process systems) ◥ Financial losses **MITIGATION** ◥ Technical controls and existing capabilities are being extended to include monitoring high-risk assets and advanced network monitoring technologies ◥ Implementing augmented detection capabilities ◥ Security campaigns to create awareness **RISK APPETITE** ◥ Within risk appetite **RISK TOLERANCE** ◥ Within tolerance	While the number of attacks remains high, actions to mitigate this risk – including physical controls and the programme to improve employee awareness – have reduced the likelihood of successful attacks.

8 Labour unrest *(Risk rating reduced (previous 2))*

Description of risk and its context	Commentary
Labour unrest that leads to stoppages, strike action and violence has an enormously negative effect on Amplats, including the ability to stop production. **ROOT CAUSE** ◥ General employees' expectations to earn higher salaries ◥ Labour instability due to rivalry between AMCU and NUM, the major unions at Amplats ◥ Integration of Mototolo into the Amplats portfolio **POTENTIAL IMPACTS** ◥ Production and financial loss ◥ Damage to assets during violent protest action ◥ Loss of life ◥ Negative reputation **MITIGATION** ◥ Actively engaging our employees and labour unions to rebuild a relationship of trust ◥ Bilateral engagement with union leadership at the various levels **RISK APPETITE** ◥ Within risk appetite, high consequence rating requires close monitoring **RISK TOLERANCE** ◥ Within tolerance	The 2019 labour wage negotiations have been successfully concluded. We actively engage with our employees and labour unions to build a relationship of trust. We are progressing with our organisational culture transformation (OCT) project, which has the potential to change our work environment in a positive way, motivating the workforce and yielding positive production returns.

9 Failing to deliver the full potential of operating assets *(No change in risk rating)*

Description of risk and its context	Commentary
Failing to deliver the full potential of operating assets due to non-delivery of productivity targets, and delays in implementing operating model at operations. **ROOT CAUSE** - Not meeting productivity targets - Delays in implementing operating model - Delays in technology adoption - Failing to make Amandelbult investable again and Modikwa alternatives - Failure to maintain critical plant, machinery and infrastructure **POTENTIAL IMPACTS** - Loss of production and revenue - Inability to deliver required cash flow and profitability targets **MITIGATION** - Deliver value by rolling out operating model at Mogalakwena and Amandelbult - Continue debottlenecking downstream process capacity - Continue research and development on cutting technology, XLP and ULP - Continue with organisational development and transformation - All optimisation initiatives tracked and reported **RISK APPETITE** - Within risk appetite, high consequence rating requires close monitoring **RISK TOLERANCE** - Within tolerance	Continue to deliver value by unlocking processing constraints. Our digital transformation strategy aims to increase operational efficiencies in the workplace.

10 Failing to invest to secure and grow our leadership position *(No change in risk rating)*

Description of risk and its context	Commentary
Ensuring efficient investments and effectively executing value-accretive projects on time and within budget. **ROOT CAUSE** - Worsening economic environment impacting projects - Long-term strategic inconsistency (group/business unit) - Studies not progressing as planned - Inability to transform into a modernised organisation - Uncertainty of PGM demand fundamentals - Lack of enabling infrastructure to support expansion **POTENTIAL IMPACTS** - Fall behind competitors and lose competitive advantage or positioning - Negative cost-curve impact due to projects not coming online - Loss of potential revenue in the profit pool - Loss of mining rights **MITIGATION** - Focus remains on advancing low-capex, fast-payback projects and completing project studies to retain flexibility on project delivery - Portfolio management strategy revised and optimised - Rigorous selection processes applied to capital allocation, including stay-in-business capital **RISK APPETITE** - Within risk appetite, high consequence rating requires close monitoring **RISK TOLERANCE** - Within tolerance	We have a unique opportunity to improve cash flow generation and returns by increased processing of higher-margin mined production from Mogalakwena and/or Der Brochen expansion.

CHAIRMAN'S LETTER

Notably, our managed operations were fatality-free in 2019. This is a first in Amplats' history, and a key benefit of the solid foundations we have built in recent years to create a modernised mining company as we re-imagine mining to improve people's lives.

Norman Mbazima
Chairman

MILESTONE ON OUR JOURNEY TO ZERO HARM

FY19 was our first calendar year without a fatality, well ahead of the previous milestone of 323 consecutive fatality-free days in 2017. To put this into context, Amplats recorded 25 fatalities in 2007 but, through focused safety interventions and programmes, we reduced that to seven in 2012 while improving key safety indicators (LTIFR and TRCFR) by over two-thirds. Similarly, a focused health strategy and wellness management programme has reduced TB/HIV-related deaths from 63 in 2012 to three in 2019.

While our achievement reflects a concerted team effort across the company, we acknowledge that more needs to be done to make this performance sustainable – to turn zero harm into an annual reality.

Our progress against strategic objectives for the year to 31 December 2019 is detailed by the chief executive (page 51) and finance director (page 57), but to summarise:

- Safety performance further improved
- Strong PGM production from all managed mines
- Modernisation and mechanisation continues and has improved efficiencies
- Record palladium prices and strong growth in the rhodium price underpinned a commendable operational performance with substantial improvement in most key financial metrics. However, our unit costs increased by 8% in the year.

It is extremely pleasing to report that, for the first time, we did not have a fatality in any of our managed operations in the review period. This gives us further confidence that our goal of zero harm is possible. Improvements were also observed in our total recordable case frequency rate or TRCFR.

However, much still needs to be done. We lost a colleague at a non-managed joint-venture operation during the year. Our thoughts remain with his family, friends and colleagues. We also continue to record high-potential incidents – although many of our safety metrics are improving, they are not at acceptable levels.

Safety is everybody's business. I thank the board, management, employees and industry players for their contributions in reaching this point. It is the focus and collaborative efforts of all, together with the constructive oversight of the Department of Mineral Resources and Energy (DMRE), that will enable us to make further significant progress on this journey in future.

POLICY ENVIRONMENT

Last year, we reported on encouraging policy progress under the country's new president, Cyril Ramaphosa, and the new DMRE minister, Gwede Mantashe. The contentious amendment bill for our principal legislation (the Mineral and Petroleum Resources Development Act or MPRDA) was withdrawn and the third version of our principal compliance vehicle, the mining charter, was gazetted with significant improvements on earlier drafts.

It is disappointing that the promise of progress stalled in 2019. The new mining charter remains mired in litigation over the so-called once-empowered, always-empowered principle, with the minister appealing a previous judgment on this matter during the year. As an industry, we believe it is vital to recognise previous empowerment transactions in the renewal and transfer of mining rights to promote long-term investment and transformation, given that security of tenure underpins a thriving and competitive mining sector. The MPRDA, which has not been updated since its promulgation in 2004, does need amendment but this time after proper consultation with all stakeholders and after assessing the impact of proposed amendments. Accordingly, we support the approach adopted by the Minerals Council on these matters.

Mining is a long-term business, with years between prospecting and first production. Equally, each project requires significant capital at the outset and it is often more than ten years before that capital investment is recouped. Investors therefore require a stable, conducive and competitive regulatory environment to justify investing.

CHAIRMAN'S LETTER CONTINUED

We believe outstanding issues should be resolved through dialogue and negotiation so that the regulatory regime addresses the interests of key stakeholders. While we were encouraged by comments from both the president and minister that urgent action is needed to restore investor confidence in the mining industry, we need action and resolution. Clarity and certainty will be good for the sector and for the economy and people of South Africa.

The state's efforts in addressing issues at Eskom were not successful in 2019 and our supply of electricity was interrupted several times during the year, resulting in 127 000 ounces in lost PGM and refined production. This affected our earnings by R1.5 billion and reduced our contribution to the national fiscus by R500 million. Electricity supply and its ever-escalating cost remains a major concern in 2020. It is frustrating that, in this electricity-constrained environment, the regulatory regime does not support our plans for the proposed Mogalakwena solar project, which could produce electricity and possibly green-hydrogen for use in the fuel-cell haul-truck pilot project.

Our economy desperately needs investment to make it grow and mining investment drives growth in other sectors too. We therefore hope that the momentum lost on policy reform in 2019 can be rekindled in 2020 and we will very actively participate in such initiatives.

SOUND GOVERNANCE UNDERPINS SUSTAINABILITY AND VALUE CREATION

As a board, we acknowledge that we are ultimately accountable for the governance and performance of the company. Developing and maintaining a competent and diverse board is very important for us and the board has therefore adopted a succession blueprint. Our aim is to define a framework for strategic, long-term and effective orderly succession of directors that will result in an appropriate balance of knowledge, skills, experience, diversity and independence on the board for it to discharge its governance role and responsibilities objectively and effectively into the future.

Equally, as a mining group, we keenly understand that our social licence to operate depends on our relationships with host communities – pivotal stakeholders in the sustainability of our mines. Our approach has been shaped by extensive and constructive engagement with our host communities, as well as representatives from labour-sending areas. The result is a shared vision of what each community needs, a better understanding of which issues we can help communities address, and then effectively implementing initiatives to achieve specific goals. We believe that when a shared vision is accompanied by a shared understanding of expectations, we will have a truly mutually beneficial relationship.

Importantly, while we honoured our social commitments through our period of restructuring, our community stakeholders also share in our success – as our financial results have improved, so have the resources we can commit to community development. In 2019, our total investment in community initiatives rose to R619 million from R430 million two years prior.

Unfortunately, community protests around the platinum industry's mines were a feature of the review period, and generally related to the lack of municipal service delivery. We believe mining companies can play a role in addressing broader concerns about employment and procurement opportunities – as example, Amplats is spearheading collaborative regional development and a number of specific initiatives, detailed in our ESG report. In 2019, however, the scale of community protests and resulting lost production required a coordinated approach. Working with the DMRE, police and provincial leaders, we are supporting a joint operations committee in the southern area to restore law and order, track protests and formulate mitigation strategies.

PLATINUM GROUP METALS MARKET

PGMs have many unique properties that make them useful in a variety of applications, from autocatalysts, fuel cells, jewellery and industrial use to investment products. Accordingly, we believe that developing these markets is vital to increase and expand the use of PGMs and ensure robust demand for decades to come.

As an ongoing strategic focus, we are working with the Platinum Guild International (focused on jewellery demand), World Platinum Investment Council (boosting investment demand) and AP Ventures (page 12). Last year, Amplats and South Africa's Public Investment Corporation became cornerstone investors by committing USD200 million (R2.6 billion) to AP Ventures. This fund will invest globally in enterprises supporting the development of innovative and competitive technological uses of PGMs, in addition to supporting our existing investments. This is detailed by the CEO.

Long-term supply and demand fundamentals for PGMs remain attractive, and we benefited from rising prices in 2019. We believe demand from existing applications, new demand from applications being developed, and stimulatory measures to develop the PGM market – such as our AP Ventures, noted below – will support sustainable demand and, in time, foster growth.

DRIVING THE NEXT PHASE OF OUR STRATEGY

Against structural changes in the PGM market, we have transformed Amplats from a loss-making deep-level, labour-intensive mining business six years ago to focus mainly on open-pit and shallow mechanised operations that generate cash and offer higher margins through the commodity price cycle.

From the board's perspective, this challenging and sometimes painful process is delivering clear benefits. Today, Amplats is better positioned for a sustainable future, as the excellent results for 2019 prove, with production up 1%, productivity up 2% and profitability up 145%. We deeply appreciate the commitment of our operational and executive management teams to achieving our strategic goals and their fortitude in the face of challenges often outside their control.

PGMs provide solutions to some of society's key challenges, including:

- **Manufacturing** – from fertilizer, energy-efficient fibreglass and lightbulbs to airbags, sticky notes and silicon bakeware
- **Healthcare** – medical devices, such as implants and pacemakers, and cancer treatments
- **Environmental** – reducing air pollution, harnessing renewable energy and reducing vehicle emissions
- **Renewable power** – fuel cell electric vehicles

Source: WPIC, Visual Capitalist

The Amplats strategy is a framework for achieving our goals. To succeed in a changing market, however, that strategy needs to be dynamic. To ensure it remains relevant, each year the board convenes for separate strategy and risk workshops, where we consider global developments, industry trends and the views of acknowledged thought leaders and mining peers. We then apply our collective expertise to ensure that our strategy fully considers the risks to which Amplats is exposed, as well as attendant opportunities. For the next four years, achieving our purpose will drive our updated strategy as we enhance Amplats' value and earnings by developing the market for PGMs, taking operational performance to new best-in-class levels, and investing in portfolio growth options.

DIVIDEND

In 2018, the board increased the dividend pay-out ratio from 30% to 40% of headline earnings, underscoring our confidence in the future of the business and commitment to disciplined and balanced capital allocation. The new policy also reflects our differentiated strategy and portfolio of high-quality mining and processing assets, cemented in the bottom half of the industry cost curve.

The board declared a second-half cash dividend of R11.2 billion or R41.60 per share made up as follows:

1. R4.5 billion or R16.60 per shares representing 40% of headline earnings in accordance with the dividend policy; and
2. R6.7 billion or R25.00 per share being a special cash dividend.

The dividend is payable to shareholders on 9 March 2020.

This brings the total 2019 dividend to R14.2 billion or R52.60 per share, equivalent to a pay-out of 76% of 2019 earnings.

BOARD AND MANAGEMENT

I was appointed non-executive chairman and Peter Mageza as lead independent director in April 2019, while Craig Miller, previously Anglo American plc's financial controller, was appointed finance director. Richard Dunne will retire as a director and chair of the audit and risk committee at the 2020 annual general meeting, and we thank him for his valuable contributions over a 14-year tenure. John Vice was appointed to chair the audit and risk committee. In line with our board-succession strategy, we are recruiting suitable candidates to improve diversity levels and balance skills on the board.

As a company, we are committed to global best governance practices. This was reflected in several global rankings on ESG (environment, social and governance) in 2019, most notably first place as an ESG leader by Sustainalytics, against 55 peers worldwide in the precious metals sector. Amplats is also a member of the FTSE4Good Investment Index (since 2015) and JSE Responsible Investment Index (Top 30 Index).

Post year end, we announced that Chris Griffith had stepped down as CEO and executive director after seven years at the helm of Amplats and 30 years in the Anglo American group. Chris will step down at our AGM on 16 April 2020 and his successor, Natascha Viljoen, brings a range of relevant and valuable experience gained in the wider group.

On behalf of the board, I thank Chris for leading Amplats over the last seven years. His exceptional contribution to improving safety and the company's operational and financial turnaround has produced excellent results. The focus on innovation and developing diverse markets for our range of metals has positioned Amplats well to continue growing from a position of strength. Chris has notched up many significant achievements in his decades-long career with Anglo American and we wish him the very best as he pursues other career opportunities.

I thank my fellow directors for their valuable input and diligence in fulfilling their duties. I also thank the executive and management team and all employees for their contribution and commitment to the company in 2019. Together, we are re-imagining mining to improve people's lives.

Norman Mbazima
Chairman

Johannesburg

13 February 2020

CHIEF EXECUTIVE OFFICER'S REVIEW

Amplats had a solid operational and record financial performance in 2019, with additional opportunities identified to unlock further value.

Chris Griffith
Chief executive officer

Zero fatalities at managed mines

First out of 55 global precious metals peers in the Sustainalytics ESG ratings

PGM production up 1%, with **record** production at Mogalakwena and Unki

Record EBITDA of **R30bn**

FY19 dividend of R14.2 bn, including **special** dividend of R25/share

Amplats is a very much stronger business today because of our actions in recent years. Equally, I am pleased to say that there are further opportunities to extract additional value from our operations as we re-imagine mining to improve people's lives. Through disciplined strategic execution, we have transformed a loss-making company in 2012 to a business generating a record EBITDA of R30.0 billion, operating free cash flows of R16.9 billion and return on capital employed (ROCE) of 58% in 2019. Our total shareholder return rose 149% year on year, off a share price increase of 143%. Dividends for the second half of 2019 are R11.2 billion or R41.60 per share: R16.60 per share, representing 40% of headline earnings in line with our dividend policy, and R25.00 per share as a special cash dividend.

Importantly, throughout our transformation, we have ensured that the way we do business minimises harm to the environment as well as our people, and supports surrounding communities – mining responsibly and sustainably:

- In our best safety performance, there were no fatalities at managed operations in 2019. Tragically, there was one fatality at Modikwa Mine (an independently managed joint venture) in March when Mr Thomas Maluleke died in a fall-of-ground. We again offer our condolences and support to his family, friends and colleagues.
- In the last six years, we have more than halved our total recordable case frequency rate (TRCFR). While we are proud of our safety achievements in 2019, we will continue to pioneer and implement new technology as we digitalise and modernise operations, to further improve safety
- In response to the global challenge of climate change, we continue to find improvements in both our energy-use intensities and emission reduction. We have reduced our energy intensity by 10% since 2016 and our greenhouse gas emissions by 7% over the same period. A R2.5 billion investment began in January 2018 to reduce sulphur dioxide emissions to global best practice at Polokwane smelter and, in time, Mortimer smelter
- We create value for our host communities and contribute to society. In 2019 alone, we spent R392 million on social investment – from community development to social and labour plans – as well as R227 million in dividends paid to community trusts.

We have set the foundations of a sustainable future for Amplats, based on solid operational performance, a repositioned and world-class portfolio of assets, healthy balance sheet and we are building a respected track record of paying dividends.

We undoubtedly now have a differentiated PGM business – delivering the best total shareholder returns in our industry. We are on track to achieve the goals set in the next phase of our strategy (summarised below and detailed on page 21) to unlock further potential from our operations.

COMMITTED TO ZERO HARM

Pleasingly, our comprehensive safety plan is delivering results. Our managed operations recorded zero fatalities in 2019 – our first fatality-free calendar year – compared to two in the prior year and six in 2017. The TRCFR, our key leading indicator, dropped from 3.00 to 2.50 – the lowest on record and beating our internal target of 3.45 for the year.

While we are hugely encouraged by this significant milestone in our journey to zero harm, our performance does not yet meet the standards we set for ourselves or those that society and our employees deserve.

Similarly, our revised safety, health and environment strategy has embedded the focus on eliminating fatalities through robust operational risk management enhanced by risk training and critical control management, as well as reporting and learning from high-potential incidents.

We continue to make encouraging progress on improving employee health. Our tuberculosis (TB) incidence rate is now 328 per 100,000 (2018: 325) against a national average of 567 and the number of employee TB deaths dropped to three in 2019 from 63 in 2013 due to our active wellness programmes. With our HIV/Aids programmes, aligned to the UNAIDS goal of 90:90:90 by 2020 (90% know their status, 90% of those infected are on antiretroviral treatment and 90% viral load suppression), 97% of employees know their status, and 91% of those infected are on antiretroviral treatment and 90% viral load suppressed.

For environmental aspects, construction continues on the SO_2 abatement plant at Polokwane smelter to reduce emissions by over 90% to well under regulated and global benchmark limits. We performed better on our energy and water efficiency targets for the year and we have recorded no major environmental incidents (categorised as level 4 to 5) since 2013. The success of our zero-waste-to-landfill initiative is reflected in a significant decrease over three years, with some 4,115.96t of waste sent to landfill in the review period compared to 21,300t in 2016.

Following media coverage of the Vale tailings dam failure in Brazil in January 2019, we commissioned a comprehensive review of our facilities. Findings confirmed that Amplats deploys industry-leading minerals residue facility management that is subject to Anglo American group technical standards. These standards include six levels of assurance and oversight (two internal, two external and two independent) over each of our nine managed tailings storage facilities.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

These standards have been in place since 2014 and exceed current ICMM and regulatory requirements. This best-in-class standard sets minimum requirements for design criteria, monitoring, inspection and surveillance, and was peer-reviewed by international specialists. Our approach, status and actions have been disclosed on our website **https://www.angloamericanplatinum.com/sustainability/managingtailings-safely.aspx**.

UNLOCKING THE FULL POTENTIAL OF OUR OPERATIONS

The strong operational performance in 2019 reflects our continued focus on efficiency improvements across our portfolio, despite headwinds that included Eskom power shortages and strike action at Mototolo. Most mines outperformed the prior year with record performances from Mogalakwena and Unki. Total PGM production rose 1% to 4,440,800 oz, comprising:

- Platinum at 2,050,600 (2018: 2,020,400) ounces
- Palladium at 1,385,900 (2018: 1,379,200) ounces.

Operational challenges at Amandelbult and Mototolo, as well as the Modikwa JV, are detailed in the operations overview from page 72.

Mogalakwena's PGM production increased 4% to a record 1,215,000 ounces. Production in 2019 was impacted by load shedding, the shutdown of a secondary mill at North concentrator in H1 2019 to repair a crack, and lower equipment availability after a major rebuild on the rope shovel in October and November, which decreased tonnes mined for 2019. The start of a new mining cut resulted in higher waste tonnes mined, which also decreased ore mined over the period, partially offset by a drawdown from ore stockpiles. Ore tonnes mined were further affected by rock-fall risk-mitigation measures at the Zwartfontein pit in the final quarter of 2019. Greater mining equipment availability, the purchase of additional trucks, as well as mining the exposed ore tonnage area, will increase ore tonnes and total tonnes mined in 2020.

Total PGM production at Amandelbult increased by 3%, reflecting the strategy to ramp up the Dishaba UG2 section, and an improved safety performance that meant fewer safety-related stoppages. As Amandelbult transitions mining from Tumela upper section to Dishaba lower section, the complex is becoming primarily a UG2 mine, benefiting from high chrome and rhodium metal content. Production from the chrome plant increased by 9%, yielding 908,700 tonnes of chrome concentrate on a 100% basis. This was due in part to commissioning the new Merensky chrome plant, which increased the plant feed by 14%, partly offset by a reduction in plant yield to 15.1% (2018: 15.7%).

Total PGM production at Unki increased by 5%, a record performance. This was driven by improved underground mining efficiencies, resulting in improved ore deliveries to the concentrator, and a 9% increase in tonnes milled on an improved feed rate and mill run-time. These increases were mitigated by a 2% decrease in 4E built-up head grade.

Total PGM production at Mototolo decreased by 16% to 242,300 ounces. In 2018, the mine had a one-off benefit of 20,800 PGM ounces (platinum 9,800 and palladium 6,100) from stockpiled material that was toll concentrated at Bokoni. Normalised for this benefit, PGM production was down 9% year on year. Production was largely affected by a three-week unprotected strike in H1, as well as the impact of transitioning through a difficult ground area with adverse geological features.

Joint-venture mined production comprises 50% of production from Kroondal and Modikwa joint-venture mines. The balance of their production is purchase-of-concentrate. Total PGM production decreased by 4% due to safety stoppages and the low availability of mechanised machinery that required maintenance in 2019 at Modikwa. In 2018, Modikwa had also benefited from 12,300 PGM ounces from purchased ore tonnes from Mototolo. Production at Kroondal was the same as in 2018, benefiting from increased underground production efficiencies, as well as improved concentrator throughput, but countered by the impact of Eskom power outages.

Purchase-of-concentrate from joint-venture mines decreased 4% year on year. Purchase of PGM concentrate from third parties rose 4% due to increased volumes received from Bafokeng-Rasimone Platinum Mine and Siyanda Resources (Union), excluding 4E ounces from Sibanye-Stillwater in the prior period.

Refined PGM production (excluding 4E material tolled that was previously purchase-of-concentrate) increased 11% to 4,480,700 ounces, but at the lower end of market guidance. Production was affected by Eskom load-shedding in December (18,000 PGM ounces) and the associated Rustenburg power interruption (71,000 PGM ounces).

PGM sales volumes (excluding traded volumes and 4E material now toll-treated) decreased 1% owing to lower minor metal sales (which were particularly strong in 2018). Platinum sales volumes increased 7% and palladium sales volumes 13%. Refined production was supplemented by a drawdown in refined inventory due to the impact of power outages in Q4 2019.

PEOPLE ARE KEY TO REACHING OUR GOALS

Achieving our goals depends on our people – their skills, their passion and commitment. In return, we focus on their development and wellbeing in a work environment where they can thrive and unlock their potential.

Our workforce increased to 25,268 at year end, primarily due to additional labour at Amandelbult. After a four-month process, a three-year wage agreement was reached with recognised unions in November 2019 without any strike action. We welcomed the collaborative and constructive engagements with unions throughout the process. We also believe this agreement will ensure the business can remain sustainable through the typical PGM price cycles, while our employees will benefit from meaningful pay and other increases.

To support our ongoing shift to modernisation and automation, it is important to recruit appropriate skills for our mines while we continue developing and training current employees. In 2019, we spent 6.59% of total payroll on training and development, while recruiting the best mining skills to augment our talent pool. Although our staff complement has more than halved as we repositioned the company in recent years, Amplats now benefits from a higher-skilled workforce which ensures we work more efficiently – productivity again improved in the review period, after rising 15% in the prior year.

We continue to make progress with transformation – a key compliance element in the South African mining industry. In 2019, the representation of designated groups at senior management level was largely unchanged at 51% versus 51% in 2018, middle management rose from 69% to 71%, junior management from 80% to 82%, and women from 18% to 19%.

Employee share ownership is an important element of transformation and we implemented an employee share-ownership plan in 2019. In terms of the agreement with employees and unions, employees received R9,000 in cash last year. In the review period, they received R8,000 – half in cash and half in shares. In 2020 they will receive R8,000 (again split between cash and shares). The vesting period for the share portion is over two years, ie 2021 and 2022.

In line with our values, we work hard to ensure our company offers meaningful employee benefits. In recent years, hundreds of our people have benefited from a range of housing schemes, in addition to the thousands who live in company accommodation. All our people have access to decent healthcare programmes. Our financial wellness programme, Nkululeko, has been extended to cover a broader range of financial issues. To date, this has reached around 8,863 employees in individual consultations on financial matters, particularly debt-relief solutions.

The value of these initiatives for our people was reflected in Amplats being recognised as a top employer in the mining sector.

Our organisational cultural transformation journey continues to create a common purpose aligned with our strategy, focused on values, leadership and engagement. We have made excellent progress at managerial levels and began engaging the front-line in 2019 through a series of forums and at the annual culture day.

BUILDING SUSTAINABILITY THROUGH SOCIALLY RESPONSIBLE OPERATIONS

We are focused on addressing the significant legacy of underdevelopment and high unemployment around our operations. This is both a business and moral imperative. We are improving the quality of our engagement with communities, understanding that they grant us our social licence to operate and are key stakeholders in the longevity of our mines.

In 2019, Amplats lost the equivalent of two production days at Mototolo mine to community protests as the scale of disruption across the platinum industry escalated. As noted by the chairman, key issues included lack of employment and procurement opportunities, and the ongoing lack of municipal service delivery. We continued to engage with these communities, local government officials and the police (SAPS) in an attempt to limit the impact of these disruptions.

We continue to deliver on our 2016-2020 social and labour plans (SLPs), which are now 57% complete. Stakeholders are more involved in the delivery of each project, and each project is monitored and evaluated to gauge its impact. In total, our flagship projects have created over 1,200 jobs. More than 10,000 learners have benefited from our education support programme – from early childhood development to grade 12. Collectively, the SLPs, regional socio-economic development or SED, Alchemy (community shareholding trust) and Zimele (a supplier development initiative) strategy feed into a broader SED strategy to deliver lasting benefits for host communities around our sites. In 2019, R619 million was spent on community development (R392 million on SLPs, social investments and payments to community trusts, as well as R227 million in community dividends.

We are also contributing to addressing land and community housing challenges. For the Bokomosa project in Rustenburg, we have donated land to the local municipality. In this case, our infrastructure investment of around R170 million (including a waste-water treatment works and associated water-reticulation network as well as over 1,000 ablution blocks) on 204 hectares of land valued at R31 million will enable the municipality to build around 4,000 houses for the community on serviced stands. We donated a further 262 hectares, valued at R85 million, to the municipality and Alchemy Rustenburg community trust, for housing as well as a care centre for the elderly and fresh produce garden. We firmly believe there are alternatives to land issues in South Africa and that expropriation without compensation need only be a last resort. We are demonstrating this through our collaborative approach, detailed in our ESG report.

Broadening the economic mainstream is another pressing challenge in South Africa. Our focus on local supplier development ensures our host communities benefit from mining. In 2019, 72% of our discretionary spend was with black-owned and black-empowered suppliers, and we awarded 72 new contracts to host community SMMEs with an estimated value of R435 million.

MARKET CONDITIONS FOR PGMS

In a strong pricing environment for PGMs in 2019, the average platinum price declined while other PGM prices strengthened significantly. Palladium reached a high of USD2,000 in December while rhodium reached USD6,150, both driven by strong automotive demand. Ruthenium and iridium prices also reached multi-year highs.

Stronger prices for specific metals drove the US dollar basket price up 27% to USD2,819/ounce. A 9% weaker rand:dollar exchange rate in 2019 resulted

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

in the rand basket price increasing by 38% year on year. The platinum price ended the year up 22% at USD971 per ounce, but averaging USD861 (2018: USD871) on slightly lower demand from the automotive sector, limited support from the gold price and macro-economic pressures from US/China trade-tariff concerns.

Contributing factors to these movements in the PGM prices are detailed on page 8.

We continue to focus on developing the market for PGMs. In 2018, we launched AP Ventures, with matching USD100 million commitments (equivalent to R1.3 billion) from Amplats and the Public Investment Corporation. In the review period, AP Ventures attracted additional investments to scale its activities (Mitsubishi Corporation, Mirai Creation Fund and, most recently, Plastic Omnium). It will support the growth of PGM technologies and increase demand for these metals by facilitating the application of cutting-edge technological advances and broad innovative thinking to address society's major challenges. As an independent structure, AP Ventures is better positioned to attract outside investment and a clear example of using collaborative partnerships to connect people for the betterment of the industry. Other market-development initiatives are detailed on page 12.

RECORD FINANCIAL RESULTS

Amplats delivered a very strong financial performance in 2019, detailed in the finance director's report on page 57. Salient features include:

- EBITDA of R30.0 billion, a record performance and more than double the prior year, driven by higher prices and a weaker foreign exchange rate and steady operational performance
- Return on capital employed (ROCE) of 58% and record headline earnings of R18.6 billion (R70.87 per share)
- Project and stay-in-business capital expenditure of R6 billion, primarily incurred on Mogalakwena heavy mining equipment fleet, Polokwane SO_2 abatement, and smelter rebuilds. Project spend of R1.2 billion was focused on Tumela and Modikwa. Capitalised waste stripping of R2.1 billion reflected higher mining costs
- Underlying unit costs of R 21,587/Pt oz were up 5% year on year, excluding the impact of the drawdown on Mogalakwena ore stockpiles (R439/Pt oz) and Eskom load-shedding (R268/Pt oz). With these included, the unit cost was R22,294/Pt oz, up 8%, and within market guidance of R22,000 – R22,300/Pt oz, albeit at the high end
- Net cash of R17.3 billion comprises free cash flow of R16.9 billion and the customer prepayment increase of R3.2 billion, offset by dividends of R4.9 billion and investments/funding of R0.4 billion. Excluding the customer prepayment of R9.4 billion, net cash is R7.9 billion (net debt of R3.2 billion in 2018).
- The board declared a special dividend equivalent to 60% of H2 headline earnings in addition to the base dividend of 40% of headline earnings to take the second-half dividend to R11.2 billion or R41.60 per share. This equates to a pay-out of 76% of FY19 earnings or R14.2 billion. It is also the first time since 2001 (R6.00/share) that a special dividend has been declared.

OUTLOOK

Market outlook

The three major PGMs – platinum, palladium and rhodium – should again be in a combined fundamental deficit in 2020. Primary mine supply should decline modestly, while tightening emissions regulations are likely to boost automotive demand for palladium and rhodium in the light-duty sector and platinum in the heavy-duty sector.

Platinum is expected to be in surplus in 2020. The outlook for gross global automotive demand for platinum is relatively flat year on year, although risks to this forecast are largely to the downside. The diesel engine's share of the European light-duty vehicle market is expected to continue declining but at a significantly slower rate than in recent years. Production and sales of heavy-duty vehicles are expected to decrease globally in 2020. However, demand for platinum from the sector should remain robust due to stricter emissions legislation in several regions, leading to higher PGM loadings. Industrial demand is likely to remain strong, but lower than 2019 as global economic growth continues to moderate.

The jewellery demand outlook remains mixed. Platinum jewellery sales in China are expected to decrease again in 2020. In contrast, Indian demand should increase further, and we expect a healthy performance in other key jewellery markets. Investment demand is unlikely to match the significant volumes of 2019 but should be positive, aided by continuing market development work from the World Platinum Investment Council.

Primary supply should decrease year on year but will be compensated for by a marginal increase in recycling flows, leading to flat supply overall and a return to surplus for this metal.

Palladium should again be in a substantial deficit in 2020. Automotive demand for palladium seems set to increase, even with little or no growth in vehicle sales, as average vehicle size increases and emission rules tighten, both leading to an increase in PGM loadings per vehicle. Although palladium is trading at a substantial premium to platinum, there is only limited evidence of research efforts to replace palladium with platinum in gasoline catalytic converters. Even if this R&D process were to progress in 2020, gross automotive palladium demand should increase in 2020. Mine production is expected to decrease year on year, but more palladium will be recovered from recycling. Given the current volume of ETFs available, net disinvestment is expected to be minimal compared to recent years and palladium is expected to remain in a deficit again.

Rhodium demand growth should continue in 2020. Although vehicle sales are unlikely to grow meaningfully this year, tighter emissions rules and rising vehicle sizes should translate to incremental automotive demand. Industrial demand could fall back due to some price sensitivity in the glass sector. Primary supplies are expected to remain relatively flat, but the volume of recycled metal should increase in 2020, with rhodium likely to remain in a widening fundamental surplus.

Operational outlook

PGM production guidance (metal-in-concentrate) is 4.2 million to 4.6 million PGM ounces for 2020, including platinum's outlook of 2.0 million to 2.2 million ounces and palladium's outlook of some 1.4 million ounces.

Due to the build-up of work-in-progress inventory, owing to power outages in Q4 2019, refined production will be higher than M&C production. FY20 guidance is 4.2 million to 4.7 million PGM ounces, including platinum of 2.0 million to 2.2 million ounces and palladium of some 1.4 million ounces. PGM sales volumes will be in line with refined production.

Financial outlook

Unit costs are expected to be R10,600-R11,000 per PGM ounce produced or R22,800-R24,000 per platinum ounce produced. The company is committed to maintaining a strong balance sheet through the cycle, only focusing on high-returning and quick pay-back projects. Total capital expenditure guidance for 2020, excluding capitalised waste stripping, is R6.8 billion to R7.5 billion. Capitalised waste stripping guidance is R2.4 billion to R2.6 billion.

NEXT PHASE OF VALUE

The next phase of our strategy has been formulated to maximise margins, returns and cash flows in a changing market and competitor landscape. We continue to see further material upside value in the company, with work under way to extract and deliver the full potential from existing operations and progress growth options of our world-class resources. We are working to reset operational performance benchmarks across our business, recognising further latent potential in our operations, and despite material improvements in recent years. Whether it is extending the operating hours of a haul truck or shortening the lost time between shift changes, or completely rethinking established practices, we believe there is substantial additional value to be gained by focusing on best practice benchmarks and then beyond.

We are looking for breakthrough opportunities that enable a step-change in production or value, through new technology deployment known as FutureSmart Mining. Examples include our current trial of bulk-ore sorting at Mogalakwena, which aims to increase grade delivered to the concentrator plant, and deploying extra-low profile mechanised equipment at Tumela 15E, a separate mechanised section of the mine that will lead to safer and more efficient mechanised production. We are committed to investing in fast-payback, high-margin, high-value projects, which will contribute to expanding our EBITDA margin from 20% in 2018 to 25-28% by 2023 (at 2018 prices and foreign exchange rates, and excluding the impact of expansion projects). We achieved a two percentage point expansion in 2019, with the EBITDA margin increasing to 22% (at 2019 achieved prices and foreign exchange rates, the EBITDA margin was 32%). We remain committed to investing in projects such as copper debottlenecking at Rustenburg Base Metals Refinery, Unki concentrator debottlenecking, and modernisation of Amandelbult, among other projects in execution. These are focused on maximising value, not necessarily volume, with our disciplined capital allocation focused on generating strong returns.

ACKNOWLEDGEMENTS

In February 2020, I announced that I would step down as CEO at the AGM on 16 April 2020. I have enjoyed the significant challenge of leading one of the world's great precious metals businesses over the last seven years. We have made outstanding progress on many fronts, from safety improvements to significantly restructuring and repositioning the portfolio of assets, which continue to deliver industry-leading returns. After my years at the helm, and given all that we as a team have achieved, I feel this is a natural time for the next generation of leadership to take this business forward and deliver further value. Natascha Viljoen takes over as CEO in April, and her knowledge of our industry and wider group should ensure a seamless handover.

My executive team and all our people have again worked hard to produce commendable results. Thank you all. I also thank our directors for their counsel and insight in guiding Amplats towards its full potential.

In closing, I assure our stakeholders we are well on the path to our purpose of re-imagining mining to improve people's lives.

Chris Griffith
Chief executive officer

Johannesburg

13 February 2020

FINANCIAL REVIEW

Amplats delivered a record financial performance in 2019, with increased earnings, returns and operating cash flows.

Craig Miller
Finance director

Record headline earnings of

R18.6 billion

up 145% from 2018

Net cash of

R17.3 billion

from R2.9 billion in 2018

Dividend pay-out ratio

76%

of FY19 headline earnings, made up as follows:

- Sustainable pay-out – 40% of H2 headline earnings: R4.5 billion or R16.60 per share
- Special dividend 60% of H2 headline earnings: R6.7 billion or R25.00 per share

Return on capital employed more than doubled to

58%

on strong earnings

AMPLATS' FINANCIAL PERFORMANCE AGAINST STRATEGY

EXTRACTING THE FULL POTENTIAL FROM OUR OPERATIONS THROUGH OUR PEOPLE AND INNOVATION

- Net sales revenue up 33% to R99.6 billion
- EBITDA more than doubled to R30.0 billion
- Record headline earnings of R18.6 billion, up 145%
- Strong balance sheet – net cash of R17.3 billion (R14.4 billion improvement on 2018)
- 2019 dividend declared of R52.60 per share, or R14.2 billion

INVESTING IN OUR CORE PORTFOLIO

- Transfer of 33% interest in Bafokeng Rasimone Platinum Mine joint venture (BRPM JV) mining right to Royal Bafokeng Platinum Limited
- Acquisition of resources specified in Kwanda North and Central Block prospecting rights from Atlatsa Resources
- Disciplined capital allocation focused on low-capex, fast-payback projects and on projects to set and exceed benchmark performance
- Project studies progressing on expansion opportunities at Mogalakwena and Mototolo/Der Brochen

DEVELOPING THE MARKET FOR PGMS

USD36 million invested in the year to support near- and long-term demand creation across jewellery, investment and industrial sectors

OVERVIEW

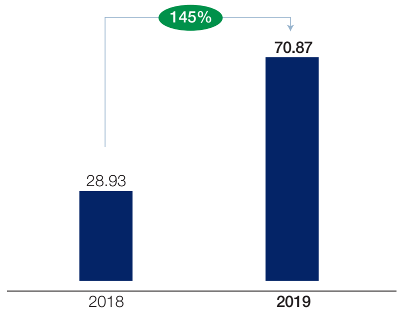
Amplats delivered a record financial performance in 2019, with increased earnings, returns and operating cash flows. The company benefited from strong market fundamentals that saw the US dollar platinum basket price increasing 27%, coupled with a weakening rand which led to the ZAR basket price increasing 38% compared to 2018.

Headline earnings rose 145% to R18.6 billion (2018: R7.6 billion), resulting in headline earnings per share (HEPS) of R70.87 (2018: R28.93).

The balance sheet strengthened substantially to end the year with net cash of R17.3 billion, up R14.4 billion from R2.9 billion at 31 December 2018.

For a more comprehensive account of the company's financial position and performance, this review should be read with the annual financial statements for 2019 at www.angloamericanplatinum.com.

HEADLINE EARNINGS PER SHARE
(R/s)



Financial performance

Key financial indicators underpinning our operating performance in the past year were:

R billion	2019	2018	% change
Net sales revenue	**99.6**	74.6	33
Cost of sales	**72.7**	63.3	15
EBITDA	**30.0**	14.5	107
Headline earnings	**18.6**	7.6	145
Operating free cash flow	**16.9**	5.6	202
Capital expenditure excluding capitalised waste stripping and interest	**6.0**	4.7	28

FINANCIAL REVIEW CONTINUED

Revenue

Net sales revenue increased by 33% to R99.6 billion from R74.6 billion in 2018. Revenue, excluding sales of purchased metals and tolling, increased by 26% on the back of a 38% increase in the rand basket price to R40,862 per platinum ounce sold (compared to R29,601 in 2018), offset by a decrease in platinum sales volumes (excluding purchased metals) as a result of the transition of Sibanye 4E metal from a purchase-of-concentrate (POC) to toll arrangement. PGM sales volumes are down 14% due to the lower 4E volume as well as AAP returning to more stable levels of minor metal sales, following a particularly strong year of sales in 2018.

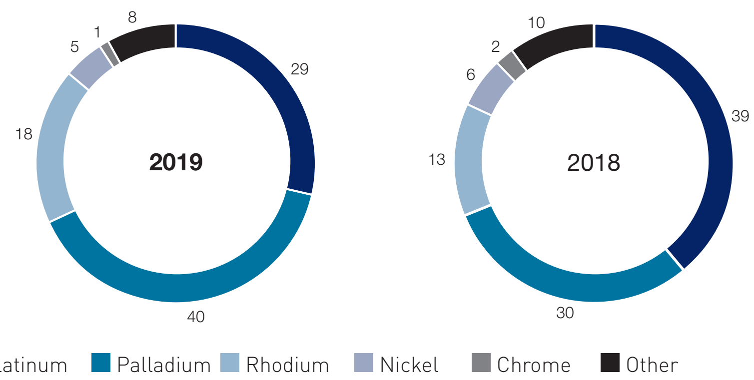
The strong increase in the rand basket price was on the back of a 27% higher US dollar basket price of USD2,819 per platinum ounce sold (compared to USD2,219 in 2018) and a 9% weaker average rand/dollar exchange rate of R14.50 (2018: R13.33). The average US dollar sales price achieved on all PGMs improved, except for platinum which was USD861 per ounce compared to USD871 in 2018. Palladium was up 48%, rhodium 73% and nickel 8%. Other base metal and chrome prices declined year on year.

Revenue generated from trading PGMs increased R5.1 billion to R7.9 billion. Revenue from tolling was R1.1 billion for the year.

Revenue by metal

R billion	2019	2018	% change
Platinum	**27.6**	28.1	(2)
Palladium	**33.5**	20.9	60
Rhodium	**17.7**	9.4	88
PGM (5E+AU)	**83.2**	64.2	30
Nickel	**4.4**	4.1	6
Chrome	**1.4**	1.9	(25)
Other	**1.5**	1.6	(2)
Net sales revenue excluding trading and tolling	**90.6**	71.8	26
Trading and tolling	**9.0**	2.8	221
Net sales revenue	**99.6**	74.6	33

REVENUE PER METAL
(%)



		2019	2018	% change
Total metal sold				
Platinum	000 oz	**2,215**	2,424	(9)
Palladium	000 oz	**1,521**	1,513	1
Rhodium	000 oz	**298**	317	(6)
PGM (5E+AU)	000 oz	**4,634**	5,225	(11)
Nickel sold	t	**21,445**	23,943	(10)
Chrome sold	t	**799,500**	834,682	(4)
Average market price achieved				
Platinum	US$/oz	**861**	871	(1)
Palladium	US$/oz	**1,518**	1,029	48
Rhodium	US$/oz	**3,808**	2,204	73
PGM (5E+AU)	US$/oz	**1,347**	1,030	31
Nickel	US$/t	**14,050**	12,972	8
Chrome	US$/t	**121**	178	(32)
Platinum basket price	US$/oz	**2,819**	2,219	27
Average exchange rate	R/US$	**14.50**	13.33	9
Platinum basket price	R/oz	**40,862**	29,601	38
Total revenue per PGM (5E+AU) oz sold	R/oz	**19,534**	13,734	42

Costs

Cost of sales increased by 15% from R63.3 billion in 2018 to R72.7 billion due to higher cash operating costs and cost of metals purchased, partly offset by lower purchase-of-concentrate costs.

On-mine costs (mines and concentrators) rose 10% to R28.7 billion on the back of input cost inflation of 7% and increased activity on maintenance, particularly at Mogalakwena due to increased maintenance on HME fleet (rebuild of the rope shovel), the secondary mill at North concentrator and the crusher. Processing costs rose 10% to R9.4 billion in 2019 due to higher input costs of electricity and labour as well as increased maintenance costs.

As a result of the rope-shovel rebuild and concentrator maintenance at Mogalakwena, ore stockpiles were drawn down to supplement production, resulting in lower ore stockpile measurement for the year.

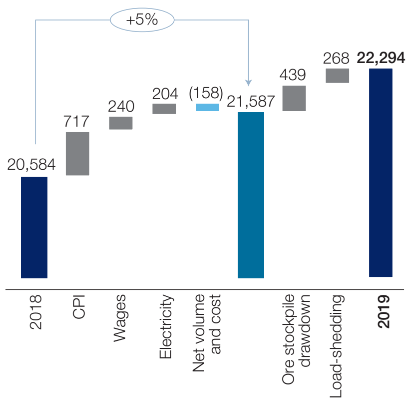
Given the increase in cash operating costs, the unit cost of production per platinum ounce, before accounting for ore stockpile drawdowns and load shedding, was up 5% to R21,587 from R20,584. After accounting for the impact of load shedding and ore stockpile drawdown unit cost rose 8% to R22,294. Unit cost per PGM ounce produced was R10,189 up from R9,412 in 2018.

Trading cost increased to R7.5 billion from R2.9 billion after an increase of 36% in purchased metal volume.

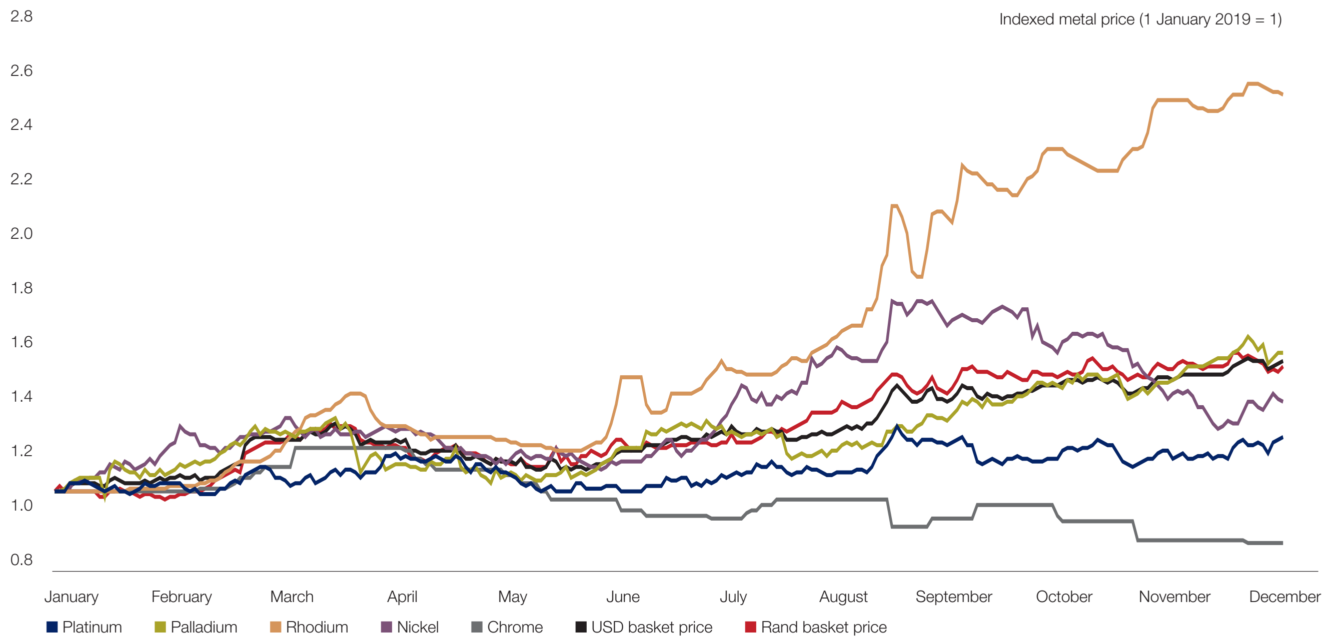
Costs associated with the purchase of concentrate reduced by R3.5 billion to R22.9 billion from R26.4 billion as Sibanye-Stillwater's Rustenburg mines moved to a tolling arrangement from a purchase-of-concentrate agreement, and the company no longer purchasing concentrate from Mototolo as it became a 100% owned and managed operation.

This was partially offset by an increase in purchase-of-concentrate costs from other third parties due to increased volume, higher prices and weaker exchange rates.

UNIT COST
(rand per platinum ounce produced)



METAL PRICE MOVEMENT
(1 January 2019 to 31 December 2019)



FINANCIAL REVIEW CONTINUED

Cost of sales analysis

R billion	2019	2018	% change
On-mine	**28.7**	26.2	10
Processing	**9.4**	8.6	10
Smelting	**4.8**	4.3	14
Treatment and refining	**4.5**	4.3	6
Movement in metals and consumables	**(0.9)**	(3.6)	(75)
Movement in ore stockpiles	**0.1**	(0.5)	(129)
Purchase of concentrate	**22.9**	26.4	(13)
Trading activities	**7.5**	2.9	163
Other costs	**2.9**	2.8	7
Royalties and carbon tax	**2.1**	0.7	211
Cost of sales	**72.7**	63.3	15

The all-in sustaining cost per platinum ounce sold was USD293 (2018: USD756) compared to an achieved platinum price of USD861 per ounce, reflecting higher revenue from other metals.

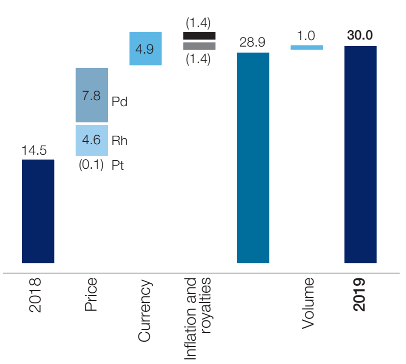
Earnings before interest, taxation, depreciation and amortisation (EBITDA)

EBITDA more than doubled to R30.0 billion from R14.5 billion in 2018, driven by higher US dollar palladium and rhodium prices and the weaker rand/US dollar exchange rate contributing R12.4 billion and R4.9 billion respectively, partially offset by CPI and higher royalties of R2.8 billion combined.

Our improved operational performance resulted in higher sales volumes of R1.0 billion.

The EBITDA margin achieved was 32% (2018: 20%), made up of own mining operations of 44% (2018: 32%), JV operations of 41% (2018: 27%) and purchase-of-concentrate and tolling of 14% (2018:10%).

EBITDA
(Rbn)



Capital expenditure

Disciplined capital expenditure remains a priority, aimed at maintaining asset integrity and focusing on value as opposed to volume.

Capital expenditure for 2019, excluding capitalised interest and waste stripping, increased 28% to R6.0 billion from R4.7 billion in 2018.

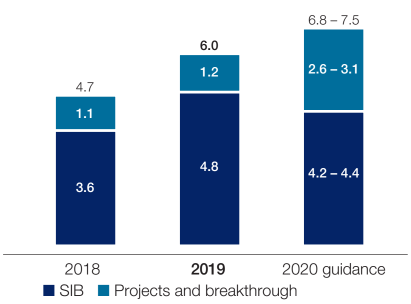
Stay-in-business (SIB) capex rose 21% to R4.0 billion from R3.2 billion in 2018 and was focused on Mogalakwena HME and smelter rebuilds. As previously guided, the SO_2 abatement project for Polokwane smelter began in 2018 (capital spend to date of R1.2 billion) and this will continue through 2020. The Mortimer smelter's SO_2 abatement project is expected to begin in 2021.

Our focus is to invest in low-capex, fast-payback, value-accretive projects. Project capital was R1.2 billion in 2019, spent on Amandelbult chrome plant module 3, Tumela 15E mechanised mining section and the commencement of the copper debottlenecking project at the Base Metal Refinery.

Project studies are progressing on expansion opportunities at Mogalakwena and Der Brochen.

Waste mined decreased from 71 million tonnes in 2018 to 67 million tonnes in 2019 and the cost of mining 41 million tonnes was capitalised, compared to 36 million tonnes in 2018.

CAPITAL EXPENDITURE
(Rbn)



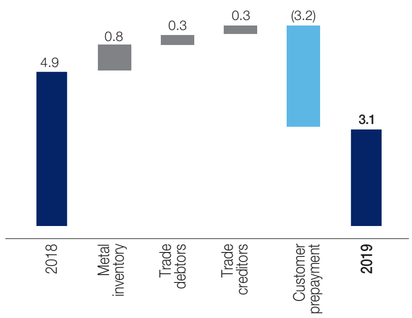
Working capital

We continue to focus on optimising working capital levels. Trade working capital at 31 December 2019 was R3.1 billion, equivalent to three days, compared to R4.9 billion at 31 December 2018 (15 days). The net decrease is mainly due to an increase in the customer prepayment of R3.2 billion driven by higher metal prices and a weakening rand compared to December 2018. This increase was partly offset by higher WIP inventory due to the impact of power outages, higher unit costs and lower creditors after paying the Sibanye-Stillwater trade creditor for 4E metal as the agreement transitioned from a POC to toll arrangement.

As noted, in 2019, Amplats had a stock-count gain of R1.0 billion (2018: stock-count loss of R0.5 billion), with the benefit of an 82,000 ounce platinum and 50,000 ounce palladium stock-count gain, valued at R1.4 billion, being offset by stock-count losses of 12,000 rhodium and 300 nickel ounces, valued at R0.4 billion.

	2019 Rbn	Days	2018 Rbn	Days
Metals and consumables	**21.3**	79	20.4	88
Ore stockpiles	**2.1**	11	2.3	13
Trade debtors	**0.8**	2	0.6	2
Trade creditors	**(11.8)**	(48)	(12.1)	(59)
Customer prepayment	**(9.4)**	(41)	(6.1)	(29)
Total after customer prepayment	**3.1**	3	5.0	15

WORKING CAPITAL
(Rbn)

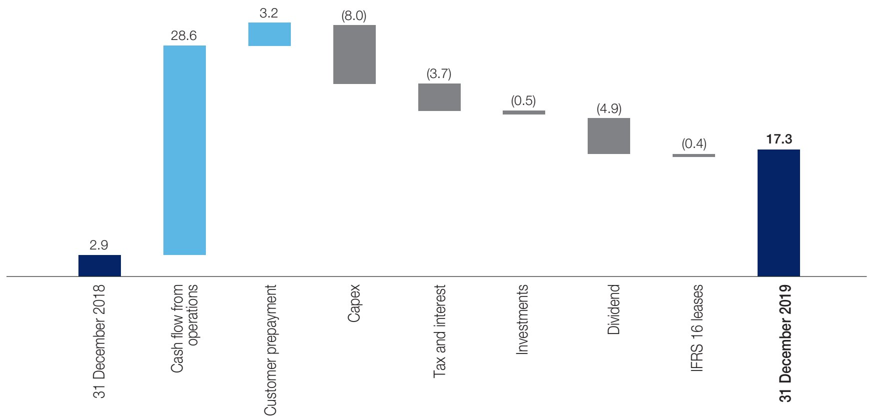


Cash flows

Amplats achieved the strongest cash position in its history, ending the year with net cash of R17.3 billion compared to net cash of R2.9 billion at end 2018. This was the result of operations generating cash of R28.6 billion and an increase in the customer prepayment of R3.2 billion. These cash flows were used to fund capital expenditure and capitalised waste stripping of R8.0 billion; pay taxation and interest of R3.7 billion; fund associates, acquisitions and minor investments of R0.5 billion and pay a final 2018 dividend to shareholders of R4.9 billion. In addition, we adopted IFRS 16 *Leases* on 1 January 2019, resulting in financial liabilities increasing to R0.4 billion.

Excluding the current value of the customer prepayment of R9.4 billion, the company is in a net cash position of R7.9 billion (net debt of R3.2 billion in 2018). Liquidity headroom is at R38.4 billion, comprising both undrawn committed facilities of R20.2 billion and cash of R18.2 billion. Amplats is comfortably within its debt covenants.

NET CASH
(Rbn)



FINANCIAL REVIEW CONTINUED

Investor relations activity and share price

Amplats has positioned itself as a diversified precious metals mining company, generating value for stakeholders through its full value-chain proposition from mine to market.

The investor relations function engages with the market to enhance corporate value by effectively communicating our corporate strategy, financial outcomes, and our environmental, social and governance (ESG) performance. Engagements cover key stakeholders including buy-side and sell-side analysts, institutional investors and potential investors. Interaction and communication with the market has been key to establish a track record of delivery on portfolio restructuring and repositioning as well as effective execution of our strategy.

Investor and analyst sentiment towards Amplats remains positive, with our differentiated value proposition attracting new institutional and long only investors.

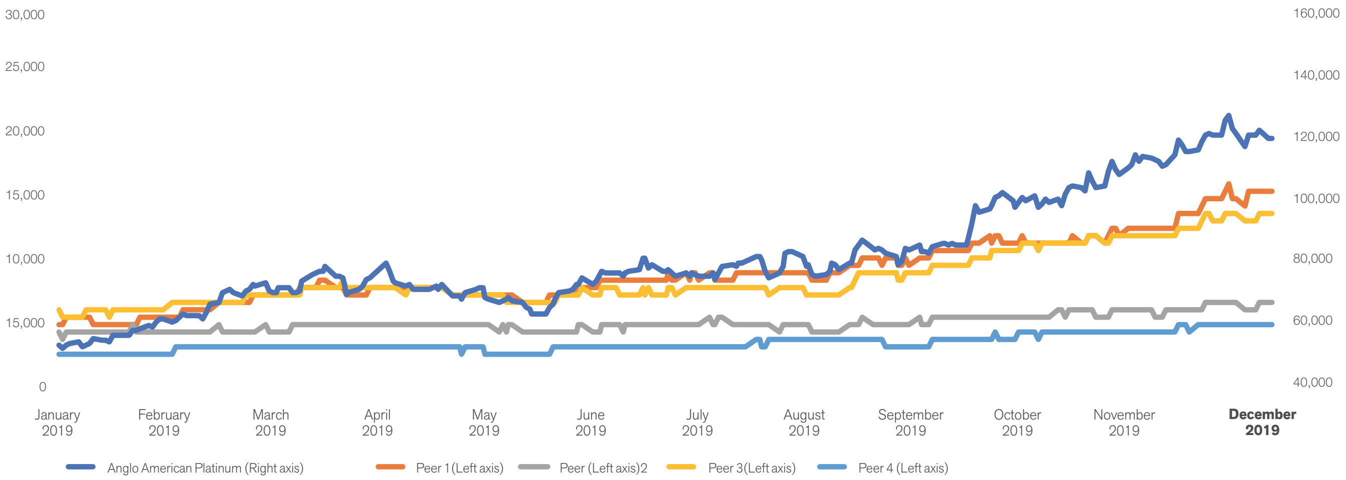
Our strong balance sheet, cash dividend payment of R4.9 billion, EBITDA margin expansion through focused initiatives and value-accretive growth optionality at Mogalakwena have resulted in a rerating of the share price. Amplats was the fourth best-performing share price on the JSE in 2019, up 143% and outperforming the JSE All Share index. The price increased from R537/share on 31 December 2018 to R1,307/share on 31 December 2019. Including dividend payments, the total shareholder return in 2019 was up 149%.

The investor relations function manages communication through specific reporting periods, such as annual and interim results presentations, as well as production updates, disposal and acquisition announcements, trading updates and any material information on the company through JSE SENS announcements. Roadshows and attending specialist conferences allow for further engagement with key stakeholders, and these focus on both emerging-market and resource-specialist fund managers.

The shareholder base comprises domestic and foreign institutional investors, individuals, pension and provident funds, hedge funds, banks, nominee and finance companies, trust funds and insurance companies. At year end, the shareholding of Anglo South Africa Capital Proprietary Limited was 77.56%. Excluding the ownership of our parent company, the geographical split of our shareholder base has evolved over recent years from being predominantly South Africa-based, to a growing investor base in the UK and North America.

Any significant concerns about Amplats raised by a shareholder are communicated to the board. The board receives a briefing at each meeting from investor relations, communicating feedback on the performance of the share price, and sentiment from institutional shareholders and other engagements.

Share price versus peers (last 12 months)



Dividends

In line with our capital allocation framework, the board has declared a second-half cash dividend of R11.2 billion or R41.60 per share to our shareholders, comprising:

- R16.60 per share representing 40% of headline earnings in line with our dividend policy
- R25.00 per share as a special cash dividend.

This brings the aggregate 2019 dividend to R14.2 billion or R52.60 per share, equivalent to a 76% pay-out on full-year 2019 headline earnings.

The dividend applies to all shareholders on the register on 6 March 2020 and is payable on 9 March 2020.

SIGNIFICANT ACCOUNTING MATTERS

Completed sale BRPM investment

On 4 July 2018, Amplats signed a binding agreement to dispose of its 33% interest in the unincorporated BRPM joint venture to Royal Bafokeng Platinum (RB Plat) structured in two phases, which will be completed independently. Phase 1 is for the sale of our 33% interest in BRPM. Shareholder and lender approvals were obtained and the capital raise by RB Plat was completed on 26 September 2018. Phase 2 is for the transfer of our 33% interest in the mining rights, which required section 11 DMRE approval and was obtained on 26 June 2019. This phase of the transaction has no accounting implications as it was an equity-accounted associate with no separate mining rights recognised in the company's accounts.

Acquisition and impairment of assets and investments

Equity investments in Atlatsa Resources and Bokoni Holdco and associated loans

- Atlatsa Resources placed Bokoni Platinum Mine on care and maintenance effective 1 October 2017. Amplats holds a 49% interest in Bokoni Holdco (equity-accounted as an associate) and committed to support Bokoni Mine while on care and maintenance until the end of December 2019. A total of R139 million was advanced in 2019
- All funding advanced has been impaired to the extent that it comprises a loan to Atlatsa for its 51% share of the funding requirements. The 49% effective shareholder contribution to Bokoni was capitalised to the investment, and equity-accounted losses were applied.

Bokoni

R68 million (49%) of the care-and-maintenance funding was capitalised to the investment in Bokoni and equity-accounted losses to the same value were applied against this amount. These losses impact headline earnings.

Atlatsa

On 27 August 2019, Amplats acquired the resources specified in the Kwanda North and Central Block prospecting rights from Atlatsa Resources for a total consideration of R541 million. The consideration was made up of a cash payment of R300 million and the balance of R241 million was waived as part of a loan to Plateau. These rights have now been included in Mogalakwena's mining right. Prior to this transaction, Amplats held a 22.55% shareholding in Atlatsa which we have disposed of.

Investments in Primus Power

Primus entered liquidation in 2019 and therefore the associate interest and loan receivable of R22 million was tested for impairment. The associate interest was already at a nil balance due to equity-accounting losses and no impairment loss was recognised. The loan receivable was impaired and an impairment loss recognised in basic and headline earnings.

Change in estimate of quantities of inventory

In the review period, the company changed its estimate of the quantities of inventory, based on the outcome of a physical count of in-process metals. Amplats runs a theoretical metal inventory system based on inputs, the results of previous counts and outputs. As in-process inventories are contained in weirs, pipes and other vessels, physical counts only take place once a year, except in the Precious Metal Refinery, where the physical count is usually conducted every three years. The Precious Metals Refinery physical count was conducted in 2019.

This change in estimate increased the value of inventory disclosed in the financial statements by R961 million (31 December 2018: decrease of R485 million), resulting in the recognition of an after-tax gain of R692 million (31 December 2018: after-tax loss of R349 million).

Post-balance sheet events

Settlement of BRPM deferred consideration

The outstanding purchase consideration in respect of BRPM of R1.6 billion was deferred and left on loan account and escalated at RB Platinum's borrowing rate plus a premium of 2%. The deferred consideration was to be paid in three equal tranches after 1.5 years, 2.5 years and 3.5 years from the completion date.

In October 2019, RBPlat entered into a gold-streaming agreement with Triple Flag and stated its intention to use the proceeds to early settle the deferred consideration owed to the group. An amount of R1.85 billion was received on 30 January 2020 as full settlement.

FINANCIAL REVIEW CONTINUED

Key factors that will affect future financial results

Financial outlook

The focus for 2020 is on embedding a cost-saving and efficiency-driven culture, that provides an offset against the effects of economic inflation and ensures that the company continues to enhance its margins and delivers strong cash flows.

Unit cost guidance for 2020 is R10,600 to R11,000/PGM ounce and R22,800 to R24,000/Pt ounce.

Total capital expenditure guidance for 2020, excluding capitalised waste stripping, is R6.8 billion to R7.5 billion. The increase is mainly attributable to breakthrough project initiatives to achieve and exceed best practice in 2023 and beyond. Capitalised waste stripping guidance is R2.4 billion to R2.6 billion.

The board has committed to paying a sustainable dividend based on a pay-out ratio of 40% of headline earnings. It will consider paying a special dividend at each financial reporting period in the context of its capital allocation framework.

CW Miller

Craig Miller
Finance director

Johannesburg

13 February 2020

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	2019 Rm	2018[1] Rm
ASSETS		
Non-current assets	**57,177**	54,252
Property, plant and equipment	**43,504**	39,708
Capital work-in-progress	**8,501**	7,780
Other financial assets	**2,558**	4,109
Inventories	**1,006**	650
Investments held by environmental trusts	**798**	1,183
Investment in associates and joint ventures	**413**	407
Goodwill	**397**	397
Other non-current assets	**—**	18
Current assets	**46,843**	35,138
Inventories	**22,446**	21,988
Cash and cash equivalents	**18,546**	9,541
Trade and other receivables	**1,686**	1,607
Other assets	**1,633**	1,347
Other financial assets	**2,532**	276
Taxation	**—**	379
Total assets	**104,020**	89,390
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	**27**	27
Share premium	**22,691**	22,746
Retained earnings	**35,039**	21,564
Foreign currency translation reserve	**2,452**	2,644
Remeasurements of equity investments irrevocably designated at FVTOCI	**441**	216
Non-controlling interests	**192**	231
Shareholders' equity	**60,842**	47,428
Non-current liabilities	**14,646**	17,078
Deferred taxation	**11,120**	8,238
Environmental obligations	**1,898**	1,925
Other financial liabilities	**924**	762
Lease liabilities	**404**	100
Interest-bearing borrowings	**281**	6,038
Employee benefits	**19**	15
Current liabilities	**28,532**	24,884
Trade and other payables	**16,246**	15,647
Other liabilities	**11,306**	8,423
Other financial liabilities	**609**	639
Lease liabilities	**164**	17
Interest-bearing borrowings	**42**	129
Taxation	**96**	—
Share-based payment provision	**69**	29
Total equity and liabilities	**104,020**	89,390

[1] *Restated.*

CORPORATE TRANSACTIONS

- Acquisition of resources specified in Kwanda North and Central Block prospecting rights from Atlatsa Resources
- The valuation of the Mototolo acquisition was finalised during 2019 and indicated a fair value gain of R0.4 billion and goodwill of R0.4 billion
- 33% of BRPM disposed of in 2018. The full amount of deferred consideration was settled on 30 January 2020

OPERATIONS

- Trade working capital at 31 December 2019 of R3.1 billion (equivalent to 3 days) compared to R4.9 billion at 31 December 2018 (15 days). The decrease is mainly due to the increase in the customer prepayment of R3.2 billion

ENVIRONMENTAL

- PPE includes expenditure on the SO_2 abatement project at Polokwane smelter of R1.2 billion to date
- Total rehabilitation and decommissioning provision of Amplats was R1.9 billion at the end of 2019

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	2019 Rm	2018[1] Rm
Gross sales revenue	**99,571**	74,582
Commissions paid	**(20)**	—
Net sales revenue	**99,551**	74,582
Cost of sales	**(72,737)**	(63,286)
Gross profit on metal sales	**26,814**	11,296
Market development and promotional expenditure	**(788)**	(796)
Other net (expenditure)/income	**(388)**	342
Loss on impairment and scrapping of property, plant and equipment	**(173)**	(21)
Operating profit	**25,465**	10,821
Fair value measurements of other financial assets and liabilities	**248**	931
Interest received	**349**	265
Interest expensed	**(572)**	(738)
Impairment of non-current financial assets	**(77)**	(234)
Losses from associates (net of taxation)	**(56)**	(15)
Losses from joint ventures (net of taxation)	**(52)**	(25)
Dividends received	**—**	42
Impairment of investment in associate Bafokeng Rasimone Platinum Mine (BRPM)	**—**	(1,133)
Impairment of Richtrau 123 Proprietary Limited	**—**	(5)
Loss on disposal of Union Mine and Masa Chrome	**—**	(850)
Profit on step acquisition of Mototolo business	**—**	396
Profit on disposal of Platinum Group Metals Investment Programme (PGMIP)	**—**	249
Profit on disposal of associates	**—**	15
Profit before taxation	**25,305**	9,719
Taxation	**(6,736)**	(2,640)
Profit for the year	**18,569**	7,079
Other comprehensive income, post-tax	**33**	650
Items that may be reclassified subsequently to profit or loss	**(192)**	880
Deferred foreign exchange translation gains/(losses)	**(192)**	880
Items that will not be reclassified subsequently to profit or loss	**225**	(230)
Net gains/(losses) on equity investments at fair value through other comprehensive income (FVTOCI)	**279**	(261)
Tax effects	**(54)**	31
Total comprehensive income for the year	**18,603**	7,729
Profit attributed to:		
Owners of the company	**18,497**	6,903
Non-controlling interests	**72**	176
	18,569	7,079
Total comprehensive income attributed to:		
Owners of the company	**18,531**	7,553
Non-controlling interests	**72**	176
	18,603	7,729
EARNINGS PER SHARE		
Earnings per ordinary share (cents)		
– Basic	**7,046**	2,631
– Diluted	**7,021**	2,622
Headline earnings	**18,603**	7,588

[1] *Restated.*

FINANCIAL

- Net sales revenue rose 33% to R99.6 billion from R74.6 billion in 2018, due to a 27% higher US dollar basket price of USD2,819 per platinum ounce sold
- Amplats' EBITDA margin of 32%, supported by strong mine-to-market margins
- Headline earnings of R18.6 billion, up 145%

COST

- Cost of sales rose 15%, largely due to input cost inflation, particularly labour and electricity
- Unit cost up 5% year on year before the Mogalakwena Mine ore stockpile drawdown and the impact of Eskom load-shedding
- The all-in sustaining unit cost for 2019 was USD293 per Pt oz versus an achieved price of USD861

PEOPLE

- Total labour makes up 32% of costs

SOCIO-POLITICAL

- Social investment, community development and empowerment spend of R0.6 billion in 2019

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Share capital Rm	Share premium Rm	Foreign currency translation reserve (FCTR) Rm	Remeasurements of equity investments irrevocably designated at FVTOCI Rm	Retained earnings Rm	Non-controlling interests Rm	Total Rm
Balance at 31 December 2017	27	22,673	1,764	429	16,634	(526)	41,001
Total comprehensive (loss)/income for the year[1]			880	(261)	6,903	176	7,698
Deferred taxation charged directly to equity				31	6		37
Cash distributions to minorities						(198)	(198)
Shares acquired in terms of the BSP – treated as treasury shares	(—)*	(141)					(141)
Shares vested in terms of the BSP	—*	214			(214)		—
Equity-settled share-based compensation					180		180
Shares forfeited to cover tax expense on vesting					(11)		(11)
Transfer of reserve upon disposal of investments				17	(17)		—
Dividends paid**					(1,922)		(1,922)
Disposal of business						779	779
Retirement benefit					5		5
Balance at 31 December 2018	27	22,746	2,644	216	21,564	231	47,428
Change on adoption of IFRS 16 *Leases*					**(136)**		**(136)**
Total equity at 1 January 2019 – restated	**27**	**22,746**	**2,644**	**216**	**21,428**	**231**	**47,292**
Profit for the year					**18,497**	**72**	**18,569**
Other comprehensive income for the year			**(192)**	**279**			**87**
Total comprehensive (loss)/income for the year			**(192)**	**279**	**18,497**	**72**	**18,656**
Deferred taxation charged directly to equity				**(54)**	**33**		**(21)**
Dividends paid**					**(4,921)**		**(4,921)**
Retirement benefit					**(2)**		**(2)**
Cash distributions to minorities						**(111)**	**(111)**
Shares acquired in terms of the BSP – treated as treasury shares	**(—)***	**(232)**					**(232)**
Shares vested in terms of the BSP	**—***	**177**			**(177)**		**—**
Equity-settled share-based compensation					**188**		**188**
Shares forfeited to cover tax expense on vesting					**(7)**		**(7)**
Balance at 31 December 2019	**27**	**22,691**	**2,452**	**441**	**35,039**	**192**	**60,842**

	Per share (R)	Rm
* *Less than R500,000.*		
** *Dividends paid*		
Interim 2019	*11.00*	*2,925*
Final 2018	*7.51*	*1,996*
		4,921

[1] *Restated. Refer to note 45.*

FINANCIAL CAPITAL

Total shares in issue were 269,681,886 (2018: 269,681,886) and treasury shares held were 854,112 (2018: 978,316). All treasury shares are held as conditional awards under the Amplats bonus share plan.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	2019 Rm	2018 Rm
Cash flows from operating activities		
Cash receipts from customers	**98,715**	75,184
Cash paid to suppliers and employees	**(66,499)**	(57,224)
Cash generated from operations	**32,216**	17,960
Taxation paid	**(3,349)**	(1,771)
Interest paid (net of interest capitalised)	**(429)**	(609)
Net cash from operating activities	**28,438**	15,580
Cash flows used in investing activities		
Purchase of property, plant and equipment	**(8,600)**	(6,964)
Receipt of deferred consideration	**348**	101
Interest received	**342**	260
Proceeds from sale of plant and equipment	**38**	24
Growth in environmental trusts	**7**	6
Advances made to Plateau Resources Proprietary Limited	**(93)**	(133)
Shareholder funding capitalised to investment in associates	**(68)**	(869)
Investment in AP Ventures	**(59)**	(382)
Purchases of financial assets investments	**(24)**	(39)
Other advances	**(4)**	(45)
Purchase of AA plc shares for the Bonus Share Plan	**(1)**	—
Acquisition of convertible notes in United Hydrogen	**—**	(15)
Acquisition of equity investment in Hydrogenious	**—**	(48)
Acquisition of Mototolo JV	**—**	(1,278)
Net proceeds on disposal of Royal Bafokeng Platinum shares	**—**	510
Net proceeds on disposal of Union Mine and Masa Chrome	**—**	414
Proceeds from disposal of Hydrogenious	**—**	353
Proceeds on disposal of investment in BRPM	**—**	555
Proceeds from disposal of PGMIP investments	**—**	310
Purchase of concentrate pipeline	**—**	(974)
Net cash used in investing activities	**(8,114)**	(8,214)
Cash flows used in financing activities		
Repayment of interest-bearing borrowings	**(5,793)**	(4,889)
Dividends paid	**(4,921)**	(1,922)
Purchase of treasury shares for the Bonus Share Plan	**(232)**	(141)
Deferred consideration payments	**(184)**	—
Repayment of lease obligation	**(67)**	(18)
Cash distributions to non-controlling interests	**(111)**	(198)
Net cash used in financing activities	**(11,308)**	(7,168)
Net increase in cash and cash equivalents	**9,015**	198
Cash and cash equivalents at beginning of year	**9,541**	9,357
Foreign exchange differences on Unki cash and cash equivalents	**(10)**	(14)
Cash and cash equivalents at end of year	**18,546**	9,541

FINANCIAL

- Net cash of R17.3 billion at year end. Excluding customer prepayment of R9.4 billion, cash is R7.9 billion
- Free cash flow from operations of R16.9 billion, up 202%
- Liquidity headroom of R38.4 billion
- Dividends paid of R4.9 billion in 2019 and a final dividend declared of R41.60 per share, or R11.2 billion

TAX CONTRIBUTION THROUGH THE LIFE CYCLE OF A MINE

A key component in creating value for our host countries and stakeholders is paying taxes.

Mining is a long-life, high-risk business with very significant initial capital investment required long before any return on investment is realised (see illustration on page 16). We therefore support the design of fiscal regimes that consider the relative long-term contribution from the mining industry and which are not focused narrowly on short-term outcomes.

The amount of tax generated from our activities and paid to governments, and our general approach to tax and tax disclosure, are of considerable interest to many of our stakeholders.

Being able to demonstrate our commitment to sustainable tax principles, such as revenue transparency and responsible tax practices, is critical for building trust and in supporting our social licence to operate. It is equally important to show our contribution in more challenging economic times, as well as when commodity prices are more buoyant.

APPROACH TO RISK MANAGEMENT AND GOVERNANCE ARRANGEMENTS

We take a responsible approach to tax, supporting the principles of transparency and active and constructive engagement with our stakeholders to deliver long-term sustainable value. Our tax strategy is aligned with our code of conduct, long-term business strategy, and our purpose of re-imagining mining to improve people's lives.

We see a benefit through this broader engagement in our approach to tax, both for our business and for our stakeholders. At the same time, increased transparency can empower communities by helping them to understand how much income is generated from the mining activity in their regions.

TAX GOVERNANCE

In the Anglo American group, we have a global team of tax professionals charged with managing its affairs in line with its tax strategy. This team is committed to acting in accordance with our code of conduct and our tax strategy; internal tax policies ensure that the strategy is embedded in the way we do business. Our tax professionals also strive to maintain a long-term, open and constructive relationship with tax authorities, governments and other relevant stakeholders.

We actively engage with a variety of stakeholders on a wide range of issues relating to tax, including industry bodies, which helps to bring commercial understanding and experience into debates about tax policy and governance.

Tax matters are regularly presented to our board and audit and risk committee, which take a particular interest in the extent to which our approach to tax meets our commitments to stakeholders, including host governments and local communities and our policy of good tax governance.

In addition, our tax affairs are regularly scrutinised by our external auditors and by tax authorities as part of the normal course of local compliance and reporting procedures.

Overall, we believe our tax governance framework is consistent with the tax authorities' objective of improving tax compliance and to encourage businesses to adopt best-practice tax risk management processes. We will continue to monitor and adopt future developments to ensure we are a leading organisation in this area.

APPROACH TO TAX MANAGEMENT

Our approach is set out in our tax strategy which we use as a means of explaining our way of working to external stakeholders, employees and our in-house team of tax professionals.

This strategy includes a number of key points:

- We act responsibly on tax planning matters and do not take an aggressive approach
- We only undertake transactions that we are prepared to fully disclose and are based on strong underlying commercial motivation, and which are not (or appear to be) artificial or contrived
- We conduct intragroup transactions on an arm's-length basis and comply with obligations under transfer pricing rules in the jurisdictions where we operate and global principles
- Our guiding principle is to allocate value by reference to where it is created and managed
- We do not use 'tax haven' jurisdictions to manage taxes.

APPROACH TO DEALING WITH TAX AUTHORITIES

We act responsibly on all tax compliance matters, respecting the laws of each country in which we operate. We seek to maintain a long-term, open, constructive relationship with tax authorities and governments on tax matters.

We proactively engage with those tax authorities and governments directly and indirectly (ie through relevant representative bodies) to shape future tax policy and legislation in ways that share our experience and promote and protect Amplats' interests, principles and strategy.

OUR ECONOMIC CONTRIBUTION IN SOUTH AFRICA

Amplats is proud of the role it has played in the country's economy and continues to explore new ways to support development and deliver sustainable value.

TOTAL TAX AND ECONOMIC CONTRIBUTION

R65,159.8m

CAPITAL INVESTMENT

R7,806.9m

Capital investment is defined as cash expenditure on property, plant and equipment, including related derivatives, proceeds from disposal of property, plant and equipment and direct funding for capital expenditure from non-controlling interests. Includes capitalised operating cash outflows.

TOTAL PROCUREMENT

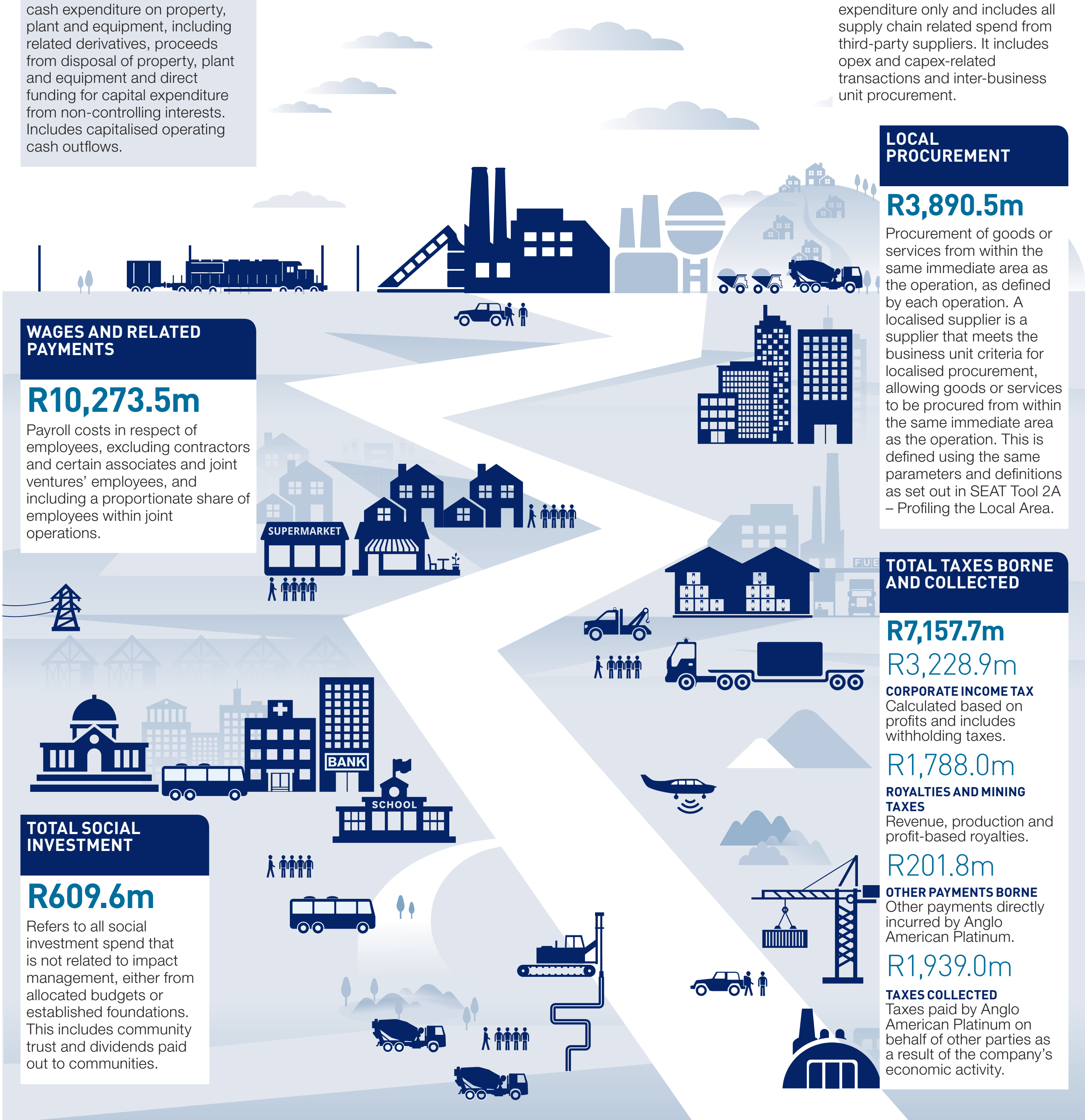
R39,312.1m

Refers to addressable expenditure only and includes all supply chain related spend from third-party suppliers. It includes opex and capex-related transactions and inter-business unit procurement.

LOCAL PROCUREMENT

R3,890.5m

Procurement of goods or services from within the same immediate area as the operation, as defined by each operation. A localised supplier is a supplier that meets the business unit criteria for localised procurement, allowing goods or services to be procured from within the same immediate area as the operation. This is defined using the same parameters and definitions as set out in SEAT Tool 2A – Profiling the Local Area.



WAGES AND RELATED PAYMENTS

R10,273.5m

Payroll costs in respect of employees, excluding contractors and certain associates and joint ventures' employees, and including a proportionate share of employees within joint operations.

TOTAL TAXES BORNE AND COLLECTED

R7,157.7m

R3,228.9m

CORPORATE INCOME TAX
Calculated based on profits and includes withholding taxes.

R1,788.0m

ROYALTIES AND MINING TAXES
Revenue, production and profit-based royalties.

R201.8m

OTHER PAYMENTS BORNE
Other payments directly incurred by Anglo American Platinum.

R1,939.0m

TAXES COLLECTED
Taxes paid by Anglo American Platinum on behalf of other parties as a result of the company's economic activity.

TOTAL SOCIAL INVESTMENT

R609.6m

Refers to all social investment spend that is not related to impact management, either from allocated budgets or established foundations. This includes community trust and dividends paid out to communities.

OUR ECONOMIC CONTRIBUTION IN ZIMBABWE

Unki platinum mine is in the southern half of Zimbabwe's Great Dyke geological formation– widely recognised as the second-largest resource of PGMs in the world. We continue to work with the Zimbabwean government on compliance with the Indigenisation and Economic Empowerment Act.

TOTAL TAX AND ECONOMIC CONTRIBUTION

R2,538.6m

TOTAL PROCUREMENT

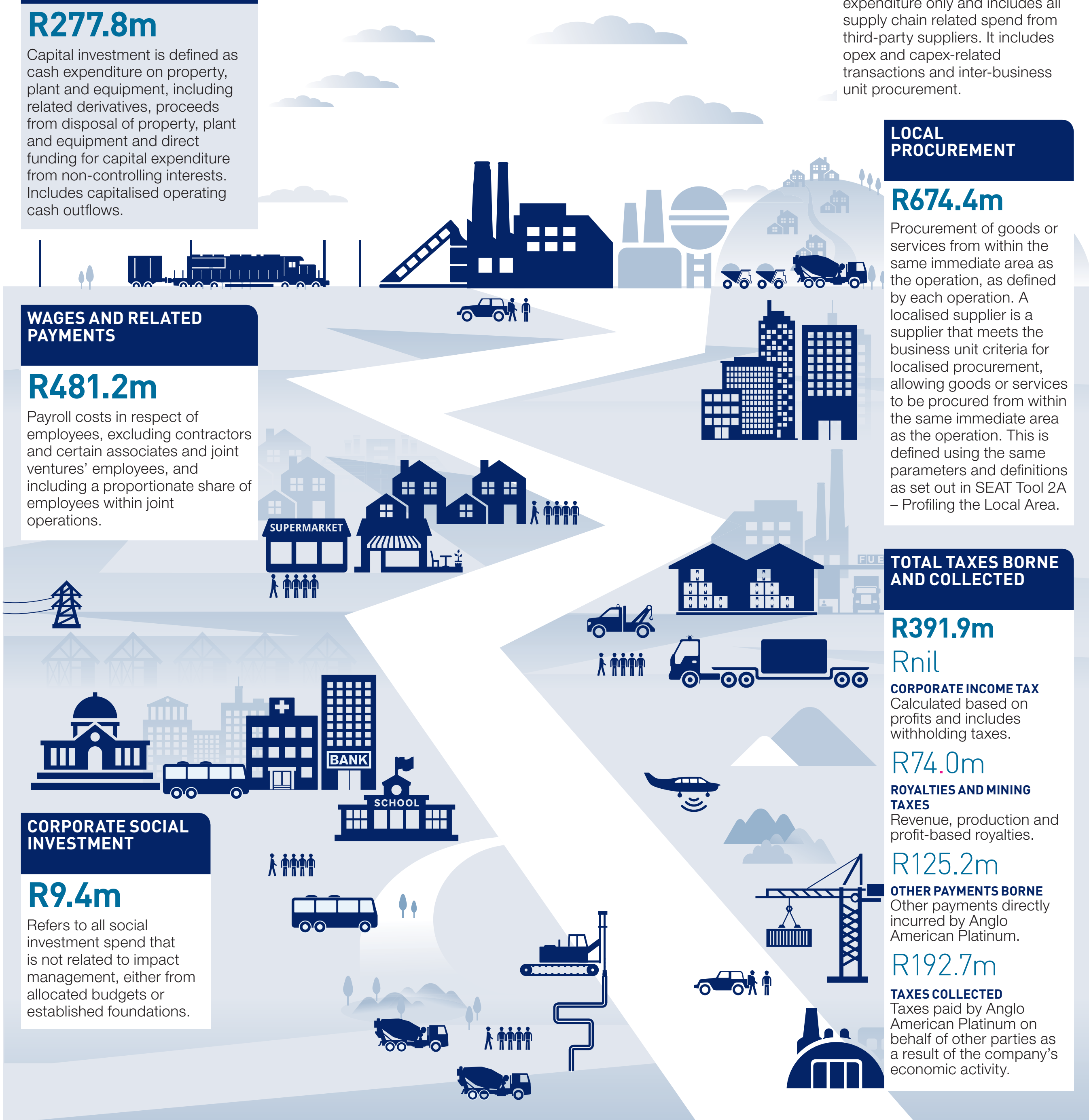
R1,378.3m

Refers to addressable expenditure only and includes all supply chain related spend from third-party suppliers. It includes opex and capex-related transactions and inter-business unit procurement.

CAPITAL INVESTMENT

R277.8m

Capital investment is defined as cash expenditure on property, plant and equipment, including related derivatives, proceeds from disposal of property, plant and equipment and direct funding for capital expenditure from non-controlling interests. Includes capitalised operating cash outflows.



LOCAL PROCUREMENT

R674.4m

Procurement of goods or services from within the same immediate area as the operation, as defined by each operation. A localised supplier is a supplier that meets the business unit criteria for localised procurement, allowing goods or services to be procured from within the same immediate area as the operation. This is defined using the same parameters and definitions as set out in SEAT Tool 2A – Profiling the Local Area.

WAGES AND RELATED PAYMENTS

R481.2m

Payroll costs in respect of employees, excluding contractors and certain associates and joint ventures' employees, and including a proportionate share of employees within joint operations.

TOTAL TAXES BORNE AND COLLECTED

R391.9m

Rnil

CORPORATE INCOME TAX
Calculated based on profits and includes withholding taxes.

R74.0m

ROYALTIES AND MINING TAXES
Revenue, production and profit-based royalties.

R125.2m

OTHER PAYMENTS BORNE
Other payments directly incurred by Anglo American Platinum.

R192.7m

TAXES COLLECTED
Taxes paid by Anglo American Platinum on behalf of other parties as a result of the company's economic activity.

CORPORATE SOCIAL INVESTMENT

R9.4m

Refers to all social investment spend that is not related to impact management, either from allocated budgets or established foundations.

OPERATIONS OVERVIEW

WHOLLY OWNED MINES

We own and manage four mining complexes – Mogalakwena, Amandelbult, Mototolo (since November 2018) and Unki. These stretch across the Bushveld complex in South Africa, while Unki is on Zimbabwe's Great Dyke. Except for the open-pit Mogalakwena, all mines are underground conventional and mechanised operations. We also have a number of projects, largely on the Eastern Limb of the Bushveld complex. The Twickenham project was placed on care and maintenance in 2016.

Key features

Zero fatalities
at managed operations, first time in the history of the company

13%
improvement in TRCFR

Record production
from Mogalakwena and Unki mines

1% increase
in total PGM production to 2.6Moz despite the impact of Eskom power outages

Economic free cash flow increased by
191%
to R15.6 billion

EBITDA doubled to
R23 billion
leading to an increase in EBITDA margin to 44%

Rustenburg – ACP acid plant

Mogalakwena

Deliver world-class open-pit operating practices

Amandelbult

Dishaba UG2 Ramp up progressing at low capital investment

Mototolo/Der Brochen

Invest in low-capex chrome interstage and debottlenecking

Unki

Improve margin by increasing concentrator throughput

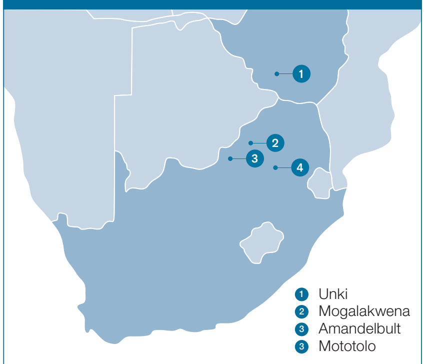
Modikwa/Kroondal (JVs)

Modikwa – restructure cost base and invest in chrome plant

Processing

Achieve world-class operating practices

WHOLLY OWNED MINES



Strategy

Working with our executive and senior leadership, our wholly owned mines focused on embedding the company strategy and striving for operational excellence. We have identified areas for operational improvement and we aim to enhance and deliver on project execution, mining engineering, improving the cost base and safety performance.

With restructuring largely complete, the next phase of the strategy focuses on driving further value from our operations in **two key areas**:

Extracting the full potential from our operations through our people and innovation

- Achieving world benchmark performance, and then redefining industry-best performance through innovation, technology and digitalisation

Investing in our portfolio to deliver industry-leading cash flows and returns

- Focus on low-capex, fast-payback projects, including chrome plant expansions, debottlenecking and replacement projects

OPERATIONS OVERVIEW CONTINUED

Drill rigs in Mogalakwena Central pit – Cut 8 – Tlhabana Mashishi (drill operator)

Key features

✓ **10.5 million**
fatality-free shifts (eight-and-a-half years)

✓ Record PGM and platinum production, up
4% and 5%
respectively

✓ Increased EBITDA by
74%

✓ Economic free cash flow increased
146%
to R9.9 billion

MANAGED MINES – MOGALAKWENA

Mogalakwena Mine is 30km north-west of the town of Mokopane in Limpopo province and operates under a mining right covering 372km^2. Current infrastructure comprises five open pits (Sandsloot, Zwartfontein, Mogalakwena South, Central and North). The mining method is truck-and-shovel, and current operating pit depths vary from 45m to 245m. Ore is milled at the on-mine North and South concentrators as well as Messina Mine Baobab concentrator.

Mogalakwena strategy

INVESTING IN GROWTH
- Construct 3rd concentrator with breakthrough technology
- Upgrade and debottleneck existing concentrators
- Examining underground mining options

ACHIEVE BENCHMARK
- Rope shovel efficiencies
- Slope-angle optimisation
- Optimising plant capacity
- Grade-recovery optimisation
- Asset integrity and maintenance

EXCEED BENCHMARK THROUGH TECHNOLOGY AND INNOVATION
- Drill-blast-load-haul opportunities
- Concentrator run-time
- Bulk ore sorting
- Coarse particle rejection
- Shock breaking instead of compression crushing

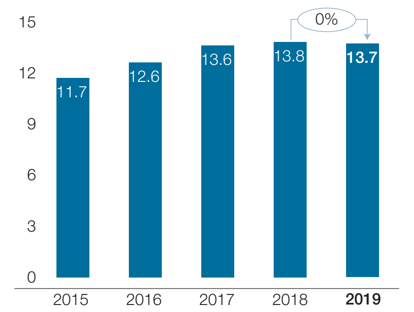
MOGALAKWENA (MANAGED – 100% OWNED)		2019	2018
Safety			
Fatalities	Number	**–**	–
TRCFR	Rate/ million hrs	**1.24**	0.95
Total PGM production	000 oz	**1,215.0**	1,170.0
Net sales revenue	Rm	**25,845**	18,106
EBITDA	Rm	**14,375**	8,249
EBITDA margin	%	**55.6**	45.6
ROCE	%	**55.3**	30.8
Economic free cash flow	Rm	**9,935**	4,039
Net cash flow	Rm	**9,715**	3,916
Cash on-mine cost/tonne milled	R/tonne	**488**	456
Cash operating cost/PGM oz produced	R/PGM oz	**8,181**	7,838
Cash operating cost/Pt oz produced	R/Pt oz	**19,208**	18,522
AISC produced		**(421)**	222
AISC sold		**(429)**	286

MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

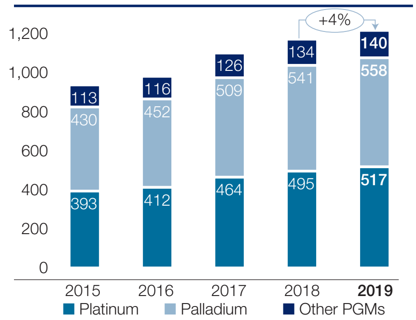
Platreef **3,493.9Mt ⇨276.4 (4E) Moz**

Includes Measured Resource stockpile of* ***67.5Mt ⇨4.0 (4E) Moz*

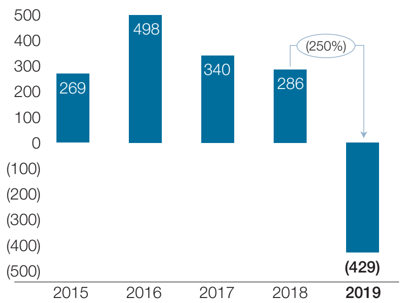
MINING AND CONCENTRATING
Tonnes milled (million)



CONCENTRATING
(PGM ounces 000)



VALUE ENHANCING
(AISC USD/Pt oz sold)



SAFETY

Mogalakwena has been fatality-free for over seven years although the TRCFR deteriorated to 1.24 in 2019. We continue to embed the revised safety, health and environment strategy, and focus on reporting and learning from high-potential incidents.

PERFORMANCE

Mogalakwena's production increased 4% to 1,215,000 PGM ounces. This included strong production from the Baobab concentrator plant of 102,800 PGM ounces (2018: 92,600 PGM ounces).

In 2019, a new mining cut was started, with increased waste tonnes mined. This led to a decrease in ore mined over the period, partially offset by a drawdown from ore stockpiles. Ore tonnes mined were affected by rock-fall risk-mitigation measures at the Zwartfontein pit, which led to higher waste capital tonnes mined to replace planned ore tonnes. Production was also affected by the maintenance shut-down on the secondary mill at North concentrator in the first half, as well as lower equipment availability following a major rebuild on the rope shovel in October/November 2019. Greater mining equipment availability, the purchase of additional trucks, and mining the exposed ore tonnage area will increase the total and ore tonnes mined in 2020.

Cash operating costs (after allowing for off-mine smelting and refining activities) increased 8% to R10 billion. Including capitalised waste stripping, cash operating costs rose 12% to R12 billion. Cash operating costs per platinum ounce increased 4% to R19,208 from R18,522 in 2019 on input cost inflation and drawdown of ore stockpiles which contributed R1,210/Pt oz to the increase. Cash operating costs per PGM ounce (metal in concentrate) were R8,181 against R7,838 per ounce in 2018.

Mogalakwena delivered R9.9 billion of economic free cash flow (operating free cash flow from consolidated activities less/add economic interest in the asset). The mine had an EBITDA margin of 56% and ROCE of 55%.

All-in sustaining costs (AISC) (includes operating costs as defined above, all sustaining capital expenditure, capitalised waste stripping and allocated marketing and market development costs net of by-product revenue) per platinum ounce sold was -USD429 per ounce compared to USD286 in the previous year, mainly due to the benefit of increased by-product revenue.

CAPITAL EXPENDITURE

Total capital expenditure (excluding capitalised waste stripping and after allocating off-mine smelting and refining capital) rose to R2.4 billion in 2019. Stay-in-business capital expenditure was R2.2 billion (R1.8 billion in 2018) and project capital expenditure increased to R0.2 billion (R0.1 billion in 2018).

Capitalised waste stripping rose to R2.1 billion in 2019 (R1.5 billion in 2018), and is expected to be around R2.3 billion to R2.5 billion in 2020.

OUTLOOK

In 2020, Mogalakwena is expected to produce 1,210,800 PGM ounces.

OPERATIONS OVERVIEW CONTINUED

Amandelbult – Dishaba 62 East 3 Level – new hydraulic drilling – Klass Kokhutja (Instructor)

Key features

✓ **Fatality-free**
year and improved safety performance

✓ Improved TRCFR of
3.23
the lowest since inception

✓ **3% increase**
in PGM ounces, including 453,600 platinum ounces

✓ Production from the chrome plant rose
9%
yielding 908,700 tonnes of chrome concentrate

✓ Economic free cash flow increased by
443%
to R3.3 billion

✓ EBITDA more than doubled to
R5.1 billion
leading to higher EBITDA margin of 91%

MANAGED MINES – AMANDELBULT

The Amandelbult complex is in Limpopo, between the towns of Northam and Thabazimbi, on the North-western Limb of the Bushveld complex. It operates under a mining right covering 141km^2.

The complex has two mines (Tumela and Dishaba) and three concentrators with a chrome plant. Current working mine infrastructure has five vertical and seven decline shaft systems to transport rock, men and material, with mining on the Merensky and UG2 reef horizons. The layout is conventional scattered breast mining with strike pillars and open pits. The operating depth for current workings runs from surface to 1.3km below surface. Short-life, high-value open-pit mining supplements underground production as this transitions from Tumela Upper to Dishaba Lower UG2.

Amandelbult strategy

MODERNISATION
- Embedding operating model
- Dishaba Mine UG2 ramp up
- Productivity and efficiency improvement from cycle mining
- Modernisation roll-out

LOW-CAPITAL PROJECTS
- 15E mechanised extension
- 8W and Middellaagte mechanised options Central Mine currently being investigated

EXPANDING CHROME PRODUCTION
- Chrome plant optimisation
- Yield efficiency improvement
- Fine chrome recovery

AMANDELBULT (MANAGED – 100% OWNED)		2019	2018
Safety			
Fatalities	Number	**–**	2
TRCFR	Rate/ million hrs	**3.23**	3.77
Total PGM production	000 oz	**893.3**	868.8
Net sales revenue	Rm	**17,424**	13,192
EBITDA	Rm	**5,132**	2,031
EBITDA margin	%	**29.5**	15.4
ROCE	%	**49.4**	16.6
Economic free cash flow	Rm	**3,278**	603
Net cash flow	Rm	**2,602**	254
Cash on-mine cost/tonne milled	R/tonne	**1,455**	1,281
Cash operating cost/PGM oz produced	R/PGM oz	**12,654**	11,441
Cash operating cost/Pt oz produced	R/Pt oz	**24,923**	22,457
AISC produced		**427**	840
AISC sold		**390**	794

MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

Merensky Reef **159.8 Mt ⇨ 35.4 (4E) Moz**

UG2 Reef **374.1 Mt ⇨ 65.8 (4E) Moz**

SAFETY

Management's commitment to maintaining safe operations is producing results. The mine achieved a fatality-free year and improved its safety performance. TRCFR is the lowest on record, down 14% to 3.23 (2018: 3.77) after implementing the revised safety, health and environment strategy and the emphasis on reporting and learning from high-potential incidents.

Amandelbult reached several safety milestones during the year:

- Tumela Mine – 4.7 million fatality-free shifts
- Dishaba Mine – 51.7 million fatality-free shifts
- Amandelbult central services – 3.4 million fatality-free shifts to date
- Amandelbult concentrator: 6.4 million fatality-free shifts.

PERFORMANCE

Total PGM production rose 3%, reflecting the strategy to ramp-up the Dishaba UG2 section and improved safety performance with fewer safety-related stoppages. As Amandelbult transitions mining from Tumela upper section to Dishaba lower section, it will become primarily a UG2 mine.

Production from the chrome plant increased 9%, yielding 908,700 tonnes of chrome concentrate on a 100% basis (2018: 831,900 chrome tonnes). This is partly due to a 14% increase in plant feed, offset by a reduction in the plant yield to 15.1% (2018: 15.7%). Chrome recovery capacity was extended to the Merensky concentrator by constructing two more chrome modules at a capital cost of R530 million. These modules were commissioned in the third quarter of 2019 and will result in an incremental 340,000 tonnes of chrome production per annum.

Amandelbult chrome operations generated attributable economic free cash flow of R384 million (2018: R664 million), reflecting a 1% decline in sales volume to 701,600 tonnes and 33% decline in the chrome price (to average USD121 per tonne from USD178 per tonne in 2018).

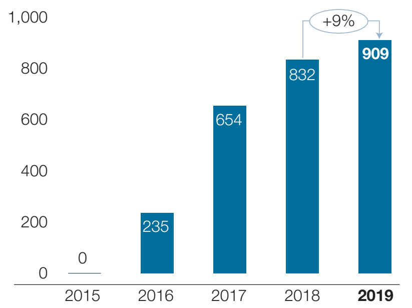
Amandelbult delivered economic free cash flow of R3.3 billion, with an EBITDA margin of 30% and return on capital employed of 49%.

AISC per platinum ounce sold was USD390 (USD794 in 2018), due to improvements in the rand basket price and a greater contribution from chrome.

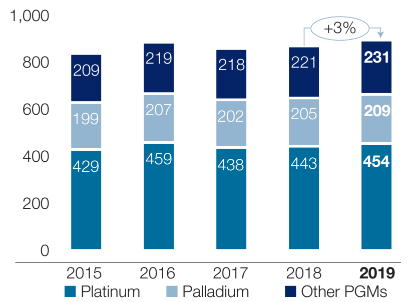
CAPITAL EXPENDITURE

Total capital expenditure (after allocating off-mine smelting and refining capital) rose to R1.4 billion in 2019 (R1.2 billion in 2018) due to modernisation, mechanising the mine and chrome expansion. Stay-in-business capital expenditure was R680 million and project capital was R720 million (2018: R750 million and R450 million respectively) to construct additional modules for the chrome plant.

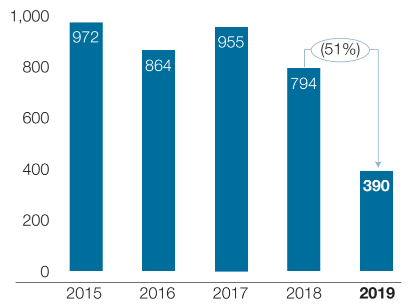
CHROME
(Tonnes produced)



MINING AND CONCENTRATING
(PGM ounces 000)



VALUE ENHANCING
(AISC USD/Pt oz sold)



OUTLOOK

Total production from Amandelbult in 2020 is expected to rise to around 924,600 PGM ounces, with some 470,400 platinum ounces. Further low-capital options to improve profitability are being studied. Two projects under consideration (extraction strategy for Central mine (including 8 West and Middellaagte mechanisation and unlocking potential at 15E mechanised extension) will enable Amandelbult to sustain production. Fine chrome recoveries are being studied, depending on technology and innovation, which will increase chrome production.

OPERATIONS OVERVIEW CONTINUED

Mototolo concentrator

Key features

✓ **Fatality-free**
since 2011 and improved TRCFR 16% to 1.64

✓ Mototolo concentrator achieved
1,434
injury-free days at end-December 2019

✓ Mototolo reached
4.4 million
fatality-free shifts

✓ Economic free cash flow of
R1.4 billion
in 2019

✓ EBITDA more than doubled to
R2 billion
raising EBITDA margin to 43%

MANAGED MINES – MOTOTOLO

Mototolo became wholly owned in November 2018. Situated in Limpopo, it is 30km west of the town of Burgersfort in the Eastern Limb of the Bushveld complex and operates under a mining right covering 9km^2. Current infrastructure comprises two decline shafts, Lebowa and Borwa, and a concentrator. Mototolo is fully mechanised and extracts the UG2 horizon some 450m below surface using bord-and-pillar mining.

Mototolo strategy

INTEGRATE AND EMBED
- Integration as wholly owned business well advanced

OPERATIONAL PERFORMANCE IMPROVEMENT
- Accessing Der Brochen triangle and Two Rivers ground through existing shaft infrastructure
- Debottlenecking concentrator to 240,000tpm
- Chrome interstage increasing yield

INVESTING IN DER BROCHEN
- PGM hub on Eastern Limb (30+ years life of mine) with replacement and growth optionality

SAFETY

Mototolo has been fatality-free for eight years and achieved a TRCFR of 1.64 in 2019, a 16% improvement from 2018.

PERFORMANCE

Total PGM production decreased 16% to 242,300 ounces. The mine had a one-off benefit of 20,800 PGM ounces (platinum: 9,800 and palladium: 6,100) in 2018 from stockpiled material that was toll-concentrated at Bokoni. Normalised for this benefit, PGM production was down 9% year on year.

Production was largely impacted by three weeks of unprotected industrial action in the first half, with the loss of 8,700 PGM ounces, and transitioning through a difficult ground area containing geographical features.

Production at Mototolo is expected to normalise in 2020, as it unlocks the synergies of access to Der Brochen ground and acquisition of congruent ground from Two Rivers Mine.

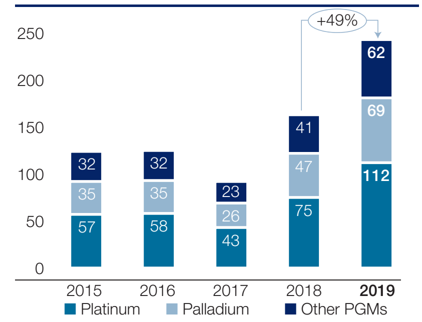
Mototolo increased economic free cash flow to R1.4 billion from R0.2 billion in 2018, lifting the EBITDA margin to 43% and ROCE to 54% (2018: 29% and 24% respectively).

MOTOTOLO PLATINUM MINE (100% OWNED OPERATION FROM 1 NOVEMBER 2018)		2019	2018
Safety			
Fatalities	Number	**–**	–
TRCFR	Rate/ million hrs	**1.64**	1.95
Total PGM production	000 oz	**242.3**	287.7
Net sales revenue	Rm	**4,506**	2,030
EBITDA	Rm	**1,956**	591
EBITDA margin	%	**43.4**	29.1
ROCE	%	**53.6**	23.5
Economic free cash flow	Rm	**1,358**	200
Net cash flow	Rm	**1,321**	200
Cash on-mine cost/tonne milled	R/tonne	**879**	815
Cash operating cost/PGM oz produced	R/PGM oz	**9,747**	8,979
Cash operating cost/Pt oz produced	R/Pt oz	**21,078**	19,518
AISC produced		**170**	637
AISC sold		**73**	684

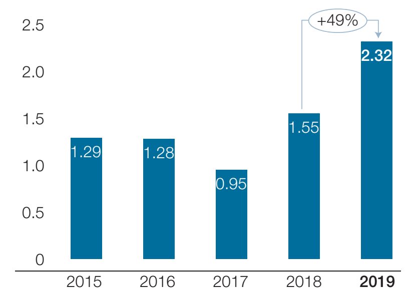
MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

UG2 Reef **47.8 Mt ⇨ 6.2 (4E) Moz**

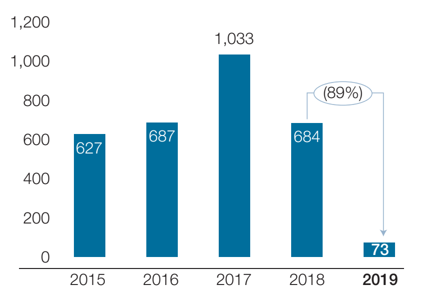
MINING AND CONCENTRATING
(PGM ounces 000)



CONCENTRATING
Tonnes milled (million)



VALUE ENHANCING
(AISC USD/Pt oz)



CAPITAL EXPENDITURE

Total capital expenditure (after off-mine smelting and refining capital) increased to R511 million from R458 million in 2018. Stay-in-business capital expenditure was R474 million, while project capital expenditure was R37 million (2018: R458 million and R0 respectively).

OUTLOOK

Total production from Mototolo in 2020 is expected to rise to around 289,900 PGM ounces, with some 133,600 platinum ounces. The increase mainly reflects the inclusion of the Der Brochen triangle and Two Rivers ground. Further low-capital options to improve profitability are being studied.

TWICKENHAM PROJECT (MANAGED – 100% OWNED)

The Twickenham project potentially offers long-term prospects for shallow mechanised mining on both the UG2 and Merensky reef horizons. In the current commodity price environment, we have delayed all expansionary project decisions to after 2020. Twickenham was placed on care and maintenance in 2016, and part of the mining footprint was used to research new mining technology, including small-scale mining activity, which was stopped in 2018.

OPERATIONS OVERVIEW CONTINUED

Mogalakwena Central Pit – hydraulic shovel loading haul truck

Key features

Fatality-free
for eight years

TRCFR of
0.58
is the lowest since inception

Record production with
5% increase
in PGM ounces, including 89,400 platinum ounces

Economic free cash flow increased by
103%
to R1.1 billion

EBITDA increased to
R1.5 billion
lifting EBITDA margin to 35%

MANAGED MINES – UNKI PLATINUM MINE – ZIMBABWE

Unki Mine Private Limited's operations are on the Great Dyke in Zimbabwe, 60km south-east of the town of Gweru. The mine is a mechanised, trackless, bord-and-pillar underground operation. A twin-decline shaft system provides access to underground workings for men and material, as well as ore conveyance. Both shafts are now 2,491m from the portal on surface. Twenty-four mining sections have been established so far (with five decommissioned), 17 of which are fully equipped and have strike belts for transferring ore directly to the main incline shaft conveyor. Run-of-mine ore is processed at the 120,000tpm concentrator plant on site. Since commissioning the concentrator plant nine years ago, ongoing debottlenecking has enabled it to treat up to 180,000tpm.

Unki strategy

OPERATIONAL IMPROVEMENT
- Team efficiency improvements
- Grade improvement by reducing mining height
- Process improvements; concentrator run-time, recovery, mass pull, matte grade
- Implement operating model

LOW-CAPITAL DEBOTTLENECK OF CONCENTRATOR
- Infrastructure development (silo, workshop, ventilation) required to sustain production as mine transitions from east to west
- Debottlenecking project (low-capital and fast-payback) to 210,000tpm

LONG-DATED STRATEGIC GROWTH POTENTIAL
- Ownership of 9% of known Zimbabwean mineral resource
- Options to explore long-dated replacement or growth options at Unki North, Paarl and Helvetia mining areas

UNKI PLATINUM MINE (MANAGED – 100% OWNED)		2019	2018
Safety			
Fatalities	Number	**–**	–
TRCFR	Rate/ million hrs	**0.58**	1.45
Total PGM production	000 oz	**201.7**	192.8
Net sales revenue	Rm	**4,403**	2,884
EBITDA	Rm	**1,520**	835
EBITDA margin	%	**34.5**	28.9
ROCE	%	**23.7**	9.3
Economic free cash flow	Rm	**1,064**	525
Net cash flow	Rm	**1,011**	155
Cash on-mine cost/tonne milled	R/tonne	**893**	863
Cash operating cost/PGM oz produced	R/PGM oz	**11,721**	10,784
Cash operating cost/Pt oz produced	R/Pt oz	**26,437**	24,180
AISC produced		**119**	449
AISC sold		**88**	616

MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

MSZ **223.9 Mt ⇨ 30.1 (4E) Moz**

SAFETY

Unki has been fatality-free for eight years and its TRCFR improved 60% to 0.58 after launching the stop-and-fix campaign.

PERFORMANCE

Total PGM production rose 5%, a record performance. This was driven by improved underground mining efficiencies resulting in better ore deliveries to the concentrator, and a 9% increase in tonnes milled on improved feed rate and mill run-time. These increases were partly offset by a 2% decrease in 4E built-up head grade.

Unki delivered R1.1 billion of economic free cash flow and an EBITDA margin of 35% as well as return on capital employed of 24%.

AISC (excluding receipts of treasury bills) per platinum ounce sold was USD88, down from USD616, due to the benefit of increased by-product revenue offset by the RTGS forex loss.

CAPITAL EXPENDITURE

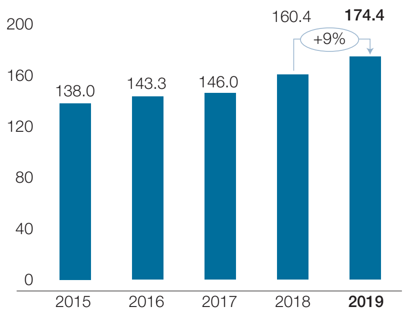
Total capital expenditure (after off-mine smelting and refining capital) decreased to R366 million from R598 million in 2018. Stay-in-business capital expenditure was R313 million, while project capital expenditure was R53 million (2018: R228 million and R370 million respectively).

OUTLOOK

Total PGM production from Unki in 2020 is expected to be around 209,000 PGM ounces, including some 92,800 platinum ounces. Unki is debottlenecking the mine and concentrator, and increasing concentrator plant capacity to 180,000tpm.

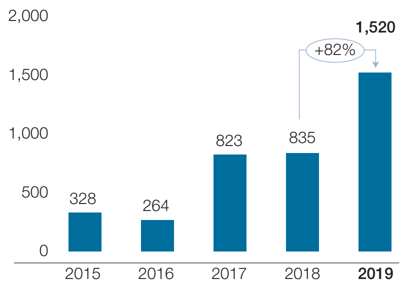
MINING AND CONCENTRATING

Tonnes milled (average ktpm)



VALUE ENHANCING

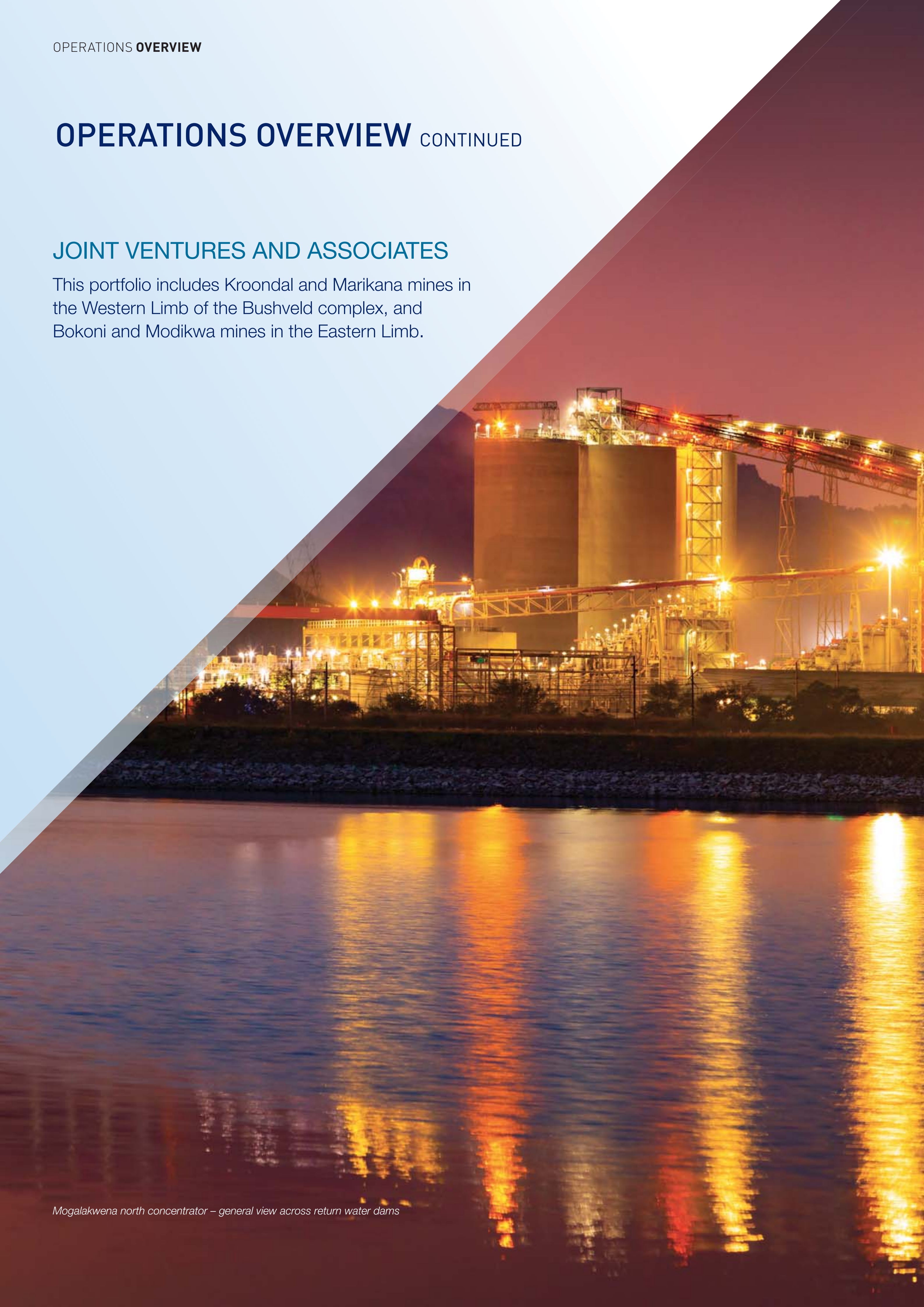
EBITDA (million)



OPERATIONS OVERVIEW CONTINUED

JOINT VENTURES AND ASSOCIATES

This portfolio includes Kroondal and Marikana mines in the Western Limb of the Bushveld complex, and Bokoni and Modikwa mines in the Eastern Limb.



Mogalakwena north concentrator – general view across return water dams

Key features

✗ **One fatality**
at Modikwa Mine

✓ Record operational performance across the
Kroondal
portfolio

✓ **2%**
increase in total PGM production

✓ **196%**
increase in attributable economic free cash flow

JOINT VENTURE AND ASSOCIATES' OPERATIONS		2019	2018
Fatalities	Number	**1**	1
TRCFR	Rate/ million hrs	**6.09**	7.22
Total PGM production	000 oz	**918**	954
Net sales revenue	R million	**8,812**	5,971
EBITDA	R million	**3,579**	1,618
EBITDA margin	%	**40.6**	27.1
ROCE	%	**105.4**	37.2
Operating free cash flow	R million	**3,044**	1,138
Net cash flow	R million	**3,055**	1,100
Cash on-mine cost/tonne milled	R/tonne	**1,066**	986
Cash operating cost/PGM oz produced	R/PGM oz	**10,226**	9,145
Cash operating cost/Pt oz produced	R/Pt oz	**22,567**	20,305

The joint-venture (JV) portfolio was established over a decade ago to promote industry transformation and optimise resource extraction. These are primarily underground mines and not operationally managed by Amplats. Mined ore is processed into concentrate at each mine. Amplats claims its portion and acquires the JV partners' portion of concentrate under purchase agreements.

In line with our strategy, we continue to restructure the JV portfolio:

2012
Marikana placed on care and maintenance

2016
Our 42.5% share of Pandora sold to Lonmin

2017
Bokoni placed on care and maintenance

2018
Acquired Glencore's 40.2% and Kagiso-Tiso's 9.8% interests in the Mototolo joint venture

Sold our 33% share of BRPM to Royal Bafokeng Platinum

Working with our JV partners, the focus for the last nine years has been on supporting these mines to achieve operational excellence. A dedicated Amplats team assists the JV operations with project execution, mining engineering, improving the cost base and safety performance.

We thank our managing JV partners for their contributions in 2019, despite another tough operating and financial environment. The portfolio remains focused on its strategic objectives:

- Rebuild operations to match installed capacity
- Secure future sustainability and profitability

OPERATIONS OVERVIEW CONTINUED

JOINT VENTURES AND ASSOCIATES CONTINUED

Modikwa Platinum Mine

Modikwa is an independently managed, equal JV between ARM Mining Consortium and Rustenburg Platinum Mines in Limpopo, 25km west of the town of Burgersfort. It forms part of the Eastern Limb of the Bushveld complex and operates under a mining right covering 140km^2. The current infrastructure comprises three primary decline shafts (North 1, South 1 and South 2), three adits on Onverwacht Hill and a concentrator with MIG (mainstream inert grinding) plant. The mine is a hybrid operation using conventional breast stoping with strike pillars, supported by trackless development and ore clearance. It extracts UG2 reef from surface to 450m below surface.

Key features

✗ **One fatality**
recorded at Modikwa Mine

✗ **12%**
decrease in total PGM production

✓ EBITDA doubled to
R1.1 billion
leading to EBITDA margin of 36%

✓ Economic free cash flow of
R0.9 billion
in 2019

Strategy

RESTRUCTURE COST BASE AND OPTIMISE INFRASTRUCTURE

- Increase milling to 240,000tpm through improved underground feed from continuous development of declines
- Moving from large dimension footwall off-reef development to twin low-profile on-reef development
- South 1 life extended to 2028

UNLOCKING CHROME POTENTIAL

- Investing in a chrome recovery plant, first production in 2021

SAFETY

On 27 March, a fall-of-ground at Modikwa tragically resulted in a fatal injury to Mr Thomas Maluleke. After TRCFR regressed by 37% in 2019, we have engaged Mac Consulting, together with DuPont and IRCA, to conduct a safety diagnostic at the mine and develop a safety improvement roadmap. In addition, the mine is currently focused on specific initiatives to improve safety:

- Compliance baseline assessment
- Review of supporting systems, processes and controls
- Identifying gaps and developing corrective and preventative actions.

PERFORMANCE

Attributable PGM production, including 145,500 ounces purchased from the JV partner, decreased 12% to 291,000 ounces. Platinum production was down 12% at 114,200 ounces. The decrease is due to section 54 stoppages, a fatality in March, low equipment availability, insufficient face length as well as a slow start-up and timber shortage at the beginning of the year. Included in the 2018 numbers is the purchase of Mototolo ore of 12,300 PGM ounces.

Total development metres for 2019 were affected by excessive equipment breakdowns, procurement delays, flooding

MODIKWA PLATINUM MINE (NON-MANAGED – 50% OWNED)		2019	2018
Safety			
Fatalities	Number	**1**	–
TRCFR	Rate/ million hrs	**8.83**	6.46
Total PGM production	000 oz	**291**	330
Net sales revenue	Rm	**2,988**	2,138
EBITDA	Rm	**1,080**	566
EBITDA margin	%	**36.0**	26.4
ROCE	%	**60.6**	23.2
Operating free cash flow	Rm	**869**	381
Net cash flow	Rm	**832**	343
Cash on-mine cost/tonne milled	R/tonne	**1,457**	1,220
Cash operating cost/PGM oz produced	R/PGM oz	**12,239**	9,814
Cash operating cost/Pt oz produced	R/Pt oz	**31,184**	24,883
AISC produced		**148**	425
AISC sold		**(86)**	450

MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

Merensky Reef **107.0 Mt ⇨ 9.9 (4E) Moz**

UG2 Reef **132.9 Mt ⇨ 25.7 (4E) Moz**

JV PARTNER

ARM MINING CONSORTIUM LIMITED **50%**

in declines and poor roadway conditions. A decision was made in the second half to engage a development contractor for South 1 and 2 shafts and to renew or refurbish the existing equipment at North shaft. The contractor is currently completing the onboarding process.

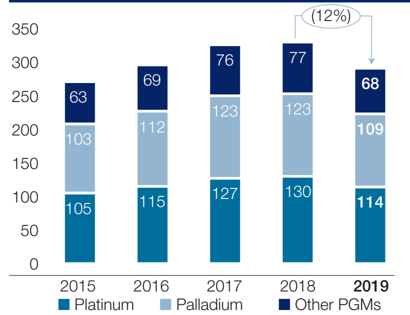
These factors affected Modikwa's unit costs, rising 25% to R31,184 per platinum ounce, mainly due to lower production coupled with above-inflationary cost increases, eg diesel and labour. Cash operating cost per PGM ounce (metal in concentrate) was R12,239 against R9,814 in 2018.

Modikwa increased economic free cash flow to R0.9 billion, compared to R0.4 billion in 2018. The mine had an EBITDA margin of 36% and ROCE of 61% (2018: 26% and 23% respectively).

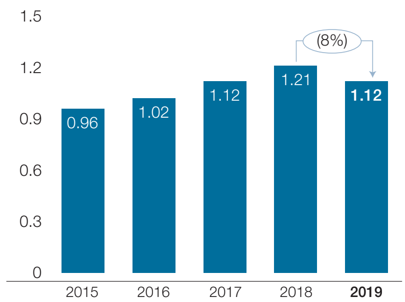
CAPITAL EXPENDITURE

Amplats' attributable capital expenditure (after allocating off-mine smelting and refining capital) rose to R0.2 billion in 2019 (R0.1 billion in 2018). Stay-in-business capital expenditure was R175 million and project capital was R37 million (2018: R96 million and R38 million respectively) to construct the chrome plant.

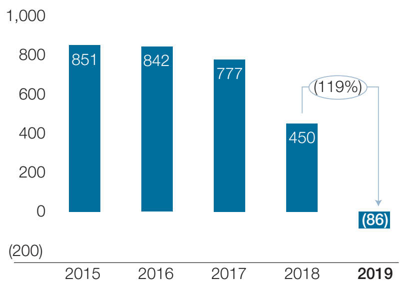
MINING AND CONCENTRATING
(PGM ounces 000)



CONCENTRATING
Tonnes milled (million)



VALUE ENHANCING
(AISC USD/Pt oz)



OPERATIONS OVERVIEW CONTINUED

JOINT VENTURES AND ASSOCIATES CONTINUED

Kroondal Platinum Mine

Kroondal is a 50:50 pooling-and-sharing agreement between Sibanye-Stillwater and Rustenburg Platinum Mines, managed by Sibanye-Stillwater. It is in North West province, some 10km outside the town of Rustenburg, and up-dip of Rustenburg Platinum Mines. Kroondal forms part of the South-western Limb of the Bushveld complex and operates under a mining right covering 22km^2. Current infrastructure comprises five decline shafts and two concentrators. Kroondal is a partly mechanised bord-and-pillar operation mining UG2 reef exclusively up to a depth of 450m below surface.

Key features

✓ TRCFR of

5.54

improved 25%

✓ **Record**

hoisted tonnes and PGM production

✓ **187%**

increase in attributable economic free cash flow

✓ **EBITDA**

doubled from 2018

Strategy

SHAFT AND LABOUR RATIONALISATION

- Gradual drop in production from 2020 with residual tail that requires shaft and labour rationalisation

MINING SIBANYE RUSTENBURG GROUND

- 2020 plan includes Kwezi Shaft mining into Khuseleka ground on a royalty basis

UPSIDE OPPORTUNITY

- Down-dip boundary extension into Sibanye ground at Kroondal JV shafts K6, Kopaneng, Simunye and Bambanani
- Possible future opencast mining of UG2 outcrop at Klipfontein

SAFETY

Safety performance improved in 2019, with a TRCFR of 5.54 down by 25%. Kroondal has rolled out a behavioural intervention campaign that includes a focus on fatigue and the year-end season.

PERFORMANCE

Attributable PGM production, including 313,500 ounces purchased from our JV partner, rose to 627,000 ounces. Platinum production rose to 297,300 ounces, supported by record tonnes delivered to the concentrators. Improved production mainly reflects greater underground efficiencies and higher concentrator recoveries, resulting from extra production shifts on Saturdays and changeover to a two-shift cycle at two shafts.

Productivity at 82.3 PGM ounces per employee improved 1% year on year on higher production. Cash operating cost per PGM and platinum ounce was up 9% to R9,663 and R20,379 respectively, benefiting from higher production but offset by above-inflationary cost increases.

Kroondal delivered attributable economic free cash flow of R2.2 billion (2018: R0.8 billion), with an EBITDA margin of 43% and ROCE of 151%.

AISC per platinum ounce sold was -USD77, from USD495 in the prior year, due to improvements in the rand basket price, including a greater contribution from chrome. AISC, if all produced metal was sold, would be USD16 per platinum ounce.

CAPITAL EXPENDITURE

Amplats' attributable capital expenditure (after allocating off-mine smelting and refining capital), at R0.2 billion, was in line with 2018.

KROONDAL PLATINUM MINE (NON-MANAGED – 50% OWNED)		2019	2018
Safety			
Fatalities	Number	**–**	1
TRCFR	Rate/ million hrs	**5.54**	7.40
Total PGM production	000 oz	**627**	624
Net sales revenue	Rm	**5,824**	3,833
EBITDA	Rm	**2,499**	1,052
EBITDA margin	%	**42.9**	27.4
ROCE	%	**151.3**	54.4
Operating free cash flow	Rm	**2,174**	757
Net cash flow	Rm	**2,173**	757
Cash on-mine cost/tonne milled	R/tonne	**1,065**	979
Cash operating cost/PGM oz produced	R/PGM oz	**9,663**	8,878
Cash operating cost/Pt oz produced	R/Pt oz	**20,379**	18,696
AISC produced		**16**	457
AISC sold		**(77)**	495

MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

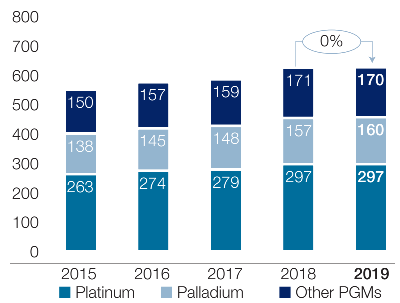
UG2 Reef **33.9 Mt ⇨ 3.4 (4E) Moz**

JV PARTNER

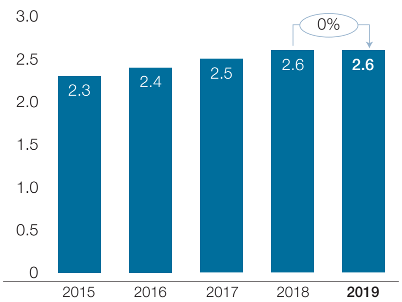
SIBANYE-STILLWATER **50%**

* *Includes Siphumelele 3 shaft (100% owned)*
Mineral Resources of **26.2 Mt ⇨2.6 (4E) Moz**

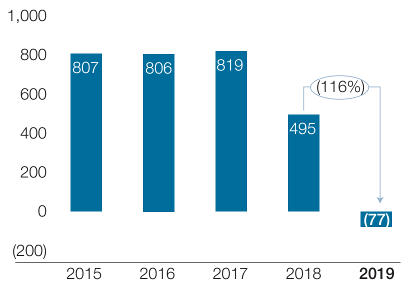
MINING AND CONCENTRATING
(PGM ounces 000)



CONCENTRATING
Tonnes milled (million)



VALUE ENHANCING
(AISC USD/Pt oz)



OPERATIONS OVERVIEW CONTINUED

JOINT VENTURES AND ASSOCIATES ON CARE AND MAINTENANCE

Marikana Platinum Mine

Marikana is a 50:50 pooling-and-sharing agreement between Sibanye-Stillwater and Rustenburg Platinum Mines, managed by Sibanye-Stillwater. It is in North West province, 12km outside the town of Rustenburg. It forms part of the South-western Limb of the Bushveld complex and operates under a mining right of 33km². Mine infrastructure, comprising four decline shafts and a concentrator, was placed on care and maintenance in 2012 on depleted mineable ore reserves, high operating costs and a decreasing commodity price. The open pit was mined out and closed in 2011.

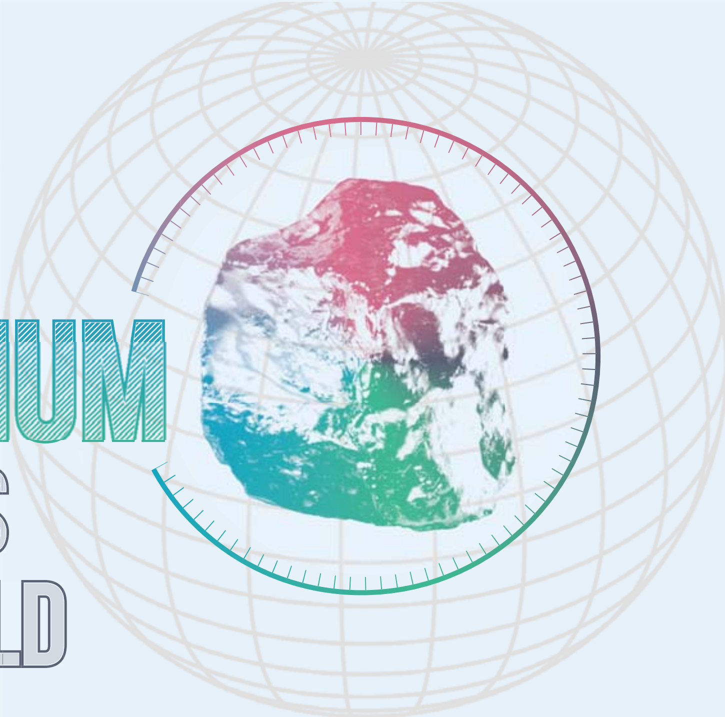
MARIKANA PLATINUM MINE (NON-MANAGED – 50% OWNED)	2019	2018
MINERAL RESOURCES INCLUSIVE OF ORE RESERVES		
UG2 Reef	**20.9 Mt ⇨ 2.2 (4E) Moz**	
JV PARTNER		
SIBANYE-STILLWATER	**50%**	

Bokoni Platinum Mine

Bokoni is a 51:49 JV between Atlatsa and Rustenburg Platinum Mines. The mine is in Limpopo, 80km south-east of the town of Polokwane. It forms part of the North-eastern Limb of the Bushveld complex and operates under a mining right covering 147km². Current mining infrastructure, comprising two decline shafts (Middelpunt Hill and Brakfontein) and two concentrators, was placed on care and maintenance in 2017. The older Vertical and UM2 shafts were closed in 2015. The opencast operation was terminated in December 2016 and rehabilitation began in January 2017.

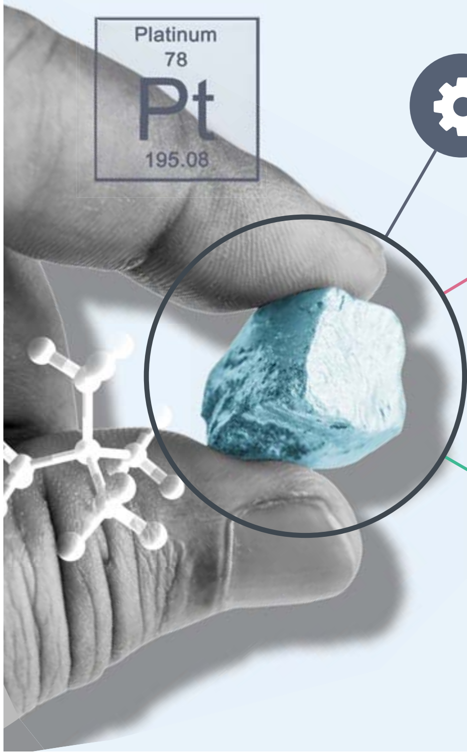
BOKONI PLATINUM MINE (NON-MANAGED – 49% OWNED)	2019	2018
MINERAL RESOURCES INCLUSIVE OF ORE RESERVES		
Merensky Reef	**169.7 Mt ⇨ 27.0 (4E) Moz**	
UG2 Reef	**228.1 Mt ⇨ 48.1 (4E) Moz**	
JV PARTNER		
ATLATSA RESOURCES	**51%**	

HOW PLATINUM IMPROVES OUR WORLD



Platinum is a critical metal for the health and wealth of the world.

PLATINUM'S INDUSTRIAL APPLICATIONS



MANUFACTURING - from fertiliser, fibre glass and lightbulbs to airbags and sticky notes

HEALTHCARE - medical devices and cancer treatments

ENVIRONMENTAL - harnessing renewable energy and reducing vehicle emissions

RENEWABLE POWER - fuel cell electric vehicles

Source: WPIC, Visual Capital

PROCESS REVIEW

The process division comprises our smelting, converting and refining operations. Our primary smelting furnaces are at Polokwane, Swartklip (Mortimer), Rustenburg (Waterval) and Shurugwi (Unki), while the converting (ACP), base metals refining (RBMR) and precious metals refining (PMR) operations are in Rustenburg.

The division receives PGM concentrates from own, joint-venture and third-party mines, and refines these to final base metal and precious metal products.

Polokwane smelter

Key features

Zero
fatalities

11%
improvement in TRCFR

Unki
smelter ramped up to meet concentrate arisings, completed first side-wall repair in Q4 2019

PMR
Refined platinum production including tolling increased by 6% to 2.50 million oz

Processing cash cost increase per Pt oz of 4% and 1% per PGM oz

INTELLECTUAL CAPITAL

Amplats owns the best processing assets in the South African PGM industry – we are now working smarter to deliver world-class operating practices.

SAFETY

We continue to record improved safety performance by implementing our SHE strategy as well as reporting and learning from high-potential incidents, which have informed our strategy and approach to managing our operations. The TRCFR of 2.81 is an 11% improvement on 2018, consistent with the increased focus on key risks and safe behaviour on the journey to zero harm.

PERFORMANCE

With an unusually high number of planned maintenance activities in 2019 (detailed under smelters), operations ran close to design limits to deliver the required throughputs. Maintenance highlights for the year included the end-wall and combined side- and end-wall replacements at Waterval's EF1 and EF2 smelters respectively, and the successful side-wall refractory replacement at Unki smelter.

RBMR and PMR refined the required volumes in line with their inputs. Continuing improvement at RBMR maintained nickel cathode quality at 90% at LME (London Metals Exchange) grade.

Increases in total cash operating unit cost per refined platinum ounce were contained to 4% through disciplined cost management to mitigate higher chemical and energy prices, as well as increased maintenance activities to ensure asset integrity. Excluding the Unki smelter (commissioned in late-2018), cash operating unit cost escalation was 2%. Internal cost-management and business-improvement initiatives continued to deliver value during the year, with the focus on energy efficiency and working capital management.

CAPITAL EXPENDITURE

Stay-in-business capital expenditure decreased by 2% to R1.6 billion, with 80% allocated to projects in our smelting operations and 15% for Base Metals Refinery (BMR) projects.

SMELTERS

		2019	2018
Safety			
Fatalities		**0**	0
TRCFR		**3.71**	4.29
Tonnes smelted	Mt	**1.42**	1.38
Cash costs/ tonne new concentrate smelted	R/ tonne	**2,922**	2,684

The primary smelters treat PGM concentrates received from wholly owned, joint-venture and third-party mines to produce furnace matte which is transferred to ACP for further treatment. ACP upgrades furnace matte by removing iron and sulphur to produce a PGM-rich converter matte which is slow-cooled before being dispatched to the base metal refinery for further processing. The converting process produces sulphur dioxide gas which is captured and treated at the ACP acid plant, producing sulphuric acid.

SAFETY AND HEALTH

Smelting operations recorded 17 injuries for the year, an 11% reduction from 19 in 2018. The combined TRCFR for all smelting operations improved by 14% to 3.71 in 2019 from 4.29 in 2018. Despite this improvement, the overall safety performance at the smelters was below our expectations.

A safety improvement strategy is focused on rebuild projects and non-routine work, analysing leading indicators and high-potential incidents, eliminating low-frequency/high-impact events, and the role of leadership in driving our safety culture. Routine wellness activities are an integral part of the plan to improve the health of employees.

PRODUCTION

Smelted volumes increased 3%, despite extensive scheduled maintenance at Unki smelter and both Waterval furnaces during the year. In addition to planned maintenance on these assets, an unplanned matte end-wall repair at Mortimer smelter was undertaken to reinstate the integrity of the refractory lining, which showed accelerated wear since its replacement in 2018.

Load-shedding affected operations, particularly during periods of extended curtailment requests in February/March, October and December. While throughput losses incurred in the first half were largely recovered in the second half, stage 6 load shedding and associated power interruptions in Rustenburg over December affected annual throughput.

The operating Unki smelter treats concentrate arisings from Unki Mine, with furnace matte being routed to ACP. Previously this concentrate was smelted at Polokwane. The Polokwane smelter established a new throughput record, smelting 667,000t concentrate, 3% above its previous best in 2017.

PROCESS REVIEW CONTINUED

COSTS

Total cash operating costs rose 13% to R4.2 billion. Cash operating cost per tonne of concentrate smelted was 9% higher at R2,922 (2018: R2,684), due to higher stores cost from the increased focus on maintenance and higher concentrate transport expenses. There was also a contribution from higher electricity costs, as well as the addition of a full year of Unki smelter operating costs.

CAPITAL EXPENDITURE

Stay-in-business capital expenditure was down 2% to R1.28 billion from R1.31 billion in 2018.

Construction of the SO_2 abatement plant at Polokwane smelter began in August 2018. Expenditure on this project, which is scheduled for completion in 2020, totalled R791 million in 2019. Stay-in-business capital was invested in repairs to the electrostatic precipitators at ACP (R29 million), Mortimer smelter end-wall rebuild (R17 million), Waterval smelter EF1 (R124 million) and EF2 (R37 million) side- and end-wall replacements as well as procuring long-lead items for the 2020 slag-cleaning furnace rebuild (R77 million). A further R16 million was invested in upgrading the control system of the robotic Eastern Bushveld Regional Laboratory (EBRL) at Polokwane.

OUTLOOK

The journey to zero harm will continue in 2020, with emphasis on eliminating low-frequency, high-impact incidents. The Polokwane furnace is scheduled for an end-wall repair, and the slag-cleaning furnace for a full rebuild.

RUSTENBURG BASE METAL REFINERY (RBMR)

		2019	2018
Safety			
Fatalities		**0**	0
TRCFR		**2.62**	2.84
Base metal production	kt	**33.9**	33.6
Cash costs/base metal tonne	R/tonne	**68,367**	67,220

RBMR performs bulk separation of precious metals from base metals using milling and magnetic separation at the magnetic concentrator (MC) plant. The PGM-rich magnetic fraction is upgraded in a three-stage leaching process to produce a final concentrate, fed to the PMR. The non-magnetic fraction is treated at BMR to produce base metal products – nickel and copper cathode, cobalt sulphate and a sodium sulphate by-product.

SAFETY AND HEALTH

The number of reportable injuries at RBMR remained the same year on year but, given the increase in total hours worked, TRCFR decreased 8% to 2.62 in 2019. The MC plant passed three years without any lost-time injuries in 2019.

PRODUCTION

Converter matte receipts were 7% higher than 2018, in line with increased platinum throughput. Base metal production rose by 1%. To supplement nickel production, nickel sulphate was bought in and plated to produce cathode. The operation continued to make progress on raw material efficiency improvements. Full-year nickel production was in line with 2018 at 23,000t, and overall nickel quality improved to 90% at LME grade.

COSTS

Cash operating costs increased to R2.3 billion in 2019. The 3% increase in absolute costs was mainly due to annual inflation and additional maintenance costs. Despite these, cash operating cost per base metal tonne was contained to R68,367 (up 2%) compared to R67,220 in 2018 due to throughput and above-inflation input costs in the review period.

Mortimer smelter – flash driers

CAPITAL EXPENDITURE

Stay-in-business capital expenditure was 24% higher at R240 million. Capital spend is focused on replacing critical plant equipment to ensure operational stability, and installing a new polishing copper leach circuit to increase copper recovery.

OUTLOOK

RBMR should continue to operate normally in 2020, gradually ramping up to its nameplate refining capacity. Opportunities to improve operational efficiencies and optimise operating costs through enhanced operating and asset maintenance strategies will be explored in 2020. RBMR is also positioned to contribute significantly to the company's future EBITDA.

PRECIOUS METALS REFINERY (PMR)

		2019	2018
Safety			
Fatalities		**0**	0
TRCFR		**2.07**	2.13
Platinum production including tolling	Moz	**2.50**	2.36
Cash costs/ Pt oz	R/oz	**400**	400

PMR receives final concentrate from the magnetic concentrator plant at RBMR, which is refined into various high-purity PGMs and semi-refined gold to meet market requirements.

SAFETY AND HEALTH

TRCFR improved 2% to 2.07 in 2019, reflecting the operation's intensified focus on its comprehensive safety improvement plan.

Platinum salt sensitivity (PSS) and rhodium salt sensitivity (RSS) remain the major health risks at PMR. These risks are being mitigated by implementing world-class occupational and environmental exposure-control standards which characterise the workplace in terms of PSS and RSS, and by ensuring regular measurements to monitor changes in the work environment and the personnel working at PMR. One PSS case and one occupational asthma case were recorded in 2019.

PRODUCTION

The refinery operated steadily throughout the year and met all customer requirements. Refined platinum production (including tolling) increased by 6% to 2,498,000 ounces (2018: 2,360,900 ounces). PGM production rose 9% to 4,794,000 ounces (2018: 4,418,000 ounces) in line with the respective ratios received in the feed.

PRODUCT QUALITY

Platinum, palladium and rhodium purity continued to meet market specifications. PMR maintained 99.99% purity for platinum and palladium, and 99.98% purity rhodium for the review period, achieving high customer satisfaction levels.

COSTS

PMR's cash operating costs for 2019 increased 6% to R999 million. Cash operating costs per platinum ounce stayed the same as 2018 at R400, despite above-inflation increases in key input commodities.

CAPITAL EXPENDITURE

Stay-in-business capital expenditure was 39% lower at R79 million. This was invested in stay-in-business projects to ensure the ongoing integrity of the asset and future business continuity.

OUTLOOK

PMR is expected to continue operating stably and well within its nameplate refining capacity. No major maintenance work is anticipated for 2020. Opportunities to improve raw material efficiencies and reduce operating costs through enhanced operating and asset maintenance strategies will be explored in the coming year.

Amplats19 Polokwane smelter

PILLARS OF VALUE

In line with our purpose to re-imagine mining to improve people's lives, we closely monitor how the value we create is shared with all stakeholders. Our approach to the sustainability (non-financial) aspects of our business is summarised below and detailed in our ESG report.

This aligns closely with the IIRC six-capitals framework (see table on page 3), although we have elected to report against our pillars of value as KPIs for each pillar are integral to our performance-based remuneration structure.

Waterval concentrators

Our sustainability focus is embedded in our strategy, and based on the Anglo American sustainable mining plan (see our ESG report) that focuses on global sustainability pillars with stretch goals by 2030 (see graphics below).

The collaborative regional development programme (stimulating socio-economic development opportunities through partnerships) that underpins value creation for all our stakeholders is a fundamental part of this strategy (ESG report, page 15).

The sustainable mining plan is reinforced by critical foundations and non-negotiable business-as-usual practices that position Amplats to achieve its legal and social licence to operate. Without these, the aspirational goals in the sustainable mining plan cannot be realised.

Last year, we began the extensive process of integrating the sustainable mining plan into existing business processes to reflect local and global risks and opportunities specific to the business.

In 2019, our focus was on operationalising this plan through five-year site, social and sustainability plans detailing how our ambitious goals will be achieved.

The focus for 2020 will be the change management process and ensuring relevant strategies and implementation plans are developed for the livelihoods, health and wellbeing, and education targets.

PILLARS OF VALUE CONTINUED

SAFETY AND HEALTH

Safety approach

Our current safety strategy was co-created between employees, unions and management to focus on what was needed to achieve zero harm. This step change in safety performance was endorsed by the board in 2017, and results for the review period – including the first fatality-free year in our history – validate the significant benefit of a shared goal.

Our stellar performance in 2019 compares to a deterioration at industry level, with other South African PGM miners reporting 16 fatalities versus 11 in 2018. Importantly, our incremental improvement reflects the massive team effort across the company, with many parts of the business playing a significant role, including operational line management teams and general managers; safety, health and other functions; the elimination-of-fatalities task team; operational risk management and operational risk assessment teams; safety tripartite structures; unions; individual employees and the leadership provided by the board.

However, we are acutely aware that a fatality-free year does not mean we have achieved our goal of zero harm. We continue to record 'near-misses', high potential incidents, serious injuries and non-adherence to standards at many sites and we know that 2019's achievement is not yet sustainable. Accordingly, our focus will now be on ensuring this performance becomes sustainable each year, through the ongoing implementation of programmes across the company aligned to the safety strategy. In addition, we will continue to work with our JV partners and their teams to eliminate fatalities across all operations.

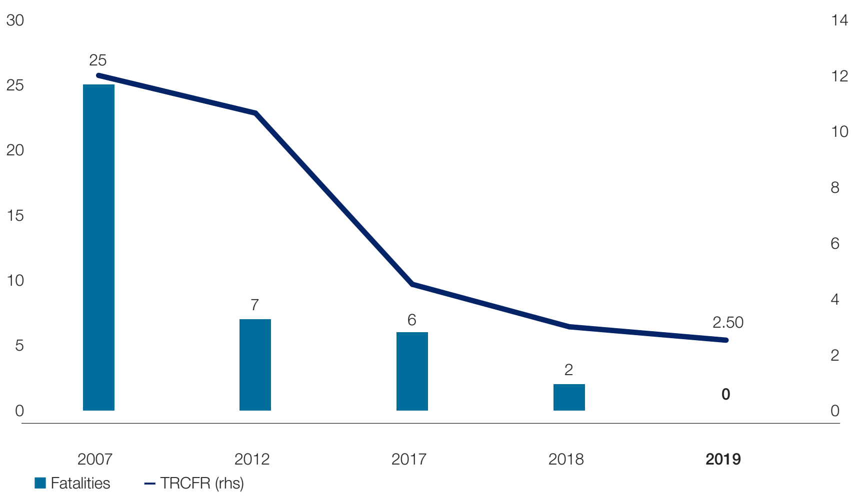
Key points of strategy

Our safety strategy is detailed in our ESG report (page 76) and based on four end goals:
- Zero harm
- Culture of safety
- Zero fatalities
- Personal ownership for safety.

Progress against strategy per pillar

See page 73 of the ESG report

Underpinning these goals are our safety pillars of:
- Leadership and accountability
- Eliminating fatalities
- Safety culture
- Modernisation and engineered controls
- Operational risk management
- Learning from incidents.



Health approach

For occupational health, our approach echoes our safety strategy – zero harm. Similar to safety, many of our objectives depend on the formidable challenge of changing human behaviour. The systems and approaches we have implemented therefore focus on incrementally encouraging people to take ownership of their health, just as they take responsibility for their safety.

Seven years ago, we developed and implemented a focused strategy and wellness management programme to reduce the number of tuberculosis (TB) or TB/HIV-related deaths. The effectiveness of this initiative has seen numbers drop from 63 employee deaths in 2012 to three in the review period. The biggest deterrent to managing TB is widely acknowledged to be patient compliance so our achievement in this field does reflect some progress in changing behaviour. We will now use similar strategies to focus on reducing offsite transport and other health-related deaths, including hypertension. Just a few years ago, these would have been considered outside our control but, with focused effort, we believe we can reduce offsite, non-work-related deaths.

Key points of strategy

To ensure the health and wellness of our people, we focus on:
- Mitigating health risks in the workplace (occupational hygiene)
- Conducting fitness assessments and employee surveillance (occupational medicine)
- Monitoring and supporting health and wellbeing of employees (wellness)
- Building healthier communities.

Progress against strategy per pillar

See page 80 of the ESG report

PEOPLE

Approach
We continually focus on the importance of developing our human resources as a key component in achieving our strategic objectives. In tandem, we consider the impact of the so-called fourth industrial revolution, the employee of the future and the future of work.

Key points of strategy
The evolving workplace of the 21st century and a multi-generational workforce have a major influence on our learning landscape, specifically:

- How employees want to work (interactive, engaging, access to experts, co-created)
- Their benefit preferences (job-change options, mobility options, job flexibility, constant learning)
- What technology platforms they use and how they are connected (smart devices, always-on, social media, 24x7 connectivity).

While concentrating on equipping our people with the skills they require in the modern world of work, compliance and productivity remain key metrics in our human resources strategy.

Progress against strategy per pillar
See page 92 of the ESG report

COMMUNITIES

Approach
Maintaining and improving our social licence to operate depends on our ability to enhance this capital at all levels of our society. We refer to this as our socio-political pillar of value. While a licence to operate is a tangible, regulated entity, the social licence to operate is a fluid concept more easily identified by its lack, rather than its presence. Social capital itself is the outcome of our investment in building relationships with our stakeholders.

Key points of strategy
Introduced in 2018, our social strategy plays a significant role in supporting our business strategy and addressing diverse key social issues at our operations. Our business strategic priorities are enacted in a safe, values-driven and socially responsible way, underpinned by the need to build leading community and stakeholder relationships and make a lasting contribution.

Based on the pillars of socio-economic development, stakeholder engagement and communication and sustainable development, our social strategy helps Amplats fulfil its societal obligations by delivering shared value – creating social value for stakeholders while generating business value.

Progress against strategy per pillar
See page 114 of the ESG report

ENVIRONMENT

Approach
Integral to our approach to sustainability is being a leader in environmental stewardship. Mining must play its part to address the environmental challenges of a carbon-constrained world and society's wider expectations of us as enablers of change, while we continue to meet the ever-growing demand for our products. Anglo American's FutureSmart Mining programme is designed to tackle many of these challenges, both environmental and social. In line with our purpose, it is a new way of thinking that will transform the nature of mining – how we discover, mine, process, move and market our products – and how our stakeholders experience our business.

Key points of strategy
We have set 2030 targets for our water, climate change and biodiversity performance (detailed in our ESG report), with clear milestones to those targets. Supported by best-practice policies, performance standards and business processes; investment in internal capacity, capability and technological innovation; and partnerships and collaboration with stakeholders, we constantly track compliance with our policies and performance standards.

Given that our licence to operate relates directly to environmental permits and authorisations, all Amplats operations are reviewed annually for compliance. In 2019, all our operations achieved their compliance target with an overall score of 2.9 out of 5.0, versus a target of 2.4.

Progress against strategy per pillar
See page 20 of the ESG report

PILLARS OF VALUE CONTINUED

Safety and health

2019 target	2019 performance
Zero fatalities	Zero fatalities – company first
TRCFR (per 1 million hours worked) 3.45	TRCFR 2.50
HIV management: 90% of at-risk population know their status	97% of employees know their HIV status
HIV management: 90% of HIV-positive undergoing treatment (on ART)	91% of known HIV-positive employees on ART
Medical surveillance: 100% annual medical surveillance of people potentially at risk of exposure to airborne pollutants (category A)	100% annual medical surveillance of category A workers (excluding Unki)

Mineral policy and legislative compliance

2019 target	2019 performance
26% of reserves and resources owned by historically disadvantaged South Africans (HDSAs)	44.7% HDSA shareholding measured in businesses we control and the portion of our business transferred to HDSAs
HDSA procurement expenditure:	
Capital goods (40%)	71%
Services (70%)	70%
Consumables (50%)	76%
Transformation (representation by historically disadvantaged persons (HDPs))	

Employment equity as per mining charter

Description	Measure	2019 progress against target	Compliance target
Diversification of the workplace to reflect the country's demographics and remain competitive	Top management (board) level	**27%**	40%
	Senior management (including exco)	**51%**	40%
	Middle management	**71%**	40%
	Junior management	**82%**	40%
	Core skills	**88%**	40%

2019 target	2019 performance
People with disabilities: 1.5%	People with disabilities: 0.2%
Maintain ISO 14001 certification: 100% renewal of certificates for RBMR and PMR	RBMR and PMR maintained certification in 2019 against the ISO 14001:2015 standard
Zero environmental legal non-compliance directives	On target – no directives received

Labour relations and our performance

2019 target	2019 performance
106.0 PGM ounces produced per employee	110.5 PGM ounces produced per employee
Labour unavailability to be below 19.07% benchmark	18.37% labour unavailability

Community development

2019 target	2019 performance
Implementation of second-generation social and labour plans (SLP2)	In progress – 42 of 74 SLP2 projects completed. Most will be complete at end-2020, except for Twickenham
CSI spend	R240.5 million

Access to and allocation of natural resources

2019 target	2019 performance
3% reduction in energy consumption for 2016 to 2020 (down 1% pa) - 2019 absolute consumption target of 21.2 million GJ - 2019 energy intensity target of 0.83 GJ per tonne milled	Ahead of target: Consumption of 20.08 million GJ Energy intensity of 0.80GJ per tonne milled
5% reduction in CO_2 emissions per unit of production over 2016 to 2020 (down 1% pa)	CO_2 equivalent emissions of 4.44Mt CO_2e or 0.18 CO2e per tonne milled
9.5% reduction in water consumption (2.7Mm³) against 2020 BAU projected demand (28.5Mm³) - 2019 total new water abstraction or withdrawal of 29.6Mm³ - 2019 potable water abstraction of 7.4Mm³ per tonne milled - 2019 total new water withdrawal intensity of 1.17m³ per tonne milled	Total water withdrawal of 25.1Mm³ Potable water withdrawal of 7.6Mm³ per tonne milled Total water withdrawal intensity of 1.00m³ per tonne milled

[1] *Target excluding Mototolo concentrator, Mareesburg tailings facilities and Mototolo Mine (acquired 1 November 2018).*
[2] *Target including Mototolo concentrator, Mareesburg tailings facilities and Mototolo Mine.*
[3] *Ownership calculated using a method standardised across Anglo American plc group and aligned to both BBBEE codes of good practice and mining charter*

Achieved/on target

Not achieved

In progress

PILLARS OF VALUE CONTINUED

SAFETY

Operations	Number of fatalities 2019	2018	2017	2016	2015	Fatal-injury frequency rate (FIFR)[1] 2019	2018	2017	2016	2015
Tumela Mine	**0**	0	1	2	0	**0**	0	0.056	0.110	0
Dishaba Mine	**0**	2	2	0	0	**0**	0.144	0.135	0	0
Mogalakwena Mine	**0**	0	0	0	0	**0**	0	0	0	0
Unki Platinum Mine	**0**	0	0	0	0	**0**	0	0	0	0
Amandelbult concentrators[2]	**0**	0	0	0	0	**0**	0	0	0	0
Mogalakwena concentrators	**0**	0	0	0	0	**0**	0	0	0	0
Unki concentrator	**0**	0	0	0	0	**0**	0	0	0	0
Mototolo concentrator[3]	**0**	0	0	0	0	**0**	0	0	0	0
Mototolo Lebowa, Borwa shafts[4]	**0**	0				**0**	0			
ACP	**0**	0	0	0	0	**0**	0	0	0	0
Waterval smelter	**0**	0	1	0	0	**0**	0	0.664	0	0
Mortimer smelter	**0**	0	0	0	0	**0**	0	0	0	0
Polokwane smelter	**0**	0	0	0	0	**0**	0	0	0	0
Unki smelter[5]	**0**	0				**0**	0			
Rustenburg Base Metal Refiners	**0**	0	0	0	0	**0**	0	0	0	0
Precious Metals Refinery	**0**	0	1	0	0	**0**	0	0.579	0	0
Greenfield projects[6]	**0**	0	0	0	1	**0**	0	0	0	0.144
Total/aggregate[7]	**0[RA]**	2	6	7	2	**0[RA]**	0.027	0.073	0.067	0.017

Operations	Lost-time injury frequency rate (LTIFR)[8] 2019	2018	2017	2016	2015	Total recordable case frequency rate (TRCFR)[9] 2019	2018	2017	2016	2015
Tumela Mine	**2.89**	3.11	4.05	2.92	5.14	**3.12**	3.61	4.78	4.57	7.02
Dishaba Mine	**3.97**	3.38	2.69	3.14	4.66	**4.24**	4.53	4.44	4.76	9.13
Mogalakwena Mine	**1.36**	0.45	0.68	0.85	1.08	**1.47**	0.79	1.35	2.26	6.27
Unki Platinum Mine	**0**	1.17	1.68	0.95	0.91	**0.43**	1.40	2.80	4.13	2.72
Amandelbult concentrators[2]	**1.02**	0.82	4.05	1.51	1.24	**1.36**	2.45	6.30	3.03	4.14
Mogalakwena concentrators	**0.86**	1.18	0.81	0.78	0.53	**0.86**	1.18	1.29	2.34	4.54
Unki concentrator	**2.18**	0	0	0	2.27	**2.18**	0	0	0	6.82
Mototolo concentrator[3]	**0**	0	0	2.60	0	**1.19**	0	0	2.60	0
Mototolo Lebowa, Borwa shafts[4]	**0.93**	0				**1.85**	0			
ACP	**4.62**	4.14	3.05	1.06	1.95	**5.55**	6.90	3.05	1.06	1.95
Waterval smelter	**2.62**	1.96	3.32	2.60	0	**2.62**	2.61	7.30	3.25	1.06
Mortimer smelter	**5.30**	7.51	5.09	1.89	0	**5.30**	7.51	6.78	5.67	3.71
Polokwane smelter	**2.22**	0	0	0	0	**2.22**	0	4.53	2.28	2.11
Unki smelter[5]	**0**	0				**0**	0			
Rustenburg Base Metal Refiners	**1.57**	0.85	1.43	2.44	4.18	**2.62**	2.84	2.57	6.41	7.76
Precious Metals Refinery	**1.56**	2.13	1.16	6.03	2.62	**2.07**	2.13	2.32	7.23	5.90
Greenfield projects[6]	**1.03**	1.07	0.94	0.82	2.59	**2.75**	4.73	1.57	1.37	5.75
Total/aggregate[7]	**2.14**	2.10	3.17	3.65	4.92	**2.50[RA]**	3.00	4.52	5.28	7.59

Notes

1 *FIFR – fatal-injury frequency rate (calculated) is a measure of the rate of all fatal injuries per million hours worked.*
2 *Includes Amandelbult CRP (chrome recovery plant).*
3 *Includes Mareesburg tailings facilities from 2019 (previously included under greenfield projects).*
4 *Mototolo Lebowa and Borwa shafts acquired from 1 November 2018.*
5 *Unki smelter operational from September 2018.*
6 *Greenfield projects 2019: Twickenham Mine, Amandelbult chrome recovery plant (module 3 & 4), Der Brochen exploration, infrastructure and prefeasibility projects, Western Limb greenfields exploration, Unki housing infrastructure project, Unki smelter project, SO_2 abatement project at Polokwane and Mareesburg tailings facilities phase 2 project.*
7 *Rustenburg and Union divested operations included to respective dates divestment – 31 October 2016 and 31 January 2018.*
8 *LTIFR – lost-time injury frequency rate (calculated) is a measure of the rate of all lost-time injuries per million hours worked.*
9 *TRCFR – total recordable case frequency rate (calculated) is a measure of the rate of all injuries requiring treatment above first aid per million hours worked.*
LA/RA *Limited/reasonable assurance by PwC. Refer to page 144 of ESG report for independent assurance report.*

KEY STATISTICS

for the year ended 31 December 2019

HEALTH

	2019	2018	2017	2016	2015
Employees who know their HIV status	**21,587[LA]**	17,955	20,173	22,222	32,375
New cases of occupational disease					
Noise-induced hearing loss	**1[RA]**	2	6	23	36
Chronic obstructive airways disease	**–**	–	–	–	–
Occupational tuberculosis	**–**	–	–	–	–
Occupational asthma	**1**	1	3	1	2
Occupational dermatitis	**–**	1	3	1	1
Occupational cancers	**–**	–	–	–	–
Platinosis (platinum salt sensitivity)	**1**	–	–	2	–

Employees potentially exposed to hazards[1]	2019	2018	2017
Total number of workers[2]	**36,700**	37,096	37,947
Inhalable hazards and carcinogens			
Workers potentially exposed to inhalable hazards above the exposure limit	**96[LA]**	555	546
Workers potentially exposed to carcinogens above the exposure limit	**84[LA]**	527	983
Noise			
Workers potentially exposed to noise levels ≥ 85dB(A) < 105 dB(A)	**19,978**	18,639	21,465
Workers potentially exposed to noise levels ≥105 dB(A)	**0**	0	3
Number of pieces of equipment emitting noise ≥ 107 dB (A)[3]	**12**	16	34

Impact of attrition not factored.
NM = not measured.
[1] *Exposure above the occupational exposure limit ('A' classification band) without taking PPE into account.*
[2] *All workers – employees and contractors.*
[3] *SA mining industry noise sources to be below 107dB(A). Includes Unki.*
[LA/RA] *Limited/reasonable assurance by PwC. Refer to page 144 of ESG Report for independent assurance report.*

HUMAN RESOURCES

EMPLOYMENT STATISTICS

Breakdown of South African workforce

	2019	2018	2017	2016	2015
Gauteng	**259**	237	255	278	330
Limpopo	**16,940**	16,926	22,010	21,669	23,259
North West	**2,988**	2,957	2,878	2,862	17,991
Mpumalanga	**1,541**	1,527	177	136	136
Total own employees	**21,728**	21,647	25,320	24,945	41,716
Contracting staff					
Labour hire	**26**	28	37	87	401
Contractors	**2,282**	1,916	2,201	2,129	2,171
Total contracting staff	**2,308**	1,944	2,238	2,216	2,572
Employment creation in provinces					
Gauteng	**22**	(18)	(23)	(52)	(47)
Limpopo	**14**	(5,084)	341	(1,590)	(1,563)
North West	**31**	79	16	(15,129)	(2,332)
Mpumalanga	**14**	1,350	41	0	(4)
Total own employees	**81**	(3,673)	375	(16,771)	(3,946)
Labour turnover in South Africa, % (including voluntary separation packages)					
Gauteng	**0.10%**	0.11	0.25	0.15	0.20
Limpopo	**3.65%**	4.24	4.77	5.13	4.54
North West	**0.44%**	0.56	0.69	2.56	4.73
Mpumalanga	**0.35%**	0.08	0.03	0.01	0.02
Labour turnover in Zimbabwe	**0.24%**	0.21	0.19	0.14	0.12

KEY STATISTICS CONTINUED

for the year ended 31 December 2019

HUMAN RESOURCES CONTINUED

EMPLOYMENT EQUITY PER OCCUPATIONAL LEVEL

(2019 statistics as per Employment Equity Act requirements)

	Male				Female				Foreign nationals		
Occupational levels	African	Coloured	Asian	White	African	Coloured	Asian	White	Male	Female	Total
Top management	0	0	1	5	2	0	0	0	0	0	8
Senior management	44	3	11	76	12	0	7	8	7	0	168
Professionally qualified and experienced specialist and mid-management	625	18	24	402	243	10	21	134	34	5	1,516
Skilled technical and academically qualified workers, junior management, supervisors	2,417	33	8	592	798	12	5	168	139	4	4,176
Semi-skilled and discretionary decision-making	11,067	10	0	77	2,242	3	1	16	1,182	1	14,599
Unskilled and defined decision-making	809	3	0	8	364	1	0	0	29	0	1,214
Total permanent employees	14,962	67	44	1,160	3,661	26	34	326	1,391	10	21,681
Temporary employees	27	1	0	5	12	0	0	2	0	0	47
Grand total	14,989	68	44	1,165	3,673	26	34	328	1,391	10	21,728

Note: all numbers are for the year ended 31 December 2019.

Employment equity as per mining charter

Description	Measure	**2019 progress against target**	Compliance target
Diversification of the workplace to reflect the country's demographics and remain competitive	Top management (board) level	**27%**[RA]	40%
	Senior management (including exco)	**51%**[RA]	40%
	Middle management	**71%**[RA]	40%
	Junior management	**82%**[RA]	40%
	Core skills	**88%**[RA]	40%

Turnover per region

	2019 excluding VSPs		**2019 including VSPs**		2018 excluding VSPs		2018 including VSPs		2017 excluding VSPs		2017 including VSPs		2016 excluding VSPs		2016 including VSPs	
	Total	**%**	**Total**	**%**	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Gauteng	**22**	**0.10**	**22**	**0.10**	19	0.09	23	0.11	60	0.23	65	0.25	33	0.09	61	0.15
Limpopo	**763**	**3.48**	**799**	**3.65**	747	3.47	913	4.24	1,211	4.67	1,235	4.77	976	2.53	2,055	5.13
Mpumalanga	**76**	**0.35**	**76**	**0.35**	17	0.08	17	0.08	8	0.03	8	0.03	5	0.01	6	0.01
North West	**95**	**0.43**	**96**	**0.44**	117	0.54	121	0.56	172	0.66	179	0.69	463	1.20	1,025	2.56
Zimbabwe	**52**	**0.24**	**52**	**0.24**	46	0.21	46	0.21	47	0.18	49	0.19	56	0.15	56	0.14
Grand total	**1,008**	**4.6**[RA]	**1,045**	**4.77**	946	4.39	1,120	5.20	1,498	5.78	1,536	5.93	1,533	3.98	3,203	8.00

[RA] *Reasonable assurance by PwC. Refer to page 144 of ESG report for independent assurance report.*

HUMAN RESOURCES CONTINUED

Training in 2019

	Black		Coloured		Asian		White			
Type of training	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Total HDSA trained**	**Total trained**
Graduates	52	31	2	0	2	3	18	6	96	114
Bursaries	34	21	0	0	8	1	24	9	73	97
Leaderships (engineering)	172	99	5	0	1	0	13	1	278	291

Average training hours per employee in 2019

	2019	2018	2017	2016
Professionally qualified and experienced specialists and mid-management	**33**	28	39	46
Semi-skilled and discretionary decision makers	**56**	50	96	98
Senior management	**17**	19	11	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	**51**	49	85	88
Unskilled and defined decision makers	**59**	108	101	80
Total per employee	**53**	50	90	91

Membership of recognised unions and associations

	2019	2018	2017	2016	2015
Association of Mineworkers and Construction Union (AMCU)	**9,284**	9,886	13,691	24,382	24,815
National Union of Mineworkers (NUM)	**5,974**	5,670	6,378	8,200	9,463
United Association of South Africa (UASA)	**2,160**	2,157	2,630	5,827	6,518
National Union of Metalworkers of South Africa (NUMSA)	**0**	50	270	347	359
General Industrial Workers Union of South Africa (GIWUSA)	**855**	917			
Total	**18,273**	18,680	22,969	38,756	41,155
Total percentage of workforce represented, excluding management* (%)	**94.37%**	94.8*	92	94	91
** Unki operations headcount excluded in denominator. Comparative figures (%)*			*95.74*	*96.88*	*96.67*

KEY STATISTICS CONTINUED

for the year ended 31 December 2019

SOCIAL

Rm	2019	2018	2017	2016	2015
Total social investment[1]	**619**	609			
CSI spend[2]	**240.5[RA]**	264.2	301.1	546	236

[RA] Reasonable assurance by PwC. Refer page 144 of ESG report for the independent assurance report.
[1] Total social investment: CSI spend including contributions paid to community trusts and dividends paid to communities from 2018.
[2] Including Unki, excluding overhead costs.

ENVIRONMENTAL INDICATORS

	2019	2018	2017	2016	2015
Materials – kilotonnes					
Rock broken – managed operations (100%)	**91,570**	97,369	98,340	112,433	152,414
Ore milled – managed operations (100%)	**25,179**	25,378	26,066	37,165	36,305
Accumulated low-grade stockpiles	**60,500**	59,909	55,710	49,060	41,811
Coal	**128.94**	133.96	142.27	132.58	137.02
Liquid petroleum gas (LPG)	**6.1**	5.68	4.62	4.84	4.17
Grease	**0.29**	0.29	0.34	0.37	0.37
Fuels – megalitres	**74.38**	79.55	74.88	75.68	70.8
Lubricating and hydraulic oils	**13.12**	2.83	7.66	53.14	15.97
Energy – terajoules					
Energy from electricity purchased	**13,768**	13,402	14,889	18,112	18,751
Energy from processes and fossil fuels	**6,311**	6,609	6,608	6,516	6,428
Total energy consumed	**20,079[RA]**	20,011	21,497	24,628	25,178
Water – megalitres					
Total water withdrawals#	**25,894**	24,433	26,533	32,687	33,197
Potable water from an external source	**7,642**	6,142	9,433	12,327	14,408
Non-potable water from an external source†	**6,884**	6,189	5,595	10,021	4,961
Surface water used	**1,717**	1,418	1,396	4,521	9,343
Groundwater used	**8,851**	10,684	10,110	5,826	4,695
Water recycled in processes††	**28,877**	25, 783	28,791	54,631	60,170
Land – hectares					
Land under company charge for current mining activities	**118,085**	98,374	109,299	108,202	117,266
Land under management control	**40,511**	41,594	43,240	42,142	46,644
Land used for current mining and related activities	**7,756**	7,539	8,600	7,903	10,321
Total tailings dam area	**1,127**	1,316	1,564	1,593	2,326
Total waste rock dump area	**1,134**	1,134	928	947	1,097
All land owned	**11,054**	13,685	13,685	13,685	21,154

 # Total water withdrawals or abstractions (total water inflows).
Water reporting requirements changed in 2017 to align with ICMM. Water use for primary and non-primary activities are no longer reported.
† Non-potable water from external sources includes waste or second-class water (prior years).
††† Lower recycled water reported in 2017 is mainly due to sale of Rustenburg concentrator which accounted for over 40% of measured recycled streams in 2016.
[RA] Reasonable assurance by PwC. Refer to page 144 of ESG report for independent assurance report.

ENVIRONMENTAL INDICATORS CONTINUED

	2019	2018	2017	2016	2015
Emissions – kilotonnes					
GHG emissions, CO_2e (scope 1 and 2 only)	**4,436**	4,118	4,612	5,579	5,878
From electricity purchased (scope 2 GHG emissions)	**3,903**[RA]	3,560	4,049	5,034	5,316
Internally generated – from fossil fuels (scope 1 GHG emissions)	**533**[RA]	558	563	545	561
Nitrous oxides	**NM**	NM	0,937	1,395	NM
Sulphur dioxide**	**NM**	22.29	14.78	23.97	19.66
Particulates (point sources)	**0.03**	0.03	0.04	0.18	0.16
Discharge – megalitres					
Discharge to surface water	**566**	352	769	913	278
Quality					
Surface water quality monitored at all operations	**Yes**	Yes	Yes	Yes	Yes
Surface water quality deterioration off-site	**Yes**	Yes	Yes	Yes	Yes
Adverse surface water impact on humans	**No**	No	No	No	No
Groundwater quality monitored at all operations	**Yes**	Yes	Yes	Yes	Yes
Groundwater quality deterioration	**Yes**	Yes	Yes	Yes	Yes
Adverse groundwater impact on humans	**No**	No	No	No	No

** *Annual calculated tonnage of SO_2 from Amplats processes only available for reporting by 31 March 2019 as per NAEIS (DEA reporting) system.*
NM = not measured.

	2019	2018	2017	2016	2015
Waste – kilotonnes					
Mineral waste accumulated in:					
Tailings dams (active and inactive)*	**422,180**	400,059	467,072	439,118	841,963
Rock dumps	**1,554,357**	1,488,359	1,184,522	1,115,410	1,053,785
Slag dumps	**6,902**	6,340	5,820	5,218	4,728
Non-mineral waste generated					
Hazardous to landfill	**2.61**[LA]	5.60	9.22	15.51	9.01
Hazardous incinerated	**0.09**	0.09	0	0	0.02
Non-hazardous to landfill	**1.5**[LA]	2.30	3.58	5.82	9.76
Non-hazardous incinerated	**0**	0	0	0	0
Environmental incidents and complaints					
Level 1	**131**	209	381	603	453
Level 2	**20**	12	10	28	18
Level 3	**1**[RA]	0	0	0	0
Level 4 and 5	**0**[RA]	0	0	0	0
Formal complaints	**11**	8	9	23	2
Substandard acts and conditions	**998**	1,536	1,480	1,786	2,135
Products – ounces					
Total refined PGMs and gold	**4,885,547**	4,507,335	4,621,211	4,641,604	4,766,736

RA/LA Reasonable/limited assurance by PwC. Refer to page 144 of ESG report for independent assurance report.

ORE RESERVES AND MINERAL RESOURCES REVIEW

As part of the ongoing portfolio repositioning, the Amplats Resource and Reserve base consolidated following the disposal of interests in the Bafokeng Rasimone Platinum Mine joint venture.

Concurrently, the life of the now wholly owned Mototolo Mine was improved through inclusion of a portion of the Der Brochen mining right and further evaluation of expansion options. Longer-term opportunities have been created for Mogalakwena complex by doubling of the mining right area north along the Platreef and continued evaluation of expansion options.

Critically, 147.9Moz (4E) of Ore Reserves and 718.6Moz (4E) of inclusive Mineral Resources provide the core asset that underpins our ambition to 'Re-imagine Mining to Improve People's Lives'.

Gordon Smith
Executive head: technical, safety and sustainability

GENERAL STATEMENT

The Ore Reserves and Mineral Resources report is issued annually to inform stakeholders, shareholders and potential investors of the mineral assets held by Anglo American Platinum Limited (Amplats). The Amplats method of reporting Ore Reserves and Mineral Resources is in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code 2016). The summary of estimates (tonnes and content) quoted in this report are on an attributable interest basis and the detailed estimates for the individual assets are in the 2019 Amplats Ore Reserves and Mineral Resources report. Ore Reserve and Mineral Resource estimates are quoted as at 31 December 2019. The Anglo American plc Ore Reserves and Mineral Resources Report quotes the reported estimates on a 100% basis.

Mogalakwena
Platreef Ore Reserves increased by 0.8 4E Moz

Tumela Mine
0.6 4E Moz increase in Ore Reserves

Mototolo Mine
Reserves Life increased from five years to 16 years

ORE RESERVES

The combined South African and Zimbabwean Ore Reserves have decreased by 2.5% from 151.6 4E Moz to 147.9 4E Moz in the review period, primarily due to the disposal of the interest in the Bafokeng Rasimone Platinum Mine joint venture to Royal Bafokeng Platinum and annual production. The reduction of Ore Reserves has been partially offset by an increase in Ore Reserves at Mogalakwena and Dishaba mines due to conversion of Mineral Resources to Ore Reserves as well as the transfer and conversion of the Der Brochen Project Mineral Resources to Mototolo Mine.

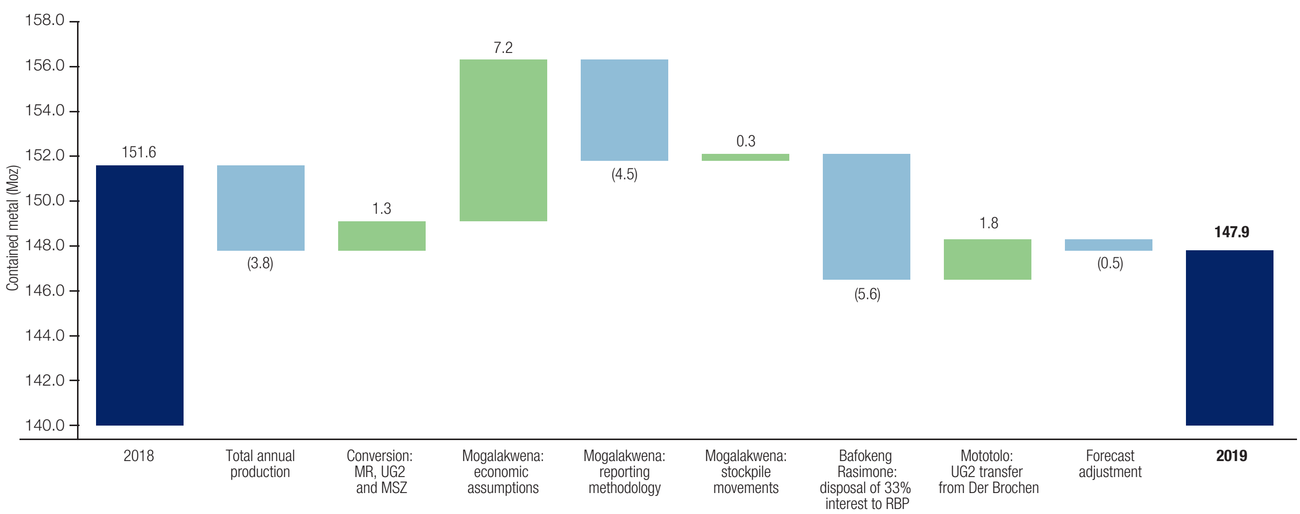
At Mogalakwena Mine, pit-shell optimisation mainly related to improved economic assumptions, resulted in the conversion of additional Mineral Resources to Ore Reserves (+7.4 4E Moz). The extent of the increase was, however, offset by reallocation of some lower-grade material to Mineralisation as a result of the new Mineral Resources reporting methodology (–4.5 4E Moz), economic assumptions related to stockpiles in the latter years of the life-of-mine (–0.5 4E Moz), and production (–1.8 4E Moz). Overall, Mogalakwena Platreef Ore Reserves, including stockpiles, increased by 0.8 4E Moz to 118.8 4E Moz in 2019. The combination of basket metal prices and the exchange rate used to optimise the Mogalakwena pit is based on long-term forecasts in a balanced supply/demand scenario. Mining costs are escalated in real terms to account for anticipated mining inflation, increasing mining depth and haul distance.

At Mototolo Mine, the transfer and conversion of Mineral Resource to Ore Reserves from the Der Brochen Project resulted in an additional 1.8 4E Moz. As a result, Mototolo Mine UG2 Reef Ore Reserves increased by 87% to 3.0 4E Moz (2018: 1.6 4E Moz). This, together with the change from the previous Glencore Ore Reserves reporting policy has increased the mine Reserve life from 5 years to 16 years.

At Dishaba Mine, conversion of 0.8 4E Moz and a transfer of Ore Reserves from Tumela Mine of 0.2 4E Moz in the latter period of the life-of-mine contributed to a 10% increase of UG2 Reef Ore Reserves to 8.4 4E Moz in 2019 (7.6 4E Moz: 2018).

Ore Reserves at non-managed joint-venture operations decreased primarily due to production.

AMPLATS MERENSKY, UG2, PLATREEF, AND MAIN SULPHIDE ZONE ORE RESERVES – SOUTH AFRICA AND ZIMBABWE
2018 – 2019 RECONCILIATION (4E MOZ)

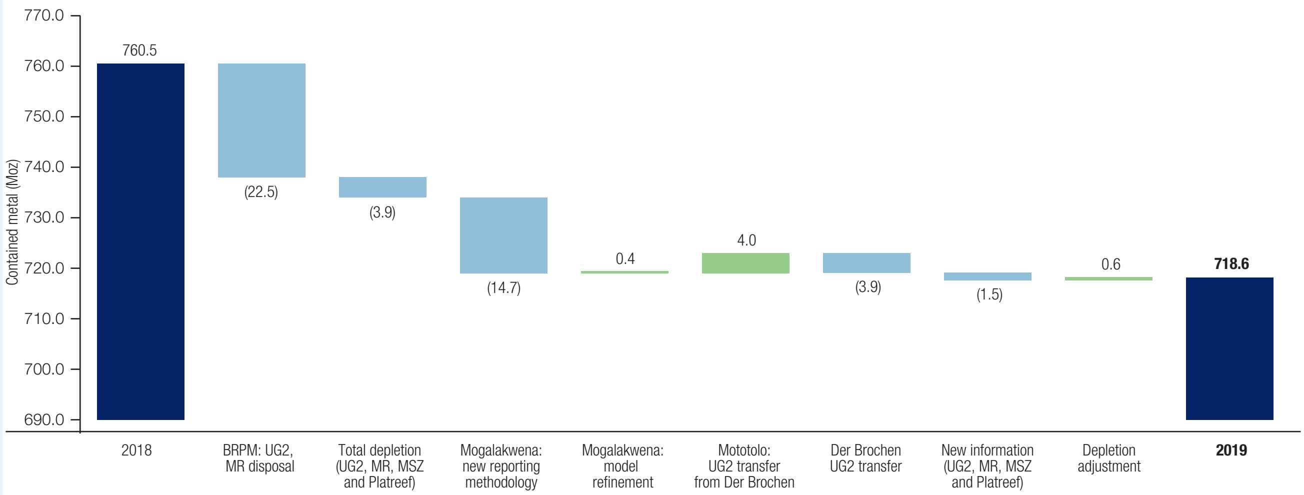


ORE RESERVES AND MINERAL RESOURCES REVIEW CONTINUED

MINERAL RESOURCES

The combined South African and Zimbabwean Mineral Resources, inclusive of Ore Reserves, decreased by 5.5% from 760.5 4E Moz to 718.6 4E Moz in the review period. This was primarily due to disposing of the interest in Bafokeng Rasimone Platinum Mine joint venture to Royal Bafokeng Platinum (–11.9 4E Moz of Merensky Reef and –10.7 4E Moz of UG2 Reef), reallocation of some lower-grade Platreef material to Mineralisation as a result of a change in Mineral Resources reporting methodology at Mogalakwena Mine (–14.7 4E Moz) and annual depletion (–3.9 4E Moz).

AMPLATS MERENSKY, UG2, PLATREEF, AND MSZ INCLUSIVE MINERAL RESOURCES – SOUTH AFRICA AND ZIMBABWE
2018 – 2019 RECONCILIATION (4E MOZ)



IMPACT OF PORTFOLIO-REPOSITIONING STRATEGY

Since 2013, Amplats has been executing a portfolio-repositioning strategy with three core elements: restructuring mineral assets into a value-optimised portfolio, deriving full value from operations, and enhancing cost and financial performance.
The restructuring process is approaching the final stages, with the following achieved to date:

- Disposal of the Rustenburg mining and concentrating operations to Sibanye-Stillwater (2015)
- Twickenham Mine placed on care and maintenance (2016)
- Operations ceased at Bokoni Mine after Atlatsa placed it under care and maintenance (2017)
- Interests in Pandora Mine sold to Lonmin plc and the sale of a portion of Tumela Mine to Northam Platinum (2017)
- Interests in Union Mine sold to Siyanda Resources (2018)
- Interests in Mototolo Mine acquired from Glencore plc and minority shareholders (2018)
- Ongoing engagements on interests in the Sibanye-Stillwater joint ventures.

2019 progress

- The 33% stake held in Bafokeng Rasimone Platinum Mine joint venture sold to Royal Bafokeng Platinum
- Acquisition of the Kwanda North and Central Block Prospecting Rights, north of the current Mogalakwena Mining Right, from Atlatsa Resources
- Royalty agreement with Two Rivers Platinum Mine for Mototolo Mine to exploit UG2 Reef Ore Reserves across the Thorncliffe Farm boundary.

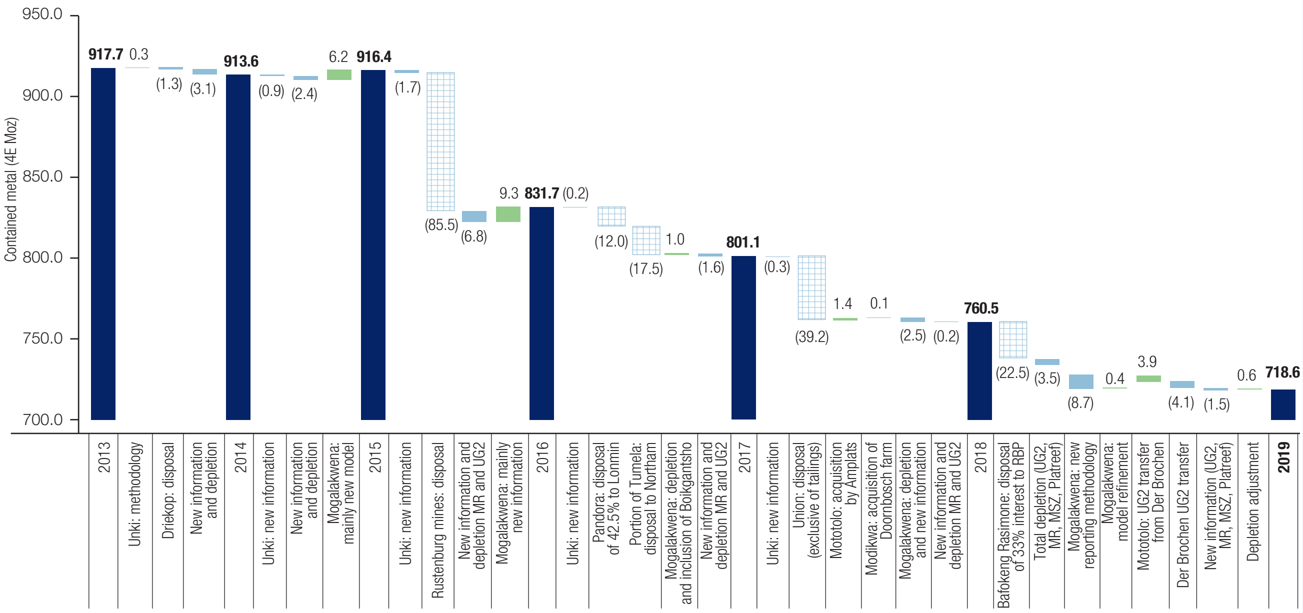
2020 outlook

- Consolidation of the Mototolo Mine and Der Brochen project Mining Right
- Conclusion of the agreement of the sale of Unki Mine's KV and SR claims to Mimosa Platinum Mine.

To date, the net impact of this strategy is a reduction of Mineral Resource inclusive of Ore Reserves of 197.8 4E Moz, from 916.4 4E Moz in 2015 to 718.6 4E Moz in 2019.

During this period, Amplats has maintained output of profitable metal to market and significantly improved its financial performance through improved productivity, managing operating costs and reducing overhead cost and net debt – all on the foundation of a value-optimising mineral asset portfolio.

AMPLATS MSZ, MERENSKY, UG2 AND PLATREEF INCLUSIVE MINERAL RESOURCES (4E MOZ)
CHANGES BETWEEN 2013 – 2019 (AMPLATS ATTRIBUTABLE)



DISPOSAL OF SHARES AT BAFOKENG RASIMONE PLATINUM MINE JOINT VENTURE – 2019

Mineral Resources inclusive of Ore Reserves

The sale of the 33% stake in Bafokeng Rasimone Platinum Mine joint venture to Royal Bafokeng Platinum has been concluded and decreased the combined South African and Zimbabwean Mineral Resource inclusive of Ore Reserves by 3.0% (–22.5 4E Moz) based on the 2019 declaration.

- –11.9 4E Moz Merensky Reef (33% attributable)
- –10.7 4E Moz UG2 Reef (33% attributable).

Ore Reserves

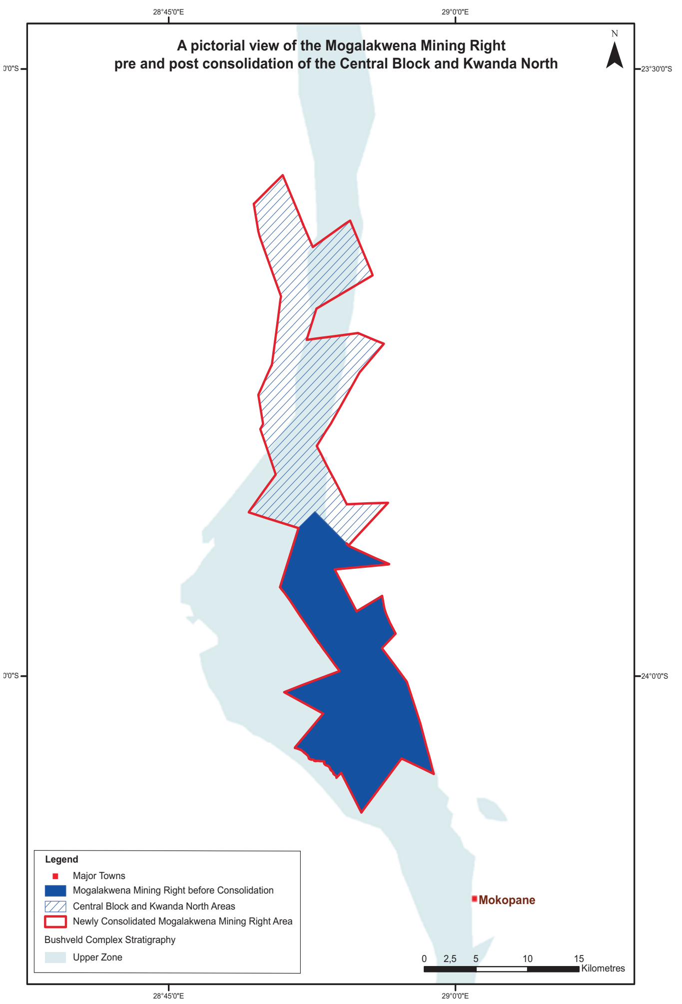
The conclusion of the disposal of Amplats' share of Ore Reserves at Bafokeng Rasimone Platinum Mine has decreased the combined South African and Zimbabwean Ore Reserves by 3.7% (–5.6 4E Moz) based on the 2019 declaration.

- –3.6 4E Moz Merensky Reef (33% attributable)
- –2.0 4E Moz UG2 Reef (33% attributable).

ORE RESERVES AND MINERAL RESOURCES REVIEW CONTINUED

ACQUISITION OF THE KWANDA NORTH AND CENTRAL BLOCK PROSPECTING RIGHTS TO MOGALAKWENA MINE FROM ATLATSA – 2019

Amplats and Atlatsa Resources completed the acquisition and inclusion of the mineral endowment specified in the Central Block and Kwanda North Prospecting Rights into Mogalakwena Mining Right. The Prospecting Rights, which are contiguous to the existing Mogalakwena Mining Right, have not yet been classified as Mineral Resources. The Central Block and Kwanda North Prospecting Rights are, pending exploration and evaluation work, classified as Mineralisation and will not have any impact on the current reported Mineral Resource base.



MINING ROYALTY AGREEMENT BETWEEN TWO RIVERS PLATINUM MINE AND MOTOTOLO MINE TO EXPLOIT UG2 REEF ORE RESERVES – 2019

Amplats has reached an agreement with Two Rivers Platinum Mine to access mining areas adjacent to the current Thorncliffe Farm boundary from the Lebowa shaft of Mototolo Mine. This royalty agreement will provide mining flexibility to Lebowa shaft, which is approaching the current Mining Right boundary. The Mineral Resources and Ore Reserves involved are not reflected in this report as the SAMREC Code stipulates that only Mineral Resources and Ore Reserves that are fully permitted can be declared.

PLANNED CONSOLIDATION OF MOTOTOLO MINE AND DER BROCHEN PROJECT MINING RIGHT – 2020

Following the 100% acquisition of Mototolo Mine and subsequent transfer of Mining Rights to Amplats, a section 102 application has been submitted to the Department of Mineral Resources. This application is intended to consolidate the Mototolo Mine area into the Der Brochen Mining Right. The effective date of transfer of the Mining Right is expected in 2020, with consolidation adjustments being reflected in the 2020 reporting period.

SALE OF UNKI MINE'S KV AND SR CLAIMS TO MIMOSA PLATINUM MINE – 2020

Mineral Resources inclusive of Ore Reserves

The KV and SR claims of Unki Mine are 65km south-southwest of Helvetia Farm, the southern-most part of the Unki Special Mining Lease area. The two properties are in the Wedza sub-chamber of the Great Dyke and adjacent to Mimosa Mine. The KV and SR claims cover areas of 6.1km^2 and 3.8km^2 respectively, half of which is underlain by the mineralised portion of the Main Sulphide Zone (MSZ).

Due to the size of the claims and the distance between Unki Mine and the SR and KV claims, reasonable prospect of eventual economic extraction assessments have indicated that it is unlikely these properties can support the development of a standalone mine. Hence, the claims have been considered for disposal to Mimosa Platinum Mine. It is expected that the sale will be concluded in the first quarter of 2020. This disposal will result in a 5.0% 4E Moz contained metal reduction of the Unki Mine MSZ Mineral Resource inclusive of Ore Reserves based on the 2019 declaration.

- –1.4 4E Moz MSZ (30.1 4E Moz to 28.6 4E Moz).

CHROMITE BY-PRODUCT FROM UG2 TAILINGS

Under current market conditions, the recovery of saleable chromite concentrate as a by-product from UG2 Reef processing is economically viable. Currently a chrome recovery plant, with a community partner, is operating at Amandelbult complex. The UG2 Reef at Tumela and Dishaba mines (Amandelbult complex) has an average *in situ* Cr_2O_3 grade of some 32%.

Recovery from inter-stage or final UG2 flotation tail streams produces saleable chromite product. The amount of chromite concentrate produced is directly linked to UG2 Reef production and recovered as a by-product in processing. Chromite recoveries are between 14% and 18% from every tonne of UG2 ore processed (overall yield factor) when the Cr_2O_3 content in the UG2 ore is greater than 20%. The resultant chrome concentrate has an average Cr_2O_3 grade of 40% to 46%. The contained monetary value of the chromite by-product is included when assessing UG2 Reef Ore Reserves where the chromite recovery plant is in production.

INTERNAL CONTROLS

Well-established processes and protocols have ensured reliable Ore Reserves and Mineral Resources reporting.

In line with internal review and audit schedules as well as improvement initiatives, existing processes and reviews encompass:

Methodology

- Formal sign-off of the geological structure and geological discount factors; borehole and sample databases; and the Mineral Resource classification
- A Mineral Resource classification scorecard for consistent resource-classification statements
- Various single and multiple disciplinary reviews in the framework of the business planning process
- Mine design and scheduling for consistent Ore Reserve reporting, which considers the company's business plan and economic tail management process
- Further refinement of the basic resource equation (BRE), an internal reconciliation of Mineral Resources segregated into the various business plans and investment centres
- The annual review and sign-off of Mineral Resources and Ore Reserves.

Information communicated

- Mineral Resource and Ore Reserve waterfall charts indicating year-on-year changes
- Prill and base-metal grade distribution of the Mineral Resources inclusive of Ore Reserves
- Spatial distribution of the Ore Reserve and Mineral Resource classifications of managed mines
- Reporting Mineral Resources, inclusive of Ore Reserves
- Statement of Mineralisation.

Mineral Resource and Ore Reserve management database

- Digital data capture of all relevant Mineral Resource and Ore Reserve information
- Integration with Anglo American plc's group Mineral Resource and Ore Reserve reporting management systems
- Internal database audit and approval.

ASSURANCE

External independent audits are executed to ensure that the company's standards and procedures are aligned with world best practice and include both process and numerical estimates audits.

To comply with the Amplats three-year external review and audit schedule, the following detailed audits of data gathering, data transformation and reporting of Mineral Resources and Ore Reserves processes were carried out in 2019.

- Mogalakwena Mine – Optiro Mining Consultants
- Mototolo Mine – The Mineral Corporation
- Der Brochen project – The Mineral Corporation.

External audits summary

The Mogalakwena Mine audit by Optiro Consultants covered the 2019 Mineral Resource and Ore Reserve estimation, site inspection and checks on the source data and subsequent Resource and Reserve estimates, including the Ore Reserve modifying factors. These checks and validation tests relate to the assumptions and parameters used for the estimation of the Resources and Reserves and confirm the tonnages and grades reported by Amplats. Optiro states that it has found no material issues relating to the underlying Resource and Reserve assumptions and key parameters and confirms that these processes reflect good to best world practice in Mineral Resource and Ore Reserve estimation.

The Mineral Corporation audits comprised site inspections and reviews of the Mototolo Mine and the Der Brochen Project estimation processes. No technical fatal flaws or material issues were identified in the detailed numbers audit of the Mineral Resource and Mineral Reserve estimates. The Mineral Corporation states that the Mineral Resource estimates are supported by an extensive, validated geological database and satisfy the SAMREC Code requirements for reasonable prospects for eventual economic extraction; and the Mineral Reserve estimates are based on a detailed life-of-mine plan that has been tested for economic viability under a set of realistically assumed production levels, modifying factors and economic inputs.

RISK

The geosciences and integrated planning departments follow risk management processes as outlined in the Anglo American risk matrix. This is done to systematically evaluate, mitigate and subsequently reduce risks relevant to the Mineral Resources and Ore Reserves estimation and reporting. Presently, no area of risk is considered significant using current controls.

It is generally recognised that Mineral Resource and Ore Reserve estimations are based on projections that may vary as new information becomes available, specifically if assumptions, modifying factors and market conditions change materially. Since the parameters associated with these considerations vary with time, the conversion of Mineral Resources to

ORE RESERVES AND MINERAL RESOURCES REVIEW CONTINUED

Ore Reserves may also change over time. For example, mining costs (capital and operating), exchange rates and metal prices may have significant impacts on the conversion of Mineral Resources to Ore Reserves and the reallocation of Ore Reserves back to Mineral Resources in cases where there is a reversal in the economics of a project or area. The assumptions, modifying factors and market conditions therefore represent areas of potential risk. In addition, security of Mineral Right tenure or corporate activity could have a material impact on the future mineral asset inventory.

COMPETENCE AND RESPONSIBILITY

In accordance with the Listings Requirements of the JSE Limited, Amplats prepares its Mineral Resource and Ore Reserve statements for all its operations with reference to SAMREC Code guidelines and definitions (the SAMREC Code, 2016 edition). Competent Persons have been appointed to work on, and assume responsibility for, the Mineral Resource and Ore Reserve statements for all operations and projects, as required.

The Lead Competent Person with overall responsibility for compiling the 2019 Mineral Resources and Mineral Reserves Report is the executive head: technical, safety and sustainability, Dr Gordon Smith (PrEng). He confirms that the information on Mineral Resources and Ore Reserves in this report complies with the SAMREC Code and that it may be published in the form and context in which it was intended.

Dr Smith holds the following qualifications from the University of the Witwatersrand: BSc (mining engineering), MSc in engineering, MBA and PhD. He has 41 years' mineral industry experience across precious, base and ferrous metals, chrome, diamonds, semi-precious stone and coal operations. In this period, he has held a range of technical, managerial and executive positions at Rio Tinto (Zimbabwe), Falcon Mines plc, the Chamber of Mines – research organisation, CSIR – mining technology, Snowden Mining Industry Consultants and Metora Mineral Resources prior to joining Amplats in 2003.

He is registered with the Engineering Council of South Africa (ECSA) as a professional mining engineer, registration number 930124. ECSA is based on the 1st floor, Waterview Corner Building, 2 Ernest Oppenheimer Avenue, Bruma Lake Office Park, Bruma, Johannesburg, 2198, South Africa.

The Lead Competent Person has appointed the following Competent Persons, who are responsible for reviewing Mineral Resources and Ore Reserves estimates and the associated year-on-year reconciliations as well as approvals for the publication in this report.

Field	Competent Person	Title	RPO	Membership number	Relevant experience
Mineral Resources	Iain Colquhoun	Principal resource estimation platinum	SACNASP Pr.Sci.Nat	400097/00	22 years
Ore Reserves	Nicholaas J Nel	Principal mine planner	SAIMM member	706878	20 years

All Competent Persons have sufficient relevant experience in the type of deposit and activity for which they have taken responsibility. Details of Amplats' Competent Persons are published in the relevant operations' sections of the 2019 Ore Reserves and Mineral Resources report and available on written request from the company secretary.

Gordon Smith

Gordon Smith PrEng, PhD, MBA, MSc (engineering), BSc (mining engineering)
Engineering Council of South Africa (930124)

Executive head: technical, safety and sustainability

Anglo American Platinum
55 Marshall Street
Johannesburg, South Africa

13 February 2020

CHANGES IN ORE RESERVES AND MINERAL RESOURCES FOR 2019

Summary of Ore Reserve and Mineral Resource estimates

The estimates represent Amplats' attributable interests

Classification	2019 Million tonnes (Mt)	2019 Contained metal 4E Moz	2018 Million tonnes (Mt)	2018 Contained metal 4E Moz
Ore Reserves[1] – South Africa	**1,439.2**	**142.3**	1,409.7	146.1
Ore Reserves[1] – Zimbabwe (Unki)	**53.3**	**5.6**	52.5	5.6
Ore Reserves[1] – South Africa and Zimbabwe	**1,492.5**	**147.9**	1,462.2	151.6
Mineral Resources exclusive of Ore Reserves[2,3] – South Africa	**4,431.5**	**528.2**	4,784.2	564.7
Mineral Resources exclusive of Ore Reserves[2,3] – Zimbabwe (Unki)	**168.0**	**23.0**	169.7	23.2
Mineral Resources exclusive of Ore Reserves[2] – South Africa and Zimbabwe	**4,599.5**	**551.2**	4,953.9	587.9
Mineral Resources inclusive of Ore Reserves[2,4] – South Africa	**5951.2**	**688.6**	6,275.8	730.3
Mineral Resources inclusive of Ore Reserves[2,4] – Zimbabwe (Unki)	**223.9**	**30.1**	224.9	30.2
Mineral Resources inclusive of Ore Reserves[2] – South Africa and Zimbabwe	**6,175.1**	**718.6**	6,500.7	760.5
Mineral Resources exclusive of Ore Reserves[2,3] – South Africa tailings	**72.3**	**1.9**	72.3	1.9
Mineral Resources inclusive of Ore Reserves[2,4] – South Africa tailings	**72.3**	**1.9**	72.3	1.9

Note: 'Mineral Resources exclusive of Ore Reserves' and 'Scheduled Resources converted to Ore Reserves' are not additive because of modifying factors being applied in the conversion from Mineral Resources to Ore Reserves.

Details of individual operations that contributed to the summary of Ore Reserve and Mineral Resource estimates stated per reef appear in the Anglo American Platinum Ore Reserves and Mineral Resources Report.

1 *Ore Reserves reflect the total of Proved and Probable Ore Reserves.*

2 *Mineral Resources reflect the total of Measured, Indicated and Inferred Mineral Resources. Mineral Resources are quoted after geological losses.*

3 *Exclusive Resources: Mineral Resources exclusive of the portion converted to Ore Reserves.*

4 *Inclusive Resources: Mineral Resources inclusive of the portion converted to Ore Reserves.*

LEADERSHIP AND GOVERNANCE

OUR BOARD

Independent non-executive directors

Nombulelo Moholi (58)

BSc (engineering)
Six years on the board

External directorships: Woolworths Holdings Limited, Eyethu Community Trust (chair), Engen Limited

Core skills: strategic planning, industrial sector experience, senior corporate leadership experience, domestic affairs, strategic thinking and analysis, building and leveraging relationships, openness of communication, learning agility.

C C

John Vice (66)

BCom, CA(SA)
Seven years on the board

External directorships: Standard Bank Group and Standard Bank of South Africa

Core skills: strategic planning, financial and commercial experience, strategic thinking and analysis, building and leveraging relationships, openness of communication.

Peter Mageza (65)
Lead independent non-executive director

FCCA (UK)
Six years on the board

External directorships: Remgro Limited, Sappi Limited, MTN Group Limited, RCL Foods Limited

Core skills: strategic planning, global perspective, financial and commercial experience, senior corporate experience, domestic affairs, strategic thinking and analysis, problem-solving, building and leveraging relationships, openness of communication, learning agility.

C

Daisy Naidoo (47)

BCom, CA(SA), Master's in Accounting (taxation)
Six years on the board

External directorships: Strate Holdings Limited, Hudaco Industries Limited, Mr Price Group Limited, Redefine Properties, Barclays Africa Group Limited

Core skills: strategic planning, financial and commercial experience, senior corporate leadership experience, domestic affairs, strategic thinking and analysis, problem-solving, building and leveraging relationships, openness of communication, learning agility.

Richard Dunne (71)

CA(SA)
13 years on the board

External directorships: none

Core skills: financial and commercial experience, problem-solving, building and leveraging relationships, openness of communication.

C

CVs of the respective directors are included in the ESG report.

See our board for committee membership

- Audit and risk committee (ARC)
- Governance committee (GC)
- Nomination committee (NC)
- Remuneration committee (RC)
- Safety and sustainable development committee (S&SD)
- Social, ethics and transformation committee (SET)
- C Chairman

Skills legend

Competence	
Strategic planning	Recognised expert in strategic planning, acting as a lead adviser in significant, high-profile deals involving international public companies
Mining, mining technology	Senior adviser on emerging mining industry technologies (eg opencast, harsh environments, oil sands) including expertise in tomorrow's mine
Industrial sector experience	Extensive senior experience in the industrial sector; a specialist with deep grasp of the value drivers and operational challenges facing industrials
Global perspective	Bulk of career working in international locations outside country of origin and has developed extensive global network across multiple sectors
Financial and commercial experience	Financial or commercial director of one or more listed companies, with an excellent network of contacts in financial services institutions
Senior corporate leadership experience	CEO of very large multinational company with multiple divisions
Domestic affairs	Senior role as an elected official or appointed as a minister in the national government. Has led representation of national interests in a global context
Sales and marketing in mining/mining product context	Extensive experience in a large (~USD5 billion) organisation for major part of career, heading up sales and marketing, or at least heading the sales and marketing of a division of a global company for five years or more. Seen as expert in the field, may have contributed to publications/conferences

Non-executive directors

Norman Mbazima (60)
Independent non-executive chairman

BCom, CA(SA)
One year on the board

External directorships: The Anglo American Chairman's Fund Educational Trust, Zambia Sugar

Core skills: strategic planning, global perspective, financial and commercial experience, senior corporate leadership experience, strategic thinking and analysis problem solving, building and leveraging relationships, openness of communication, people development, learning agility.

Mark Cutifani (60)

BEng (mining)
Six years on the board

External directorships: Anglo American plc, De Beers Investments plc, De Beers plc

Core skills: strategic planning, mining, mining technology, global perspective, senior corporate leadership experience, strategic thinking and analysis, building and leveraging relationships.

Stephen Pearce (56)

BA Business (accounting)
Two years on the board

External directorships: Anglo American Capital plc, Anglo American plc, Anglo American Services (UK) Limited, BAE Systems plc, De Beers Investments plc, De Beers plc

Core skills: strategic planning, global perspective, financial and commercial experience, senior corporate leadership experience, problem-solving.

Tony O'Neill (61)

BEng, MBA
Six years on the board

External directorships: Anglo American plc, Anglo American Quellaveco S.A, Anglo American Technical & Sustainability Services Limited, De Beers plc, De Beers Investments plc

Core skills: strategic planning, mining, mining technology, industrial sector experience, global perspective, strategic thinking and analysis, problem-solving.

Executive directors

Chris Griffith* (55)
Chief executive officer

BEng (mining) (hons), PrEng
Seven years on the board

External directorships: none

Core skills: strategic planning, mining, mining technology, senior corporate leadership experience, strategic thinking and analysis, problem-solving.

Craig Miller (46)
Finance director

BCompt (hons), CA(SA)
One year on the board

External directorships: none

Core skills: strategic planning, financial and commercial experience, sales and marketing/mining product, strategic thinking and analysis, problem-solving, people development.

* *Chris Griffith will step down as CEO and is succeeded by Natascha Viljoen with effect from 16 April 2020.*

Leadership skills	
Strategic thinking and analysis	Can analyse critical factors and variables that will influence the long-term success of the business
Problem-solving	Ability to solve problems by being able to identify and define the problem, generate alternative solutions, evaluate and select the best alternative, and implement this solution
Building and leveraging relationships	Cultivate and maintain meaningful relationships
Openness of communication	Can communicate effectively and includes a willingness to listen openly and to react honestly to the messages of others
People development	Focused on the development of people, has an understanding of their needs, behaviour patterns, values, careers and skills and competencies required for the business to achieve success through people
Learning agility	Ability and willingness to learn from all kinds of experience and use those lessons to perform effectively in new and different situations

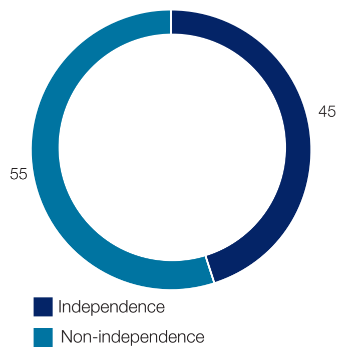
LEADERSHIP AND GOVERNANCE CONTINUED

BOARD STRUCTURE

Independence of the board

In 2019, five of 11 directors are independent. This represents 45% of the board from 50% in the prior year, and is mainly due to the resignation of Valli Moosa which reduced the number of board members from 12 to 11. Norman Mbazima has been appointed as chairman and, although he has resigned as deputy chairman of Anglo American South Africa, he is not classified as independent due to his previous appointment. Aligned to King IV principles, Peter Mageza, who has been a member of the board for six years, has been appointed lead independent director.

INDEPENDENCE OF THE BOARD
(%)



ASSESSMENT OF INDEPENDENCE

The nomination committee assesses the independence of directors annually and considers the independence criteria proposed by King IV. The assessment entails whether a board member:

- Is a significant provider of financial capital, or ongoing funding to the company, or is an officer, employee or representative of such provider of financial capital or funding
- Participates in a share-based incentive scheme offered by the company
- Owns securities in the company, the value of which is material to their personal wealth
- Has been employed by the company as an executive manager in the preceding three financial years, or is a related party to such executive manager
- Has been the designated external auditor responsible for performing the statutory audit for the company, or a key member of the audit team of the external audit firm, in the preceding three financial years
- Is a significant or ongoing professional adviser to the organisation, other than as a director of the board
- Is a director or executive manager of a significant customer or supplier of the company
- Is a director or executive manager of another organisation which is a related party
- Is entitled to remuneration contingent on the performance of the company.

The committee recognises that the majority of the board is no longer independent. It has, however, considered the balance of the board in its entirety to ensure that the board has the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

GENDER DIVERSITY

Female representation increased to 18% from 17% in the prior year due to the reduction in board members. In terms of our race and gender diversity policy, the company is committed to aligning the board with the mining charter by 2020.

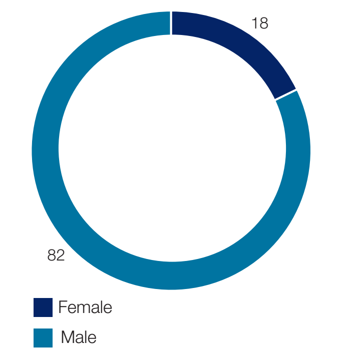
DEMOGRAPHIC DIVERSITY

HDSA membership of the board is 27%, down from 38% in the prior year. This reflects fewer board members due to the retirement of Valli Moosa.

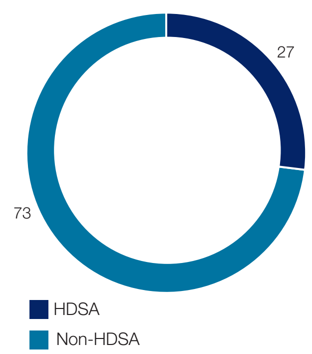
BOARD TENURE

Our average board tenure is 5.4 years and the average age of the board is 58.6 years.

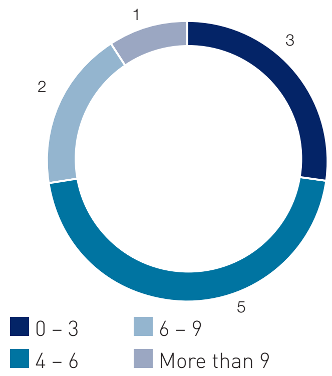
GENDER DIVERSITY
(%)



DEMOGRAPHIC DIVERSITY
(%)



BOARD TENURE – YEARS



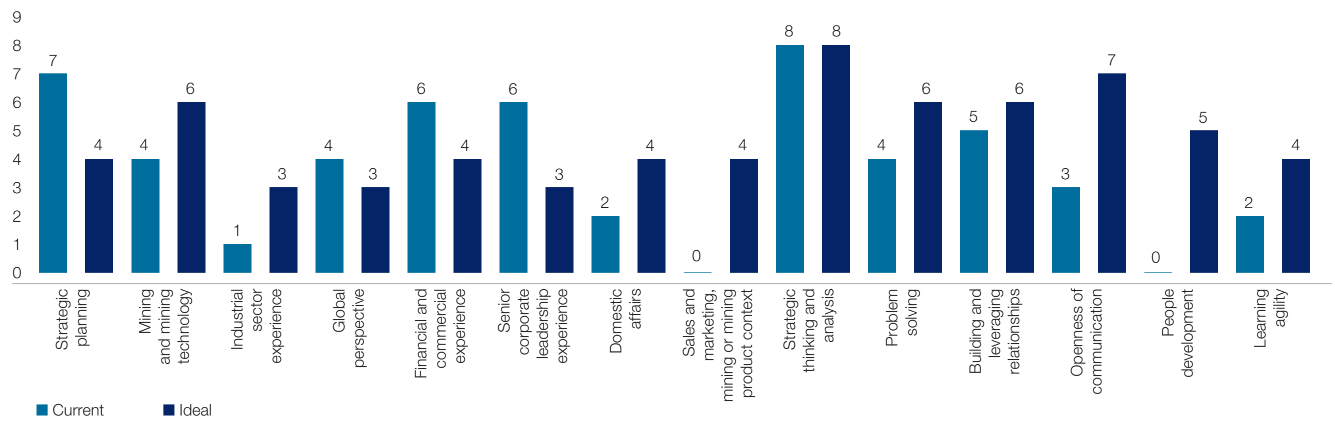
DEVELOPING AND MAINTAINING A COMPETENT AND DIVERSE BOARD

STRATEGIC BOARD RENEWAL AND SUCCESSION PLANNING

Last year, following its evaluation, the board prioritised succession and initiated a strategic board-renewal process. A blueprint of current and future critical competencies was mapped and a framework developed for the strategic, long-term and orderly succession of directors to maintain an appropriate balance of knowledge, skills, experience, diversity and independence on the board.

The graph below indicates the profile of our ideal board versus the current skill profile. Definitions of the various skills are detailed on pages 114 and 115.

BOARD SKILLS CURRENT VERSUS IDEAL



Amplats has evolved from a pure mining house to a more diverse company with impact demands from other areas such as industrial processes, markets, products and applications. This requires a broader scope of attention and technical competence by the board, as well as a growing range of non-financial skills that are becoming increasingly important at board level, mainly innovation, problem-solving, strategic thinking and relationship building. Further considerations were independence of the board and its desire to reach its race and gender diversity targets.

The framework entails increasing the board size over time, appointing women to the board and appointing HDSA candidates. Focus will be on obtaining the requisite skills, listed below, to be incorporated into the board over the next five years to achieve an ideal board scenario:

- Sales and marketing in mining
- People development
- Mining technology/modernisation/ mechanisation
- Industrial sector experience
- Futurist/innovation.

This will equip the board to discharge its governance role and responsibilities objectively and effectively into the future.

BOARD EVALUATION

No board evaluation was undertaken in 2019. This was to allow for finalising the strategic board-renewal process and developing the succession framework. The next board evaluation is scheduled for mid-2020. With the appointment of new directors, we would like those directors to contribute meaningfully to the process and therefore the evaluation will be conducted after their induction.

Planning is under way and the evaluation will focus on:

- Overall effectiveness of the board and its committees
  - Strengths and development areas of the board
  - Identified areas for improvement.

LEADERSHIP AND GOVERNANCE CONTINUED

COMMITMENT TO ETHICAL LEADERSHIP BUT ALSO INTEGROUS AND ETHICAL BEHAVIOUR

The board sets the 'tone from the top' and subscribes to the ethical standards detailed in the Amplats code of conduct and business integrity policy. It seeks to lead by example in engaging with all stakeholders, in its deliberations and decisions, and by monitoring the ethical culture and compliance in the group.

The board, through the SET committee, has invested significant time in the company's culture transformation journey to embed a new culture that values significance over success and is focused on developing an organisation known as an employer of choice in fostering high-performance teams and individuals. As we move into the next phase our strategy, aiming to be the world's most-valued mining company through the eyes of its stakeholders, this journey has become more focused on our purpose of re-imagining mining to improve people's lives.

To align with our purpose, our values and the way in which the board and employees are expected to behave form the foundation for our code of conduct. Living these values and behaviours defines our culture as an organisation, underpinning our good reputation and the promise we make to all our stakeholders: Real Mining. Real People. Real Difference.

During the year, our values were relaunched to translate these into behaviours and articulate how those behaviours demonstrate value. For more information on our organisational culture transformation journey and values, refer to page 100 of the ESG report.

The business integrity committee, chaired by the finance director and attended by executives and senior managers, convenes quarterly to review implementation of the ethics programmes and discuss issues such as conflicts of interest reported by employees and blacklisted suppliers with which the company should not associate. The committee also keeps abreast of adverse media reports on companies that may be doing business with Amplats and may affect our reputation. While the scope of the ethics programmes is determined by group-wide policies, the committee ensures they remain relevant by addressing any changes in the business. It provides an update on its activities to the SET committee annually.

Code of conduct and business integrity training for all band 3 to 6 employees was completed in the first quarter of 2019, with 100% of individuals in the relevant categories trained.

Our culture of 'living the values' and conducting our business ethically is the foundation for good governance, which in turn empowers employees at all levels to expose any behaviour that conflicts with our values. A dedicated tip-off channel enables employees to anonymously report any unethical behaviour.

In addition to the approval and oversight of our code of conduct and business integrity policies, the board has oversight of the delegation of authority manual, conflicts of interest and share-dealing policy and, through the governance committee, the compliance policy.

Case study:

ANGLO AMERICAN LEADS THE WAY ON IRMA STANDARD FOR RESPONSIBLE MINING

In September 2019, our Unki Mine in Zimbabwe was the first mine in the world to publicly commit to an independent audit against the Initiative for Responsible Mining Assurance's (IRMA) standard for responsible mining.

This standard has been developed over ten years through public consultation with over 100 individuals and organisations, including mining companies, customers and the ultimate downstream users of mined products, NGOs, labour unions, and communities.

Unki completed an initial self-assessment ahead of the independent on-site audit. It performed well against the 26 areas covered by the standard, including working conditions, human rights, community and stakeholder engagement, environmental impact, and planning and financing reclamation and closure.

IRMA is a voluntary certification system meant to complement strong laws and government oversight. It is also the world's first global definition of what constitutes leading practice in social and environmental responsibility for large-scale mining operations, emulating certification programmes in fair-trade agriculture, responsible forestry and sustainable fisheries.

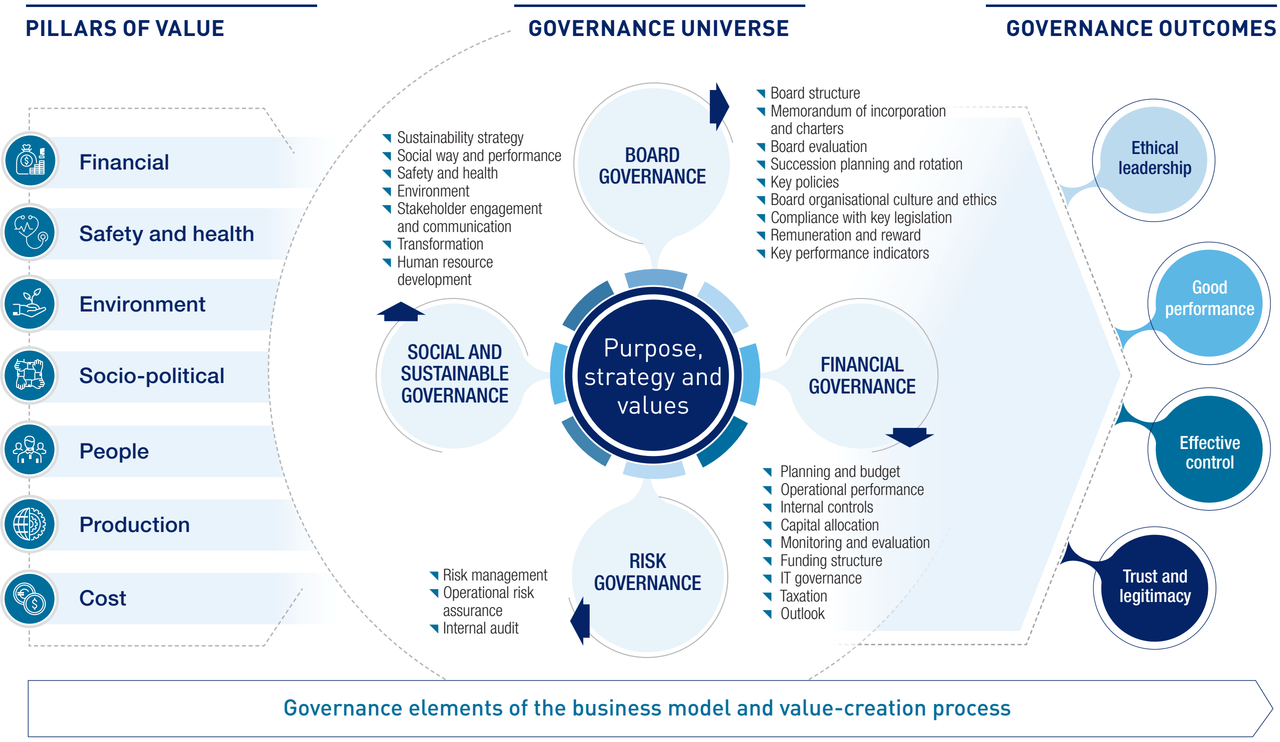
The IRMA self-assessment tool has given us a valuable opportunity to measure our performance at Unki against international best practice on a range of environmental and societal factors.

Unki is the first of many group operations to be measured against the IRMA standard, in line with the commitment in our sustainable mining plan to have all our operations assessed against credible responsible mining standards by 2025. Unki will go through the certification audit in the first half of 2020. This is an important initiative for Amplats, as our customers and end consumers who rely on our metals and minerals rightly expect the highest standards of ethical production.

ALIGNING STRATEGY AND GOALS

Amplats has adopted the principles and recommended practices in the King Report on Governance for South Africa 2016 (King IV). The board reviews its governance practices annually and is satisfied that all aspects of King IV were applied in 2019. Our governance universe illustrates how our pillars of value are governed via the four governance sections – board, finance, risk, and social and sustainable – in support of the Amplats strategy and purpose. The elements in each segment are governed with appropriate processes, systems and resources to ensure we achieve the desired governance outcomes.

Our pillars of value (below) are fundamental to how we manage all aspects of our business to achieve our purpose and strategy.



Dishaba headgear

LEADERSHIP AND GOVERNANCE CONTINUED

The board remains ultimately accountable for group performance and setting the strategic direction. The executive committee is tasked with formulating the group strategy, and implementing it as approved by the board.

THE BOARD'S ROLE IN STRATEGY

At the board's annual two-day strategic workshop, it reviews the proposed group strategy and provides input on strategic priorities. The strategy is approved at a board meeting for implementation by management, and the CEO provides quarterly updates to the board on progress in implementing strategic priorities.

Amplats successfully implemented its strategy over the past six years which sought to restructure and reposition the portfolio. In 2018, the strategy was enhanced by identifying the value to be unlocked from achieving operational excellence and selective investment across the portfolio. In the current year, the board reaffirmed our strategic priorities as:

- Facilitating development of the market for PGMs to increase demand
- Extracting the full potential from our operations through people and innovation
- Investing in our core portfolio that delivers industry-leading cash flows and returns.

The board provided further clarity on how our medium-term goals would be achieved. In reaffirming the strategy, the board considered:

- Macro-trends that are likely to impact our business in the long term, with specific focus on climate change and the evolution of automobility
- Drivers of our demand and supply in the medium and long term.

The board raised specific items for management to consider in terms of the medium and long-term strategy:

- Understanding global trade wars and its impact on our relative competitiveness
- The impact of shared mobility on demand for PGMs
- Perspective on new potential demand sources for PGMs and which metals are likely to offer the most attractive potential

One of the outcomes of the strategy session was the formulation of strategic focus areas embedded in management's key performance areas in the short term, namely:

- Facilitating development of the market for PGMs to increase demand
- Extracting the full potential of our operations through people and innovation
- Investing in our core portfolio that delivers industry-leasing cash flows and returns
- Zero harm in terms of safety, health and environment
- An organisation anchored on a significant leadership style and values orientation
- Achieving best-practice modernisation and innovation across our value chain
- Building leading community and stakeholder relationships and make a lasting contribution.

KEY GOVERNANCE ISSUES

In 2019, the board discussed several key issues in detail:

	Alignment to strategic objective
Tailings dams control measures	
Following the January 2019 tailings dam collapse at Vale's operation in Brazil, the board considered our facilities in terms of design, integrity and monitoring, and compared our monitoring and control systems in line with the Anglo American group technical standards. Refer to the ESG report, pages 49 and 52.	1
Corporate transactions	
Received updates on corporate transactions aligned to continued value creation in our assets. Refer to chairman's letter, chief executive officer's review and financial review.	1, 2
Update on Zimbabwe's economic environment and impact on employees	
The board considered an economic environment that was being affected by both climatic conditions (such as drought impacting electricity generation and food security) and the devaluation of a new domestic currency. To assist employees in Zimbabwe, the board agreed to implement new remuneration practices to cushion employees against the impact of a high inflationary environment.	1
Project Centrepoint	
Technical and sustainability services are provided by Anglo American plc to Amplats under master services agreements. The terms of these agreements and associated recharges were approved by the board on recommendation of the governance committee, which solely comprised independent non-executive board members, in 2017. Anglo American's technical and sustainability services play an important role, in conjunction with the Amplats management team, in unlocking value by extracting the full potential from our operations through people and innovation. This involves improving operational performance through greater stabilisation and optimisation to achieve best-in-class performance. After that, using game-changing technologies, Amplats aims to beat world benchmark performance. To achieve this, additional investment in fast-payback, value-enhancing projects is required, along with the operating costs associated with using world-class technical expertise. Following consultation and confirmation from the JSE on the categorisation of the transaction and advice from independent external experts, the governance committee approved the recharge of costs associated with these technical and sustainability services under existing master services agreements.	2
Strategy	
As detailed on page 120.	1, 2, 3
Supplier contract approvals	
Approved supplier contracts as required within the boards authority. These contracts are expected to yield significant commercial value and ensure technical innovation.	1

LEADERSHIP AND GOVERNANCE CONTINUED

RISK MANAGEMENT

Our risk management process is an integral part of setting the strategy. A board risk workshop is held annually to consider the risk process, the company's top risks against external views on risks facing the business, risk appetite and tolerance status for the top risks are considered. For a summary on top risks and opportunities, refer to pages 40 to 45.

ATTENDANCE AT MEETINGS

	Board meeting	Board strategy session	Risk workshop
Valli Moosa (outgoing chairman)	1/1	0/0	0/0
Norman Mbazima (chairman)	5/5	1/1	1/1
Chris Griffith (chief executive officer)	5/5	1/1	1/1
Craig Miller (finance director)	5/5	1/1	1/1
Ian Botha (outgoing finance director)	1/1	0/0	0/0
Mark Cutifani	5/5	1/1	1/1
Richard Dunne	5/5	1/1	1/1
Peter Mageza	5/5	1/1	1/1
Pinky Moholi	5/5	1/1	1/1
Daisy Naidoo	5/5	1/1	1/1
Tony O'Neill	5/5	1/1	1/1
Stephen Pearce	5/5	1/1	1/1
John Vice	5/5	1/1	1/1

DEFINING ROLES AND RESPONSIBILITIES

Roles and responsibilities are formally defined to determine how authority is exercised and decisions taken.

THE BOARD

The chairman promotes a culture of cohesive support by providing ethical and effective leadership to the board, without limiting the principle of collective responsibility for its decisions. The board is mandated by its charter, which sets out the role of the board, chairman and CEO to ensure a balance of power and authority, and preclude any one director from exercising unfettered powers of decision-making.

BOARD COMMITTEES

The board is supported by a number of committees:

SOCIAL, ETHICS AND TRANSFORMATION (SET) COMMITTEE
Monitors social, ethics and transformation activities in the group and reports to shareholders on developments and progress.

AUDIT AND RISK COMMITTEE
Oversees effective governance of the group's financial results, internal audit, external audit, risk and IT governance.

BOARD

SAFETY AND SUSTAINABLE DEVELOPMENT (S&SD) COMMITTEE
Monitors safety and health of the company's employees and the impact of its operations on the environment from a SHE perspective.

REMUNERATION COMMITTEE
Monitors the group's remuneration practices and structures aligned to best corporate governance practices.

GOVERNANCE COMMITTEE
Monitors and reports on corporate governance in the group and ensures that best governance practices are applied.

NOMINATION COMMITTEE
Makes recommendations on appointment and reappointment to the board, composition and succession planning.

The committees assist the board in discharging its duties and responsibilities. Each committee has terms of reference delegating specific responsibilities and authority on behalf of the board. The chairmen of these committees report on their activities at each quarterly board meeting. The respective terms of reference and board charter are reviewed annually.

The committees are interrelated and provide feedback to each other on salient matters as these apply to their remits. Detailed reports from the chairmen of the committees are included in this report.

THE GOVERNANCE COMMITTEE

Amplats' majority shareholder is Anglo American plc, which owns 77.56% of the issued share capital. Anglo American plc provides technical and sustainability advisory and support services that are critical to a mining company, such as Amplats, being able to operate sustainably. These services are provided under a master services agreement and the governance committee oversees and monitors the relationship with our major shareholder. In particular, the committee considers and advises on:

- Related-party transactions and funding arrangements with the major shareholder
- Any unresolved disputes in terms of the master services agreement between the company and the major shareholder
- Issues involving a conflict of interest.

The committee comprises solely independent non-executive directors, led by Peter Mageza, lead independent non-executive director. It meets at least twice a year or more often as required.

This ensures that each transaction is considered independently and objectively. The committee considered one key issue during the year. Please see key governance issues on page 121 for more information.

ACCOUNTABILITY

The board remains ultimately accountable for the governance and performance of the company – financially and socially as a corporate citizen. The board ensures there is accountability for company performance through, among others, reporting and disclosure.

ANNUAL GENERAL MEETING (AGM)

NOTICE OF AGM

The notice of AGM has been distributed to members on 11 March 2020. The directors unanimously recommend shareholders to vote in favour of all resolutions in that notice. Shareholders attending the meeting in person or by proxy will have the opportunity to ask questions on the AGM resolutions and we encourage all shareholders to attend the meeting.

APPOINTMENT AND ROTATION OF DIRECTORS

The board follows a formal and transparent process in appointing new directors. Any appointments are considered by the full board, on the recommendations of the nomination committee. This committee evaluates the skills, knowledge and experience required to implement group strategy, which are assessed against defined competencies in the skills matrix to address any gaps, together with race and gender-diversity targets.

In terms of the company's memorandum of incorporation (MoI), a third of directors retire by rotation each year and are eligible for re-election by shareholders at the AGM and offer themselves for re-election.

LEADERSHIP AND GOVERNANCE CONTINUED

OUR EXECUTIVE COMMITTEE

The purpose of the committee is to provide organisational direction on behalf of the board and to advise the board on decisions and business matters ranging from, but not limited to, strategy planning, policy, investment and risk. The executive committee follows an annual work plan to confirm that all relevant matters are dealt with to ensure proper coverage of matters.

Chris Griffith* (54)
Chief executive officer

Qualification: BEng (mining) (hons), PrEng

Member of the Anglo American plc group management committee and director of Anglo American South Africa Limited. Prior to his current appointment, he was CEO of Kumba Iron Ore from July 2008 and has been with Anglo American for 27 years. He joined Amplats in 1990, progressing rapidly from supervisor to one of the youngest general managers in the company, overseeing Amandelbult and Bafokeng Rasimone Platinum mines, before heading the joint venture operations.

Appointed CEO in September 2012

Craig Miller (46)
Finance director

Qualification: BCompt (hons), CA(SA)

Craig joins Amplats from Anglo American plc where he served for 19 years. Previously he served as Anglo American's group financial controller from June 2015; prior to this, he held various financial roles including chief financial officer of Anglo American Iron Ore Brazil and chief financial officer of Anglo Thermal Coal.

Appointed finance director in April 2019

Dean Pelser (52)
Executive head: mining operations

Qualification: BSc Eng (mining) (hons)

Prior to his current appointment, Dean was executive head: safety, health and environment for over four years, and a director of Rustenburg Platinum Mines since 1999. He has an extensive background in the gold, coal and PGM mining industries spanning 30 years. Prior roles include general manager at Mogalakwena Mine, divisional director: Eastern Limb operations (mining, concentrating, smelting and JVs), general programme manager: Eastern Limb development and head of infrastructure and sustainable development. In addition to his operational experience in management, strategic planning and large-scale project delivery, he also served as chairman of Lebalelo Water User Association, Joint Water Forum and a decade on the board of Lepelle Northern Water.

Appointed in December 2015

Seara Macheli-Mkhabela (48)
Executive head: corporate affairs

Qualification: BA (law), LLB, MBA

A lawyer by profession, with a specific interest and training in protecting intellectual property, Seara has 20 years' experience at executive corporate level which includes working for multinational companies. Her primary focus is on increasing community benefit from mining while minimising and managing associated risks. She drives the company's social strategy, premised on the principle of partnerships with stakeholders.

Appointed in July 2014

Gordon Smith (61)
Executive head: technical, safety and sustainability

Qualification: BSc Eng (mining), MSc Eng, MBA, PhD, PrEng

Gordon has 41 years' minerals industry experience across precious metal, base metal, ferrous metals, chrome, diamond and semi-precious stone, and coal operations. He joined Amplats in 2003 as general manager: planning. Subsequent appointments included head of strategic business planning, head of mineral resource management and executive head: technical. Gordon is an honorary life fellow and past president of the Southern African Institute of Mining and Metallurgy, a fellow of the Mine Ventilation Society of South Africa, a member of the South African National Institute of Rock Engineering and associate professor at University of the Witwatersrand, school of mining engineering.

Appointed in September 2013

* *Chris Griffith will step down as CEO and is succeeded by Natascha Viljoen with effect from 16 April 2020.*

Lorato Mogaki (50)
Executive head: human resources

Qualification: BA (law), master's dip (human resources management), MBA

Lorato joined Amplats in 2005 as group manager: people development and was later appointed head of human resources development and transformation. Prior to that, she was a training and development general manager in the post and telecommunications sector. She is a board member of the Mining Qualifications Authority (MQA), the regulating body for all mining-related qualifications. She also serves on the Zenzele board, which champions community development projects on behalf of Amplats.

Appointed in June 2013

Prakashim Moodliar (52)
Executive head: projects

Qualification: BSc (chemical engineering), executive development programme

Prakashim is a project management professional with more than 25 years' experience in defence, power generation and the fast-moving consumer goods manufacturing sectors. Most recently, he worked at ABInBev Africa as the Africa Zone projects manager, responsible for leading a large, multidisciplinary team focused on project development and execution in Africa, with a USD650 million portfolio. Prior to that he worked for companies such as SABMiller, Eskom and Armscor, where he strategically led and successfully delivered large-scale projects, both locally and internationally.

Appointed in March 2019

Gary Humphries (56)
Executive head: processing

Qualification: PrEng, BSc Eng (chem), BCom, MBA

Gary joined Amplats in 2001 as manager: concentrator optimisation. He has held numerous technical and operational roles in the company, most recently head: process control and concentrator technology. Prior to joining Amplats, he was a senior consultant at SRI Consulting (Zurich), and worked at Fleming Martin Securities and AECI.

Appointed in January 2017

Elizna Viljoen (44)
Company secretary

Qualification: BCom, FCIS

With over 20 years' experience in the company secretarial field in consulting and in-house positions, Elizna has been exposed to various corporate transactions across the industrial, mining, information technology and telecommunications sectors. She joined Anglo Operations Proprietary Limited in May 2013 where she is responsible for running the company secretarial teams at Amplats and Anglo American South Africa, serving their boards and board committees, and ensuring appropriate compliance with JSE Listings Requirements, the Companies Act and governance best practice.

Appointed in May 2013

In 2019, the executive committee discussed several key issues in detail.

Key governance issues	Alignment to strategic priorities
The development and implementation of strategies and policies of the company as agreed to by the board	1, 2, 3
Prioritised and allocated the company's capital, technical and human resources	1, 2
Recommended for approval to the board the delegation of authority	1, 2, 3
Maintained a group-wide system of internal control to manage all group risks	1, 2, 3
Reviewed and approved corporate actions within its delegated authority	1, 2
Monitored the performance of the company in the areas of financial, social, human resources, safety, health and environment and capital	1, 2, 3
Implemented best management practices and functional standards	1
Ensured a robust budget process and recommended its approval by the board	1, 2

AUDIT AND RISK COMMITTEE REPORT

We are pleased to present the audit and risk committee report for the year ended 31 December 2019. This report has been prepared in line with the requirements of the South African Companies Act 71 2008, as amended (the Act), King Code of Governance for South Africa (King IV), JSE Listings Requirements and other applicable regulatory requirements.

Richard Dunne
Chairman

The committee's main objective is to assist the board in discharging its duties. It makes recommendations to the board on safeguarding assets, operation of adequate financial and related systems, internal control and reporting processes, and preparing accurate reporting and financial statements in compliance with all applicable legal and regulatory requirements and accounting standards.

COMPOSITION AND GOVERNANCE

This is a statutory committee, duly constituted under section 94 of the Act. Its members satisfy the requirements to serve in terms of the Act and King IV, and have the knowledge and experience to carry out their duties. All members are independent non-executive directors.

Membership and attendance are set out below:

Members	Committee member since	Board status	Meeting attendance
RMW Dunne (chairman)	1 July 2006	Independent non-executive director	4/4
PN Mageza	1 July 2013	Independent non-executive director	4/4
D Naidoo	1 July 2013	Independent non-executive director	4/4
JM Vice	30 November 2012	Independent non-executive director	4/4

There were no membership changes in the review period. Richard Dunne retires as chairman by rotation at the upcoming AGM and will be succeeded by John Vice who has been a member of the audit and risk committee for 7 years. The appointment of an additional audit and risk committee member is ongoing.

The chairman of the board, chief executive officer, finance director, company secretarial, head: risk and assurance, finance controller, senior manager financial reporting and external auditors attend by invitation to provide a coordinated approach to all assurance activities. The internal and external auditors have unrestricted access to the committee, and meet with committee members without management being present. The performance of the committee is reviewed annually as part of the board and committee evaluation process.

The committee's terms of reference are reviewed annually by the board. It executes its duties and responsibilities in line with these terms of reference for the group's accounting, financial reporting practices and finance function, external audit, internal audit and internal control, integrated reporting, risk management and information and technology (IT) governance.

KEY AUDIT MATTER

The committee notes the key audit matter set out in the report of the independent auditors (page 5 of the annual financial statements), namely:

- Physical quantities of inventory as related to sampling (excluding ore stockpiles) and measurement of inventory.

The committee addressed the matter by receiving reports from the head of metal accounting to understand whether theoretical inventory levels were in line with in-situ levels. The committee was updated on the integration of our internal inventory model to SAP during the year. These results were checked against the outcome of the independently developed inventory valuation model of the external auditors. The committee considered the audit procedures undertaken and is comfortable that the matter is correctly represented.

AUDIT AND RISK COMMITTEE REPORT CONTINUED

ACTIVITIES OF THE COMMITTEE

During the year, the committee fulfilled the following duties:

Adding value in 2019	2020 and beyond
Annual financial statements/interim (AFS) and integrated reporting process The committee is responsible for reviewing all published financial reports and information, including the integrated report prior to submission and approval by the board.	
• Ensured appropriate financial reporting procedures are established and operating • Reviewed and discussed the AFS and interim report and related disclosures, considered the accounting treatment, significant or unusual transactions, and accounting estimates and judgements; confirmed the AFS had been prepared on a going-concern basis and recommended the AFS and interim report to the board for approval • Considered the integrated report and assessed its consistency with operational, financial and other information known to committee members, and for consistency with the AFS. The committee is satisfied that the integrated report is materially accurate, complete and reliable and consistent with the AFS. At its meeting on 12 February 2020, it recommended the integrated report for the year ended 31 December 2019 for approval by the board • Considered solvency and liquidity tests as and when required by the Act, to provide financial assistance to subsidiaries and/or proposals to pay interim and final dividends.	• Ongoing focus on continuous improvement of the group's financial systems, processes and controls • Monitoring developments on changes in disclosure
External audit The committee is responsible for the appointment, remuneration and oversight of the external auditors.	
• Considered and recommended to shareholders the appointment of Deloitte & Touche, and the approval of its audit fees for the review period; ensured the appointment complied with all applicable legal and regulatory requirements. Prior to making its nomination, the committee considered all information in terms of the JSE Listings Requirements in assessing the auditor and designated auditor's suitability for appointment • Considered and recommended the appointment of PricewaterhouseCoopers llp for the 2020 audit following an extensive tender process. This is aligned to the Independent Regulatory Board for Auditors (IRBA) and Anglo American plc requirements for mandatory audit firm rotation. • Approved the auditor's annual plan and scope of work, monitored the effectiveness of external auditors for audit quality, expertise and independence • Considered the key audit matter noted in the integrated report • Determined the nature and extent of all non-audit services provided by the external auditor and pre-approved these • Received necessary representations from the auditors confirming their independence.	• Ensuring a smooth transition and onboarding of the newly appointed external auditors to ensure minimal disruptions to the 2020 year-end audit process
Internal audit and control The committee is responsible for monitoring the effectiveness of internal audit, ensuring that the roles and functions of external audit and internal audit are sufficiently clarified and coordinated to provide an objective overview of the operational effectiveness of the group's systems of internal control and reporting. Internal audit services are currently provided by the Anglo Business Assurance Services department (ABAS) of Anglo Operations Limited.	
• Ensured that internal audit performed an independent assurance function. Monitored the effectiveness of the internal audit function in terms of its assurance scope, plan execution, independence and overall performance of the function and its head • Approved the assurance plan, budget and assurance scope for the ensuing year • Assessed the group's systems of internal control including financial controls, business risk management and maintaining effective internal control systems • Monitored audit findings, risk areas and, where appropriate, challenged management on its actions • Based on the above, concluded there were no material breakdowns in internal control, including financial controls, business risk management and maintaining effective material control systems.	• Continue to embed the use and reporting of data analytics techniques • Implement a holistic governance, risk and compliance technology system to support the delivery of comprehensive risk and assurance activities • Further enhance the link between risk and assurance
IT governance The board has formally delegated responsibility for IT governance to the audit and risk committee. Amplats has adopted the methodology of the IT Governance Institute and the Control Objectives for Information and Related Technology (COBIT) framework to meet King IV requirements for IT governance. Reports following this framework are submitted to the committee biannually.	
• Reviewed IT risks and control environment • Received management reports on results of disaster-recovery tests and security management • Considered the impact of cybercrime and reviewed information security capability in the organisation • Reviewed reports on the effectiveness of IT risk management as part of group risk management • Reviewed digital transformation initiatives aligned to the group's strategic priorities.	• Review internal control environment for information management

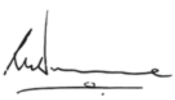
Adding value in 2019	2020 and beyond
Risk management The board has delegated the function of risk management to the audit and risk committee. The committee regularly reviews significant risks and mitigating strategies. It reports to the board on material changes in the group's risk profile and an annual board risk workshop is held. The risk management process is facilitated by ABAS, but overall accountability and responsibility for risk management rests with the Amplats board, executive committee and other officers.	
◥ Reviewed group policies on risk assessment and risk management for financial reporting and the going-concern assessment, and found them appropriate ◥ Held a board workshop to review and consider significant risks facing the company ◥ Received a written assessment of the effectiveness of the company's system of internal controls and risk management from the business assurance services department of Anglo Operations Proprietary Limited.	◥ Continued enhancements to risk reporting to align risk management to strategy
Sustainability The committee is responsible for reviewing the material issues reported to shareholders and other stakeholders, and considers the scope and conclusion of independent assurance providers for those reports.	
◥ Considered PwC assurance scope and schedule of key material issues for the 2019 integrated report ◥ Received necessary assurances through this process that material disclosures are reliable and do not conflict with financial information.	◥ Determine audit scope for material issues
Marketing The committee receives updates and approves the marketing division's mandate as it relates to the sale, purchase, and trading of metals to ensure that appropriate risk management processes are in place.	
◥ Received an update on trading performance and noted planned activities in the areas of governance, risk and compliance. Approved amendments to the marketing mandate to effectively manage price risk for base metals and option trading for all PGMs in cleared markets.	◥ Continue to monitor trading performance within value-at-risk limits
Legal All material legal matters are brought to the committee's attention to evaluate the legal risk or any reputational exposure.	
◥ Reviewed, with management, legal matters that could have a reputational or material financial impact on the group.	◥ Monitor developments from changes in legislation
Combined assurance The committee oversees that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	
◥ Reviewed the combined assurance framework that categorises each provider of assurance into different lines of defence in the organisation: management, internal and external assurance providers ◥ Reviewed the level of assurance provided by the combined assurance framework and concluded this was appropriate for identified business risks and exposures ◥ Reviewed plans and work outputs of external and internal auditors and concluded these were adequate to address all significant financial risks facing the business.	◥ Continued alignment of internal and external assurance providers to ensure the combined assurance framework is effective

FINANCE DIRECTOR AND FINANCE FUNCTION

The committee has reviewed an internal assessment of the skills, expertise and experience of Craig Miller, the finance director, and is satisfied he has the appropriate expertise and experience to meet his responsibilities. The evaluation also considered the appropriateness of the expertise, continuous improvement and adequacy of resources of the finance function.

CONCLUSION

The audit and risk committee is satisfied that it has considered and discharged its responsibilities in line with its terms of reference in the review period.



Richard Dunne
Chairman

Johannesburg

13 February 2020

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

We are pleased to present the social, ethics and transformation (SET) committee report for the year ended 31 December 2019. This report has been prepared in terms of the requirements of section 72(8) of the Companies Act 71 2008 (the Act), and its associated regulations.

Nombulelo (Pinky) Moholi
Chairperson

The committee's main purpose is to assist the board in discharging its duties and to make recommendations to the board on sustainability and stakeholder management, good corporate citizenship and community, ethics management, labour and employment, and managing broad-based black economic empowerment. The committee also reports to shareholders at the annual general meeting.

Membership and attendance are set out below:

Members	Committee member since	Board status	Meeting attendance
NT Moholi	25 October 2013	Chairman of the committee	4/4
RMW Dunne	23 April 2012	Independent non-executive director	4/4
DTG Emmett	23 April 2012	Chairman of safety and sustainable committee	4/4
L Mogaki	24 April 2013	Executive Head: Human Resources	4/4
S Mkhabela	20 July 2017	Executive Head: Corporate Affairs	4/4
NB Mbazima	15 April 2019	Non-executive director	3/3
MV Moosa	23 April 2019	Independent non-executive director	2/2

Valli Moosa retired on 17 April 2019 and Norman Mbazima was appointed on 15 April 2019. The chief executive officer, representative from group legal, head of social performance, head of transformation and head of sustainability attend meetings to provide consistent feedback on social and economic activities of the company.

The terms of reference are reviewed annually by the board. The committee continues to monitor the company's activities and practices, considering relevant legislation and prevailing codes of best practice, on matters of a social and ethical nature, and that the company displays good corporate citizenship.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT CONTINUED

ACTIVITIES OF THE COMMITTEE

Adding value in 2019	2020 and beyond
Sustainability and stakeholder management The committee is responsible for monitoring safety, health and environmental (SHE) matters, sustainability and stakeholder management.	
◥ Received regular reports from the safety and sustainable development (S&SD) committee to gain assurance on progress towards achieving the board-approved objectives for SHE and sustainability matters ◥ Reviewed the materiality assessment process, which aims to ensure that societal, environmental and economic issues that present risks and opportunities and affect value-creation are identified ◥ Approved the audit scope and key performance indicators assessed in the 2019 assurance audit.	◥ Continue to receive feedback from the S&SD committee to gain assurance on progress towards board and strategy objectives ◥ Review and approve the identification of material issues that could substantively impact the business' ability to create value over the short, medium and long term. The committee will continue to oversee the materiality assessment process ◥ Approve the selection of assurance audit service providers; approve key performance indicators to be assessed in the annual assurance audit ◥ Provide oversight on progress in implementing the sustainable mining plan ◥ Monitor engagements with all key stakeholders on sustainability-related matters.
Good corporate citizenship and community The committee is responsible for monitoring delivery on commitments to communities around our mining operations and in labour-sending areas. It also reviewed continued engagements and challenges with different stakeholders and progress in delivering on commitments in line with the strategy and objectives of the company.	
Monitored progress in achieving corporate affairs' strategic objectives, specifically: ◥ Key notable highlights under socio-economic development (SED) pillar: progress on regional SED as well as social and labour plan, collaborative regional development ◥ Stakeholder engagement and communication: government and community engagements, key notable challenges and social incidents, interfaith work, update on community trusts and leases.	◥ Continuous monitoring of delivery against social and labour plan 2 (SLP2), which is due for completion in 2020: 40 of 74 projects have been finalised and their impact will be evaluated ◥ Consultation began with key stakeholders on the development of SLP3. The committee will provide oversight to ensure all relevant parties and their programmes are considered and that these inform the initiatives that will be owned by all involved. The committee will ensure the plans are aligned to sustainability targets and respond to stakeholder needs ◥ The impact catalyst (collaborative regional development) was formally launched in Limpopo and implementation of identified projects will be reported and monitored ◥ Key engagements with government to curb violence or conflicts in the Eastern Limb continue and ensure that issues raised by communities are recorded, dealt with and feedback is provided ◥ Continued interaction with community engagement forums and business forums to ensure affected stakeholders are participating in the development, implementation and monitoring of social initiatives ◥ Interfaith work has delivered good results for Mogalakwena and is being rolled out to Rustenburg, Polokwane, Amandelbult, Twickenham and Mototolo/Der Brochen. Initiatives to be implemented with interfaith leaders and capacity building continue.

Adding value in 2019	2020 and beyond

Ethics management

All material legal matters, identified risks and recommended mitigation steps were brought to the committee for review and consideration. The committee was updated on UN and OECD principles as required by regulation 43 of the Act.

Adding value in 2019

- Business infringement report was reviewed, highlighting current crime trends and patterns including PGM and base metal-related incidents; cases investigated and criminal arrests made; fraud, corruption and dishonesty-related incidents; illegal mining; vendor screening; Speak-up alerts; community unrest, marches and disruptions to operation; technical surveillance countermeasures and significant investigations in other business units
- Received an update on all legal matters already before the committee including employee indebtedness litigation, Mapela traditional authority, Johannesburg Society of Advocates re Seth Nthai and nitrate groundwater study for Mogalakwena.

2020 and beyond

PGM and base metal-related incidents

Continuous monitoring and identification of PGM incidents related to non-adherence to procedures such as inspecting contaminated disposable gloves, pipes intended to be scrapped, spillages and more, that would result in potential losses if not proactively detected by the protection services unit. General managers and their heads of department will be alerted and sensitised as part of security awareness training.

Continuous monitoring, identification, reporting and action on all incidents relating to the theft, attempted theft or illegal possession of PGMs.

Base metal-related incidents will be monitored, recorded and action taken. These include incidents of attempted hijacking of trucks transporting copper and nickel, in collaboration with the police. The protection services unit will continue to intervene and ensure the supply chain department holds transportation service providers accountable for improving their security.

Criminal arrests made

The protection services unit will continue to ensure the proactive prevention of cable theft and recovery of cable stolen. More arrests will be made to curb ongoing incidents of copper theft due to the high unemployment rate and increased presence of illegal immigrants (mostly arrested).

Improved security measures will be implemented to reduce property-related crime incidents by adding more CCTV cameras in areas like Mogalakwena and arresting the perpetrators.

Security awareness training will be conducted to warn employees about the incidents involving violence such as abusive behaviour, intimidation, sexual harassment, rape, indecent exposure, assault, assault grievous bodily harm and kidnapping.

Fraud, corruption, and dishonesty-related incidents

The protection services unit will also embark on the fraud awareness campaigns in addition to investigating and taking action against all those involved.

Illegal mining

Continuous monitoring of illegal mining incidents at Twickenham and Modikwa Platinum Mine as well as engaging the police on the arrest of the suspects to eliminate these incidents.

Community unrest, marches and disruptions to operations

The protection services unit will continue to monitor and gather information within the communities in order to proactively report, prevent, and respond to the incidents of community unrest. Continuous engagement with various stakeholders including the police will be increased.

Vendor screening

All new vendors motivated for use in AAP will be subjected to a security screening process. Possible security risks will be detected, identified, flagged and prevented from doing business with AAP through the VACC and business integrity committee.

Technical surveillance counter measures

Technical surveillance counter measures (TSCM) will be continuously conducted in the exco boardroom for 2020 and beyond including all ad hoc requests received on internal and external venues. All incidents, attempts, and risks of industrial espionage will be identified, reported and acted upon in line with procedures.

Continue to receive reports from group legal to gain assurance on progress in settling legal matters as well as managing and mitigating risk on matters within the committee's terms of reference.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT CONTINUED

Adding value in 2019	2020 and beyond
Labour and employment The committee reviewed various initiatives identified by the company to achieve specific strategic objectives. These in turn required support from the human resources function to ensure related people processes were improved.	
- Reviewed the HR development plan, considering the future of HR in the economy and business, and its contribution to achieving the Amplats purpose and strategy - Reviewed strategic people issues including progress in transformation and major employee relations issues - Reviewed the requirements of mining charter 2018 and associated gap analysis to establish the current state of compliance as well as development of a five-year plan - With frontline supervisors being a key aspect of company performance and a hub of team effectiveness, all supervisory interventions were reviewed and a new integrated technical and behavioural supervisory development programme developed for roll out in 2020 - In response to various modernisation initiatives at Amandelbult, the human resources development team has rolled out the modernisation conversion training programme using traditional learning tools at section 50 east - Reviewed company performance in the area of human resources development and retention against internal transformation targets, critical skills and legislative imperatives, and made recommendations to the remuneration committee.	- Continually review and align HR response plan to the five-year strategy and broader trends in the people and employment space - Ongoing review and alignment of all people issues to transformational imperatives and employee relations issues - Monitor implementation plan of the five-year mining charter 2018 in line with the mandate from the Amplats executive committee - Monitor implementation of the supervisory development programme across all operations over 2020 to 2022 - Monitor roll out of second phase of modernisation training between 2020 and 2023, using new digital learning tools (virtual reality/augmented reality/ gamification/e-learning).
Managing broad-based black economic empowerment The committee reviewed the company's five-year implementation plan for the mining charter 2018, how it integrated with the business strategy and value created for all stakeholders.	
- Reviewed the company's BBBEE status and mining charter compliance, with specific reference to mining charter 2018 requirements to develop the five-year plan - Monitored the correct balance between transformation activities, providing appropriate skills and maintaining stability in the company - Considered material external developments in the fields of transformation and sustainable development and, where appropriate, provided assessment and strategic guidance.	- Reviewing five-year mining charter implementation plan that is integrated with the business strategy and create value for all stakeholders - Ongoing review and alignment of all transformational sustainable development imperatives with business strategy - Providing ongoing strategic guidance to the business on maintaining the correct balance between achieving transformational objectives, ensuring the company has the right skills mix and maintaining stability in the company.

GOVERNANCE MATERIALITY ASSESSMENT PROCESS

The four steps in the materiality assessment framework included:

- Internal materiality assessment was conducted by reviewing Amplats board and committee packs to identify and contextualise its most material issues
- External materiality: interviews held with external stakeholders
- Materiality workshop: active participation by internal and external stakeholders
- Insight gained from the activities above were integrated into the materiality process, resulting in the top 10 material issues.

CROSS-REFERENCING TABLE

As some of the committee's responsibilities and deliberations overlap with other committees, detailed policy and performance information appear in other sections of the integrated and ESG reports.

SET committee priorities	Activities monitored by the committee	Page reference Integrated report (IR) Environmental, social and governance report (ESG)
Social and economic development	Performance against UN Global Compact principles	ESG page 127
	Human rights	ESG page 133
	Labour	ESG pages 93 – 107
	Environment	ESG pages 21 – 69
	Anti-corruption	ESG page 138 and IR page 118
	Employment equity performance	ESG page 96
	Broad-based black economic empowerment	ESG page 97
Good corporate citizenship and community	Business integrity policy	ESG page 138 and IR page 118
	Community development policy, strategy and performance	ESG pages 109 – 124
Environment, health and safety	Safety policy, strategy and performance	ESG pages 71 – 79
	Health policy, strategy and performance	ESG pages 80 – 90
	Environmental policy, strategy and performance	ESG page 21 – 69
Stakeholder management	Addressing stakeholder expectations and maximising community benefit	ESG pages 125 – 132 and IR pages 24 – 30
Labour and employment	Employment and labour practices policy and performance	ESG pages 93 – 107

CONCLUSION

The committee is satisfied it has discharged its responsibilities for the financial year in line with its terms of reference, King IV and the Act.

On behalf of the committee

Nombulelo (Pinky) Moholi
Chairperson

Johannesburg

13 February 2020

NOMINATION COMMITTEE REPORT

The committee is pleased to present its report for the year ended 31 December 2019. We continue to focus on the strategic board-renewal process and succession planning that will result in the appropriate balance of knowledge, skills, experience, diversity and independence on the board.

Norman Mbazima
Chairman

COMPOSITION AND GOVERNANCE

Members	Committee tenure	Board status	Meeting attendance
MV Moosa (outgoing chairman)	26 April 2013 to 17 April 2019	Independent non-executive director	1/1
N Mbazima (chairman)	17 April 2019	Non-executive director	2/2
M Cutifani	26 April 2013 to present	Non-executive director	3/3
RMW Dunne	1 July 2006 to present	Independent non-executive director	3/3

The committee executes its duties and responsibilities in line with terms of reference reviewed annually by the board, and summarised below:

- Evaluating the structure, size and composition (including skills, knowledge, experience, race and diversity) of the board
- Considering succession planning for directors and senior executives, taking into account challenges and opportunities facing the company, and the skills and expertise needed on the board in future
- Identifying and nominating candidates for the approval of the board to fill board vacancies as they arise
- Recommending to the board the continued service or retirement of any director who has reached the age of 70
- Considering the performance of directors and taking steps to remove those who do not make an appropriate contribution.

ADDING VALUE

During the year, the committee fulfilled the following duties:

Adding value in 2019	2020 and beyond
Retirement by rotation In terms of the company's memorandum of incorporation (MoI), a third of directors retire by rotation each year and are eligible for re-election by shareholders at the AGM, and offer themselves for re-election.	
Considered directors proposed to retire at the AGM and concluded on their eligibility for re-election in terms of their independence, performance and contribution to the company and board. Also considered the impact of directors indicating they will not make themselves available for re-election.	Considered directors proposed to retire at the AGM and concluded on their eligibility for re-election in terms of their independence, performance and contribution to the company and board. Also consider the impact of directors not making themselves available for re-election.

NOMINATION COMMITTEE REPORT CONTINUED

Adding value in 2019	2020 and beyond
Board structure, size and composition The committee regularly reviews the board structure, size and composition and makes recommendations to the board on any adjustments deemed necessary.	
• Recommended the appointment of Norman Mbazima as chairman to the board • Recommended the appointment of Peter Mageza as lead independent non-executive director • Considered candidates for a black female representative for appointment to the board to enhance its gender and race representation • Considered board committee structure and representation on the respective committees and made recommendations for the appointment of Norman Mbazima as a member of the remuneration committee, social, ethics and transformation committee, safety and sustainable development committee and chairman of the nomination committee as well as Peter Mageza as chairman of the governance committee • Considered a transition plan to allow for the appointment of a majority of independent directors and ensure that the composition of the board is aligned to the company achieving its strategic objectives • Assessed the suitability of the company secretary in line with JSE Listings Requirements.	• Nominate to the board the appointment of an identified successor to Richard Dunne, the outgoing audit and risk committee chairman • Consider the board committee structure and composition in line with the future board profile to support the company's strategic priorities • Assess the suitability of the company secretary.
Performance review The committee assumes responsibility for evaluating the board and its committees, and determines how it should be approached and conducted.	
No board evaluation was undertaken in 2019. This was to allow for finalising the strategic board-renewal process and developing the succession framework.	Review board performance as well as individual director performance in the second half.

Adding value in 2019	2020 and beyond
Succession The committee is responsible for establishing a succession plan which includes the identification, mentorship and development of future candidates.	
◥ Considered and agreed the board succession blueprint for implementation ◥ Considered possible successors to the audit and risk committee chairman.	Continue strategic board-renewal work to ensure the board comprises the appropriate balance of knowledge, skills, experience, diversity and independence to meet the company's strategic objectives, including its governance role and responsibilities, objectively and effectively.

CONCLUSION

The nomination committee is satisfied it has considered and discharged its responsibilities in line with its terms of reference in the review period.

On behalf of the committee

Norman Mbazima
Chairman

13 February 2020
Johannesburg

SAFETY AND SUSTAINABLE DEVELOPMENT COMMITTEE REPORT

DRIVING A CULTURE OF ZERO HARM

On behalf of the safety and sustainable development (S&SD) committee, I am pleased to present its report for the year ended 31 December 2019. The committee's key objective is to ensure that Amplats operates responsibly and drives leadership in safety, health and environmental stewardship.

Dorian Emmett
Chairman

The committee's key role is to monitor safety and health of the company's employees and its impact of its operations on the environment from a SHE perspective.

COMPOSITION AND GOVERNANCE

The committee comprises the chairman, four independent non-executive directors, the chief executive officer and executive head: safety, health and environment (SHE).

I am honoured to chair the committee. Collectively, committee members have the necessary expertise and knowledge to enable it to perform its functions effectively.

Committee members are shown below, with two changes during the year:

Valli Moosa retired from the committee on 17 April 2019 and Norman Mbazima was appointed on 15 April 2019.

The committee has several permanent invitees at meetings to provide feedback on the group's SHE activities and performance:

- Senior manager: SHE reporting and business support
- Executive heads: corporate affairs, human resources, process, own mines
- Head of risk and assurance, and head of safety and sustainable development.

Membership and attendance at meetings:

Members	Committee member since	Board status	Meeting attendance
DTG Emmett	21 July 2006	Chairman of the committee	4/4
RMW Dunne	4 May 2010	Independent non-executive director	4/4
CI Griffith	29 October 2012	Chief executive officer	4/4
MV Moosa	1 February 2011	Independent non-executive director	2/2
NB Mbazima	15 April 2019	Non-executive director	3/3
NT Moholi	30 October 2013	Independent non-executive director	4/4
JM Vice	10 February 2017	Independent non-executive director	4/4
G Smith	1 October 2018	Executive Head: Technical, Safety and Sustainability	4/4

The committee's terms of reference are reviewed annually by the board. It continues to perform its duties and responsibilities in terms of the provisions of the Amplats memorandum of incorporation and any other applicable law or regulatory requirement as well as any other function that may be requested by the board.

The committee reports quarterly to the SET committee and audit and risk committee on salient matters in their terms of reference, and directly to the board.

The performance of the committee is reviewed annually as part of the board and committee evaluation process.

The committee has an annual work plan, developed against its terms of reference. It conducts site visits annually to areas of strategic importance and/or key risk areas impacting the business.

OUR PURPOSE

In fulfilling its mandate, the committee's duties and responsibilities include to:

- Oversee, on behalf of the board, material management policies, processes and strategies designed to manage SHE-related risks and comply with SHE responsibilities and commitments
- Review, assess and monitor SHE performance and compliance with company standards and applicable legal and regulatory requirements
- Review the causes of any fatal and significant SHE-related incidents and receive assurance that learnings are shared across the group
- Review SHE audits as per legal and company requirements and review the outcomes and management response
- Consider material regulatory and technical developments that may be relevant to the group's SHE activities
- Draw material matters in the committee's mandate to the attention of the board as required
- Review the group's external SHE reporting and regulatory disclosures, and findings of external auditors.

SAFETY AND SUSTAINABLE DEVELOPMENT COMMITTEE REPORT CONTINUED

COMMITTEE DISCUSSIONS IN 2019

Summary of salient matters reviewed and discussed, and decisions made at committee meetings in 2019:

Safeguarding value for our stakeholders in 2019	Focus for 2020 and beyond
Governance, regulatory and reporting	
◥ Considered reports from management, and internal and external auditors, on compliance with legal and regulatory requirements ◥ Received finalised audit findings from external auditors on assured selected data in the 2018 integrated and supplementary (sustainability) reports, noting issues to be addressed to ensure against significant data errors in the 2019 reports ◥ Reviewed outcomes of the materiality assessment process to inform the content of the 2019 integrated report and ESG report (previously the supplementary (sustainability) report) ◥ Noted that Amplats had been invited to present on its materiality process at the 2018 International Integrated Reporting Conference in July 2019, owing to the quality of its reporting on materiality processes and material issues ◥ Approved the assurance audit schedule and performance data indicators to be assessed in the 2019 integrated and ESG reports.	◥ Maintain governance practices in line with best practice ◥ Monitor regulatory reporting requirements and ensure compliance
Strategic direction and business objectives	
◥ Reviewed SHE elements of the company's strategic and business plan, and validated proposed 2020 SHE objectives and targets at business and operational level ◥ Reviewed the sustainable mining plan process schedule for all operations to develop five-year site implementation plans by the end of 2019 ◥ Set the committee's strategic goals for 2020 and agreed on its annual work plan.	◥ Oversee implementation of the Amplats sustainable mining plan process
Management systems and processes	
◥ Received a report on the SHE systems and assurance programme implemented across all managed operations, and noted the revised SHE way management plan for 2020 aligned with the Anglo American elimination of fatalities broader assurance framework ◥ Conducted a site visit to Polokwane metallurgical complex, 19 June 2019	◥ Oversee progress in ensuring that all operations are certified against ISO 14001:2015 and ISO 45001 by 2020 ◥ Committee site visits are scheduled in 2020
Risk management	
◥ Monitored progress of the roll out of operational risk management (ORM) at managed operations, reviewing each of the five key pillars of the ORM process. There was a high-level overview of progress against each of the pillars in the ORM process ◥ Reviewed progress of two additional key risk management improvement programmes implemented in 2019: fire risk and tailings storage facility failure risk ◥ Reviewed outcomes of operational risk assurance (ORA) and verification work conducted. Noted that results and emergent themes from ORA audits have been integrated into the assessment of Amplats' risk management appetite tolerance. Approved proposed ORA audit plan for 2020.	◥ Monitor progress of operations in implementing ORM as a core business process, meeting ORM targets across all KPIs and ensuring stable ORM processes by the end of 2020

Safeguarding value for our stakeholders in 2019	Focus for 2020 and beyond
SHE performance	
◥ Received and discussed SHE performance reports (see pillars of value on pages 100 – 105) ◥ Reviewed all serious and high-potential SHE-related incidents and received assurance that learnings were shared ◥ Safety performance reviews focused on key safety management initiatives, performance trends, challenges and objectives ◥ Health focus issues and initiatives reviewed included an update on real-time health monitoring, platinum salt sensitivity exposure and surveillance, a research survey on the social determinants of HIV, and mitigating the risk of diesel particulate matter (DPM) exposure. There is constant monitoring of TB disease management ◥ Environmental focus areas included reviewing the key value levers of the environmental strategy and environmental goals in the group sustainable mining plan, focusing on water, climate change and energy, land stewardship, rehabilitation, waste and emissions.	◥ Avoiding fatalities remains the key priority ◥ Continue to focus on building a culture of zero harm ◥ Oversee Amplats' commitment to collaborative stakeholder efforts to make our industry safer ◥ Continue to assess opportunities to drive best and innovative practices in SHE performance
Legal matters	
◥ Informed of emerging material legislative SHE-related trends and developments, including carbon tax and financial provisions regulations ◥ Noted progress on meeting the required publication of environmental authorisation (EA) compliance audits by 7 December 2019 (duly met) ◥ Remained informed about material legal matters, including the process that resulted in postponing timeframes for complying with 2020 SO_2 emission limits at the three smelters, and pending disestablishment of the Lebalelo Water User Association (LWUA). Noted that there are no risks with the delay, as operations have water allocations from the LWUA licence.	◥ Monitor legislative developments ◥ Monitor developments with material legal engagements and associated implications for the business, providing guidance where applicable

SAFETY AND SUSTAINABLE DEVELOPMENT COMMITTEE REPORT CONTINUED

SHE PERFORMANCE REVIEW

An overview of key performance issues brought to the attention of the committee, as well as selected SHE performance data as measured at the end of 2019. More detailed information on Amplats' SHE performance is presented in our 2019 ESG report.

Anglo American Platinum operated
fatality-free
for the calendar year

The company continued to
improve
in lagging injury rates
(TRCFR)

Significantly improved
safety performance

Amplats' safety, health and environmental performance this year reflects our progress in building a culture of zero harm at our operations. Anglo American's FutureSmart Mining innovation-led pathway to sustainable mining will see us increasingly adopt new technologies, automation, and processes to eliminate health and safety risks, and enable us to materially reduce our environmental footprint over the next decade.

SAFETY

Amplats' safety achievements this year have been a particular highlight, and reflect the quality of our safety leadership and operational risk management. Our intense focus on eliminating fatal risks ensured that we have operated fatality-free since 18 October 2018. This is a very important milestone on our safety journey and has been complemented with continued progress in reducing the number and severity of injuries and improvements across all key safety performance indicators, including the lowest TRCFR recorded at Amplats: 2.50. The implementation of safety performance turnaround plans at our more challenging operations, Amandelbult and the smelters, has been a key driver. We nonetheless recorded 99 high-potential incidents (HPIs) that exposed employees and contractors to fatal risks, which is unacceptable. We continue to improve our capacity to identify and address high-potential hazards, learn from HPIs, and use technology to reduce risks. In driving our desired safety culture, we will maintain focus on strengthening leadership and accountability. Our employees' commitment to safety was promoted through the eighth annual Anglo American Global Safety campaign, which this year was built around the theme Safety 365 – putting our six values of safety, care and respect, innovation, accountability, collaboration and integrity – into action to ensure everyone's safety 365 days a year.

HEALTH

In parallel with our improved safety performance, we have maintained a strong performance and ensured significant improvements in managing health risks, both in and beyond the workplace. The use of real-time monitoring of critical controls and occupational hazards in all areas where exposure levels may be recorded above permitted levels remains fundamental in supporting a marked reduction in potential exposure to health hazards. Our real-time data analytics platform is helping us make the right decisions, at speed, when substandard health and safety-related conditions are indicated at our mine sites, namely when controls are not performing optimally. In mitigating occupational risk, we also focus on engineering solutions and ensuring adherence to personal protection equipment use requirements. Key focus areas this year included reducing levels of exposure to: arsenic at RMBR; diesel particulate matter (a human carcinogen at mining operations); and fugitive emissions at our smelters. A new focus is on monitoring and managing exposure to chloroplatinates. This year, we recorded three new cases of occupational disease (2018: four): one case of occupational Asthma, one case of noise-induced hearing loss and one case of platinum salt sensitivity. All reported cases of occupational diseases are subjected to a learning from incident (LFI) process to understand the contributing control failures.

In managing HIV and tuberculosis (TB), we continue to strengthen our leading practices aimed at improving the health of our employees and contractors. Our well-planned HIV campaigns and procedures to improve access to HIV testing resulted in Amplats achieving the UNAIDS 90/90/90 targets for 2020. For 2019, 97% of our permanent employees know their HIV status, and 91% of employees living with HIV are on antiretroviral therapy. The focus on TB infection control and management remains a priority. Our progress in managing HIV and TB has contributed to a TB incidence of 328 per 100,000, again well below the South African national rate of 567 per 100,000. We sadly recorded three TB deaths in 2019, compared to five in 2018.

In supporting the wellbeing of our employees, we have targeted initiatives to assist in preventing and managing chronic and lifestyle diseases, supporting good mental health, and preventing drug and alcohol abuse. Together with our HIV and TB inclusion and diversity, gender-based violence initiatives, these programmes support our efforts to create a healthy workplace environment. In 2019, the community health baseline surveys linked to the Sustainable Mining Plans – Sustainable Development Goal (SDG 3) were conducted. The results of the surveys will be used to determine SDG 3 stretch targets.

ENVIRONMENT

Amplats remains committed to demonstrating leadership in environmental stewardship and playing its part in helping to address the environmental challenges of a carbon-constrained world. We are building the foundations that will guide our progress towards achieving ambitious stretch goals for our water, climate change and biodiversity performance.

In responding to the global challenge of climate change, our activities focus on radically reducing our energy consumption through FutureSmart Mining methods and technology adoption, and switching to low-carbon energy sourcing as well as increasing renewables in our energy mix. Aligned with this approach, we have set 2030 targets to improve energy efficiency and reduce absolute greenhouse gas emissions (GHG) by 30% against a 2016 baseline.

We have steadily decreased our energy and GHG intensities in recent years and are on track to meet our 2020 targets. Exciting developments under way include work to develop fuel cell-powered large mining trucks and a large-scale solar photovoltaic (PV) project that will generate green hydrogen (H2) as an alternative fuel to diesel. We are trialling and implementing new mineral extraction and processing technologies that will support greater energy and water efficiencies.

The implementation of best-practice water-treatment/recovery technologies continues to drive progress in improving our water use volumes and intensities. Our risk-based approach to water management focuses on implementing site-wide and regional water balances, supported by a water information and management system to optimise recycling/reuse at our operations. Our 2030 water goals are to reduce freshwater abstraction by 50% in water-scarce regions and have no level 3 or greater water incidents.

We have achieved a further step-change in diverting hazardous and non-hazardous waste sent to landfill, reducing levels to 3.59kt, 84% less than what was sent in 2013 (22.12kt) – and are confident of achieving our target of zero waste to landfill for all our managed operations by the end of 2020.

All our smelters have been granted extended timeframes to comply with stringent 2020 sulphur dioxide (SO_2) minimum emission limits. The construction of an SO_2 abatement plant at Polokwane smelter is progressing well.

Unfortunately, we recorded one level 3 (moderate) environmental incident – our first since 2013 – at our Unki Mine in Zimbabwe. We are encouraged by a significant decline of 32% in the number of level 1 and 2 incidents at our operations, as well as the number of substandard acts and conditions (36%) recorded.

Amplats is committed to adhering to the legislative amendments of the Environmental Impact Assessment Regulations enacted on 7 April 2017. As a result, 26 external legal audit reports related to our environmental authorisations (Environmental Management Programme Report/Environmental Authorisation) were published online in December 2019.

We continue to track and work towards compliance with all applicable legal audit findings in terms of environmental authorisations related to mining/process activities, water and air.

CONCLUSION

The committee is satisfied it has discharged its responsibilities for the review period in line with its terms of reference.

On behalf of the committee

Dorian Emmett
Chairman

Johannesburg

13 February 2020

Anglo American Platinum achieved a further **step-change in diverting hazardous and non-hazardous waste** sent to landfill

REMUNERATION REPORT

CONSISTENTLY GENERATING
acceptable returns for our shareholders

Nombulelo (Pinky) Moholi
Chairperson

Part 1: background statement

CHAIR STATEMENT

Dear shareholders

I am pleased to present the Anglo American Platinum Limited (Amplats) remuneration report for the year ended 31 December 2019. In line with best practice, as prescribed by King IV, this report is presented in three parts. The first is a background statement on how the company has subscribed to the principle of fair, responsible and transparent remuneration practice. The second sets out the company's remuneration philosophy and policy, and the third details policy implementation.

We have continued enhancing our reporting standard year on year to ensure shareholders receive a transparent overview of the company's remuneration policy and practices. We have continued our journey to achieve and beat world best practices, focusing on FutureSmart Mining technology, innovation and investing in a green economy, and have embarked on an ambitious programme, together with our parent and peer companies in Anglo American. Anglo American Platinum is aiming to achieve a 5 to 8 percentage point uplift in EBITDA margin, on a mine to market basis, by 2023, on 2018 achieved prices and FX rates, excluding any expansion benefits.

This EBITDA margin growth is driven as a result of fast pay back projects, operational efficiency improvements and the implementation of FutureSmartMining™ technology. In 2019, the Company has already achieved a 2% margin expansion. The expansion of Mogalakwena could lead to a further expansion in EBITDA. We also benefit significantly from the global research and development into mining and business innovation required to meet this outperformance. The share price has seen significant growth resulting in high vesting values. There were several years of under achievement, resulting in poor payouts for the CEO, FD and prescribed officers.

After shareholder consultation and reviewing market practice, we have decided to make some changes to our executive reward policy including some re-balancing of the incentive metrics and the mix of cash and deferred bonus share incentives.

It is evident from the remuneration implementation report, specifically the total single figure of remuneration statement that the value of long-term incentives vesting this year is particularly high, and the executives are receiving much higher remuneration this year due to the excellent share price and return on capital outcomes in both absolute and relative terms. While we are conscious of the risks of high gains, we have a number of measures in our current remuneration policy to mitigate this risk. These include: making regular annual awards rather than large irregular awards, a comprehensive set of performance measures to ensure the awards only vest fully on stretching performance, the inclusion of both absolute and relative targets and a policy to reduce the number of awards granted each year to less than 0.75% issued shares. The 143% rise in share price in 2019 is reflective of not only price but also confidence in the company and the management team, post the restructuring, that strong cash generation will continue and that there is further upside potential of the total number of issued shares. While the pay-outs this year are high, they are based on the contractual obligations of our LTI awards, and although the high PGM price, which is out of control of management, is a significant factor, we are also of the opinion that the work done by the management and executive team in maintaining capacity and managing costs in the tougher trading conditions of the last few years is bearing fruit in this period of price strength. We should also note that this is a very cyclical industry and, in many prior years, the amounts vesting from LTIs have been much lower, indicating that the average variable pay over an extended period is appropriate for consideration.

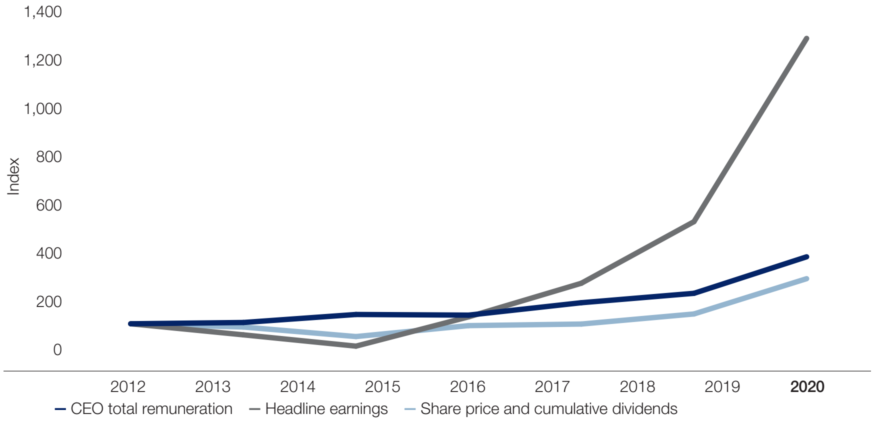
The table indicates the performance conditions' vesting outcome percentage, over the last seven years for LTIP awards.

	2011	2012	2013	2014	2015	2016	2017	Average
LTIP vesting (%)	25.25	60.92	89.65	33.23	34.82	94.45	98.00	62.33

REMUNERATION REPORT CONTINUED

The graph shows the correlation between the CEO's total remuneration and Amplats' performance over the past nine years.

COMPANY PERFORMANCE AND CEO TOTAL REMUNERATION
(Indexed: 2013 = 100)



Even though the headline earnings has seen significant growth, the CEO's total remuneration mimics the share price trendline.

THE REMUNERATION COMMITTEE AT A GLANCE

Purpose

As tasked by the board, the committee assists in setting the company's remuneration policy and remuneration for directors and prescribed officers. As per its terms of reference, published on our website www.angloamerican.com, the committee's responsibilities are to:

- Make recommendations to the board on the general policy for remuneration, benefits, conditions of service and staff retention
- Annually review the remuneration packages of executive directors and prescribed officers
- Determine specific remuneration packages of executive directors and prescribed officers
- Approve and monitor operation of the company's share incentive plans.

The committee's full terms of reference are aligned with the Companies Act and King IV and embrace best practice.

Remuneration committee composition

Pinky Moholi (chairperson) Profile on page 114	**Richard Dunne** Profile on page 114	**Norman Mbazima[1]** Profile on page 115	**Daisy Naidoo** Profile on page 114
Independent non-executive director	Independent non-executive director	Non-executive board chairperson	Independent non-executive director

Meetings and attendance

Attended: 5/5	**Attended: 5/5**	**Attended: 5/5**	**Attended: 5/5**

Attendance by invitation: Chief executive officer (CEO), global head of reward from Anglo American plc, executive head: human resources, senior manager: remuneration and benefits, compliance officer of employee share schemes and representatives of PricewaterhouseCoopers (PwC). PwC was contracted as the Anglo American group advisory service provider to the remuneration committee and its term ended 30 September 2019. Bowman Gilfillan was appointed as an interim service provider from 1 October 2019 for seven months to 30 April 2020.

Remuneration committee appointment/changes: Valli Moosa stepped down from the committee and as board chairman when he retired on 17 April 2019. He was replaced by Norman Mbazima[1] who was appointed chairman of Amplats.

REMUNERATION DISCUSSIONS

The remuneration committee has deliberated on various items tabled to maintain a strategic focus on resolving remuneration challenges and to concentrate on the future of the organisation. Discussions in 2019 included:

- **Review of committee effectiveness**
  An external evaluation process concluded that the committee is highly effective in fulfilling and delivering value on its responsibilities, well led to ensure focus on the priorities that matter, as well as agile and adapting its focus to support the changing needs of the business.
- **Executive and non-executive director remuneration benchmarking**
  Executive remuneration and non-executive director fee trends, as well as executive remuneration and NED fee benchmarking, was evaluated. This is done annually to enable Amplats to attract and retain executives and non-executive directors of the required calibre. The trends were used as guidance in considering remuneration and fee adjustments for FY20.
- **Extension of retirement age**
  The committee did not support the proposal to extend the retirement age from 60 to 63. Its decision contended that this could delay skills transfer and transformation, and that the fit-for-purpose employee of the future was a younger profile that was more technology savvy. As an alternative, the organisation could extend the retirement age on a contract and case-by-case basis, as appropriate to retain critical skills.

Governance controls and protocols

No executive director or prescribed officer is involved in deciding their own remuneration. In 2019, the committee received advice from Anglo American plc's human resource department, PwC South Africa and Bowman Gilfillan, as independent advisers.

The company's auditors, Deloitte & Touche, have not provided advice to the committee. However, as in 2018 and at the request of the committee, they conducted certain verification procedures on calculating and disclosing the remuneration of directors and prescribed officers.

Remuneration in context

The table below reflects the total spend on employee remuneration and benefits in 2019 and 2018, compared to headline earnings and dividends payable in those years.

Distribution statement		2019	2018
Headline earnings	Rm	**18,603**	7,588
	% change	**145**	95
Dividends paid in 2019	Rm	**4,921**	1,922
	% change	**156**	100
Dividends payable for the year (total)[1]	Rm	**11,219**	2,027
	% change	**453**	115
Payroll costs for all employees	Rm	**12,897**	11,729
	% change	**10**	(1)
Employees	Headcount	**25,268**	24,789
	% change	**2**	(14)
Community engagement development spend[2]	Rm	**251**	271
	% change	**(7)**	(8)
Taxation paid	Rm	**3,349**	1,771
	% change	**89**	2

[1] *The board has declared a final cash dividend of R41.60 per share, which is equivalent to R11.2 billion.*
[2] *CSI spend recorded centrally in corporate office and excludes site specific CSI spend.*

The company delivered a strong performance in FY19. As a result, bonus shares to the value of R168,126,142 were awarded and LTIP awards granted in 2017 vested at 98%. The key result area outcomes for the CEO are summarised on page 160.

REMUNERATION REPORT CONTINUED

WIDER WORKFORCE CONSIDERATIONS AND OUR APPROACH TO FAIRNESS

Amplats continues the practice of fair, responsible and equitable remuneration. As such, the remuneration committee regularly reviews the company's internal wage gap. In addition, lower increases are granted to executive management compared to other employees. The committee also seeks to find a balance between the interests of executives and shareholders to ensure fair and responsible outcomes. For this reason, a significant portion of the pay of our senior employees is at risk and subject to stretching performance conditions.

CONCLUSION

We trust this remuneration report provides an accurate overview of the company-wide remuneration policy and its implementation, and specifically an in-depth view on executive management remuneration in the past year, as the business managed to achieve ambitious targets by technical and business innovations, and to enjoy the fruits of retaining capacity and key talent through a number of lean years.

Nombulelo (Pinky) Moholi
Chairperson

Part 2: Remuneration philosophy and policy

REMUNERATION PHILOSOPHY

Our remuneration philosophy aims to attract, retain and incentivise high-calibre individuals to develop and implement the company's business strategy, thus creating optimal long-term shareholder value.

REMUNERATION POLICY

The remuneration policy subscribes to King IV recommendations and is based on the following principles:

- Remuneration practices are aligned with the company strategy
- Total rewards are set at competitive levels in the relevant market to ensure we attract, motivate and retain highly talented individuals
- Total rewards are managed to align to the principle of responsible, equal, fair and competitive pay
- Incentive-based rewards are linked to achieving demanding performance conditions, consistent with shareholder interests over the short, medium and long term
- Performance measures and targets for incentive plans are structured to operate effectively throughout the business cycle and support the business strategy
- Prudent application of long-term incentive schemes to minimise shareholder exposure to unreasonable financial risk.

REMUNERATION LINKED TO STRATEGY AND PERFORMANCE

We continually assess our remuneration strategy, practices and policies to ensure they remain aligned with and continue to support the strategic objectives of the company and the environment in which it operates.

EXECUTIVE DIRECTOR PACKAGE DESIGN AND TOTAL REMUNERATION OPPORTUNITY AT DIFFERENT LEVELS OF PERFORMANCE

The charts illustrate the pay mix of the CEO, FD and prescribed officers at below (figure 1), on-target performance (figure 2) and stretch performance (figure 3) where applicable from 2020.

FIGURE 1: 2020 FORWARD – BELOW
(ZAR)

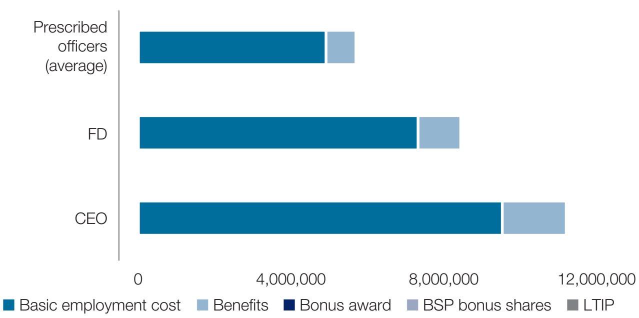


FIGURE 2: 2020 FORWARD – TARGET
(ZAR)

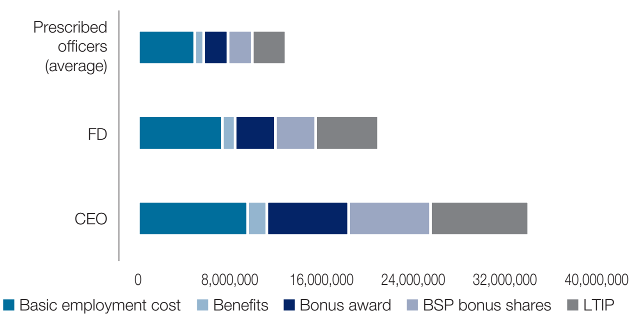
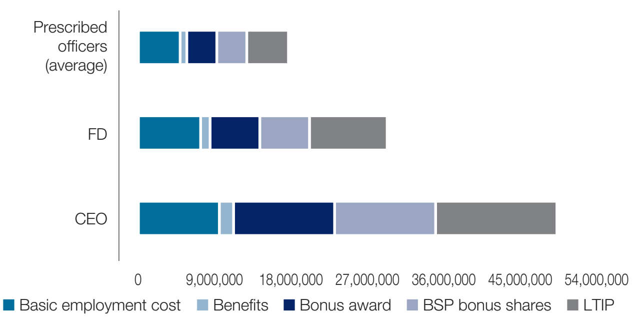


FIGURE 3: 2020 FORWARD – STRETCH
(ZAR)



REMUNERATION REPORT CONTINUED

2019 COMPARATOR REMUNERATION BENCHMARKING GROUP

The committee's key task is to preserve the relevance, integrity and consistency of benchmarking. Benchmark data is used to provide trend lines and compare practices only.

The committee is comfortable that the comparative group (below) for executive directors, prescribed officers and non-executive directors are representative of our business model, product range and market capitalisation.

African Rainbow Minerals Limited
AngloGold Ashanti Limited
Exxaro Resources Limited
Gold Fields Limited
Harmony Gold Mining Company Limited
Impala Platinum Holdings Limited
Kumba Iron Ore Limited
Northam Platinum Limited
Sibanye Gold Limited
South32 Limited

Note: South32 Ltd cost-of-living adjustment was applied to executive remuneration as it is not based in South Africa.

ELEMENTS OF REMUNERATION

The key elements of total remuneration in 2019 are outlined below.

GUARANTEED SALARY

Non-union affiliated employees

Guaranteed salary is reviewed annually and positioned competitively against peers comparable in size, sector, business complexity and international scope. Company performance, affordability, individual performance and average industry and sector increases are considered in determining any annual adjustment. Increases are generally inflation-linked and, where affordable, additional budget is allocated for adjusting remuneration levels that are not appropriately aligned to internal pay ranges and/or market rates for a specific job.

Adjustments are informed by positioning current salaries within a tolerance pay range and comparative ratio for a specific job or grade. Pay levels that are not within the tolerance pay range are adjusted for closer alignment to the market 50th percentile at which Amplats benchmarks pay.

Union-affiliated employees

Guaranteed salary levels depend on the outcome of wage negotiations with representative unions.

BENEFITS

Core benefits are offered as a condition of service, with some elective flexible offerings for employees on a total package pay system. Core benefits primarily comprise of retirement, risk and medical scheme participation. The company regularly reviews these benefits for affordability, flexibility and perceived value to employees.

Medical schemes offer numerous plans to accommodate affordable healthcare and flexibility for a wide scope of employee income levels and membership profiles.

Retirement benefits are provided through defined-contribution funds, with contribution levels aligned to market best practice and the rules of a fund.

Death benefits provided cater for the high-risk environment in which our employees work. In the event of a fatality or injured-on-duty incident, benefits available to beneficiary families of employees who pass away in service include:
- A lump-sum payment from both the retirement fund and Rand Mutual Assurance (COIDA)
- A monthly pension as per COIDA for both spouse and dependent children
- A company cash provision to assist beneficiary families in the waiting period for benefit pay-out from the fund and COIDA
- Company assistance to spouse and family on mine
- Company transport to and from the funeral.

INCENTIVE REWARDS

Amplats administers incentive schemes to encourage and reward delivery of its strategic priorities over the short, medium and long term. The short-term incentive focuses on achieving business targets in that financial year, while the long-term incentive closely aligns the interests of executives with shareholders over the longer term. It encourages executive directors and prescribed officers to build a shareholding in the company, which sustains ongoing performance and the creation of shareholder value.

Short-term incentive (STI)	
Participation:	Executive directors, prescribed officers, management and corporate employees.
Consists of:	**Annual cash incentive** linked to performance in the financial year, and payable in cash at the end of the performance period. **Forfeitable bonus shares** awarded under the bonus share plan (BSP) and based on a multiple of the annual cash incentive. The shares are restricted for three years, during which they may be forfeited if employment is terminated in breach of scheme rules. Participants may earn dividends on bonus shares in the restricted period. **Forfeitable deferred cash payments** based on a multiple of the annual cash incentive and applicable to middle management. The deferred cash payments are restricted for two years, during which they may be forfeited if employment is terminated in breach of scheme rules.
Performance measures:	Awards for the CEO are based on company performance and delivery of individual KRAs. Performance measures are weighted 70% for business unit performance that (comprise of 10% for safety, health, environment, 40% financial returns and 20% for production and compliance); 30% for critical and important tasks that focus on portfolio management, value optimisation and people management. Penalty metrics are applied for fatalities. The company is allocated a score which is the outcome of the BU performance (70%) and critical tasks (30%) and this informs the incentive of the POs and senior management. The award for remaining participants (excluding union-affiliated employees) is based on company and team performance.
Value of annual cash incentive:	**CEO:** The maximum cash incentive is 100% of base salary. *Annual cash incentive = [(company performance score 70% + (personal critical tasks score 30%)] × maximum cash incentive (100%) x base salary.* **Finance director:** The maximum cash incentive is 80% of base salary. *Annual cash incentive = [(company performance score [70%]) + (critical tasks score [30%])] × cash incentive (80%) x base salary.* **Prescribed officers, management and corporate employees:** *A bonus rate of 40-50% for senior management and 60% for prescribed officers. Incentive salary is set at 80% of total package* for management and 100% of base salary for prescribed officers. The company's performance is measured at each year end against set performance targets.* *Annual cash incentive = applicable bonus rate (40% – 60%) x [(company performance score [70%]) + (company critical tasks score [30%]) x base salary.*
Face value of bonus shares and value of deferred cash:	**CEO:** 150% of annual cash incentive. **Finance director:** 100% of annual cash incentive. **Prescribed officers and senior management:** 140% of annual cash incentive. **Middle management (deferred cash):** 70% of annual cash incentive. *Face value of bonus share award = average price of shares purchased x number of shares awarded.*

* *Total package includes basic salary, employer contribution to retirement, medical aid, a selection to car allowance and a voluntary selection to 13th cheque.*

REMUNERATION REPORT CONTINUED

Short-term incentive (STI) continued	
Changes during 2019:	Good leavers will be eligible to be nominated for bonus share plan (BSP)/deferred bonus awards (DBA) cash award and will not be required to be in service on the vesting date. The award will be pro-rated for the period in service, on termination date. Unvested BSP awards are accelerated to termination date and paid in full if the reason for separation is retirement, death and ill-health retirement. The vesting period for BSPs is three years and DBA is two years. Calculating the quantum of BSP shares or DBA cash award is based on the employee's annual cash incentive for the specific performance period. The payment can be in full or pro-rated.
Proposed changes for 2020:	**Rebalancing performance measures for an annual bonus for the CEO** by: ◥ Reducing the current business performance weighting excluding safety, health and environment from 60% to 50% (15% group performance, 35% BU performance) ◥ Reducing the individual measure from 30% to 10% ◥ Increasing the safety measure from 10% to 20% ◥ Introducing a strategic measure aligned to business transformation of 20%. **Aligning deferral requirements with market practice for the executive directors (ED)** by: ◥ Changing the ratio of the bonus opportunity and bonus shares from the current 100% of base pay and 150% bonus shares from a 40/60 split to a 50/50 split to a bonus opportunity of 125% of base pay and bonus shares to 125%. This is for the CEO. The FD is already on a bonus opportunity of 100% and bonus share of 100% to meet the required 50/50 split ◥ Reducing the deferral of bonus shares (BSP) from a 100% after 3 years to one third after two years and two-thirds after three years. **Aligning deferral requirements with market practice for prescribed officers and senior management** by: ◥ Changing the ratio of the bonus/bonus shares from a 40/60 split to 50/50 ◥ Reducing the deferral of bonus shares (BSP) from 100% after three years to one-third after two years and two-thirds after three years. **Malus conditions:** ◥ Would apply to incentive results where there are adverse safety or fatality outcomes.

Outperformance incentive award

One-off cash-settled outperformance awards to executive committee members, excluding the CEO, which vest in early 2024 on the Company attaining a 2023 EBITDA margin of 25% (at 2018 prices and foreign exchange rates). In addition, the awards only vest if highly stretching targets measured at Anglo American plc, to which the company contributes, are **also** achieved. The maximum **outperformance** award for the finance director and prescribed officers is 175% of base salary.

Long-term incentive plan (LTIP)	
Participation:	Executive directors, prescribed officers and senior management.
Consists of:	Conditional full-value shares that vest after three years, subject to meeting company performance conditions.
Maximum value of award (face value):	**CEO:** 150% of base salary. **Finance director:** 125% of base salary. **Prescribed officers:** 100% of base salary. **Senior management:** 30% of 80% of total package.
Performance measures:	Awards are subject to four stretching performance conditions. The 2019 LTIP performance condition weightings are calculated over a three-year vesting period: 70% = total shareholder return (TSR) 10% = return on capital employed (ROCE) 10% = cumulative attributable free cash flow (FCF) 10% = safety and sustainable development
Performance period:	Performance conditions are measured over a three-year period, commensurate to the financial years of the company.
Changes during 2019	Performance conditions were introduced for LTIP participants at senior management levels, with the maximum opportunity increased to provide the same level of target vesting. The higher opportunity for exceptional performance together with the risk of zero vesting for poor outcomes align senior management with shareholder experience. LTIP awards for all participants will receive dividend equivalents at the vesting date.
Proposed changes for 2020:	**Rebalancing performance conditions for the LTIP** by aligning the weighting and targets of: ◥ TSR from 70% to 50% ◥ ROCE from 10% to 15% ◥ Cumulative attributable FCF from 10% to 15% and ◥ Safety and sustainable development (ESG measure) from 10% to 20%.
Company and individual limits:	The aggregate limit for the BSP and LTIP is 26,968,188 shares, representing around 10% of the issued capital. The company does not issue new shares to settle the plan but purchases them in the market to avoid shareholder dilution. The total number of shares awarded in 2019 was 284,110, representing 0.1% of issued share capital. The company is below 1% and has no intention of exceeding 10% of issued capital.

REMUNERATION REPORT CONTINUED

SHARE-BASED AWARDS TO MANAGERS AND EXECUTIVES AGED 58 AND ABOVE

The company's LTIP and BSP rules do not permit allocations to managers and executives within two years of the retirement age of 60. To continue recognising the contribution of managers who have reached age 58, a cash award (in lieu of share awards) is provided. Cash payments under the LTIP are awarded annually based on the fair value of the grant the executive would have been entitled to under the LTIP. For the BSP, cash payments are awarded annually based on the actual bonus earned by the individual. To avoid forfeiture, participants are required to remain in employment until normal retirement.

EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

Purpose and background:	We are proud to have embarked on an ownership journey with our employees in the form of ESOP and recognise the importance of allowing all employees to share in the success of the business. The scheme incentivises and empowers those employees who do not otherwise participate in the company's share incentive plans to acquire shares in Amplats, subject to provisions in the ESOP agreement and rules.
Operation:	The ESOP scheme was implemented on 1 August 2018. The mechanics span a five-year period, set out below. The total quantum of the scheme is R25,000 per employee, payable as follows: - R9,000 cash paid in 2018 - R4,000 cash paid in 2019, R4,000 forfeitable shares allocated in 2019 - R4,000 cash to be paid in 2020, R4,000 forfeitable shares to be allocated in 2020. Vesting occurs in years 4 and 5, ie 2021 and 2022 respectively.

MINIMUM SHAREHOLDING TARGETS FOR EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

Executive directors and prescribed officers are required to accumulate and hold a predetermined and market-aligned minimum shareholding. The minimum shareholding requirement (MSR) must be accumulated from LTIP and BSP awards on an elective pre-tax and pre-vesting basis, where executive directors and prescribed officers will choose the quantum of shares to hold.

These individuals are required to accumulate and hold an appropriate percentage of their share incentive awards to meet the target. The extent to which targets have been met is calculated by multiplying the share closing price at financial year end by the number of shares held and expressing this as a percentage of annual base salary. Details of individual holdings at 31 December 2019 are disclosed on pages 162 – 167.

SERVICE CONTRACTS

All executive directors and prescribed officers have permanent employment contracts with Amplats or its subsidiaries. The contracts prescribe notice periods of 12 months for the CEO and six months for the FD and prescribed officers. Executive directors and prescribed officers are subject to a restraint-of-trade period of six months from date of termination. Senior management's notice period was increased to three months as a retention mechanism. These contracts are regularly reviewed to ensure they remain aligned with governance and legislative requirements.

TERMINATION POLICY

In the event of a termination, the company has the discretion to allow the director, prescribed officer and senior management to either work out their notice or to pay the guaranteed pay for the stipulated notice period in lieu of notice.

Guaranteed pay includes base salary and benefits.

No performance bonus payment is made if a director, prescribed officer and senior management's reason for termination is resignation or dismissal.

Performance bonuses are paid to good leavers on a pro-rata basis.

Unvested BSP awards are accelerated to termination date and paid in full if the reason for separation is retirement, death and ill-health retirement.

Unvested LTIP awards will continue to vest three years from grant date. Payments will be pro-rated if an employee's reason for termination is retirement, death and ill-health retirement.

Remco has the discretion to award a payment in cases where special circumstances exist for:
- performance bonus
- deferred bonus cash award
- LTIP cash award.

EXTERNAL APPOINTMENTS

Executive directors are not permitted to hold external directorships or offices without the approval of the committee. If approval is granted, directors may retain fees payable from one such appointment. The company policy on internal and external directorships stipulates that:

- The executive director may, as part of the non-executive directorship position, participate in one committee of that board.
- The executive director may retain fees payable from one external directorship or office only. Fees from internal directorships or offices may never be retained and must be ceded to Amplats.
- Fees not retained by the executive director from both external and internal sources must be ceded to Amplats.
- The executive director may, as part of the non-executive directorship position, participate in one committee of that board. This would be regarded as one external sitting.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive director appointments are made in terms of the company's memorandum of incorporation and confirmed at the first annual general meeting of shareholders after their appointment and then at three-year intervals.

Fees reflect the directors' role and membership of committees. A fee applies for any special meetings in addition to board and committee meetings. Fees are reviewed by the committee annually and require approval from shareholders at the annual general meeting. Non-executive directors do not participate in any of the company's short or long-term incentive plans, and they are not employees of the company.

Non-executive director fees for 2019 are tabulated in part 3 of this remuneration report.

SHAREHOLDER ENGAGEMENT

We value our continued engagement with various stakeholders, and we endeavour to maintain our relationships with all in the hope that we will continue to receive their valued input.

NON-BINDING ADVISORY VOTE FROM OUR SHAREHOLDERS

At the annual general meeting on 17 April 2019, our 2019 remuneration policy was endorsed by 99.93% of the shareholders and the implementation report was endorsed by 99.64% of our shareholders. We believe this reflects recognition of our ongoing commitment to engage with and act on concerns where necessary. If the remuneration policy or implementation report are voted against by shareholders exercising 25% or more of the voting rights, dissenting shareholders will be invited to engage with the company. The manner and timing of such engagement will be provided, if necessary.

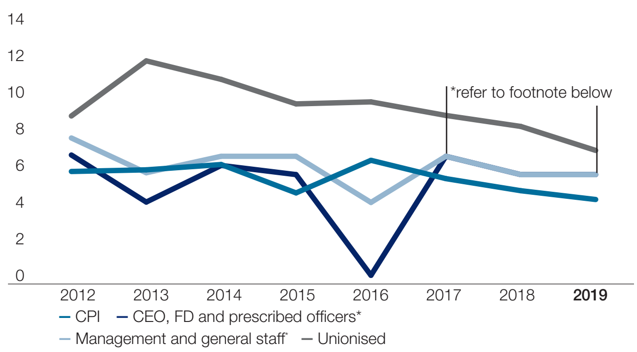
Part 3: Implementation of policies for the financial year

REMUNERATION LINKED TO STRATEGY AND PERFORMANCE

Base salary adjustments

The committee approved a 5.5% increase on the total package for senior management and base salary for executive directors and prescribed officers for 2020 to align more closely with industry peers and to retain executive talent. This compares with an average base salary increase of 6.82% for union-affiliated staff (8.13% in 2018). The charts below reflect executive and management increases and increases of union-affiliated staff against CPI.

Figure 4: EXECUTIVE, MANAGEMENT AND UNION-AFFILIATED EMPLOYEES AGAINST CPI
(%)



* *CEO, FD, prescribed officers and management received the exact same salary increase percentages for 2017, 2018 and 2019.*

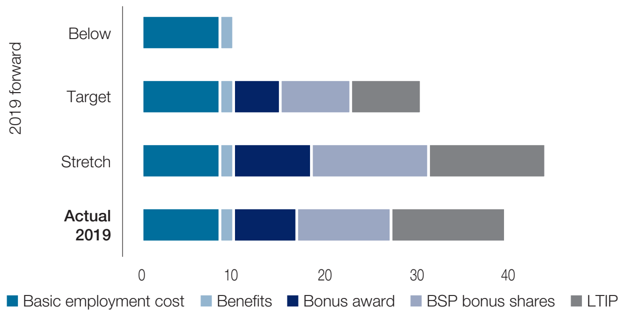
Historically, giving higher increases to union-affiliated employees compared to management has narrowed the historical gap.

REMUNERATION REPORT CONTINUED

2019 STI OUTCOMES (CASH AND DEFERRED BONUS SHARES)

The extent to which annual performance measures were met in 2019 is set out below.

CEO
(R'm)



The above chart reflects the CEO's actual 2019 performance outcomes compared with the 2019 performance targets, as reported in the 2018 report.

The key result area outcomes are summarised for the company, CEO and prescribed officers on page 34.

The annual cash incentive and BSP award for the CEO and prescribed officers are set out below.

2019 ANNUAL CASH INCENTIVE PAYMENTS AND DEFERRED BONUS SHARES TO BE AWARDED IN 2020

Name	Annual cash incentive R	Percentage of base salary %	BSPs awarded R	Cash award in lieu of BSP	Percentage of basic salary %
Executive directors					
CI Griffith	7,353,037	81.30%	11,029,556		121.95%
CW Miller[1]	3,390,290	65.04%	3,390,290		65.04%
Prescribed officers					
DW Pelser	2,358,313	43.20%	3,301,638		60.48%
GA Humphries	2,169,120	43.20%	3,036,769		60.48%
GL Smith[2]	2,183,624	43.20%		3,057,073	60.48%
LN Mogaki	1,985,113	43.20%	2,779,158		60.48%
S Macheli-Mkhabela	1,872,747	43.20%	2,621,846		60.48%
P Moodliar[3]	1,512,000	43.20%	2,116,800		60.48%

[1] CW Miller joined Amplats 1 April 2019.
[2] GL Smith is within two years of retirement and will receive the cash value equivalent in line with policy as described on page 156.
[3] P Moodliar joined Amplats 1 March 2019.

2017 LTIP OUTCOMES AND 2019 LTIP AWARDS

The annual share awards for 2019 and performance outcomes for the 2017 share awards (for which the performance period ended on 31 December 2019) for the CEO and prescribed officers are set out below and based on page 153.

LTIP AWARDS MADE IN 2019

Name	Number of LTIP awards	Market face value[1]	% of base salary
Executive directors			
CI Griffith	17,920	13,545,338	150%
CW Miller	11,493	8,687,704	125%
Prescribed officers			
DW Pelser	7,222	5,459,058	100%
LN Mogaki	6,079	4,595,168	100%
S Macheli-Mkhabela	5,735	4,335,063	100%
GA Humphries	6,643	5,021,114	100%
P Moodliar	5,556	4,200,000	100%
Total	60,648	45,843,445	

LTIP PERFORMANCE METRICS FOR 2019

The vesting of LTIP awards is based on achieving four stretching performance conditions measured over a three-year period. The table below summarises performance conditions applying to conditional share awards granted under the LTIP in 2019:

Performance measure and weighting	Vesting schedule	Performance period
Total shareholder return (TSR) (70%). TSR is benchmarked against the returns of AngloGold Ashanti, African Rainbow Minerals, Sibanye-Stillwater, Harmony Gold Mining, Impala Platinum, Northam Platinum.	Vesting for the TSR performance condition is on a sliding scale if the company achieved: - TSR 10% below the index 0% vests - TSR equal to the index: 50% vests - TSR 25% above the index: 100% vests Linear vesting occurs between these points.	1 January 2019 to 31 December 2021
Return on capital employed (ROCE) (10%)	Vesting for the ROCE performance condition is on a sliding scale if the company achieved: - ROCE equal to 23.4%: 25% vests - Maximum ROCE set at 33.4%: 100% vests. Linear vesting occurs between these points.	1 January 2019 to 31 December 2021
Cumulative attributable free cash flow (10%)	Vesting for the cumulative attributable cash flow performance condition is on a sliding scale if the company achieved: - Threshold of 90% of budgeted cumulative attributable free cash flow (FCF) (R19bn); 25% vests - Maximum threshold of 102% of budgeted cumulative attributable free cash flow (FCF) (R21.7bn) Linear vesting occurs between threshold and maximum.	1 January 2019 to 31 December 2021
Safety and sustainable development (10%)	Vesting is split as: - 5% vesting upon ensuring zero loss of life over the three year vesting period to December 2021 and - 5% being achieved through the development of holistic five year site-level sustainability strategy by 31 December 2021.	1 January 2019 to 31 December 2021

REMUNERATION REPORT CONTINUED

VESTING OF LTIP AWARDS (2017 – PERFORMANCE PERIOD ENDED 31 DECEMBER 2019)

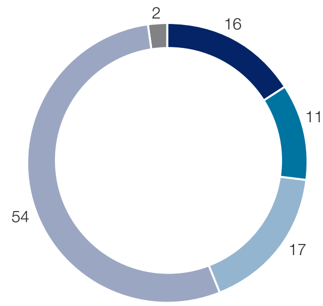
The extent to which performance measures for the 2017 award were met is detailed below. These awards will vest on 16 April 2020 after a three-year vesting period has lapsed.

LTIP measures	Below	Threshold	Target	Above
Total shareholder return (70%)				•
Return on capital employed (10%)				•
Cumulative attributable free cash flow (10%)			•	
Safety and sustainable development (10%)			•	
Resulting vesting LTIP award	98%			

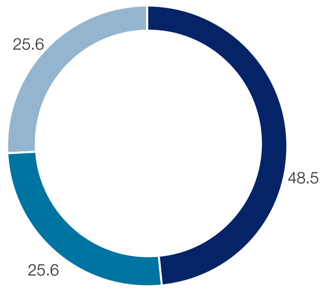
TOTAL SINGLE-FIGURE REMUNERATION OUTCOMES

Total remuneration outcomes and mix between fixed and variable pay in 2019 for the CEO, FD and prescribed officers are shown below.

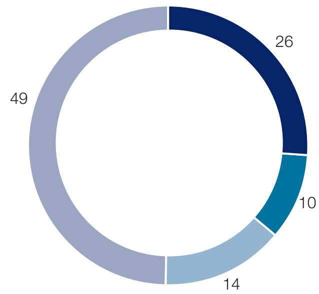
CEO'S 2019 REMUNERATION OUTCOMES
(%)



FINANCE DIRECTOR 2019 REMUNERATION OUTCOMES
(%)



PRESCRIBED OFFICERS 2019 REMUNERATION OUTCOMES
(%)



■ Guaranteed pay (including benefits) ■ Cash incentive ■ BSP bonus shares ■ LTIP ■ Other benefits

EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

Total remuneration and detail on outstanding and settled long-term incentives of executive directors and prescribed officers for 2018 and 2019 is reflected in the tables below. The format is aligned to the King IV recommended single total figure disclosure of remuneration.

Total single figure remuneration (income statement)

Executive directors and prescribed officers	Financial year	Base salary[1] R	Retirement and medical aid[2] R	Cash incentive R	BSP share or cash award[3,4] R	LTIP reflected[5,6] R	Other[7] R	Total single figure of remune-ration R
Executive directors								
CI Griffith[8]	**2019**	**9,044,327**	**1,589,218**	**7,353,037**	**11,029,556**	**35,943,412**	**1,076,719**	**66,036,269**
	2018	8,519,565	1,495,610	7,156,435	10,734,652	15,832,366	1,076,719	44,815,349
CW Miller[15]	**2019**	**5,212,620**	**796,223**	**3,390,290**	**3,390,290**	**–**	**–**	**12,789,425**
Prescribed officers								
DW Pelser	**2019**	**5,459,064**	**872,125**	**2,358,313**	**3,301,638**	**13,210,569**	**–**	**25,201,789**
	2018	4,720,887	770,096	2,200,878	3,081,229	5,316,477	–	16,089,567
GA Humphries	**2019**	**5,021,112**	**800,507**	**2,169,120**	**3,036,769**	**12,150,628**	**–**	**23,178,136**
	2018	4,342,198	697,159	2,024,333	2,834,066	–	–	9,897,756
GL Smith[11]	**2019**	**5,054,689**	**787,345**	**2,183,624**	**3,057,073**	**12,232,327**	**–**	**23,315,058**
	2018	4,371,187	684,511	2,183,408	3,056,770	4,922,664	–	15,218,540
LN Mogaki	**2019**	**4,595,172**	**738,533**	**1,985,113**	**2,779,158**	**12,232,327**	**–**	**22,330,303**
	2018	4,335,060	696,127	2,021,005	2,829,407	4,922,664	–	14,804,263
S Macheli-Mkhabela	**2019**	**4,335,072**	**700,689**	**1,872,747**	**2,621,846**	**11,540,033**	**–**	**21,070,387**
	2018	4,089,684	660,425	1,770,424	2,478,594	4,643,758	–	13,642,885
P Moodliar[14]	**2019**	**3,500,000**	**567,530**	**1,512,000**	**2,116,800**	**–**	**–**	**7,696,330**
	2018	–	–	–	–	–	–	–
Former employees								
I Botha[13]	**2019**	**1,190,990**	**177,613**	**–**	**–**	**–**	**–**	**1,368,603**
	2018	6,741,436	1,006,819	4,692,039	4,692,039	9,569,119	165,112	26,866,564
VP Pillay[9,10]	**2019**	**–**	**–**	**–**	**–**	**13,476,092**	**–**	**13,476,092**
	2018	4,776,120	767,681	2,067,583	4,197,294	5,423,292	–	17,231,970
I Pillay[12]	2018	2,726,456	464,975	–	–	–	1,222,815	4,414,246

Notes

1 *Base salary is the aggregate of basic salary plus an optional car allowance and provision towards a 13th cheque.*
2 *Benefits are reported as the sum of retirement and medical aid contributions.*
3 *The value of the 2018 BSP shares awarded on the basis of performance for the 2018 financial year is reflected in the 2018 single figure of remuneration.*
4 *The value of the 2019 BSP shares to be awarded on the basis of performance for the 2019 financial year is reflected in the 2019 single figure of remuneration.*
5 *The value of the 2016 LTIP with a performance period ending on 31 December 2018 is reflected in the 2018 single figure of remuneration at a 90-day VWAP of R539.47 per share.*
6 *The value of the 2017 LTIP with a performance period ending on 31 December 2019 is reflected in the 2019 single figure of remuneration at a 90-day VWAP of R1,096.93 per share.*
7 *Refers to the value of the use of a company vehicle for CI Griffith.*
8 *CI Griffith has an offshore GBP component to his remuneration which has been converted at monthly exchange rates and reported in ZAR.*
9 *Includes replacement awards for benefits lost on resignation from previous employer.*
10 *In 2018 VP Pillay fell within the two-year cut-off threshold as per the share award policy referenced in part 2, page 156. LTIP and BSP are awarded as cash payments, conditional on remaining in service until the effective retirement date, which was 31 December 2018.*
11 *GL Smith falls within the two-year cut-off threshold as per the share award policy referenced in part 2, page 156. LTIP and BSP are awarded as cash payments, conditional on remaining in service until the effective retirement date.*
12 *I Pillay resigned effective 31 August 2018.*
13 *I Botha resigned effective 28 February 2019.*
14 *P Moodliar joined the Amplats on 1 March 2019, as executive head: projects.*
15 *CW Miller joined the Amplats from plc on 1 April 2019, as finance director.*

REMUNERATION REPORT CONTINUED

UNVESTED LONG-TERM INCENTIVE AWARDS AND CASH VALUE OF SETTLED AWARDS

Incentive scheme Current	Award year	Opening number on 1 Jan 2018	Granted during 2018	Forfeited in respect of 2018 vesting	Settled in respect of 2018 vesting
CI Griffith					
LTIP	2015	40,529	–	26,417	14,112
LTIP	2016	31,072	–	–	–
LTIP	2017	33,436	–	–	–
LTIP	2018	–	39,283	–	–
LTIP	2019	–	–	–	–
BSP	2015	17,531	–	–	17,531
BSP	2016	12,533	–	–	–
BSP	2017	18,732	–	–	–
BSP	2018	–	28,178	–	–
BSP	2019	–	–	–	–
Total		153,833	67,461	26,417	31,643
CW Miller[13]					
LTIP	2019	–	–	–	–
Total		–	–	–	–
DW Pelser					
LTIP	2015	13,472	–	8,781	4,691
LTIP	2016	10,434	–	–	–
LTIP	2017	12,289	–	–	–
LTIP	2018	–	14,570	–	–
LTIP	2019	–	–	–	–
BSP	2015	8,891	–	–	8,891
BSP	2016	5,450	–	–	–
BSP	2017	8,176	–	–	–
BSP	2018	–	8,241	–	–
BSP	2019	–	–	–	–
Total		58,712	22,811	8,781	13,582
GA Humphries					
LTIP	2015	–	–	–	–
LTIP	2016	–	–	–	–
LTIP	2017	11,303	–	–	–
LTIP	2018	–	13,402	–	–
LTIP	2019	–	–	–	–
BSP	2015	3,436	–	–	3,436
BSP	2016	2,466	–	–	–
BSP	2017	3,415	–	–	–
BSP	2018	–	7,580	–	–
BSP	2019	–	–	–	–
Total		20,620	20,982	–	3,436

Closing number on 31 Dec 2018	Cash value on settlement during 2018 R	Closing fair value at 31 Dec 2018 R	Granted during 2019	Awards forfeited	Settled in respect of 2019 vesting	Closing number on 31 Dec 2019	Cash value on settlement during 2019 R	Closing fair value at 31 Dec 2019 R
–	4,304,220	–	–	–	–	–	–	–
31,072	–	10,057,447	–	1,724	29,348	–	22,094,348	–
33,436	–	10,822,631	–	–	–	33,436	–	35,943,412
39,283	–	12,715,200	–	–	–	39,283	–	25,854,421
–	–	–	17,920	–	–	17,920	–	11,794,191
–	5,359,051	–	–	–	–	–	–	–
12,533	–	6,761,178	–	–	12,533	–	9,435,344	–
18,732	–	10,105,352	–	–	–	18,732	–	20,547,693
28,178	–	15,201,186	–	–	–	28,178	–	30,909,294
–	–	–	14,031	–	–	14,031	–	15,391,025
163,234	9,663,272	55,662,994	31,951	1,724	41,881	151,580	31,529,692	140,440,036
–	–	–	11,493	–	–	11,493	–	7,564,210
–	–	–	11,493	–	–	11,493	–	7,564,210
–	1,430,740	3,377,298	–	–	–	–	–	–
10,434	–	–	–	579	9,855	–	7,419,238	–
12,289	–	3,977,728	–	–	–	12,289	–	13,210,569
14,570	–	4,716,047	–	–	–	14,570	–	9,589,362
–	–	–	7,222	–	–	7,222	–	4,753,217
–	2,717,890	–	–	–	–	–	–	–
5,450	–	2,940,112	–	–	5,450	–	4,102,978	–
8,176	–	4,410,707	–	–	–	8,176	–	8,968,500
8,241	–	4,445,772	–	–	–	8,241	–	9,039,800
–	–	–	4,028	–	–	4,028	–	4,418,434
59,160	4,148,630	23,867,663	11,250	579	15,305	54,526	11,522,216	49,979,882
11,303	–	3,658,578	–	–	–	11,303	–	12,150,628
13,402	–	4,337,986	–	–	–	13,402	–	8,820,634
–	–	–	6,643	–	–	6,643	–	4,372,144
–	1,050,351	–	–	–	–	–	–	–
2,466	–	1,330,333	–	–	2,466	–	1,856,503	–
3,415	–	1,842,290	–	–	–	3,415	–	3,746,016
7,580	–	4,089,183	–	–	–	7,580	–	8,314,729
–	–	–	3,704	–	–	3,704	–	4,063,029
38,166	1,050,351	15,258,369	10,347	–	2,466	46,047	1,856,503	41,467,179

REMUNERATION REPORT CONTINUED

Incentive scheme Current	Award year	Opening number on 1 Jan 2018	Granted during 2018	Forfeited in respect of 2018 vesting	Settled in respect of 2018 vesting
GL Smith					
LTIP	2015	13,472	–	8,781	4,691
LTIP	2016	9,661	–	–	–
LTIP	2017	11,379	–	–	–
LTIP	2018	–	13,491	–	–
LTIP	2019	–	–	–	–
BSP	2015	7,224	–	–	7,224
BSP	2016	5,801	–	–	–
BSP	2017	–	–	–	–
BSP	2018	–	–	–	–
BSP	2019	–	–	–	–
Total		47,537	13,491	8,781	11,915
LN Mogaki					
LTIP	2015	13,472	–	8,781	4,691
LTIP	2016	9,661	–	–	–
LTIP	2017	11,379	–	–	–
LTIP	2018	–	13,491	–	–
LTIP	2019	–	–	–	–
BSP	2015	6,669	–	–	6,669
BSP	2016	5,414	–	–	–
BSP	2017	6,561	–	–	–
BSP	2018	–	8,176	–	–
BSP	2019	–	–	–	–
Total		53,156	21,667	8,781	11,360
S Macheli-Mhkabela					
LTIP	2015	12,709	–	8,284	4,425
LTIP	2016	9,114	–	–	–
LTIP	2017	10,735	–	–	–
LTIP	2018	–	12,727	–	–
LTIP	2019	–	–	–	–
BSP	2015	3,146	–	–	3,146
BSP	2016	4,743	–	–	–
BSP	2017	5,237	–	–	–
BSP	2018	–	6,685	–	–
BSP	2019	–	–	–	–
Total		45,684	19,412	8,284	7,571
P Moodliar[14]					
LTIP	2019	–	–	–	–
Total		–	–	–	–

Closing number on 31 Dec 2018	Cash value on settlement during 2018 R	Closing fair value at 31 Dec 2018 R	**Granted during 2019**	**Awards forfeited**	**Settled in respect of 2019 vesting**	**Closing number on 31 Dec 2019**	**Cash value on settlement during 2019 R**	**Closing fair value at 31 Dec 2019 R**
–	1,430,740	–	**–**	**–**	**–**	**–**	**–**	**–**
9,661	–	3,127,092	**–**	**536**	**9,125**	**–**	**6,869,665**	**–**
11,379	–	3,683,177	**–**	**–**	**–**	**11,379**	**–**	**12,232,327**
13,491	–	4,366,794	**–**	**–**	**–**	**13,491**	**–**	**8,879,210**
–	2,208,305	–	**–**	**–**	**–**	**–**	**–**	**–**
5,801	–	3,129,465	**–**	**–**	**5,801**	**–**	**4,367,225**	**–**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
40,332	3,639,045	14,306,529	**–**	**536**	**14,926**	**24,870**	**11,236,890**	**21,111,537**
–	1,430,740	–	**–**	**–**	**–**	**–**	**–**	**–**
9,661	–	3,127,092	**–**	**536**	**9,125**	**–**	**6,869,655**	**–**
11,379	–	3,683,177	**–**	**–**	**–**	**11,379**	**–**	**12,232,327**
13,491	–	4,366,794	**–**	**–**	**–**	**13,491**	**–**	**8,879,210**
–	–	–	**6,079**	**–**	**–**	**6,079**	**–**	**4,000,942**
–	2,038,647	–	**–**	**–**	**–**	**–**	**–**	**–**
5,414	–	2,920,691	**–**	**–**	**5,414**	**–**	**4,075,876**	**–**
6,561	–	3,539,463	**–**	**–**	**–**	**6,561**	**–**	**7,196,958**
8,176	–	4,410,707	**–**	**–**	**–**	**8,176**	**–**	**8,968,500**
–	–	–	**3,698**	**–**	**–**	**3,698**	**–**	**4,056,447**
54,682	3,469,387	22,047,923	**9,777**	**536**	**14,539**	**49,384**	**10,945,541**	**45,334,384**
–	1,349,709	–	**–**	**–**	**–**	**–**	**–**	**–**
9,114	–	2,950,038	**–**	**506**	**8,608**	**–**	**6,480,447**	**–**
10,735	–	3,474,726	**–**	**–**	**–**	**10,735**	**–**	**11,540,033**
12,727	–	4,119,501	**–**	**–**	**–**	**12,727**	**–**	**8,376,377**
–		–	**5,735**	**–**	**–**	**5,735**	**–**	**3,774,536**
–	961,701	–	**–**	**–**	**–**	**–**	**–**	**–**
4,743	–	2,558,706	**–**	**–**	**4,743**	**–**	**3,570,720**	**–**
5,237	–	2,825,204	**–**	**–**	**–**	**5,237**	**–**	**5,744,622**
6,685	–	3,606,357	**–**	**–**	**–**	**6,685**	**–**	**7,332,977**
–	–	–	**3,239**	**–**	**–**	**3,239**	**–**	**3,552,956**
49,241	2,311,410	19,534,532	**8,974**	**506**	**13,351**	**44,358**	**10,051,167**	**40,321,501**
–	–	–	**5,556**	**–**	**–**	**5,556**	**–**	**3,656,726**
–	–	–	**5,556**	**–**	**–**	**5,556**	**–**	**3,656,726**

REMUNERATION REPORT CONTINUED

Incentive scheme Current	Award year	Opening number on 1 Jan 2018	Granted during 2018	Forfeited in respect of 2018 vesting	Settled in respect of 2018 vesting
I Botha[10]					
LTIP	2015	–	–	–	–
LTIP	2016	18,780	–	–	–
LTIP	2017	22,119	–	–	–
LTIP	2018	–	26,225	–	–
LTIP	2019	–	–	–	–
BSP	2015	–	–	–	–
BSP	2016	6,511	–	–	–
BSP	2017	11,035	–	–	–
BSP	2018	–	12,214	–	–
BSP	2019	–	–	–	–
Total		58,445	38,439	–	–
VP Pillay[11]					
LTIP	2015	14,842	–	9,674	5,168
LTIP	2016	10,644	–	–	–
LTIP	2017	12,536	–	–	–
LTIP	2018	–	14,864	–	–
LTIP	2019	–	–	–	–
BSP	2015	13,221	–	–	13,221
BSP	2016	–	–	–	–
BSP	2017	–	–	–	–
BSP	2018	–	–	–	–
BSP	2019	–	–	–	–
Total		51,243	14,864	9,674	18,389
I Pillay[12]					
LTIP	2015	12,709	–	8,284	4,425
LTIP	2016	9,114	–	9,114	–
LTIP	2017	10,735	–	10,735	–
LTIP	2018	–	12,727	12,727	–
LTIP	2019	–	–	–	–
BSP	2015	5,679	–	–	5,679
BSP	2016	4,743	–	4,743	–
BSP	2017	7,618	–	7,618	–
BSP	2018	–	7,713	7,713	–
BSP	2019	–	–	–	–
Total		50,598	20,440	60,934	10,104

Notes

[1] *The 2015 LTIP and BSP awarded on: 2015/04/16 at R296.00 per share, which vested at 34.83% on 2018/04/16.*
[2] *The 2016 LTIP and BSP awarded on: 2016/04/13 at R399.00 per share, which vested at 94.45% on 2019/04/13.*
[3] *The 2017 LTIP and BSP awarded on: 2017/04/13 at R367.15 per share, which vests on 2020/04/13. The estimated vesting for LTIP was 98%.*
[4] *The 2018 LTIP and BSP awarded on: 2018/04/20 at R321.33 per share, which vests on 2021/04/20. The estimated vesting for LTIP in 2019 was 60% and in 2019 LTIP vesting was 60%.*
[5] *The 2019 LTIP and BSP awarded on: 2019/04/19 at R755.89 per share, which vests on 2022/04/16.*
[6] *The 90-day volume-weighted average price (VWAP), for determining the fair value of unvested awards at 31 December 2018 is R539.47 per share.*
[7] *The 90-day volume-weighted average price (VWAP), for determining the fair value of unvested awards at 31 December 2019 is R1,096.93 per share.*

Closing number on 31 Dec 2018	Cash value on settlement during 2018 R	Closing fair value at 31 Dec 2018 R	Granted during 2019	Awards forfeited	Settled in respect of 2019 vesting	Closing number on 31 Dec 2019	Cash value on settlement during 2019 R	Closing fair value at 31 Dec 2019 R
–	–	–	–	–	–	–	–	–
18,780	–	6,078,748	–	–	18,780	–	14,138,355	–
22,119	–	7,159,522	–	22,119	–	–	–	–
26,225	–	8,488,560	–	26,225	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
6,511	–	3,512,489	–	–	6,511	–	4,901,741	–
11,035	–	5,953,051	–	11,035	–	–	–	–
12,214	–	6,589,087	–	12,214	–	–	–	–
–	–	–	–	–	–	–	–	–
96,884	–	37,781,458	–	71,593	25,291		19,040,076	
	1,576,235	–	–	–	–		–	–
10,644	–	3,445,271	–	590	10,054		7,569,053	–
12,536	–	4,057,678	–	–	–	12,536	–	13,476,092
14,864	–	4,811,209	–	–	–	14,864	–	9,782,861
–	–	–	–	–	–	–	–	–
–	4,041,527	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
38,044	5,617,762	12,314,158	–	590	10,054	27,400	7 569,053	23,258,953
–	1,349,709	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	1,736,014	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	3,085,723	16,999,239	–	–	–	–	–	–

[8] *The 2016 LTIP and BSP were settled at R752.84 and R752.84 per share, respectively.*
[9] *The value of the 2017 LTIP and BSP is estimated at a 90-day VWAP price of R1 096.93 per share, as date of transaction only occurs in April 2020.*
[10] *I Botha left the organisation on 28 February 2019, and forfeited all unvested shares.*
[11] *VP Pillay retired on 31 December 2018.*
[12] *I Pillay resigned on 31 August 2018 and forfeited all unvested shares.*
[13] *CW Miller joined Amplats on 1 April 2019.*
[14] *P Moodliar joined Amplats on 1 March 2019.*

REMUNERATION REPORT CONTINUED

NON-EXECUTIVE DIRECTORS' FEES

Increase in non-executive director fees

Fees payable to non-executive directors are annually benchmarked to industry and size-based comparators. There is a significant disparity between non-executive director fees and competing industry rates, resulting in non-executive director fees significantly lagging the market median for each committee of the board. As communicated to shareholders at the 2017 AGM, the committee has incorporated a three-year catch-up strategy to align current fees to market levels. For 2020, non-executive director fees will be adjusted in line with inflation, with an additional adjustment together capped at 20% to move closer to the market median. Please refer to resolution 9 in the notice for the proposed adjustments to be approved by shareholders at the 2020 annual general meeting.

The tables below reflect non-executive fees for 2018 and 2019.

Non-executive directors' fees

Current	Financial year	Directors' fees R	Ad hoc committee meeting R	Committee fees R	Total remuneration R
M Cutifani[3,8]	**2019**	**425,000**	**–**	**120,667**	**545,667**
	2018	353,859	23,000	110,404	487,263
RMW Dunne[1,2,3,4,5,6]	**2019**	**425,000**	**23,000**	**906,333**	**1,354,333**
	2018	353,859	69,000	805,462	1,228,321
N Mbazima[2,3,5]	**2019**	**1,331,667**	**–**	**431,000**	**1,762,667**
					–
V Moosa[2,3,4,5,6]	**2019**	**488,336**	**–**	**215,783**	**704,119**
	2018	1,591,244	46,000	704,213	2,341,457
NP Mageza[1,3,4]	**2019**	**978,609**	**–**	**361,000**	**1,339,609**
	2018	353,859	69,000	257,517	680,376
NT Moholi[2,4,5,6]	**2019**	**425,000**	**23,000**	**683,667**	**1,131,667**
	2018	353,859	46,000	612,674	1,012,533
D Naidoo[1,2,4]	**2019**	**425,000**	**23,000**	**408,000**	**856,000**
	2018	353,859	69,000	368,396	791,255
A O'Neill[8]	**2019**	**425,000**	**–**	**–**	**425,000**
	2018	353,859	–	–	353,859
AH Sangqu	**2019**	**–**	**–**	**–**	**–**
	2018	353,859	23,000	107,483	484,342
JM Vice[1,4,6]	**2019**	**425,000**	**23,000**	**419,333**	**867,333**
	2018	353,859	69,000	369,614	792,473
S Pearce[8]	**2019**	**425,000**	**–**	**–**	**425,000**
	2018	353,859	23,000	–	376,859
D Emmett[5,6,9]	**2019**	**–**	**–**	**332,667**	**332,667**
	2018	–	–	298,693	298,693
Total	**2019**	**5,773,612**	**92,000**	**3,878,450**	**9,744,062**

1 *Audit committee.*
2 *Remuneration committee.*
3 *Nomination committee.*
4 *Corporate governance committee.*
5 *Social, ethics and transformation committee.*
6 *Safety and sustainable development committee.*
7 *Directors' fees ceded to Anglo Operations Limited (AOL), a wholly owned subsidiary of Anglo American plc.*
8 *Directors' fees ceded to Anglo American Services UK Limited, a wholly owned subsidiary of Anglo American plc.*
9 *Dorian is not a director but a committee member only.*

NON-BINDING ADVISORY VOTE

Shareholders are requested to cast a non-binding advisory vote on **part 2 and 3** of this remuneration report.

STAKEHOLDER ENGAGEMENT

We value our continued engagement with various stakeholders, and we endeavour to maintain our relationships with all in the hope that we will continue to receive their valued input.

APPROVAL

This remuneration report was approved by the board of directors of the company on 13 February 2020.

Nombulelo (Pinky) Moholi
Chairperson

Johannesburg

13 February 2020

ANALYSIS OF SHAREHOLDERS

ANALYSIS OF SHAREHOLDERS

An analysis of the share register at year end showed the following:

Ordinary shares

	2019 Number of shareholders	2019 % of issued capital	2018 Number of shareholders	2018 % of issued capital
Size of shareholding				
1 – 1,000	**9,833**	**0.43**	10,026	0.48
1,001 – 10,000	**969**	**1.24**	1,014	1.26
10,001 – 100,000	**320**	**3.70**	303	3.67
100,001 – 1,000,000	**75**	**7.05**	85	7.27
1,000,001 – and over	**13**	**87.58**	11	87.32
	11,210	**100.00**	11,439	100.00
Category of shareholder				
Bank, nominee and finance companies	**404**	**9.57**	399	10.24
Companies	**246**	**77.71**	256	77.73
Individuals	**8,715**	**0.62**	9,009	0.74
Insurance companies	**54**	**0.87**	59	0.71
Pension and provident funds	**302**	**4.86**	282	4.62
Trust funds and investment companies	**1,390**	**6.27**	1,320	5.82
Other corporate bodies	**99**	**0.10**	114	0.14
	11,210	**100.00**	11,439	100.00
Shareholder spread				
Public shareholders	**11,203**	**22.39**	11,436	22.42
Non-public shareholders				
Directors and associates	**6**	**–**	2	0.01
Persons interested, directly or indirectly, in 10% or more	**1**	**77.61**	1	77.57
	11,210	**100.00**	11,439	100.00

Major shareholder

According to the company's share register at year end, the following shareholders held shares equal to or in excess of 5% of the issued ordinary share capital of the company:

	2019 Number of shares	2019 %	2018 Number of shares	2018 %
Anglo American South Africa Investments Proprietary Limited	**208,417,151**	**77.28**	208,417,151	77.56

Geographical analysis of shareholders

Resident shareholders held 241,971,698 shares (89.72%) (2018: 240,491,873; 89.50%) and non-resident shareholders held 27,710,188 shares (10.28%) (2018: 28,211,697; 10.50%) of the company's issued ordinary share capital of 268,827,774 shares at 31 December 2019 (2018: 268,703,570).

The treasury shares of 854,112 (2018: 978,316) held in terms of the Bonus Share Plan and other schemes, have been excluded from the shareholder analysis. The shareholder details above include the shares issued by the company in respect of the community economic empowerment transaction.

SHAREHOLDERS' DIARY

FINANCIAL YEAR END	31 DECEMBER
ANNUAL GENERAL MEETING	16 APRIL 2020 AT 10:00
REPORTS	
Announcement of interim results	27 July 2020
Integrated report for the full year to 31 December	March
Suite of annual reports	March
DIVIDENDS	
Dividend for 2019 declared	13 February 2020
Last date to trade for 2019 dividend	2 March 2020
Share trading ex-dividend from	3 March 2020
Record date	6 March 2020
Payment date	9 March 2020

ADMINISTRATION

DIRECTORS

Executive directors
C Griffith (chief executive officer)
C Miller (finance director)

Independent non-executive directors
RMW Dunne (British)
NP Mageza
NT Moholi
D Naidoo
JM Vice

Non-executive directors
M Cutifani (Australian)
S Pearce (Australian)
AM O'Neill (British)
N Mbazima

COMPANY SECRETARY
Elizna Viljoen
elizna.viljoen@angloamerican.com

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FINANCIAL, ADMINISTRATIVE, TECHNICAL ADVISERS
Anglo Operations Proprietary Limited

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PO Box 651987, Benmore 2010

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Rosebank Towers, 15 Biermann Avenue
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Marshalltown, 2107

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Facsimile +27 (0) 11 688 5200

AUDITOR
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The Woodlands, Woodlands Drive
Woodmead
Sandton
2196

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FRAUD LINE – YOURVOICE
Anonymous whistleblower facility

087 232 5426 (South Africa)

www.yourvoice.angloamerican.com

HUMAN RESOURCES-RELATED QUERIES

Job opportunities: www.angloamericanplatinum.com/careers/job-opportunities

Bursaries, email: bursaries@angloplat.com

Career information: www.angloamericanplatinum.com/careers

REPORTING FRAMEWORK

- International <IR> Framework of the International Integrated Reporting Council
- South African Companies Act 71 2008, as amended (Companies Act)
- JSE Listings Requirements
- King Report on Corporate Governance for South Africa 2016 (King IV)
- GRI Standards 2016 guidelines
- Anglo American plc group safety and sustainable development (S&SD) indicators, definitions and guidance notes for non-financial indicators. These are available on request.

ASSURANCE

Financial and several non-financial aspects of this report and of our 2019 suite of reports are independently assured. The report of the external auditor on our consolidated financial statements is on page 37 of the annual results booklet, while the external assurer's report on specific non-financial indicators is on page 144 of the ESG report.

REPORTING FRAMEWORK

- International Financial Reporting Standards (IFRS)
- Companies Act
- JSE Listings Requirements.

ASSURANCE

- The report of the external auditor on our financial statements is on page 4 of the AFS.

REPORTING FRAMEWORK

- JSE Listings Requirements
- SAMREC Code (2016 edition).

ASSURANCE

In compliance with the three-year external review and audit schedule, the following detailed audits of data gathering, data transformation and reporting of Mineral Resources and Ore Reserves were carried out in 2019:

- Mogalakwena Mine – Optiro Consultants
- Mototolo Mine – The Mineral Corporation
- Der Brochen Project – The Mineral Corporation.

Anglo American Platinum Limited
Incorporated in the Republic of South Africa
Date of incorporation: 13 July 1946
Registration number: 1946/022452/06
JSE code: AMS – ISIN: ZAE000013181

www.angloamericanplatinum.com

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