ANGLO AMERICAN PLATINUM LIMITED

INTEGRATED REPORT 2017

BUILDING ON OUR FOUNDATIONS
POSITIONED FOR A SUSTAINABLE FUTURE

AngloAmerican

Real Mining. Real People. Real Difference.

CONTENTS

BUILDING ON OUR FOUNDATIONS POSITIONED FOR A SUSTAINABLE FUTURE

Amid unprecedented challenges facing the global mining sector, Anglo American Platinum (Amplats) is proving its resilience and ability to manage change through a focused strategy that has positioned our group for a different future.

By concentrating on elements we can control, building the foundations for continuous improvement and developing international markets for our products, we are delivering on our strategy. After several years of intense work, we have shaped our business for a sustainable future – a business that is more robust, responsive and competitive.

By focusing strategically on value and not volume, we have repositioned our portfolio by exiting certain assets and capitalised on market-development opportunities. We are also building positive relationships with all our stakeholders while our operations concentrate on optimising their potential. Our progress is detailed on pages 26, 22 and 62 respectively.

Refers to other pages in this report.

Supporting documentation on the website
Full annual financial statements
Full Ore Reserves and Mineral Resources report
Supplementary report
GRI Standards referenced index
UN Global Compact Assessment

www.angloamericanplatinum.com/investors/annual-reporting/2017

OUR APPROACH TO REPORTING

Throughout this report, and in supplementary information on our website, we focus on the relationships between external and internal factors, that enable Amplats to create value.

INTEGRATED REPORT

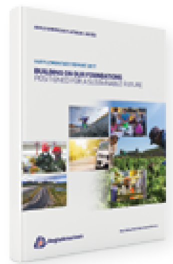
Our annual integrated report provides a holistic assessment of the group's ability to create value.

This report includes information extracted from the annual financial statements and supplementary reports. It includes non-financial aspects which, if not managed, could have a material impact on our performance and on our business. The report is developed for a wide range of stakeholders, including employees, local communities, non-governmental organisations (NGOs), customers, investors and government.

SUPPLEMENTARY REPORT

Detailed information supporting disclosures in the integrated report, as well as the GRI Standards index, mining charter performance and glossary.

Given the scale of change in our group (workforce, metrics and reporting standards), we have not provided comprehensive targets for 2018. We will do so in the next report.



Reporting framework

- International <IR> Framework of the International Integrated Reporting Council
- South African Companies Act 71 2008 (Companies Act)
- JSE Listings Requirements
- King Report on Corporate Governance for South Africa (King IV)
- Global Reporting Initiative (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 in this report and in our 2017 suite of reports are independently assured. The report of the external auditor on our summarised consolidated financial statements is on page 125, while the report of the external assurer on specific non-financial indicators appears on pages 142 and 143.

Available in print and online as a pdf

ANNUAL FINANCIAL STATEMENTS

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

Reporting framework

- International Financial Reporting Standards (IFRS)
- South African Companies Act 71 2008, as amended
- Listings Requirements of the JSE

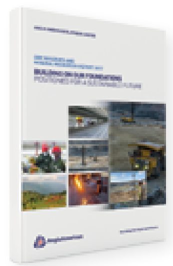
Assurance

- The report of the external auditor on our financial statements is on page 4

Available online as a pdf

ORE RESERVES AND MINERAL RESOURCES REPORT

In accordance with the Listings Requirements of the JSE Limited, Amplats prepared its Mineral Resource and Ore Reserve statements for all its operations with reference to the SAMREC Code guidelines and definitions (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.



Reporting framework

- JSE Listings Requirements
- SAMREC Code guidelines and definitions (2016 edition)

Assurance

In compliance with the three-year external review and audit schedule:

- Optiro Mining Consultants conducted a detailed numerical audit of the data gathering data, transformation and reporting of Mineral Resources and Ore Reserves for Tumela and Dishaba mines.

Available online as a pdf

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 2017 and follows a similar report for the year to 31 December 2016.

REPORTING PRINCIPLES AND APPROACH

Our integrated report is guided by the framework of the International Integrated Reporting Council (IIRC), published in December 2013. Our disclosure considers the guiding principles of this framework:

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 are the custodians of our governance framework. The leadership section (page 88) details our governance structures and the key issues they dealt with in 2017.	Our chief executive officer provides assurance that this report includes all our material priorities in a balanced way, and without material error.	This report is a holistic view of the company, with financial, operational and non-financial aspects.

For corporate and compliance information, please see administration on inside back cover.

Other sources of information
Additional information, including detailed disclosure on our sustainability performance in our supplementary report
www.angloamericanplatinum.com/investors/annual-reporting/2017

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

ASSURANCE

Financial and several non-financial aspects in this report and in our 2017 suite of reports are independently assured. The report of the external auditor on our summarised consolidated financial statements is on page 125, while the report of the external assurer on specific non-financial indicators is on page 142.

REPORT CONTENT

Our material issues are defined as those with the greatest real and potential impact – both positive and negative – on achieving our business objectives. These may be related to our internal or external environments (page 6), significant risks and opportunities identified in our integrated risk management process (page 34), or issues that are important to stakeholders (page 22).

In reviewing our material issues, we considered:

- The views, expectations, interests and concerns conveyed by stakeholders, directly and indirectly, formally and informally
- Peer reports and industry benchmarks
- Implicit and explicit messages conveyed by strike action and other labour relations issues
- Relevant legislation and regulation, and our commitments
- Media coverage and market reports on the company, the platinum sector and the industry
- Our values, policies, strategies, systems, goals and targets
- Significant risks that could affect our success
- Views expressed by stakeholders through direct interviews by an external party. Targeted participating stakeholders included investors, media and market analysts, NGO leaders and customers.

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

Our business model (page 12) illustrates how Amplats considers the capitals – financial, human and intellectual, natural, manufactured and social – articulated by the IIRC in creating value, as well as the trade-offs.

APPROVAL OF REPORT

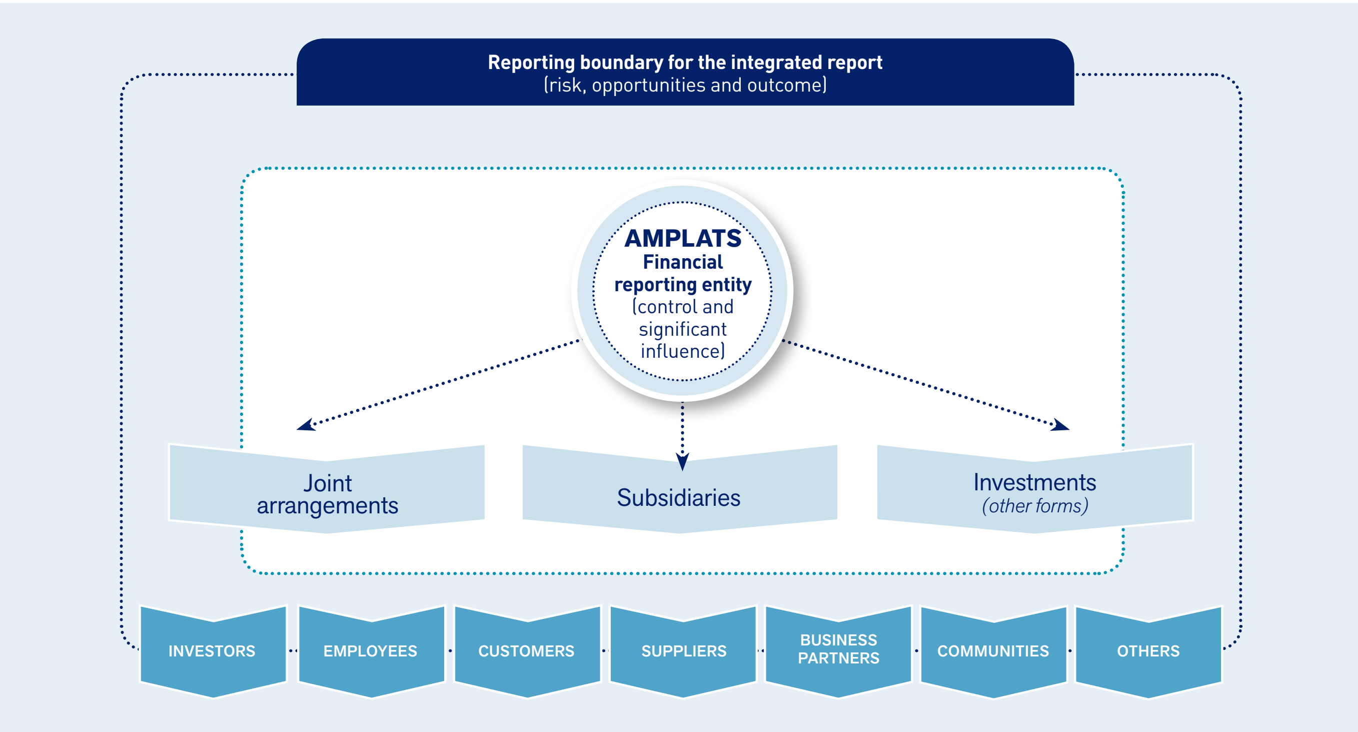
The board acknowledges its responsibility for ensuring the integrity of the integrated report, and has applied its collective mind to the preparation and presentation of this report. In our opinion, the 2017 integrated report is presented in accordance with the framework of the IIRC by addressing all material matters, offering a balanced view of our strategy and how it relates to Amplats' ability to create value in the short, medium and long term.

Valli Moosa
Chairman

Chris Griffith
Chief executive officer

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. This is illustrated below.



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.

GROUP PERFORMANCE

Financial performance

Net debt
R1.8bn

2017	R1.8bn
2016	R7.3bn

Capex
R4.0bn

2017	R4.0bn
2016	R3.4bn

Total operating cost
R59.1bn

2017	R59.1bn
2016	R57.4bn

Dividend per share
R3.49

2017	R3.49
2016	0 cents

ROCE
18%

2017	18%
2016	9%

Operating free cash flow
R5.1bn

2017	R5.1bn
2016	R5.2bn

EBITDA
R12.0bn

2017	R12.0bn
2016	R9.1bn

Dividends declared to owners of the company
R0.9bn

Operational performance

Number of fatalities
6

2017	6
2016	7

Total recordable case frequency rate (TRCFR) improves
14%

2017	0.90
2016	1.05

Energy use (million gigajoules)
21.5mGJ

2017	21.5mGJ
2016	24.6mGJ

Total new water use (Mega metres cubed)
26.5Mm^3

2017	26.5Mm^3
2016	32.7Mm^3

GHG emissions Mt CO_2 equivalent
4.6Mt

2017	4.6Mt
2016	6Mt

Unit costs
R19,203Pt/oz

2017	19,203Pt/oz
2016	19,545Pt/oz

Measurements defined on page 44.

AMPLATS AS A RESPONSIBLE CITIZEN

	2017 R million	%	2016 R million
Value created	**65,670**		61,960
Net sales revenue	**65,670**	**6**	61,960
Value added by operations	**20,569**	**(6)**	21,991
Value distributed	**22,430**	**(7)**	24,188
Salaries, wages and other benefits	**10,093**	**(25)**	13,465
Skills development	**81**	**(27)**	112
Percentage of total payroll	**1%**		1%
Taxation and other payments to governments	**4,288**	**19**	3,594
Providers of debt capital	**1,229**	**(14)**	1,421
Minority shareholders as dividends	**272**	**518**	44
Dividend declared to shareholders	**941**	**100**	–
Community investment	**301**	**(15)**	354
Socio-economic development[1]			
Social and labour plans[2]			
Enterprise development(including 1, 2, 3)	**301**	**(15)**	354
Supplier development[3]			
Environmental investment	**89**	**(8)**	97
Waste disposal, emissions treatment and remediation	**27**	**9**	25
Pollution and environmental management	**62**	**(14)**	72
Total value distributed	**17,293**	**(9)**	19,086
Reinvested in the group	**5,137**	**1**	5,102
Losses from investments net of interest received	**(1,861)**	**(15)**	(2,197)

Total taxes and other payments to governments in 2017

R4.3bn

2017	R4.3bn
2016	R4.7bn

Salaries, wages and benefits paid in 2017

R10.1bn

2017	R10.1bn
2016	R13.5bn

Preferential procurement in 2017

R12.9bn

2017	R12.9bn
2016	R14.2bn

Total taxes borne and collected for the period 2013 to 2017

R21.2bn

OUR MATERIAL ISSUES

In terms of the IIRC framework, an integrated report should disclose information about matters that substantively affect the organisation's ability to create value over the short, medium and long term. Our established materiality process aims to ensure

PILLARS OF VALUE | **MATERIAL ISSUES AND RELATED CONSIDERATIONS**

SAFETY AND HEALTH

HEALTH AND SAFETY

- Employee safety and health
- Community safety and health
- Reducing exposures to airborne pollutants and noise

RETURNS /FINANCIAL

MARKET CONDITIONS

SUPPLY

- Primary PGM production expected to remain broadly flat; risk of production declines underestimated
- Base production declining as available reserves depleted and capital replacement projects delayed or not implemented
- Significant portion of primary production in southern Africa is sub-economic

DEMAND

- Platinum demand balanced across autocatalyst, jewellery and industrial sectors
- European light-duty diesel demand forecast to decline, but absolute demand growing, as is demand by heavy-duty diesel
- Electrification of drive train under way, but largely in hybrid vehicles (that require PGMs) in the near term
- Chinese jewellery demand changing, but can be restored to growth along with growth in US and India
- Market development works; focused on arresting decline in jewellery demand, supporting hydrogen economy required for fuel cell adoption and enhancing platinum investment products

REPOSITIONED PORTFOLIO

- Structural changes in industry from 2009 led to declining margins and cash generation
- Amplats restructured business (removed loss-making production), repositioned portfolio (exited high-cost mines), improved operational performance
- Repositioning largely complete with exits from Rustenburg, Union and Pandora
- Bokoni on care and maintenance

CAPITAL ALLOCATION

Maintain Amplats' disciplined capital allocation framework based on:

- Balance sheet strength
- Prioritise stay-in-business capex
- Reintroduce dividend

Project spend:

- Focus on low-capex, fast-payback projects
- Maintain optionality by completing studies on growth projects

ETHICS, INTEGRITY AND REPUTATION

- Code of conduct
- Business integrity training
- Speak-ups and tip-offs, and remedial actions
- Human rights due diligence
- Business interaction with traditional leaders
- Interaction with DMR
- Cost control

SOCIO-POLITICAL

POLITICAL AND REGULATORY ENVIRONMENT

- Mining charter III and MPRDA
- State capture and associated impact
- Policy uncertainty

SOCIO-ECONOMIC CONDITIONS

- Unemployment, inequality, poverty and crime
- Low economic growth rates in South Africa and Zimbabwe

STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS

- Financial state of the PGM industry and actions to inform stakeholders, elicit collaboration and grow the market

RETURNS/FINANCIAL, SAFETY AND HEALTH, PEOPLE

MODERNISATION

- Modernise labour relations
- Be more socially acceptable from an employment and societal perspective
- Improve relations with host communities
- Improve employee safety and health
- Mechanise mining and extraction processes

ENVIRONMENT

ENVIRONMENT

- Tailings storage facility stability
- Discharges
- Concurrent rehabilitation and mine-closure provision
- Energy
- Water
- Environmental incidents
- Emissions

that societal, environmental and economic issues that present risks and opportunities to Amplats are identified, while considering issues of salient concern to external stakeholders.

KEY IMPACT	READ MORE
Ill health and unsafe conditions affect morale and productivity. Our aim is zero harm, supported by targeted initiatives.	Supplementary information Indicators. See page 144.
Changing global economic conditions affect our markets and, in turn, our position in those markets. The key is to understand the market forces of supply and demand to respond constructively and timeously. Strategic interventions to address changing market conditions secure our position in the world market and enhance our growth and competitiveness.	External market. See page 16.
Strategically repositioning our portfolio is a pivotal step in achieving key business objectives, minimising risk and creating sustainable growth for all stakeholders by focusing on value not volume.	CEO review. See page 40. Finance director's report. See page 46. Strategic review. See page 26. Outlook. See page 43.
Stringent capital allocation and control will enhance liquidity and generate positive cash flows. This will enable us to transform our balance sheet and promote profitable growth.	Finance director's report. See page 46.
Mining companies face regional and global scrutiny. In light of recent high-profile cases of corruption and unethical conduct in the public and private sectors, conforming to formal ethical standards of conduct is non-negotiable and key to creating business value and safeguarding our licence to operate.	CEO review. See page 40. Stakeholder engagement. See page 22. Governance. See page 88.
Changes in the political environment can impact our business, specifically policy changes. Political change can also precipitate social, legal and economic change. The level of political stability could affect business operations.	Chairman and CEO reviews. See page 8 and 40.
The socio-economic context has direct impacts on mining. Rising community needs, due to high unemployment and other adverse social aspects, require our focus on building sound relationships around our operations.	Chairman review. See page 8. Stakeholder engagement. See page 22. Supplementary information.
Engaging with our stakeholders is key to implementing our business strategy. Failing to do so jeopardises our licence to operate and could reduce opportunities in the market.	CEO review. See page 40. Stakeholder engagement. See page 22.
Modernisation is the key way to optimise production, increase efficiency and improve safety and health performance. Data-driven insights can foster closer relationships with key stakeholders and facilitate intelligent business decisions.	Finance director's report. See page 46. Stakeholder engagement. See page 22. Supplementary information.
Minimising harm to the environment is central to our planning, operational and mine-closure activities. Failing to do so has significant monetary and reputational consequence should environmental damage occur.	Supplementary information.

INTERNAL MATERIALITY

This involves assessing matters that directly affect the operations of a business, as discussed at board, committee and operational management level.

Minuted executive discussions were analysed to identify the most material issues identified or addressed in the reporting period. Whether affecting input costs, material supply, customer demand, productive capacity, worker health, safety and retention, or direct environmental impact, internal material issues tend to be well known by the company through stakeholder engagement, guidance from consultants and advisers, or structured management strategy processes. This analysis supplemented the assessment of outcomes from the risk or audit committee process for risk identification and prioritisation, and adapted a materiality process to identify trends, business opportunities and emerging societal trends.

EXTERNAL MATERIALITY

We assess issues that may not currently be affecting the company but could pose a future risk. This involves looking at the company, industry, product, labour market and reputation to assess the broader context in which Amplats functions. It also includes a form of early warning for future issues and their resolution.

An assessment of external issues affecting South Africa and Zimbabwe, in general, and the mining sector in particular, was conducted by analysing media articles, research materials, industry benchmarking studies and economic outlook reports as well as key stakeholder interviews, to identify gaps between what Amplats already considers in determining materiality and what external trends suggest should be considered.

STAKEHOLDER ENGAGEMENT ON MATERIAL ISSUES

Stakeholder engagement is an important component of the process (see page 22). Throughout the year, input from stakeholders on critical issues filters up to the board (or committees) for Amplats to consider via ongoing stakeholder engagement at both group and operation level. Towards the end of the year, we engage a number of key stakeholders in one-on-one interviews to gauge whether the material issues we have identified are aligned to issues stakeholders believe are most material to our ongoing success.

The proposed material issues are then presented to the executive team and board for debate. Once agreed, a multidisciplinary workshop refines the content and ranks issues by potential impact and our ability to influence and manage these. This forms the basis for our reporting.

CHAIRMAN'S LETTER

Valli Moosa
Chairman

For the past five years, we have been building the foundations needed for a modernised mining company. Given our tremendous progress, we are well positioned for a sustainable future.

There is, however, one aspect of a modernised mining company where we are not where we want to be, or should be for that matter, and that is on safety. In 2017, six employees were fatally injured in work-related incidents at our operations. On behalf of the board, I again extend our heartfelt condolences to the family, friends and colleagues of Alfred Jikumlambo, Kagiso Ramokgatla, Douw Swart, Abel Keetse, Arlindo Sumbe and Samuel Jele. The circumstances behind each of these fatal incidents have been thoroughly investigated and remedial measures taken to ensure no repeats.

I reassure our stakeholders, particularly our employees and their families, that the board is focused on providing the governance oversight required to ensure safe production, so that every employee can go home unharmed to their loved ones at the end of each and every shift. Testament to the board's commitment that the safety, health and wellbeing of employees and communities remain a priority for directors and management is the decision we collectively took in August to stop production for three months at the Mototolo concentrator to allow remedial work on the Helena tailings dam to be completed safely and to prevent harm to the environment. Safe production is the foundation we want.

To enable safe production, as a board we endorsed a revised safety strategy in 2017. The strategy was co-designed by employees, unions, officials and management and intends to bring the next step-change in performance needed for a modernised mining company to achieve zero harm. We believe our approach to safety remains sound, reflected in year-on-year improvements in both the lost-time injury frequency rate, down 14% to 0.63, and total recordable case frequency rate, which improved 14% to 0.90; both indications that we are on the right track. Management has implemented a safety performance turnaround plan for 2018 based on the revised strategy and the board will actively oversee its implementation throughout the year.

While we are intensely disappointed by our safety performance in 2017, we also understand that changing human behaviour takes time. We will not rest until we reach and sustain zero harm.

Our performance on the health side is much more encouraging. We are now seeing the benefits of our substantial financial commitment to fighting HIV/Aids and tuberculosis. In 2017, TB-related deaths dropped to four from 63 in 2013 and 86% of HIV-positive employees are on antiretroviral treatment.

BUILDING ON THE FOUNDATIONS SET BY OUR STRATEGY

In 2013, we announced a fundamental transformation of our business in response to structural changes in the platinum group metals (PGM) market and to better position Amplats for a sustainable future by modernising the business to become more socially acceptable. The key aspects of this strategy are shown below and our progress is summarised on page 26.

Key elements of the modernisation strategy:

- Repositioning our portfolio of assets
- Consistently generating acceptable returns for our stakeholders
- Changes to labour methods and labour relations
- Mechanising our mining processes
- Social upliftment
- Ensuring we reduce our environmental footprint
- Benefit sharing

Following the successful sale of the Rustenburg operations to Sibanye Gold in 2016, further noteworthy progress was made in 2017, including the completed disposals of our 42.5% interest in the Pandora joint venture with Lonmin, the disposal of long-dated resources at Amandelbult Mine to Northam as well as our 85% interest in Union Mine and 50.1% interest in Masa chrome to Siyanda Resources (effective 1 February 2018). In addition, Atlatsa Resources placed the Bokoni Mine, on care and maintenance, removing loss-making production.

By repositioning our portfolio, around 70% of our production is now from operations in the first half of the cost curve, giving us a solid foundation for a sustainable future.

Looking ahead, we remain committed to investment across the business to create a sustainable future. Studies are under way to assess future potential projects at Mogalakwena Mine and the Der Brochen project. PGM market development remains focused on several demand segments including jewellery, investment and industrial, as well as areas supporting the widespread commercial adoption of fuel cells and hydrogen in the transport and other sectors. We will advance future mining technology to create a modernised business, while investing in training our people and developing communities in which we operate.

LOOKING AT THE PLATINUM GROUP METALS MARKET

Platinum prices in 2017 underperformed the other PGMs, softening 4% on average due to increased negative sentiment about light-duty diesel engines in Europe, and tightening monetary policy in the USA. The platinum market moved into a small surplus during the year, with primary supply from mine production across the sector falling by 1.6%, offset by an increase in recycling from the automotive industry, while gross demand declined 5%.

In contrast, palladium performed strongly in 2017 with demand now significantly outweighing supply, leading to a market deficit of 670,000 ounces. The palladium price hit a 16-year high at US$1,072 with the average price 21% higher in 2017. In September, it traded at a premium to the platinum price for the first time in 16 years. The automotive industry remains the principal user of palladium and demand rose by 6% in 2017, while industrial demand increased by 4%.

We continue to carefully analyse underlying shifts in the market that give rise to these price variances to determine whether they are structural or cyclical, and use these analyses to pressure-test the business's overall strategy.

FOUNDATIONS IN PLACE TO DELIVER A SOLID OPERATIONAL PERFORMANCE

Operations performed well in 2017, with total PGM production up 1% year on year to over 5 million ounces. Platinum production also rose 1% to almost 2.40 million ounces, exceeding our revised market guidance of 2.30 to 2.35 million ounces, while palladium increased 1% to 1.56 million ounces. As detailed in the CEO review, refined PGM production increased 7% while refined platinum production was up 8% and refined palladium production rose 14%. Total PGM sales volumes rose 6%, while platinum sales volumes were up 4% and palladium sales volumes up 3%.

POLICY AND THE PGM INDUSTRY

Mining by its nature is a long-term business, given that it takes an estimated 12 years from prospecting to first production from a mine. Large amounts of capital are needed to start a project and it is often more than 10 years before the initial capital investment is recouped.

Investors therefore require a stable, conducive, consistent and competitive regulatory environment to justify investing. At present, we do not have such a policy environment in South Africa. For example, amendments to our principal legislation (the Mineral and Petroleum Resources Development Act or MPRDA) began in 2012. These have still not been finalised.

The issues that need to be resolved can only be resolved by dialogue and negotiation to arrive at a regulatory regime that addresses the interests of various stakeholders. I am hopeful that, with the improvement in the political environment evident since December, we may see a path back to the negotiating table. We are very encouraged by President Ramaphosa's comments and those of the new Minister of Mineral Resources that urgent action is needed to resolve the current mining charter impasse, which will be good for the company, industry and, most of all, the people of South Africa.

SOUND GOVERNANCE IS A KEY FOUNDATION FOR SUSTAINABILITY

One of our key responsibilities as a board is to ensure that our corporate governance programme and practices are in line with best practice.

In 2017, Amplats adopted and rolled out a revised code of conduct that informs ethical decision-making in the business and in all dealings with stakeholders.

We strive to obtain and maintain our social licence to operate by engaging with host communities – pivotal stakeholders in the longevity of our mines. We have listened to community voices and implemented programmes with a strong focus on host community employment as well as upskilling small businesses in these communities, enabling them to supply goods and services to our mines. In addition, we are strengthening the capability of the various community trusts we have put in place over the years so that they can distribute funds more effectively to implement community-initiated development projects.

DIVIDEND POSITION

Given our strong results, the board has taken the next step in Amplats' capital-allocation framework by reintroducing a base dividend.

Our dividend policy is to pay out 30% of headline earnings for each six-month reporting period. As such, we have declared a dividend of R3.42 per share or R0.9 billion for the second half of FY17.

This reflects our differentiated strategy and portfolio of high-quality mining and processing assets, cemented in the bottom half of the industry cost curve, as well as our confidence in the future of the business.

BOARD AND MANAGEMENT

In 2017, the board bid farewell to René Médori, who served diligently as a director for over 10 years and we welcomed Stephen Pearce as a non-executive director in his place.

I thank my fellow directors for applying their minds, their ongoing diligence and care in their duties.

I also thank Chris Griffith, the executive and management team and all employees for their contribution and commitment in 2017 and for delivering the foundations needed to position us for a sustainable future.

Valli

Valli Moosa
Chairman

Johannesburg
15 February 2018

WORLD'S LEADING PRIMARY PRODUCER OF PGMs

AMPLATS IS A LEADER IN THE PGM INDUSTRY AND OPERATES THE BEST ASSETS:

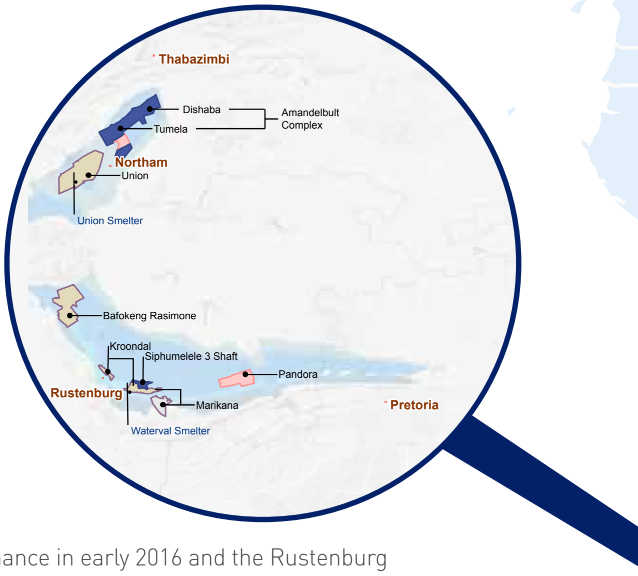
- World's leading primary producer of PGM from resource to market
- We are focused on extracting value from all the PGM and base metals we mine – metals that make modern life possible in safe, smart and responsible ways (page 14)
- We focus on low-capex, high-return and fast-payback opportunities that enhance value
- We have attractive growth options that can be pursued when the market demands the metal and our balance sheet allows.

Amplats is listed on JSE Limited and headquartered in Johannesburg, South Africa. Our majority shareholder is Anglo American plc (79.9%).

We own and operate two mining complexes in South Africa's Bushveld complex: Mogalakwena and Amandelbult. We also operate the Unki Mine on the Great Dyke in Zimbabwe. We have a number of joint ventures (JVs) and associate investments in which we hold significant interests, namely:

- Bafokeng Rasimone Platinum Mine (BRPM) (33%) and the Styldrift project with Royal Bafokeng Platinum
- Mototolo Platinum Mine (50%), with the Glencore Kagiso Tiso Platinum Partnership
- 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, as well as from our JVs and third parties.



Recent corporate action: The Twickenham project was placed on care and maintenance in early 2016 and the Rustenburg disposal was effective November 2016. The Bokoni Platinum Mine (49%) held with Atlatsa Resources was placed on care and maintenance in October 2017 and we completed the disposal of our interest in Pandora to Lonmin plc in December 2017, while optimising full operational control of Lonmin's Baobab concentrator for three years. A sale-and-purchase agreement for Union Mine was concluded in February 2017 with key conditions met by year end. The transaction was finalised post year end on 1 February 2018.

MINED PRODUCTION

29,698kt
milled

3.46g/t
4E built-up head grade

5,008koz PGM
M&C

93,9 per annum
PGM ounces produced per employee

For more information see pages 62 to 79

REFINED PRODUCTION

5,116koz
total PGM

2,512koz
platinum (Pt)

1,668koz
palladium (Pd)

323koz
rhodium (Rh)

498koz
other PGMs

For more information see pages 62 to 79

MARKET DYNAMICS

R65.7 billion
net sales revenue

R26,213 per Pt oz sold
rand basket price

R56.6 billion
cost of sales

R8,871 per PGM oz
cash operating costs

R19,203 per Pt oz
cash operating costs

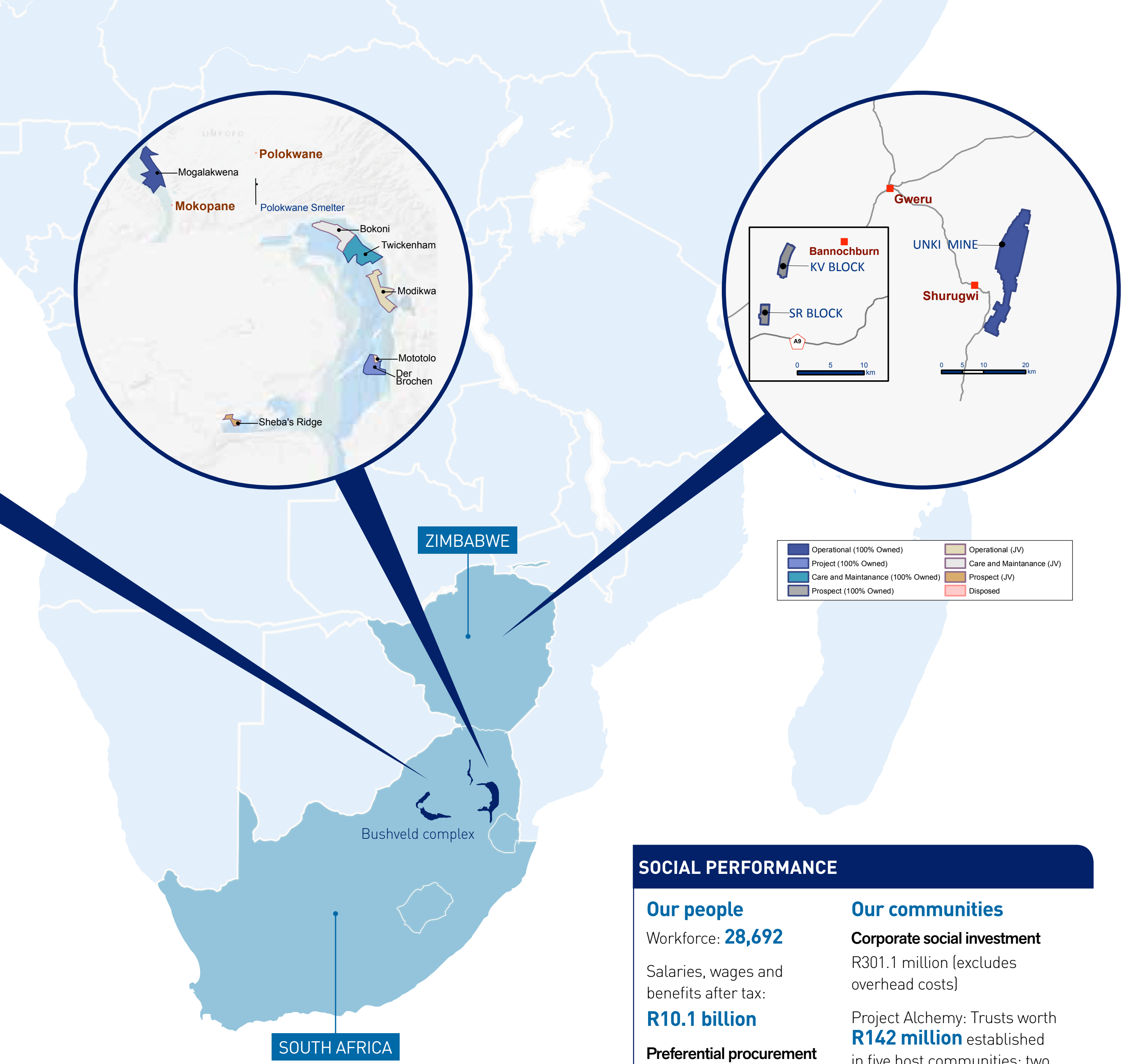
R763 per tonne milled
cash on-mine costs

For more information see pages 16 to 21

ZIMBABWE
Total tax and economic contribution
R1.9bn

SOUTH AFRICA
Total tax and economic contribution
R36.4bn

SOUTH AFRICA MOGALAKWENA MINE
Contribution to group revenue
25%



SOCIAL PERFORMANCE

Our people
Workforce: **28,692**

Salaries, wages and benefits after tax:
R10.1 billion

Preferential procurement
72% of discretionary spend with black companies

Our communities
Corporate social investment
R301.1 million (excludes overhead costs)

Project Alchemy: Trusts worth **R142 million** established in five host communities; two more totalling **R200 million** nearing finalisation

For more information see supplementary report

OUR BUSINESS MODEL

Society needs PGMs for industrial, environmental and jewellery applications. Society ultimately gives Amplats its licence to operate and legitimacy.

CAPITAL INPUTS

FINANCIAL CAPITAL

- **Maximise** value from our basket of metals, and develop markets for our products
- **Effectively invest** in and execute value-adding projects, on time and budget
- **Capital expenditure** of R4.7 billion (excluding capitalised interest)

Challenge: depressed commodity prices and demand

HUMAN AND INTELLECTUAL CAPITAL

- **Investing** in people and skills to achieve our strategy
- **Collective** knowledge and research **support** strategic goals

Challenge: skills and education deficiencies

SOCIAL CAPITAL

- **Creating sustainable value** for all stakeholders – a sustainable business, sustainable communities and sustainable environments

Challenge: growing activism with unrealistic expectations

HOW WE CREATE SHARED VALUE

NATURAL CAPITAL

- **Preventing harm**; making a positive contribution while operating; leaving a positive legacy after closure

Challenge: access to water at some mines

MANUFACTURED CAPITAL

- **Creating/extracting** maximum value from assets, safely
- **Achieving** industry-leading productivity and cost performance targets; delivering to plan
- **Investing** in engineering and technical solutions to reduce risk and increase efficiency
- **Management** systems to reduce hazards and risk

Challenge: safety behaviour, available capex

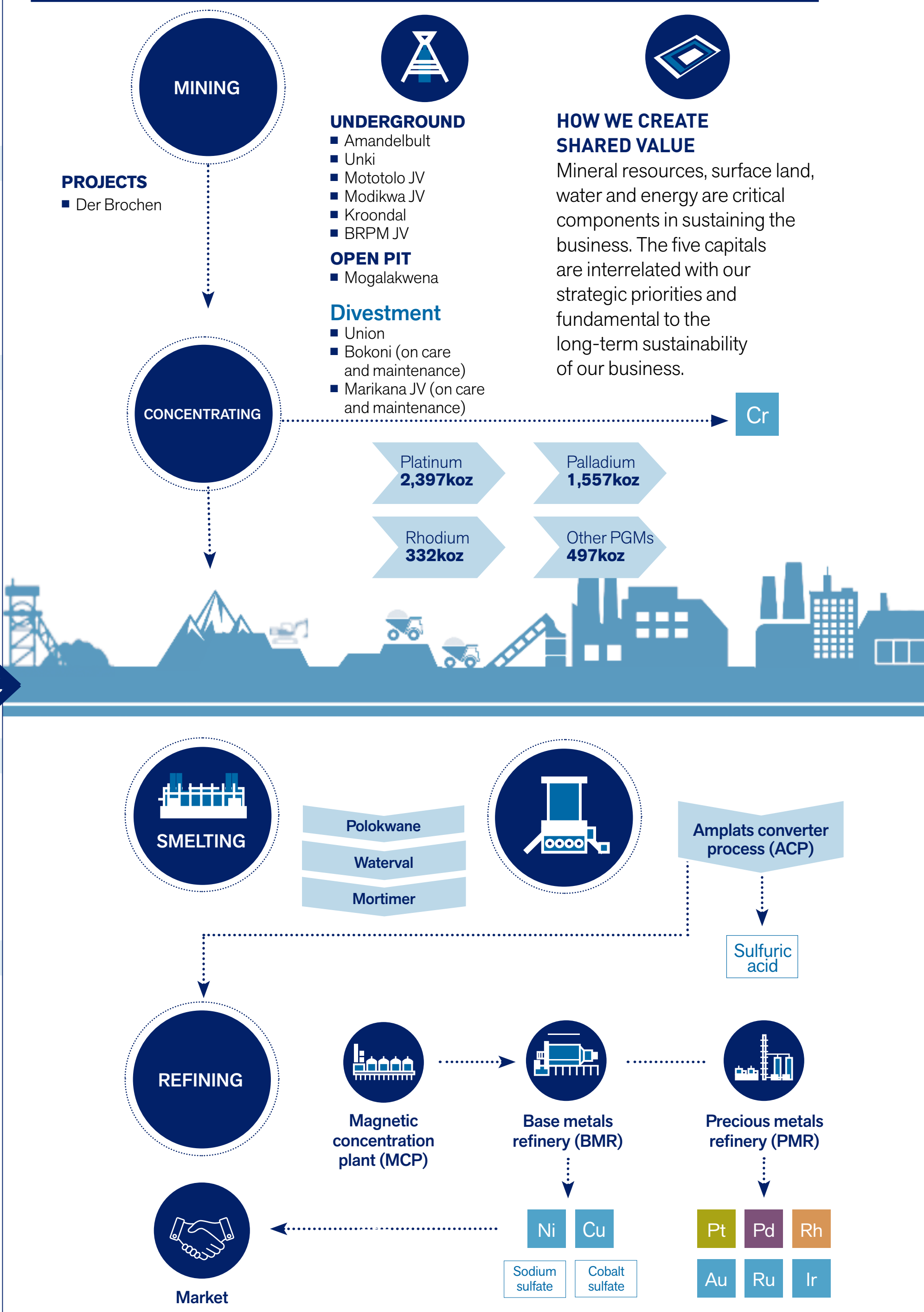
MINERAL RESOURCES AND ORE RESERVES (SOUTH AFRICA AND ZIMBABWE)

Inclusive Mineral Resource estimate
801.1 4E Moz

Ore Reserve estimate
166.2 4E Moz

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

ACTIVITIES



OUTPUTS

R1.2 billion
to providers of debt capital

R0.9 billion
to shareholders

R10.1 billion
to salaries, wages and other benefits, net of tax

R4.3 billion to taxation and related payments to governments

0.90 TRCFR (2016: 1.05)

6 new cases of noise-induced hearing loss (2016: 23)

Energy consumption down 13%

Total water used down 1.9%

Waste to landfill down 3.9%
to 12.8 kilotonnes

OUTCOMES

Total value disbursed directly by Amplats **R21 billion**

Average attrition rate for critical and scarce roles of **5.8%** (2016: 7.9%)

975 employees have individual development charters based on identified needs (2016: 1,237)

6.2% of total payroll on training and development (2016: 6.0%)

Identified sustainability indicators

6 fatalities

0.63 lost-time injury frequency rate

R12,856 million preferential procurement

75% historically disadvantaged South Africans in management

4.6Mt GHG emissions, CO_2 equivalent

26.5mm³ new water used for primary activities (production and process)

21.5mGJ energy used

0 level 3, 4 and 5 environmental incidents – target achieved

R301.1 million corporate social investment*

** Excluding overheads.*




CREATING VALUE BY UNDERSTANDING TRADE-OFFS

BALANCING TRADE-OFFS BETWEEN CAPITALS	KEY INPUTS
People We had to reduce our headcount to maintain Amplats' viability. We have focused on managing retrenchments fairly and openly, while retaining the necessary skills	▪ 28,692 skilled, motivated employees and contractors ▪ Experienced and diverse leadership team living by our values ▪ Contracted service providers working to agreed standards ▪ Effective culture transformation under way
Social Restoring trust through our repositioning based on a common understanding of our challenges	▪ Productive engagement with unionised workforce ▪ Positive relationships with government and regulators ▪ Mutually respectful and understanding relationship with communities and NGOs ▪ Timely and honest communication with suppliers and contractors
Natural Offsetting our impacts through rehabilitation, providing energy and water, and responsibly sharing socio-economic benefits	▪ New water consumption down: 1% ▪ Energy use: down 13% ▪ Land under management: 43,240 hectares ▪ Land distributed: 8,600 hectares
Financial The higher cost of financial capital requires a prudent balance between short and long-term interests	▪ Debt:equity ratio ▪ Capital expenditure for growth ▪ Working capital
Manufactured In current markets, we must invest in technology to improve operational efficiencies	▪ Decreased investment in property, plant and equipment of R49 million ▪ Market development activities R813 million ▪ Expanding markets for our products (page 16)

PGMs IN THE MODERN WORLD

Platinum and palladium have greatest economic importance and are found in the largest quantities. Other PGMs are rhodium, ruthenium, iridium and osmium.

AUTOCATALYSTS – IN USE FOR 25 YEARS

Vehicle exhaust contains a number of harmful elements which can be controlled by PGMs in autocatalysts. The major exhaust pollutants are:

- Carbon monoxide, a poisonous gas
- Oxides of nitrogen, which contribute to acid rain, low level ozone and smog formation, and exacerbate breathing problems
- Hydrocarbons, which are involved in the formation of smog and have an unpleasant smell
- Particulate, which contains known cancer-causing compounds.

Autocatalysts convert over 90% of these pollutants from petrol and diesel engines into less harmful carbon dioxide, nitrogen and water vapour.

FUEL CELLS

Devices for generating electric power by combining hydrogen (the fuel) and oxygen (from air) over a catalyst such as platinum.

Most researched type is the proton exchange membrane (PEM) fuel cell, which contains platinum catalysts. PEM fuel cells are being used in **power generation for buildings**, instead of batteries or generators in **portable equipment** and as **replacements for the internal combustion engine** in a vehicle.

JEWELLERY – USED FOR OVER 2 000 YEARS

In most countries where platinum jewellery is manufactured, it is made from a purity of at least 85% platinum. Other PGMs – **palladium, ruthenium and iridium** – and **copper and cobalt** are commonly alloyed with **platinum** to optimise its working characteristics and wear properties.

Among the main advantages of platinum for jewellery fabrication are its strength and resistance to tarnish.

A status symbol in Japan since 1960s, Europe since 1970s, China 1995 (now single biggest market), India in past decade.

NITRIC ACID – IN USE FOR OVER 100 YEARS

The principal end-use of nitric acid is in producing nitrogen fertilizers, an important source of plant nutrients.

Other uses include production of: explosive-grade ammonium nitrate; adipic acid for making nylon, and toluene diisocyanate, for manufacturing **polyurethane.**

SILICONES

Silicones are highly durable materials with excellent resistance to chemical corrosion, fire and extremes of temperature. They are also pliable, waterproof and electrically insulating.

Major applications

Release liners, eg coating the backing paper of **sticky labels**, allowing the label to be peeled away easily without splitting. They also provide **resealability** as they allow the sticky surface to be removed and reapplied without loss of adhesion.

Baking industry: pre-baked goods are placed on release paper, which after baking can be removed cleanly and without damaging the product.

Other applications

- Water-repellent coatings, high consistency rubbers and liquid silicone rubbers (furniture polishes and cleaning products, aero and automotive engine seals and gaskets, construction sealants, medical devices, high-voltage cable covers and personal care products such as lipsticks and shampoos)
- Medical elastomers, eg excellent properties for wound healing (stick to dry skin, while not sticking to and damaging the wet wound). Also air and moisture permeable which improves healing process
- Automotive airbag coatings (silicone protects nylon bag from the explosive system), deep-sea lagging of pipes (silicone's ability to survive extreme temperatures and pressures to keep oil flowing, preventing freezing and pipe blockages)
- Production of costumes and prosthetics for the film industry, eg recent Harry Potter films.

ELECTRONIC COMPONENTS

Palladium is widely used in electronics applications (from basic consumer products to complex military hardware) for its electrical conductivity and durability.

The largest area of palladium use in electronics is multi-layer ceramic (chip) capacitors (MLCC) – the backbone of **miniaturisation** in consumer goods.

HARD DISKS

Hard disk drives now found in televisions, games consoles and other home entertainment systems as a store of non-volatile data. Computer hard disks contain platinum in the magnetic layers to improve density of data storage and enable a reduction in disk size.

Each hard disk typically consists of two Co-Ni-Fe layers separated by a four atom thick layer of **ruthenium**. The magnetic storage layer consists of a Co-Cr-Pt alloy composing several sublayers.

The cobalt provides the necessary orientation of the crystals; the chromium improves the signal-to-noise ratio, while the **platinum** provides thermal stability. **Ruthenium** orientates the magnetic grains, and reduces interference between layers.

The vital roles played by ruthenium and platinum have enabled manufacturers to produce massive leaps in storage density in hard disks.

DENTAL PT USED FOR DECADES, PD SINCE 1980s

Platinum and more so **palladium** are used in dental restorations, usually mixed with gold or silver as well as copper and zinc in varying ratios to produce alloys suitable for **dental inlays, crowns and bridges.** Small amounts of ruthenium or iridium are sometimes added.

PGMs provide strength, stiffness and durability while the other alloyed metals provide malleability.

CRUCIBLES

Used in producing scintillation crystals for medical scanners that help diagnose tumours. Also well-logging in petroleum industry and X-ray scanners for baggage and container screening.

Due to its high melting point and resistance to chemical attack, **iridium** is the preferred material for crucibles used in producing high-purity single crystals of various metal oxides.

GLASS

Glass is made by melting minerals such as silicates and soda ash at up to 1 700°C. **Platinum** and **platinum** alloys are used in fabricating vessels that hold, channel and form the molten glass because platinum's high melting point, strength and resistance to corrosion allow it to withstand the abrasive action of molten glass. **Rhodium** is alloyed with platinum in various proportions to increase the strength of platinum alloy equipment and extend its life.

Most important glass products:

- Reinforcement glass fibre – textile glass fibre mainly used to strengthen other materials, especially glass-reinforced plastics, liquid crystal displays (LCD) – digital watches and laptop computers
- Optical and ophthalmic glass – for high-quality optical glass
- Container glass – non-crystal tableware as well as bottles for drinks, jars for foodstuffs and containers for perfume
- Ceramic glass – flat glass surface of electric cooker hobs.

MEDICAL – USED SINCE 1970s

Platinum has the ability, in certain chemical forms, to inhibit the division of living cells. The discovery of this property in 1962 led to developing platinum-based drugs to treat a wide range of **cancers.**

Platinum biomedical components

Pt can be fabricated into very tiny, complex components, does not corrode inside the body, and allergic reactions are extremely rare. Also good electrical conductor, making it ideal electrode material.

Used in **pacemakers** and **catheters** flexible tubes that can be introduced into arteries for modern, minimally invasive treatments for heart disease. Many catheters contain platinum marker bands and guide wires, which are used to help the surgeon guide the device to the treatment site. The radio-opacity of platinum, which makes it visible in X-ray images, enables doctors to monitor the position of the catheter during treatment.

PETROLEUM – USED SINCE 1949

Pt catalysts are the active agent in upgrading low-octane petroleum naphtha to high-quality products. They are also used to make petrochemical feedstocks – the basic raw materials to manufacture **plastics, synthetic rubber** and **polyester fibres**.

SENSORS

- Vehicles: oxygen sensors use platinum and are a central component of the engine control system in a catalyst-equipped vehicle; climate control sensors; initiator sensor for air bags
- Buildings: CO detectors
- Medical: various, eg analysis of blood gases

OUR MARKETS

Material issue: market conditions

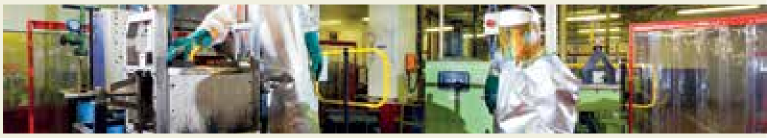
We firmly believe long-term supply and demand fundamentals for PGMs remain attractive, despite current price levels. Rising demand from existing applications and those being developed, as well as stimulatory measures to develop the PGM market, will support sustainable demand and will in time foster growth. To manage short-term price fluctuations, we operate our mines cost-effectively and profitably, exiting operations that are not strategic to our portfolio.

PGM DEMAND FUNDAMENTALS

The pricing environment was mixed for platinum group metals (PGMs) in 2017. The price of platinum declined on average compared to the previous year, with investors worrying about the impact of weakening sales of diesel cars in Western Europe and a challenging environment in the wider Chinese jewellery sector. We estimate platinum was in modest surplus for the year as a whole.

In contrast, the prices of other PGMs strengthened significantly. Palladium climbed above USD1,000 an ounce to levels last seen in 2001, driven by strong demand from the automotive sector which combined with constrained supply to move this metal into a larger deficit. Rhodium prices rallied above USD1,700 to a six-year high, with strengthening automotive use supported by speculative investment. Sentiment towards palladium and rhodium is currently positive. Ruthenium and iridium prices strengthened too, with underlying industrial demand the key driving force.

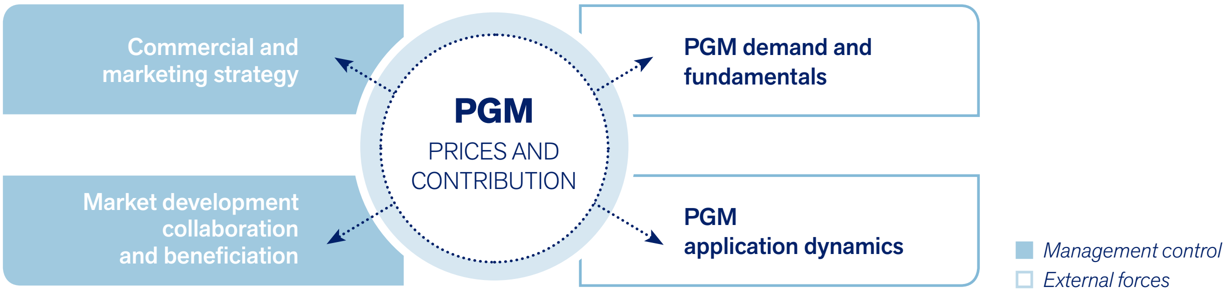
PLATINUM



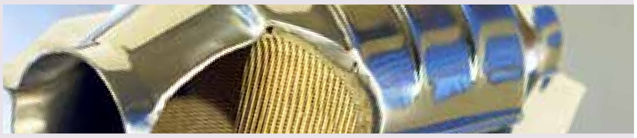
Gross global platinum demand decreased by 4.5% or 370koz in 2017. The headline was the declining share of sales of the diesel engine in the Western European car market. Despite this, strong vehicle sales volumes and increasingly tight emissions legislation meant that gross automotive demand declined by only 1.2% to 3.29 million ounces. Gross jewellery sector purchases of platinum in China were lower than a year earlier but the pace of decline has slowed. Jewellery demand again firmed in India and the USA. Investment demand was affected by less attractive pricing in Japan but again contributed to demand, while industrial demand firmed by 6.7%.

Primary (mine) supply of platinum was relatively steady across the globe, although there was some rationalisation of South African production. Recovery of platinum from end-of-life catalytic converters climbed, as expected, but was offset by a drop in recycling of unsold jewellery stock in China, leaving platinum in a modest fundamental surplus of 125koz.

Supply (000 oz)	**2017**	2016
South Africa	**4,365**	4,390
Zimbabwe	**485**	490
Russia	**650**	705
North America	**320**	335
Other	**160**	160
Total primary supply	**5,980**	**6,080**
Autocatalyst recycling	**1,325**	1,160
Jewellery recycling	**625**	735
Industrial recycling	**35**	30
Secondary supply	**1,985**	1,925
Gross supply	**7,965**	8,005
Demand		
Autocatalyst: gross	**3,285**	3,325
Jewellery: gross	**2,225**	2,410
Industrial: gross	**1,980**	1,855
Investment	**350**	620
Gross demand	**7,840**	8,210
(Deficit)/surplus	**125**	(205)



PALLADIUM



Gross global palladium demand increased by 8.8% or 820koz from the prior year. Most of this metal is used in the automotive sector for emissions control and this industry alone purchased a gross 8.43 million ounces of palladium in 2017, 6.0% more than in 2016. This was despite relatively flat vehicle sales in key Chinese and US markets and illustrates the effect of economic growth across a range of countries and the introduction of increasingly tough emissions control rules in many places. Industrial demand was slightly higher, led by increased purchases from the chemical sector. Although some fresh investor purchasing was evident in palladium, investors generally viewed strong pricing as an opportunity to take profits and a net 365koz of metal flowed out of exchange traded funds.

Global mine supply of palladium fell by 2.4%. South African sales of metal were stable while Russian volumes declined, offset by some sales from state stocks. As autocatalyst recycling volumes grew strongly, total supply was 2.8% higher than the previous year. Overall, the annual palladium deficit expanded to 670koz.

Supply (000 oz)	**2017**	2016
South Africa	**2,570**	2,575
Zimbabwe	**380**	390
Russia	**2,650**	2,775
North America	**865**	890
Other	**130**	130
Total primary supply	**6,595**	**6,760**
Autocatalyst recycling	**2,425**	2,000
Jewellery recycling	**20**	20
Industrial recycling	**480**	480
Secondary supply	**2,925**	2,500
Gross supply	**9,520**	9,260
Demand		
Autocatalyst: gross	**8,425**	7,950
Jewellery: gross	**180**	190
Industrial: gross	**1,930**	1,875
Investment	**(345)**	(645)
Gross demand	**10,190**	9,370
Surplus/(deficit)	**(670)**	(110)

RHODIUM

Gross rhodium demand climbed modestly to 1.05 million oz in 2017. The automotive sector purchased more metal than a year earlier and demand from the chemical and glass industries grew by 20koz .

Global mine production of rhodium edged 2.8% or 22koz lower, with a decline in UG2 production from South African mining operations primarily responsible. Recovery of rhodium from used catalytic converters climbed by 20% or 53koz. The net result of these changes was that, while rhodium remained in a surplus, this surplus decreased again in 2017 with the market moving towards balance.

Supply (000 oz)	**2017**	2016
South Africa	**618**	615
Zimbabwe	**40**	43
Russia	**65**	85
North America	**22**	24
Other	**5**	5
Total primary supply	**750**	**772**
Autocatalyst recycling	**324**	271
Gross supply	**1,074**	1,043
Demand		
Autocatalyst: gross	**858**	822
Other	**190**	191
Total demand	**1,048**	1,013
Surplus	**26**	30

OUR MARKETS continued

PGM PRICES AND CONTRIBUTION

Platinum was the single-largest revenue generator for Amplats, accounting for 48% of sales in 2017. Palladium's contribution increased markedly to 28%, while rhodium accounted for 6% of net sales revenue.

The average platinum market price decreased by 3.9% to USD950 per ounce with the achieved dollar basket price increasing by 12% to USD1,966 (2016: USD1,753). The South African rand average rate on achieved sales strengthened by 9% against

PGM MARKET DYNAMICS

Autocatalyst

Global light vehicle sales grew by 2.4% in 2017 to a record 95.3 million units. Sales softened in North America and were little changed in China, in contrast to strong performances in the previous year. However, sales grew in Europe, South America and much of Asia, contributing to a positive overall performance.

Despite this strong global performance, gross automotive demand for platinum fell by 40koz or 1.2%. The diesel engine's share of the light-duty sector in Europe declined during the year but this was partially offset by strong overall unit sales of light vehicles and the move to real-world emissions testing for new models, supporting loadings. The fitment of catalytic exhaust after-treatment to heavy-duty diesel vehicles continues to provide a solid underpin for automotive platinum demand.

Gross automotive demand for palladium climbed strongly, expanding by 6.0% to 8.43 million oz as global vehicle production continued to grow. Chinese car sales were relatively flat but an increase in the average size of a new car meant raised palladium loadings per vehicle. Healthy growth in car sales in South America and elsewhere in Asia contributed additional demand compared to the previous year.

With the gasoline engine gaining market share in the European light-duty vehicle sector too, gross automotive rhodium demand climbed 4.4%, supported by higher global car production.

The commercial outlook for the diesel engine remains an important issue for platinum, with questions over its real-world emissions performance uppermost for regulators and some consumers. Although recent research shows that diesels can have excellent performance in environmental terms – both for carbon dioxide and NO_x – in real-world driving, media coverage of this technology remains negative. The diesel engine has accordingly lost share in the European light-duty vehicle sector but not uniformly, with the decline greatest in Germany and the UK. We believe diesel will continue to play an important role in enabling carmakers to meet their carbon dioxide emissions targets, with battery electric vehicles alone unable to do so adequately in their current state of development.

Additionally, palladium's price move above platinum has raised questions on whether platinum could replace palladium in some gasoline catalytic converter formulations. We believe this is likely to happen if palladium moves into a more substantial premium but that any substitution process could easily take more than 12 months to achieve any significant change in the consumption of either metal.

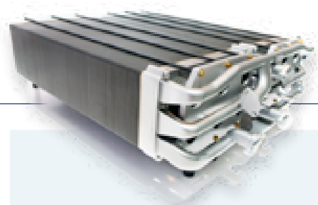
the USD in 2017 (moving from R14.63/USD to R13.33/USD), leading to an increase of 2% in the achieved rand basket price of R26,213 per ounce (2016: R25,649). The average palladium market price increased by 42% to USD871 per ounce (2016: USD615 per ounce). The average rhodium market price climbed by 60% to USD1,108 per ounce (2016: USD694 per ounce).

Jewellery

Gross global jewellery demand for platinum fell again in 2017, dropping by 7.7% or 185koz. With the performance of the wider Chinese jewellery sector disappointing, as shown by weak sales of 24-carat gold and plain platinum pieces, retailers and manufacturers have moved towards higher-margin pieces. This has placed a premium on gem-set jewellery, high-quality design and precision manufacturing. Where jewellers have been able to adapt, performance has been positive, but there have been continued losses in demand for generic plain metal pieces as lower carat gold takes market share. Overall, gross Chinese demand for platinum in this sector declined by 14% on a manufacturing basis, although this decline is slowing and the market could stabilise in 2018. Net demand fell by a lower 11%, with retailers and manufacturers scrapping fewer pieces from unsold inventory.

The Indian market continues to perform well with jewellery demand rising again by double-digit percentages. Well-targeted marketing by Platinum Guild International has encouraged more retail chains to stock platinum and to sell the metal in a greater proportion of their stores. Combined with strong consumer pull for platinum, this has led to a positive performance despite challenging external conditions.

Japanese demand for platinum remains healthy. Platinum jewellery sales in the USA outperformed the rest of the jewellery sector, aided by attractive pricing for platinum.



Industrial

Gross platinum demand from industrial applications expanded by 6.7% in 2017 to 1.98 million ounces, at a markedly faster pace than global economic growth. There was additional demand from a range of sectors, but much of the growth was in electronics and fuel cells. We were particularly encouraged to see widespread progress in fuel cells and in hydrogen applications. The number of hydrogen filling stations grew in California and across much of Europe and Japan, preparing the ground for the introduction of greater numbers of fuel cell cars and other vehicles over the longer term. Although this sector still accounts for only a limited amount of platinum and other PGM demand, we believe it has the potential to become a meaningful stream of demand over the next decade.

After contracting last year, industrial demand for palladium grew by 2.9% or 55koz in 2017. Rhodium demand from the chemical sector climbed by 16% from last year and this was supported by 12% growth in glass-sector purchases from the previous year's levels: total industrial demand was flat at 190koz.

OUR MARKETS continued

Investment

Our definition of investment demand for PGMs includes physically backed exchange-traded fund (ETF) holdings and the purchase of physical metal products such as bars and coins.

Net investment demand for platinum dropped by 44% or 270koz from last year. The main factor was a decline in Japanese purchasing of bars as the performance of the metal price in yen provided fewer attractive buying opportunities. However, increased availability of other physical products, aided by development work from the World Platinum Investment Council, meant that demand was still strongly positive overall.

Palladium investment demand was again negative in 2017, although less so than in 2016, at a net outflow of 345koz. ETF flows were negative, with investors selling more metal than they purchased although there was some notable fresh buying interest as the price moved higher in Q3 before profit-taking reappeared in Q4. The launch of a palladium coin by the US Mint illustrated that there may be unmet incipient investment demand for this metal too. Although we do not include speculative purchasing in our demand figures, it is clear that the rhodium price was supported by speculative buying of metal by a number of investors, whose interest was sparked by the potential for additional rhodium use in the automotive sector.

Developing markets for the metals we mine

Our global PGM market development initiatives are focused on offsetting the risk of lower demand in existing segments through a mix of marketing efforts in existing or near-term applications and targeted market development in longer-term growth areas, such as fuel cells, hydrogen and clean energy. South African beneficiation objectives form part of our broader market development activities.

The company invests in market development and beneficiation across a number of demand segments, using a range of appropriate approaches summarised below.

Development of the global platinum jewellery market is carried out by Platinum Guild International (PGI), funded by Amplats and other primary PGM producers. The PGI is focused on the four major platinum jewellery markets of China, Japan, India and the USA, where it promotes platinum jewellery directly to the consumer, and works in partnership with designers, manufacturers and retailers. In 2017, growth rates for platinum were again above those for total jewellery in Japan, India and the USA. In China, the industry continues to adapt to a slowdown in overall jewellery consumption as the economy shifts to a more sustainable growth path. However, in the Chinese bridal market, platinum has made gains in both acquisition levels and absolute tonnage, especially in the faster-growing tier 2 and 3 cities.

Developing investment demand for platinum is led by the World Platinum Investment Council (WPIC), an industry body funded by several platinum producers including Amplats. Several new partnerships were added in 2017, including with the UK's Royal Mint to deliver its first range of platinum products, as well as launching platinum on BullionVault's multiregional online vaulting platform. The WPIC also substantially expanded its monthly investment research output and direct investor development programme with institutions. A presence was established in Shanghai to begin unlocking China's vast platinum investment demand potential.

As part of ongoing investments in securing future markets for its metals, Amplats also operates the PGM investment programme. This is a venture-capital approach that provides start-up or early stage capital to companies working on commercialising technology that uses or enables the use of PGMs. These investments are primarily focused on hydrogen, fuel cells, energy storage and the clean energy transition.

Previous investments include Altergy Systems (stationary fuel cell products for standby power), Ballard Power Systems (proton exchange membrane fuel cell products for markets such as heavy-duty motive, portable power, material handling), Hydrogenious Technologies (low-cost storage and distribution of hydrogen in a liquid organic hydrogen carrier), United Hydrogen Group (production and distribution of hydrogen in the Eastern USA), Food Freshness Technology Holdings (ethylene scavenger product to slow the ripening process of fruits, allowing for extended shelf life and reduced wastage), Primus Power (low-cost, long-life flow batteries for grid-scale storage) and Greyrock Energy (developing and commercialising gas-to-liquids technology used to produce clean fuels from stranded or flared gas).

In 2017, our work to add value to our portfolio of investment companies included:

- Successfully raising USD32 million from third parties for Primus Power and the award of a US Technology and Development Agency grant to support an energy storage system for Eskom, South Africa's national electricity utility. This project will demonstrate the capabilities and use cases for industrial and utility-scale energy storage systems in South Africa. Primus is partnering with Solafrica Energy, a Johannesburg-based developer of utility-scale solar power plants. As part of the programme, Primus will deploy an array of four batteries capable of delivering 100kW of power and 500kWh of energy. The system will initially be installed at Eskom's large-scale energy-storage testing and demonstration facility in Rosherville, South Africa
- Facilitating the entry of Germany-based Hydrogenious Technologies' systems to the US market, via United Hydrogen Technology. In addition, Amplats is helping secure additional funding and entry opportunities to new markets for Hydrogenious
- Identifying and developing a number of African and Asian opportunities for Greyrock Energy.

We also continue to aid the widespread commercial adoption of fuel cells and hydrogen in transport and other sectors. This involves a range of activities from investing in companies that address specific market challenges through the PGM investment programme, to engaging with governments across the world to ensure a fair regulatory environment for these technologies, and assisting in demonstration programmes where appropriate.

Anglo American was a founding member of the global Hydrogen Council, launched in Davos this year. Together with the Chinese Ministry of Science and Technology, Amplats was instrumental in establishing the International Fuel Cell and Hydrogen Association in China this year.

Where possible, we aim to integrate demand stimulation with developing skills and capacity building in South Africa. In the jewellery sector, this year's 18th annual PlatAfrica competition again provided opportunities for successful South African jewellery designers to have their designs manufactured and sold in the Indian market. This year, we announced a new partnership with Metal Concentrators, to continue a metal financing scheme to local jewellery manufacturers for working capital requirements. We also see an opportunity to position South Africa as a manufacturing location for some of our portfolio companies and we continue to explore and develop such opportunities.

STAKEHOLDER ENGAGEMENT AND ISSUES

Material issue: stakeholder engagement and communications

Stakeholder engagement is a crucial element to business longevity and overall success. Engaging with stakeholders can create positive impacts for the company by strengthening 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 or NGOs, members of our supply chain and our joint venture partners.

Experience has shown that stakeholder engagement is most productive when a two-way exchange of information is encouraged. We focus on the concerns and opinions of our stakeholders and in providing appropriate responses to support both our social capital and licence to operate.

Engagement is a key value lever in our social strategy and enshrined in our social imperatives. As articulated in our business strategy, our focus is to build mutually beneficial relationships to realise our aim of being a trusted corporate leader. Our approach to engagement is therefore to be transparent and to respond in a timely, professional manner to stakeholder concerns.

According to the latest Global Reporting Initiative (GRI) Standards, when applying the principle of materiality, an integrated report should consider topics that reflect the organisation's significant environmental, economic and social impacts or substantively influence the assessments and decisions of stakeholders. Determining materiality is therefore critical in identifying and prioritising the most pertinent issues as a focus for reporting.

As part of the materiality process, interviews were held with key stakeholders which included investors (Absa and Old Mutual), an NGO (the Benchmarks Foundation) and a customer (Johnson Matthey). These provided in-depth feedback on issues perceived as critical to our business. In addition, a materiality workshop in September 2017 involved active participation from internal and external stakeholders:

- Internal: representatives from key departments – investor relations, strategy, human resources, supply chain management, corporate affairs, governance and assurance, and corporate affairs
- External: representatives from recognised unions, as well as the NGO, Action Aid.

All participants raised issues they deemed to be material, which were considered in the assessment process.

Engaging with regional partners is an ongoing process in our regional social economic development programme in Limpopo (page 33). 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 2017

Key issues raised in the review period are summarised below:

Stakeholder	Key issues of 2017	Frequency of engagement	Response
Community	Demand for compensation for ploughing fields for the Sekuruwe and Ga-Molekana communities	Fortnightly meetings with affected parties and/or their representatives	Agreement reached and compensation paid to affected communities
	Legitimacy of individuals or groups that engage (or want to engage) with Amplats on behalf of mining communities	Fortnightly meetings with affected parties and/or their representatives	Agreement reached and compensation paid to affected communities
	Relocation of the remaining 63 households in Motlhothlo village close to Mogalakwena Mine	Weekly and monthly	In principle, agreement secured with communities on relocation and the farm where the community will be relocated has been secured in consultation with affected households and their representatives. Terms of the agreement are being finalised with the community to amend the 2012 agreement
	Employment and procurement opportunities demands around the construction of the Mareesburg tailings dam	Weekly, monthly and quarterly	Continued engagement with affected parties. Agreement with the contractor on prioritising of local employment, subcontracting and training local suppliers

Stakeholder	Key issues of 2017	Frequency of engagement	Response
Government relations – national and provincial	Premier Employment Growth Advisory Council (PEGAC)	Quarterly	Positive as Amplats CEO co-chairs with MEC of public works
	The DMR minister was invited to launch Rustenburg, Twickenham and Der Brochen social and labour plan (SLP) projects	Quarterly	The minister delegated the deputy minister to represent him, positive response
	DMR national office on obtaining approval for Twickenham environmental management plan amendment	Weekly	Approved, record of decision received
	Thabazimbi municipality's debt crises affecting employees at Amandelbult operation (power outages)	Quarterly	Arrangements were made for employees during load-shedding
	Hosted the national council of provinces	Once	The council was impressed by progress on the project visited at Amandelbult, rating it as the best among three visited in Waterberg district
	Partnering with department of small business	Ongoing	A memorandum of understanding was signed with the department in February 2017 to support the start-up of small businesses and cooperatives in communities around Amandelbult complex
Government relations – municipal	Engaging with mayor of Rustenburg on continuous mass action and instability caused by one group, the Bojanala Greater Local Mining Communities Business Forum	Twice per year	Steering committee formed with representatives from DMR, local municipality councillors, traditional authority
Investors	Disciplined capital allocation Market supply and demand Political and policy uncertainty in South Africa	Bi-annual roadshows, regular conferences, ad hoc investor meetings	Disciplined capital-allocation framework Dividend reintroduced for 2H FY17, totalling R900 million Improving shareholder returns Appropriate market development under way to establish demand and alternate uses of PGMs Consistent engagement with many levels and departments of government

STAKEHOLDER ENGAGEMENT AND ISSUES
continued

Stakeholder	Key issues of 2017	Frequency of engagement	Response
Employees	Amplats and unions steering committee: ▪ Outlining business strategy ▪ Key decisions by the company ▪ Policies and procedures ▪ Dispute-resolution processes ▪ Union-specific issues affecting relations ▪ Relationship building	At least four meetings a year	We engage with regional union leadership and operational unit partnership forums where key operational issues are discussed
Media	Bokoni Mine placed on care and maintenance by joint-venture partner, affecting community members employed by the mine as well as local business	As required, from announcement to date, as issues emerge	We continue discussions with Atlatsa Resources to ensure that the care-and-maintenance process is conducted in a socially acceptable manner
	Anglo Group Provident Fund (AGPF)/Bophelo pension fund: Allegations that administrators of the Bophelo fund may have misappropriated funds entrusted to them by AGPF for payout to deceased former employees' widows and minor children	As required. Issue is still receiving coverage due to ongoing investigations	Alleged mismanagement relates to a specific set of funds for widows, orphans and minor children of deceased former employees, administered by Bophelo Benefit Services. The umbrella AGPF is administered by Sanlam and is separate from funds managed by Bophelo Benefit Services. We are urgently establishing the facts behind this article. The Amplats Group Provident Fund will advise members and employees of the status of the fund. We will continue to monitor the situation and keep stakeholders informed
	Safety: After we reported increased fatalities in February 2017, a number of media houses raised concerns about whether our aspiration of a zero-harm environment was attainable	Ongoing on and off-the-record briefing sessions	We care deeply about the safety of our people and our culture positions safety as a primary pillar of the way the business is run. Amplats has been a leader in addressing mining safety, with a step-change in safety performance over the last 10 years. We share how this change has been achieved, underscoring the genuine commitment to zero harm and how we apply in terms of strategy and accountability
	Seraleng residents raised grievances in the press about the quality of construction in the Seraleng housing project	Engagement stopped	We are collaborating with the community, local government bodies and our construction partners to resolve the matter. The National Home Builders Registration Council (NHBRC) inspected the houses to ensure they comply with the Housing Consumer Protection Measures Act 95 1998

Stakeholder	Key issues of 2017	Frequency of engagement	Response
NGOs	Formal enquiries received from NGOs in 2017 on environmental and social impacts of mining, human rights issues and resettlement	As required	All enquiries are formally responded to by relevant specialists
Unions	Leadership communication platform Business: ▪ Strategic issues ▪ Policy framework ▪ Dispute resolution ▪ Union-specific matters	Two meetings of the leadership communication platform held each year CEO breakfast sessions – three per union per year	Key issues discussed by our CEO with union leadership Discussions on strategic issues significant to Amplats and each union

ENGAGING WITH OUR HOST COMMUNITIES

One of our main community engagement goals is to create and sustain accessible print, radio and online platforms or channels to communicate with our host communities, particularly about our SLP initiatives.

This was boosted late-2016 with the launch of newspapers for the Mogalakwena and Amandelbult complexes' host communities. In the first quarter of 2017, we launched similar newspapers for Rustenburg and Twickenham, published every two months, while a newspaper for Unki Mine in Zimbabwe is planned for 2018.

To accommodate the shift from print to digital media, but acknowledging that many of our stakeholders do not have regular access to online media, we will supplement the newspapers with an online version in 2018. At this point, printed copies still enable us to reach more people.

The newspapers inform community members of our activities, and encourage them to comment on those activities, and to raise both positive and negative issues by highlighting what is happening on the ground. Reader participation makes the publications more credible and more interesting.

Although reader research will only be conducted in 2018 when the newspapers are more established, the titles performed well in the 2017 South African Publication Forum competition, taking top honours in several categories including writing, editing, photography and being produced with limited resources. The judges noted that the writing style, clean layout and use of graphics and good photographs made the newspapers easy to read.

In the review period, the second series of the Anglo American soap opera Makarapa City was broadcast on local radio stations around our areas of operation. The weekly serial follows the lives of characters representing our employees and community members and addresses common work-related, personal and social issues. The programme was advertised in local media and listeners were encouraged to participate.

In addition, in the first quarter of 2017, we booked slots on two local radio stations where senior social performance managers discussed key community development initiatives at Mogalakwena and Amandelbult.

OUR STRATEGY JOURNEY

Structural changes in the industry since 2009 resulted in declining margins and cash flow generation. Amplats responded by improving operational performance, restructuring the business (removing loss-making production), repositioning our portfolio of mining assets and investing for the future in market development and modernisation.

While this major transformation of our business is both an exciting opportunity and a challenge, the integrated effort of our people is proving our goals are attainable. Progress against our strategic priorities is detailed on the following pages.

Our vision is to be the global leader in PGMs, from resource to market, for a better future for all.

STRUCTURING AND REPOSITIONING OUR ASSETS INTO A VALUE-OPTIMISED PORTFOLIO

RESTRUCTURING SINCE 2013

- ✓ Reshaped Rustenburg
  - Five mines to two
  - 210koz volume reduced
- ✓ Reshaped Union
  - Consolidated two mines to one, closed declines
  - 80koz volume reduced
- ✓ Twickenham on care and maintenance
- ✓ Reshaped Bokoni, care and maintenance in 2017

REPOSITIONING

- ✓ Rustenburg sale completed – 2016
- ✓ Pandora sale – completed in December 2017
- ✓ Union sale completed in February 2018
- ✓ Union sale completed – February 2018
- ✗ Kroondal – pending engagement with partner

CORE BUSINESS

- ■ Mogalakwena
- ■ Amandelbult
- ■ Unki
- ■ Mototolo (JV)
- ■ Modikwa (JV)
- ■ BRPM (JV)
- ■ Processing

IMPROVING THE BUSINESS SINCE 2012

WE HAVE REDUCED OUR PORTFOLIO FROM **18 TO SEVEN MINES**

DELEVERAGED OUR BALANCE SHEET IN AN INDUSTRY WHERE OTHERS HAVE HAD TO RAISE CAPITAL

REDUCED OVERHEADS **48%** AS WE REDUCE COMPLEXITY IN THE BUSINESS

70% OF PRODUCTION IN FIRST HALF OF PRIMARY PGM CASH COST CURVE

MORE THAN HALVED HEADCOUNT TO **28,700** – RESTRUCTURING AND DISPOSALS OF MINING ASSETS

RETURN ON CAPITAL EMPLOYED INCREASED TO **18%**

EXTRACTING THE FULL POTENTIAL FROM OUR OPERATIONS THROUGH OUR PEOPLE

MOGALAKWENA

- ✓ Operating model embedded
- ✓ Low-capital option being executed to scale the operation
- ✓ Expansion options being studied

PGM koz

2017	1,099
2012	721

AMANDELBULT

- ✗ Operational improvement
- ✓ Tumela upper replacement through predeveloped Dishaba UG2
- ✓ Chrome recovery plant
- ✓ Study low-capex replacement projects

PGM koz

2017	858
2012	709

UNKI

- ✓ Operational improvement
- ✓ Constructing smelter

PGM koz

2017	166
2012	127

PROCESS

- ✓ Optimal capacity utilisation
- ✓ Increased BMR efficiency
- ✓ Improve copper recovery

Base metals kt

2017	37
2012	20

PREPARING FOR OUR FUTURE – DEVELOPING THE MARKET FOR PGMs

FUEL CELLS

- ✓ Launched USA and UK fuel cell advocacy campaigns
- ✓ Global Hydrogen Council launched at World Economic Forum
- ✓ International Fuel Cell and Hydrogen Association launched in China
- ✓ Rural electrification field trial successfully concluded in late 2016
- ✓ Coinvestment in seven hydrogen refuelling stations in California

PGM INVESTMENT PROGRAMME

- ✓ Venture-capital approach – provides capital to commercial technology using PGMs

JEWELLERY AND INVESTMENT

- ✓ Platinum Guild International (PGI) – focus on China, India, Japan and USA
- ✓ World Platinum Investment Council (WPIC) – new partnerships established and products launched

OUR STRATEGY JOURNEY continued

OUR VALUE PROPOSITION

Quality assets and operational excellence

70% production in H1 of cost curve – generate cash through the cycle

Only open-pit PGM mine of scale in the world – Mogalakwena generating strong margins

Optimising assets – extracting full value of basket of metals mined

Long-life mineral resources – highlighting the quality of assets

Capital discipline and shareholder returns

Balance sheet strength – flexibility through the cycle

Capital allocation discipline – strict investment criteria competing against additional shareholder returns

Sustainable dividend adopted – discipline through the cycle

Industry-leading cost control – discipline to mitigate inflation

Long-term sustainability

Project studies ongoing – understand value in growth optionality

Grow demands for PGMs – through market development

Modernising mining – with R&D new mining technology

Invest in people and communities – shared sustainable value

WHAT NEXT FOR ANGLO AMERICAN PLATINUM?

Operational and marketing excellence

- Amandelbult turnaround – optimisation
- Operating model roll-out
- Modernising operations and deploying new mining technologies
- Realising full value from base and minor metals

Low capex, fast pay-back projects

- Mogalakwena North concentrator optimisation
- Unki smelter
- Dishaba UG2
- Amandelbult chrome plant expansion

Projects under review:

- Amandelbult optimisation projects – 15E and 62E
- Investment in copper leaching circuit at the base metal refinery

Project studies

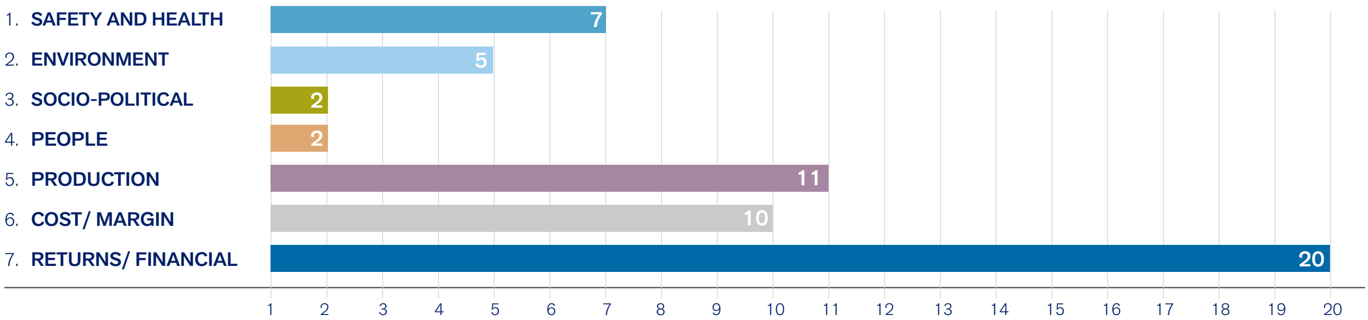
- **Mogalakwena expansion** – low-capital intensity option, utilising existing processing capacity
- **Der Brochen** – studies on building a fully mechanised decline mine for replacement of Mototolo (with some growth potential)

How we reward success

Our CEO, finance director and prescribed officers are rewarded through incentives against specific formulas (page 108). Company performance constitutes 60% of their remuneration and personal performance the remaining 40% (page 120).

In line with our commitment to ensuring a fair, living wage for our people, general staff again received an inflation-linked increase and union affiliated staff received an average base salary increase of 8.73%.

HOW WE MEASURE THIS AND REWARD SUCCESS



Increases

2015

Non-executive directors
6%

Executive directors, prescribed officers and senior management
5.5%

Unionised labour
9.36%

2016

Non-executive directors
0%

Executive directors, prescribed officers and senior management
0%

Unionised labour
9.47%

2017

Non-executive directors (page 120)

Executive directors, prescribed officers and senior management
6.5%

Unionised labour
8.73%

CONCLUSION

In recent years, we have taken the difficult decisions and made progress with the 'hard' work to improve the resilience and earnings potential of our business. We continue to invest for the future, ensuring we influence our destiny by developing the market for PGMs and completing project studies to give us options. We are modernising our business through innovation, ensuring we have an engaged workforce and supportive stakeholders.

However, the pricing and operating environments are extremely challenging. So, we continue to run our business for the current low-price environment. While there are challenges facing PGM market balance, the impact is likely to be overstated (page 16). We have the portfolio to generate superior returns for our stakeholders and optionality to benefit from improving PGM fundamentals.

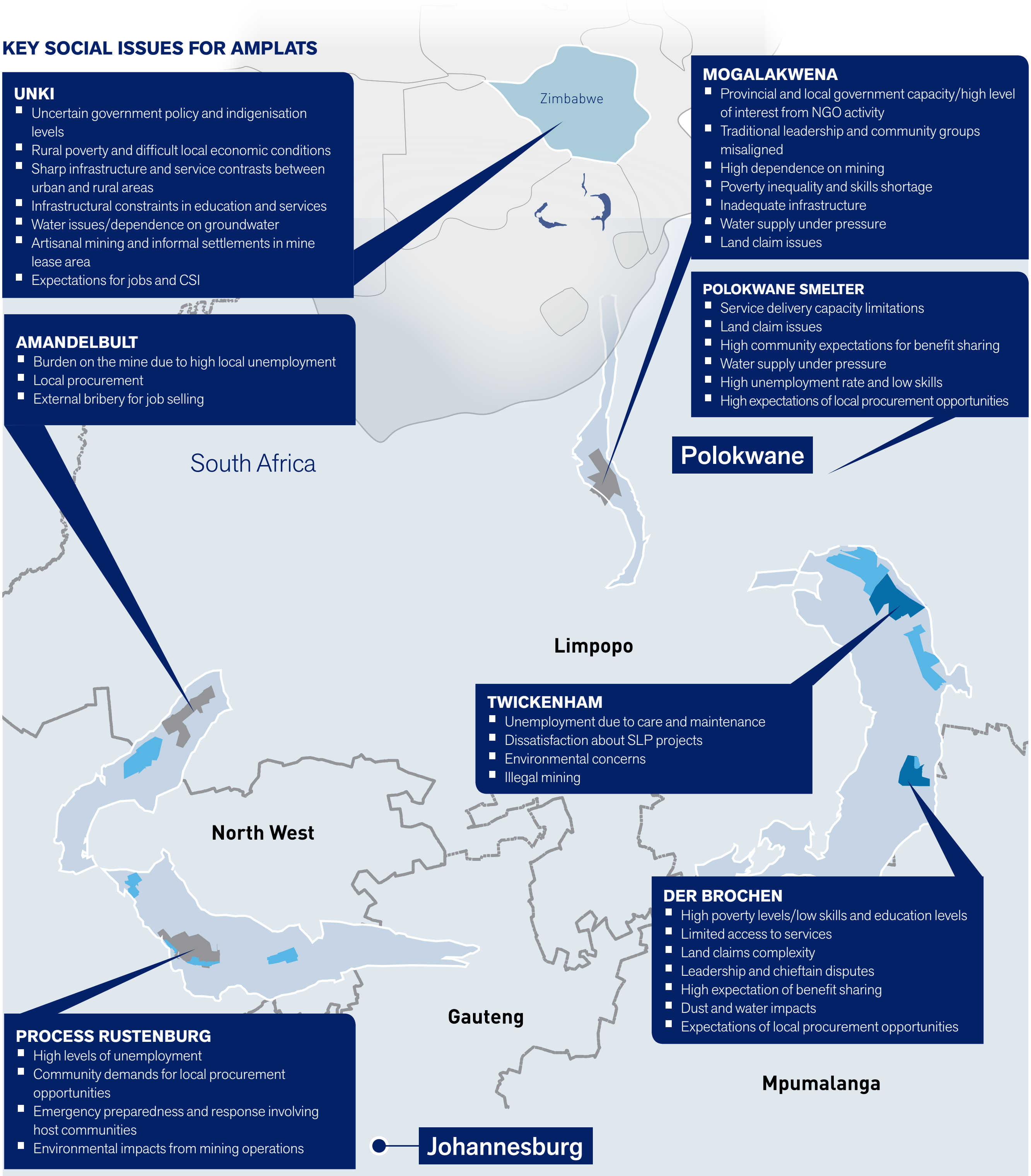
SOCIAL CAPITAL IS VITAL TO OUR STRATEGY

Our social licence to operate is highly dependent on our ability to demonstrate value creation to host communities and thus a positive impact on social capital. All our activities impact on social capital – the resources and relationships provided by people and society. These impacts can be described as the extent to which a company's actions or decisions contribute positively or negatively to a change in the welfare, capabilities, relationships or livelihoods of people living in society. A positive impact is a benefit to society, and a negative impact imposes a cost on society.

Given our operating context, each operation and mining facility faces significant opportunities and risks, and the way they manage these influences social capital (see social issues map below). In terms of social capital, the most significant issues facing Amplats are:

- Policy uncertainty and the quality of political leadership
- Host communities' high dependence on mining
- A protracted decline in economic growth
- Lack of social infrastructure.

KEY SOCIAL ISSUES FOR AMPLATS



UNKI
- Uncertain government policy and indigenisation levels
- Rural poverty and difficult local economic conditions
- Sharp infrastructure and service contrasts between urban and rural areas
- Infrastructural constraints in education and services
- Water issues/dependence on groundwater
- Artisanal mining and informal settlements in mine lease area
- Expectations for jobs and CSI

AMANDELBULT
- Burden on the mine due to high local unemployment
- Local procurement
- External bribery for job selling

PROCESS RUSTENBURG
- High levels of unemployment
- Community demands for local procurement opportunities
- Emergency preparedness and response involving host communities
- Environmental impacts from mining operations

MOGALAKWENA
- Provincial and local government capacity/high level of interest from NGO activity
- Traditional leadership and community groups misaligned
- High dependence on mining
- Poverty inequality and skills shortage
- Inadequate infrastructure
- Water supply under pressure
- Land claim issues

POLOKWANE SMELTER
- Service delivery capacity limitations
- Land claim issues
- High community expectations for benefit sharing
- Water supply under pressure
- High unemployment rate and low skills
- High expectations of local procurement opportunities

TWICKENHAM
- Unemployment due to care and maintenance
- Dissatisfaction about SLP projects
- Environmental concerns
- Illegal mining

DER BROCHEN
- High poverty levels/low skills and education levels
- Limited access to services
- Land claims complexity
- Leadership and chieftain disputes
- High expectation of benefit sharing
- Dust and water impacts
- Expectations of local procurement opportunities

Our social strategy effectively underpins our business strategy – without the commitment and cooperation of key stakeholders (our people, communities and regulators), we will struggle to achieve a value-optimised portfolio, extract the full potential from our operations and prepare for our future. Their willing participation ensures we will achieve our goals for the benefit of all.

This strategy is designed to both minimise value destruction (negative social capital impacts) and maximise value creation (positive social capital impacts). Dedicated teams continue to focus on improved outcomes by developing the social performance strategy, clarifying roles, ensuring appropriate resourcing, and establishing systems (including digital support) to manage social processes, governance, risk and compliance.

We remain focused on delivering on our commitments for 2010 to 2014 social and labour plans (SLPs). We built the foundations of effective engagement by setting up community forums and concentrated on stabilising our relationships with government and communities. Although some issues persisted, we remained committed to effective engagement processes.

In 2016, we redefined our approach to obtaining and maintaining a social licence to operate and increasing positive social capital impacts by refining our social strategy. We identified critical focus areas and repositioned the business to deliver on key points, including community benefit, engagement/relationships, and risk and impact management.

Our regional socio-economic development strategy (case study on page 33) was a step change in the way we view development. It was premised on the realisation that opportunities for growth in a region will enhance opportunities in communities around our mines. By working closely with the Limpopo government (our primary host province) in setting up investment forums for international and local funding partners, we are attracting developmental funding for large scale projects with broad reach to create localised high-impact opportunities for our communities.

AMPLATS SOCIAL STRATEGY

Strategic objectives	Enhance the **social licence** to **operate** by making a lasting **positive contribution** to communities in which we operate to enable our business strategy			
Value levers	1 Community benefit (maximise positive benefit)		2 Engagement/relationships	3 Risk and impact management
	Equity	Regional socio-economic development (SED)		
Key focus areas	■ Develop community **equity participation** model – Alchemy – Establish functional community trusts with appropriate governance ■ Community participation: **value chain** ■ Supply chain: **procurement** opportunities	■ Implement strategic regional SED priorities – Leverage partnership funding – Collaborate with mining houses – Limpopo government collaboration – SLP alignment ■ Implement institutional strengthening programme	■ **Engagement** – Establish joint community and operation decision-making framework – Improve NGO/religious leaders' cooperation ■ **Communication** – Develop community communication ■ **Influence policy**	■ Meet requirements of social way (including SEAT) – Social risks and impact management – Community health, safety and security management – Contractors, suppliers and business partners' risk assessment and management
Key enablers	1) Social way 2) Appropriate skills and resourcing 3) Effective channels, systems and processes 4) Social risk managed 5) Stakeholder mapping and engagement processes 6) Community intelligence-gathering process 7) Financial valuation discipline 8) Procedural and substantive fairness			

What will success look like	Zero costs of community conflict	Economically diverse and sustainable communities	Conducive policy environment	Informed and engaged stakeholders	Negative social and environmental impact mitigated	Our stakeholders trust and accept our presence in the area

SOCIAL CAPITAL IS VITAL TO OUR STRATEGY
continued

PROGRESS OF SOCIAL STRATEGY

In the review period, we focused primarily on translating our social strategy into actionable work streams and delivering on the desired outcomes associated with each. The transition from strategy to implementation has been driven by three value levers (summarised below) and clear milestones for each initiative and focus area.

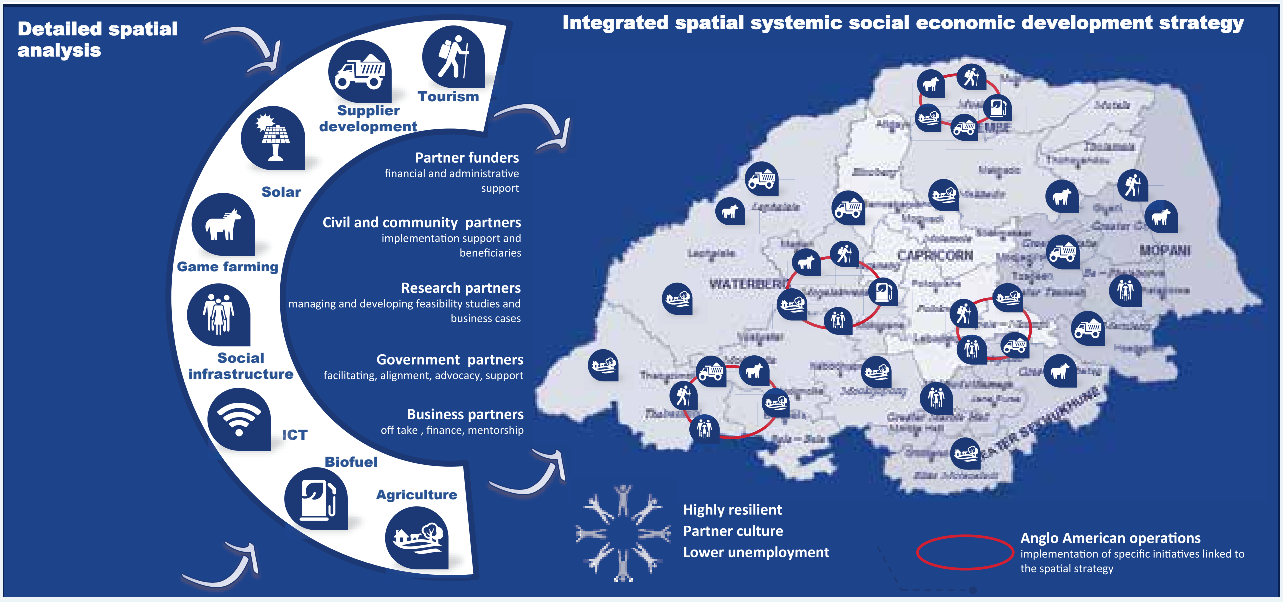
For a detailed description of progress made against our Social Strategy please refer to the Supplementary Report.

PROGRESS ON THE AMPLATS SOCIAL STRATEGY ROAD MAP

Where we are today

Value levers		The starting point 2015	The transition Short term 2016/2017	The steady state Medium term (2020)
1 Community benefit	Equity	▪ Community empowerment only at corporate level ▪ Value chain participation is poor ▪ No effective supply chain participation avenues	▪ Assess community participation models including third-party funding ▪ Develop tailings retreatment business model ▪ Carefully defined opportunities with mentorship and funding ✓	▪ Implement community participation at operations ▪ Tailing retreatment model is tested ▪ Track and monitor success/optimise
	Regional socio-economic development	SED localised and impact limited/NLS alignment to the regional SED strategy	Implement phase 2: consultation, demonstrations and partnerships ✓	Demonstration projects implemented and scaled up
2 Engagement/relationships		▪ Current job participation forums do not offer effective participation of operations ▪ Limited focus on grass root level communication and feedback ▪ Reaction to policy trends and changes	▪ Review participation models for sustainable development ▪ Finalise community communication/implement ▪ Finalise model/implement ✓	▪ Implement models and monitor for effectiveness ▪ Track and monitor programme success/optimise ▪ Utilise independent opinion leaders/research position papers
3 Risk and impact management		▪ Social risk and impact plans not updated/used to manage ▪ No joint planning on community emergency plans ▪ Contractors/supplier management of social impacts/benefits sub-optimal ✓	▪ Social risk managed as integral part of operations ▪ Implement joint consultation and planning forums ▪ Supply chain awareness programme roll out	▪ Social risks managed and stakeholder perceptions changed ▪ Track and monitor effectiveness/optimise ▪ Monitor compliance and assess contractor impacts/benefits

CASE STUDY: REIMAGINING SOCIAL, ECONOMIC AND ENVIRONMENTAL CHANGE IN LIMPOPO



Background

South Africa's Limpopo province is key to Amplats, hosting the vast majority of our assets. After evaluating our socio-economic development activities and best practice in 2015, we moved to a longer-term strategy (both spatially and across time horizons) for our development activities.

This was in part because of the magnitude of socio-economic and environmental issues in Limpopo, which require action on a scale far greater than any one mine can meaningfully begin to tackle. The province faces significant challenges: it has a large population (5.8 million) characterised by generally low literacy and skills levels, high rates of unemployment and high levels of poverty, with the poverty headcount actually increasing from 10.1% in 2011 to 11.5% in 2016. Similarly, while the provision of housing, sanitation and electricity has improved significantly since the 1990s, the piped water supply declined between 2011 and 2016. Limpopo is also a region that frequently suffers from drought.

We keenly understood that we needed to move from being one of many single actors to being a regional partner. We also realised that to have any chance of moving the proverbial needle on the development challenges Limpopo and its people face, we needed to shift from participating in the development process to a new role: helping to lead and facilitate the development. As a result, we began work to catalyse collaboration and partnership on systemic, cross-sector, transformational sustainable development in Limpopo for the long term, linked to our resource development plans and life of mines. These plans have a time horizon of 50 years plus.

Progress

The starting point was to develop a detailed understanding of the opportunities based on the biophysical and social conditions of the province. Working with Dobbin International, experts in spatial analysis and planning, we assessed Limpopo to determine potential opportunities across a range of sectors. This involved gathering relevant spatial data on socio-economic and environmental aspects, including climate, soils, groundwater availability, topography, sensitive ecosystems, transport and urban development as well as social infrastructure and services. The data feeds into a range of models for agriculture, energy, forestry and tourism to determine opportunities for development.

We identified significant potential in agriculture, including game farming, forestry, tourism and the energy sector, while highlighting social development needs. By having information spatially referenced, initiatives can be targeted geographically.

In 2017, we identified first initiatives to develop and began feasibility assessments (to be completed in early 2018). This included economic initiatives in the biodiversity economy, supplier development, commercial agriculture and agri-processing, and a social initiative in access to information and communication technology or ICT.

More initiatives are being added, including tourism. The partnership is also exploring long-term systemic development plans with provincial government.

Unique approach

Having identified potential opportunities, a critical factor is the form of partnership to realise these opportunities.

The proposed approach draws on several forms of partnership including collective impact, which hinges on the idea that for organisations to tackle deeply entrenched and complex social, environmental and economic problems, they need to coordinate their efforts and work together towards a clearly defined goal. It also requires a strong backbone-support team, comprising a representative for each of the core areas of business, government, research, philanthropy, non-profit organisations and citizens themselves.

We are partnering with the Council for Scientific and Industrial Research (CSIR), World Vision-South Africa and Exxaro (the leading coal producer in the province), as well as the National Religious Association for Social Development and Limpopo's office of the premier.

We trust that this approach of inclusive, participatory and transparent collaboration and partnership for development significantly increase the range, scale and value of development initiatives, both around our mines and in our host province. By doing so, we can better contribute to 'moving the needle' on socio-economic and environmental development in Limpopo.

RISK MANAGEMENT AND OUR TOP RISKS

Identifying and managing risk is critical to our business for a sustainable future. In addition, an 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.

GROUP RISK FRAMEWORK

The Amplats risk management process is aligned with ISO 31000 international risk management standards and King IV requirements. Our assessment of strategic, operational and project-related risks follows four well-defined processes:

IDENTIFYING RISKS

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

ANALYSING RISKS AND CONTROLS TO MANAGE IDENTIFIED RISKS

- Once identified, the process evaluates identified risks to establish root causes, financial and non-financial impacts and likelihood of occurrence
- Risk treatments are considered to create a prioritised risk register and determine which risks should be prioritised
- 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.

REPORTING AND MONITORING

- Management is responsible for 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.

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

OPPORTUNITIES

Identifying associated opportunities is integral to this process. Our business model (page 12) and review of our external environment (page 16) elaborate on how we leverage opportunities to ultimately create value.

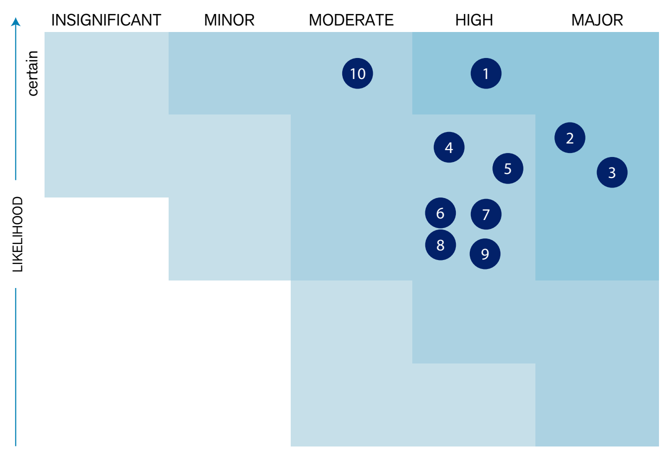
CATASTROPHIC RISKS

We also face certain risks that we deem catastrophic. These are very high severity/very low likelihood events that could result in multiple fatalities or injuries, an unplanned fundamental change to strategy or the way we operate and have significant financial consequences. We do not consider likelihood when assessing these risks as the potential impacts mean they must be treated as a priority.

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.

The heat map positions (below) reflect residual risk ratings, with our actions to manage risks detailed on the following pages.



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

1 **SAFETY**	*Failure to deliver a sustained improvement in safety performance.* Senior management continues to treat safety risk management as a top priority. The number and nature of high-potential incidents (HPIs) remain concerning and an increase in incidents caused by not adhering to basic safety rules and standards is evident, indicating that significant work remains. **Root cause** Inconsistent application of safety rules and hazard identification, including non-compliance to critical controls. **Impact** ▪ Loss of life, workplace injuries ▪ Threat to our licence to operate. **Mitigation** Various safety initiatives emphasise our commitment to zero harm: ▪ Executive management's relentless focus on safety improvement and safety risk management ▪ Operating standards and guidelines are in place to mitigate safety risk, supported by robust risk management and risk assurance processes ▪ Moving to mechanised mining methods will eliminate many safety risks.
RISK INCREASED (2016: 3)	**Risk appetite** ▪ Currently within risk appetite, but potential to exceed it. **Strategic focus** Key enabler ▪ Enabling a sustainable business through zero harm – safety, health and environment.

2 **FUTURE DEMAND FOR AND SUPPLY OF PGMs**	*Future demand for PGMs is at risk from potentially slower growth in combustion engine motor vehicle manufacturing, 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 auto catalyst and diesel vehicles, puts the company at risk. **Root cause** ▪ Potential increase in primary and secondary supply by competitors (longer term) ▪ Reduction in diesel's share of the European light-duty vehicle market ▪ Battery electric vehicle adoption (longer term) ▪ Negative growth outlook in Chinese jewellery market ▪ Potential for substituting palladium with platinum in gasoline vehicle catalysts ▪ Potential upside for growth from heavy-duty diesel, fuel cells and Indian jewellery. **Impact** ▪ Weakened levels of cash flow, profitability and return on capital employed (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.
NO CHANGE IN RISK (2016: 1)	**Risk appetite** ▪ Currently within risk appetite, but potential to exceed it. **Strategic focus** Strategic priority ▪ Developing the market for PGMs to increase demand.

RISK MANAGEMENT AND OUR TOP RISKS
continued

3

SINGLE DEPENDENCE ON CONVERTER PHASE B AT AMPLATS CONVERTER PROCESS (ACP) (SHORT-TERM RISK)

Waterval Smelter uses either of largely identical converters, phase A or phase B, for operational flexibility and as backup. Currently, phase B is being used after recent damage (steam explosion) to phase A, which is expected to take six to 12 months to refurbish. Should ACP phase B be unavailable for a protracted period, downstream processes will be impeded, leading to production stoppages and revenue loss.

Root cause
- Unavailability of a standby converter (phase A), leaving smelting operations exposed in the short term
- Phase B was recently taken offline after three years in operation and maintenance had not yet started
- Few alternative processing facilities available.

Impact
- Complete downstream production shutdown for an extended period as ACP feeds the base metals refinery (RBMR) and the precious metals refinery (PMR)
- Potential revenue loss
- Non-delivery of commitments to clients might lead to additional financial losses.

Mitigation

Phase B in operation:
- Expedite ACP phase A refurbishment and reduce estimated time for repair
- Increase monitoring and operational oversight of converter phase B
- Re-engineer phase A based on the outcome of the root-cause analysis.

Phase B is down for a considerable time:
- Toll concentrate, but there will be volume constraints as Amplats produces 40% of PGM primary products
- Consider metal from other parties
- Purchasing PGMs on the open market for contractual agreements.

NEW RISK

Risk appetite
- Currently within risk appetite, but potential to exceed it.

Strategic focus

Key enabler
- Achieving best practice in our core business processes across our value chain.

4

PRICE AND EXCHANGE RATE VOLATILITY

Price uncertainty and exchange rate volatility remains.

Root cause
- Global economic environment could impact price for PGMs
- Political factors could affect exchange rate
- Slower-than-expected growth in emerging economies
- Weak demand and negative sentiment on PGMs could impact the price.

Impact
- Weakened levels of cash flow, profitability and ROCE
- Reduced ability to exploit future growth/value-enhancing initiatives.

Mitigation
- Strategy to position Amplats in first half of cost curve, ensuring sustainable return, scenario planning and review of assets
- Regular updates of economic analysis and commodity price assumptions to management
- Continued focus on cost control and cash generation
- Unprofitable production will be removed.

NO CHANGE IN RISK (2016: 2)

Risk appetite
- Currently within risk appetite, but potential to exceed it.

Strategic focus

Strategic priority
- Developing the market for PGMs to increase demand.

5 REGULATORY AND FUTURE COMPLIANCE (SOUTH AFRICA)

Changing regulatory requirements, specifically mining charter and MPRDA amendments, increase the risk of non-compliance and failing to deliver on our social and labour plans (SLPs). Non-compliance could result in fines/penalties, production interruptions from section 53 and 54 notices issued by the regulator.

Changes to land and water legislation and the broader developmental role expected of mining creates uncertainty.

Root cause
- Non-compliance to mining charter requirements and SLP commitments
- Our licence to operate through mining rights depends on a number of factors, including complying with regulations.

Impact
- Uncertainty on future business conditions leads to a lack of confidence in investment decisions, which can influence future financial performance
- Section 53 and 54 notices, leading to lost production and financial loss
- Increased costs of conducting business through additional regulation.

Mitigation
- Participating with Chamber of Mines and regional development forums
- Responsibility for SLP infrastructure project execution allocated to our projects department which has the skills to manage large infrastructure projects. We focus on ensuring compliance with internal standards, and ensure these are aligned to regulatory compliance.

RISK INCREASED (2016: 4)

Risk appetite
- Currently within risk appetite, but potential to exceed it.

Strategic focus

Key enabler
- Building leading community and stakeholder relationships and making a lasting contribution.

6 FAILURE TO DELIVER THE FULL POTENTIAL OF OPERATING ASSETS

Failure to deliver the full potential of the operating assets due to non-delivery of productivity targets, and delays in the operating model (OM) implementation at operations.

Root cause
- Not meeting productivity targets
- Delays in OM implementation
- Delays with technology adoption
- Failing to make Amandelbult investable again
- Delays and extent of project activities in processing operations
- Inability to capitalise assets at the appropriate time.

Impact
- Loss of production and revenue
- Inability to deliver required levels of cash flow

Mitigation
- Deliver value by rolling out the operating model
- Continue debottlenecking downstream process capacity
- Continue research and development of cutting-edge technology, XLP and ULP
- Continue with organisational development and transformation
- All optimisation initiatives tracked and reported.

RISK INCREASED (2016: 13)

Risk appetite
- Within appetite, high consequence requires close monitoring.

Strategic focus

Strategic priority
- Extracting the full potential from our operations through our people

Where we compete
- Focusing the portfolio
- High-quality, low-cost production, sustained higher-margin assets with reduced safety risk

Key enablers
- Organisation culture anchored on a significant leadership style and values orientation.

RISK MANAGEMENT AND OUR TOP RISKS
continued

7

SOCIAL LICENCE TO OPERATE

If local communities 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
- Rising levels of dissatisfaction among communities on social delivery, community perception of transformation, employment and procurement activities
- Delay in community trusts' money transfers and actual use of funds by communities
- Poor service delivery by local municipalities to communities
- Misaligned expectations.

Impact
- Reduced levels of trust between mine and communities
- Life-threatening effects during protests
- Loss of production and possible damage to assets
- Negative reputational consequences.

Mitigation
- Implementation of social strategy: regional SED strategy, social risk and impact management
- Increase community and employee ownership, innovative development initiatives in place
- Compliance to the Anglo American social way.

NO CHANGE IN RISK (2016: 5)

Risk appetite
- Within appetite, high consequence requires close monitoring.

Strategic focus
Key enabler
- Building leading community and stakeholder relationships and making a lasting contribution.

8

FAILURE TO INVEST TO SECURE AND GROW OUR LEADERSHIP POSITION

Ensuring efficient investments and effective execution of value-accretive projects on time and budget. Inability to secure investable projects and failing to meet investment commitments will jeopardise the sustainability of our business.

Root cause
- Worsening economy impacting projects
- Studies not progressing as planned
- Inability to transform into a modernised organisation
- Lack of fit-for-purpose design and standards (cost, time, competitiveness)
- Capital allocation.

Impact
- Loss of potential growth opportunities as a result of economic environment
- Fall behind competitors and loss of competitive advantage or positioning
- Negative cost-curve impact due to projects not coming online
- Loss of potential revenue in profit pool
- Negative life-of-mine impact
- 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
- Rigorous selection processes applied to stay-in-business capital allocation.

NO CHANGE IN RISK (2016: 6)

Risk appetite
- Within appetite, high consequence requires close monitoring.

Strategic focus
Strategic priority
- Repositioning and investing in our portfolio of assets to extract value

Where we compete
- Selective investment
- Securing and growing our leadership position in line with market demand, supported by balance sheet strength.

9

INFRASTRUCTURE (WATER)

Inability to obtain and sustain the level of water security needed to support operations. South Africa is a water-stressed region. Water is essential to our operations which are exposed to constrained or disrupted supply.

Root cause
- Resource constraints
- Climate change
- Inadequate on-site storage (short to medium term)
- Inefficient water management
- Poor/delayed infrastructure maintenance/capital projects by water service providers (WSP).

Impact
- Social impact due to competition for scarce water resources
- Loss of production
- Environmental impact from effluent water used
- Future cost of water from WSP, with cost increases placing assets at risk.

Mitigation
- Integrated water plan is in place (water conservation and demand management):
  - Operational shift to non-potable process water
  - Current research to reduce operational water inefficiencies
  - Constructing on-site storage: Mogalakwena, Amandelbult, Rustenburg
  - Regional water strategy development for Limpopo
  - Strategic alignment, partnership and technical support to local and regional water authorities.

NO CHANGE IN RISK (2016: 7)

Risk appetite
- Within appetite, high consequence requires close monitoring.

Strategic focus
Strategic priority
- Extracting the full potential from our operations through our people.

10

INFORMATION SECURITY

Failing to sufficiently protect the data and information of certain initiatives or knowledge holders from leakage or attack. Anglo American has recorded a rise in attacks.

Root cause
- Increased capabilities of hackers/attackers
- Rise in cyber breaches (eg phishing, spoofing and hacking attempts)
- Industrial espionage.

Impact
- Loss of critical and/or sensitive data, reputational damage
- Safety impacts (through loss of control of operating systems, particularly process systems)
- Financial losses.

Mitigation
- Security campaigns to create awareness
- Existing capabilities being extended to include monitoring high-risk assets and advanced network-monitoring technologies
- Implementing augmented detection capabilities.

RISK INCREASED (2016: 9)

Risk appetite
- Within appetite.

Strategic focus
Strategic priority
- Extracting the full potential from our operations through our people.

The following catastrophic risks have been identified: 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 (underground)	**Explosion** (and fire)	**Slope failure**	**Transportation**	**Tailings dam failure**	**Structural failure**	**Loss of containment**

CHIEF EXECUTIVE OFFICER'S REVIEW

Chris Griffith
Chief executive officer

Our results in 2017 largely mark the position we have been working towards over the past five years. The foundations of a solid operational performance, repositioned portfolio, healthy balance sheet and restored dividend are now all set, positioning us strongly for a sustainable future.

In early 2013, given structural changes we had analysed in the PGM market, we announced a strategy founded on the vision of modernising the company and focused on delivering value, not simply on the volume of ounces produced.

Our strategy has three key pillars: extracting the full potential from our operations through our people; repositioning and investing in our portfolio of assets to extract value; and developing the market for PGMs to increase demand, all delivered in a values-driven and socially responsible way.

I am pleased with the definitive and significant progress we have made in 2017 in all but one aspect.

SAFETY AND SUSTAINABILITY

Our safety performance in 2017 was simply unacceptable. It did not meet the standards we set for ourselves nor those that society and our employees deserve. It is a blemish on our record, for which we are collectively accountable. On behalf of the group, I extend our heartfelt condolences to the families, friends and colleagues of the six employees who died in work-related incidents in 2017: Mr Nkoliseko Jikumlambo was seriously injured in a fall-of-ground incident at Amandelbult's Tumela Mine on 8 April, and sadly passed away on 21 April in hospital; Mr Kagiso Ramokgatla was fatally injured in a loader incident on 7 June at Amandelbult's Dishaba Mine; Mr Douw Swart suffered chemical burns on 21 August at the precious metals refinery (PMR) and succumbed to his injuries on 5 September; Mr Tlou Abel Keetse passed away on 9 October in a winch-related incident at Amandelbult's Dishaba Mine; Mr Arlindo Sumbe was fatally injured in a fall-of-ground on 31 October at Union Mine; and Mr Samuel Jele passed away in a surface transport-related incident at Waterval Smelter on 21 December.

From the thorough investigations of each incident, we have taken time to reflect on our safety strategy and have already put in place a revised safety strategy and the framework for a comprehensive safety turnaround plan that will be built on in 2018.

More positively, we have made progress on overall safety behaviour in 2017, with key indicators such as the LTIFR down to 0.63, while total recordable cases improved to 0.90.

Against the other key sustainability-related metrics we use to track performance, we made encouraging progress in 2017 with a further significant reduction in the number of employee tuberculosis deaths due to the active employee wellness programmes we have put in place. 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% on viral load suppression), 96% of our employees have been counselled, 80% were tested and 86% of those who are HIV-positive are on antiretroviral treatment. On the environmental side, we achieved our energy and water efficiency targets and we have had no major environmental incidents (categorised as level 3 to 5) since 2013.

SOLID FOUNDATION LAID BY EXTRACTING FULL POTENTIAL FROM OPERATIONS

We recorded a good operational performance in 2017 owing to our focus on numerous efficiency improvements across the portfolio. Our total platinum production, at 2,397,500 ounces, exceeded the upper end of revised market guidance of 2,350,000 ounces despite our decision, in line with our strategy to focus on value not volume (with specific initiatives detailed in the chairman's letter). Total PGM production was

5,007,700 ounces (expressed as 5E + gold metal in concentrate), platinum at 2,397,500 ounces (2016: 2,381,900) and palladium at 1,557,300 ounces (2016: 1,538,600).

For the **mines we own and manage** – Mogalakwena, Amandelbult, Unki and Union – operational efficiencies drove total PGM production up 5% to 2,431,000 ounces (2016: 2,325,000), while platinum produced was 3% higher at 1,130,900 ounces (2016: 1,096,200) and palladium up 7% to 847,200 ounces (2016: 789,600).

Mogalakwena Mine in particular had a stellar performance in 2017, producing a record 1,098,500 PGM ounces, up 12% (2016: 980,100), with platinum production up 13% to 463,800 ounces (2016: 411,900) and palladium by 13% to 508,900 ounces (2016: 452,000). This was achieved by mining a higher-grade area in the current mining cut, in line with its long-term plan, as well as optimising the North concentrator plant which improved concentrator throughput and recoveries. Mogalakwena is our largest cash-generating asset, producing a return on capital employed of 32%, up from 22% in 2016.

Total PGM **production from joint ventures** was down 2% to 1,096,100 PGM ounces (2016: 1,124,100), while platinum production was down 3% to 490,600 ounces (2016: 505,600) and palladium was down 1% to 323,100 ounces (2016: 327,800) owing primarily to delayed production from Mototolo Mine while the Helena tailings facility was stabilised.

There were strong production performances from Modikwa, which produced 10% more at 325,600 PGM ounces (2016: 295,800), and Kroondal with 585,800 PGM ounces (2016: 576,300) due to improved underground efficiencies and concentrator recoveries. Platinum production from Modikwa was up 10% to 126,700 ounces while Kroondal's platinum production was up 2% to 278,600 ounces.

Total PGM purchase of concentrate from associates was down 7% to 484,000 ounces (2016: 517,900) after Bokoni was placed on care and maintenance in the third quarter. Total PGM purchase of concentrate from third parties rose substantially due to the sale of the Rustenburg mining and concentrating operations to Sibanye and subsequent reclassification on these ounces to 'purchased' from 1 November 2016.

Refined PGM production increased 7% year-on-year to 5,116,200 ounces (2016: 4,787,200) after refined production in the prior year was materially affected by a section 54 safety stoppage at the PMR, and the run-out at the Waterval Smelter in September 2016. Annual production, as well as the backlog from the prior year, was all successfully smelted and refined in the period. Refined platinum production increased 8% to 2,511,900 ounces (2016: 2,334,700), and refined palladium production by 14% to 1,668,400 ounces (2016: 1,464,200).

Total PGM sales volumes rose 6% to 5,382,200 ounces (2016: 5,058,100). Platinum sales volumes were 4% higher at 2,504,600 ounces (2016: 2,415,700), while palladium sales volumes increased 3% to 1,571,700 (2016: 1,532,100), in line with higher refined production.

PEOPLE ARE THE KEY TO EXTRACTING THE FULL POTENTIAL FROM OUR OPERATIONS

We achieve our goals through our people. We are committed to their wellbeing and development, and focused on maintaining a work environment where they can develop and thrive. The profile of our workforce has changed profoundly due to repositioning the portfolio over the past five years, with large-scale reductions in the number of employees from some 56,400 in 2012 to around 23,000 people in January 2018 after transferring Union Mine to Siyanda. With the shift to modernisation, mechanisation and automation, we have found that, in addition to the continued development and training of our workforce, it is important to recruit the appropriate skills for our mines. In 2017, we spent R10 million on training and development, on top of recruiting the best mining skills to supplement our talent pool. Since the repositioning, our smaller but more skilled workforce has ensured that we work more efficiently, with productivity improving 16%.

In terms of transformation, we continue to make progress. In 2017, historically disadvantaged South African (HDSA) representation at senior management level rose from 45% in 2016 to 51%, middle management from 64% to 67%, junior management 78% to 80%, and female representation from 15% to 16%.

While we were making progress in providing accommodation and access to decent healthcare programmes, in 2014 we identified a gap in our programmes to address the financial wellbeing of our employees, many of whom were falling prey to so-called loan sharks. In response, we initiated a financial wellness programme, Nkululeko, which to date has reached around 12,000 employees via individual consultations on financial matters and implemented numerous debt relief solutions. From 2018, we are expanding this programme to include a broader range of financial issues.

Our organisational cultural transformation journey is creating a common purpose aligned with our strategy, focused on values, leadership and engagement. We have made great progress at managerial levels and, in 2018, the programme will begin addressing aspects at the lowest level in the organisation to ensure alignment.

SOCIALLY RESPONSIBLE OPERATIONS, BUILDING A FOUNDATION FOR LONG-TERM SUSTAINABILITY

Owing to South Africa's past, there is a significant legacy of underdevelopment and high unemployment around our operations. We continued to improve our engagement with communities in 2017, as they ultimately grant us our social licence to operate and have become key stakeholders in the longevity of our mines.

CHIEF EXECUTIVE OFFICER'S REVIEW
continued

In 2017, no production days were lost to community protests around our operations and we successfully completed and handed over 16 social and labour plan 2 (SLP2) projects. A further 73 projects are either being implemented or will be completed by the 2020 SLP2 deadline. Our total spend on community development in 2017 was R301 million (excludes overhead costs), representing 6% of normalised net profit after tax and supporting a range of education, health, community upliftment and development projects. In addition, we have transferred R142 million in community trust funds to the various community benefit structures set up around our operations.

We are focusing on local supplier development to ensure our host communities benefit from mining. In 2017, we achieved a 53% increase in host community spend with R1.2 billion directed at local businesses, representing 7% of our addressable spend (up from 3% in 2016). Increasing local procurement will remain a focus.

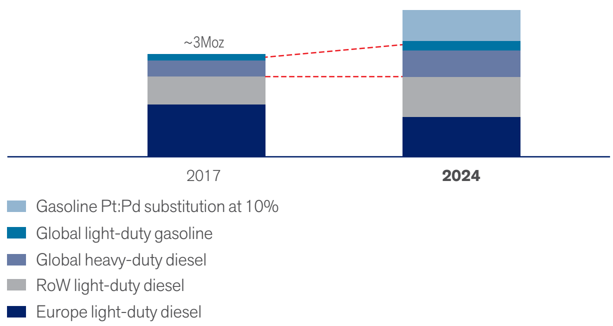
While the general policy and regulatory environment remains uncertain in South Africa, our existing mining rights are secure and not at risk. Recent developments under a new president and mining minister are most encouraging. With renewed political commitment to ensure the viability of the industry, we are hopeful that a negotiated settlement can be reached, one that is practical to implement, and that preserves and enhances investment. We reiterate our commitment to transformation in the industry and we will continue to engage through the Chamber of Mines on these matters.

DIFFICULT MARKET CONDITIONS CONTINUE; MARKET DEVELOPMENT REMAINS A KEY PILLAR OF STRATEGY

The platinum price ended the year down 1.3% at US$928 per ounce, with the average for the year softening 4% to US$950 (2016: US$989). The other PGMs had a much more impressive year, driven primarily by strong gasoline auto demand, contributing to the 12% rise in the dollar PGM basket price. Despite negative press on the decline of diesel cars in Western Europe, automotive platinum demand remains robust and we expect continued growth in global automotive demand, for our basket of metals. A 9% stronger rand meant the rand basket price increased by 2% year-on-year. Contributing factors and movements in the PGM market are detailed on page 16 and summarised by the chairman. Salient features for the key PGMs are shown below.

Platinum	Palladium	Rhodium
Gross demand ↓ 4.5% Mine production ↓ 1.6% China jewellery demand ↓ but Indian demand ↑ Net investment demand ↓	Price ↑ 42% to 16-year high and at premium to platinum Demand ↑ 9%	Price ↑ 60% supported by tighter emissions standards

Forecast platinum auto demand



We continue with in-depth market analysis for the range of PGMs we sell. We are currently evaluating whether the shifts in market dynamics in 2017 are simply cyclical or represent a longer-term structural change to the market.

Despite these dynamics, we continue to focus on developing the market for platinum with Platinum Guild International (PGI) focusing on the four major platinum jewellery markets of China, Japan, India and the USA while the World Platinum Investment Council (WPIC) focuses on increasing investor demand. We also operate the PGM investment programme, which provides start-up or early-stage capital to companies commercialising technology that uses or enables the use of PGMs. These investments are primarily focused on hydrogen, fuel cells, energy storage and the clean energy transition (see page 20).

REPOSITIONING THE PORTFOLIO FOR A SUSTAINABLE FUTURE

I am pleased with the key strategic successes we have delivered in 2017 in repositioning our portfolio. We aim to own and operate the best assets in the PGM industry, consisting of Mogalakwena, Amandelbult, Unki, the joint-venture operations BRPM (Bafokeng Rasimone Platinum Mine), Mototolo and Modikwa, and downstream processing assets.

As noted by the chairman, corporate activity in the last two years has allowed us to focus on our most competitive assets, comprising largely open-pit and more mechanised operations which will result in higher-margin production, a smaller and more highly skilled workforce, safer operations and a less complex organisation.

Our core operations will benefit from dedicated management attention and technical expertise, as well as disciplined capital allocation.

The 2017 sale of Mineral Resources in the Amandelbult mining right (excluded from current life-of-mine plans) generated cash proceeds of R1 billion, used to reduce net debt.

STRONG OPERATIONAL FOUNDATION AND ONCE-OFF FROM SALES DELIVER SOLID FINANCIAL RESULTS

Amplats delivered a strong financial performance in 2017 by improving cost structures and optimising working capital and asset sales in protracted difficult market conditions.

We are now seeing the benefits of exiting the high-cost Rustenburg operations, as well as strict cost control, with unit costs down 2% to R19,203 per produced platinum ounce (2016: R19,545). This performance is detailed in the financial director's report on page 46). Salient features of 2017 include:

- Reported EBITDA (earnings before interest, taxation, depreciation and amortisation) rose 32% to R12.0 billion (2016: R9.1 billion)
- Capital expenditure rose 18% to R4.0 billion, mostly for safety-critical and business continuity projects. Our focus remains on investing in low-capex, fast-payback, value-accretive projects
- Headline earnings rose 108% to R3.9 billion (2016: R1.9 billion), with headline earnings per share (HEPS) of 1,482 cents (2016: 713 cents)
- Net debt dropped to R1.8 billion from R7.3 billion in 2016
- Gearing is down to 4.3% and net debt to EBITDA has improved to 0.2
- As a result, the board has restored dividend payments of R0,9 billion (R349 per share).

OUTLOOK

In view of current and expected market conditions for PGMs, we remain focused on our strategy to build a solid foundation for a sustainable future. We have restructured our business and repositioned our portfolio to become resilient, despite protracted volatility of the PGM pricing environment.

Underlying cash flow generation will remain our focus, and project capital will therefore be prioritised on quick-return projects that generate meaningful incremental value. No major project capital will be committed in 2018, although we continue with study plans for potential future projects at Mogalakwena and Der Brochen, to position Amplats to implement these should market conditions improve.

We are committed to maintaining a strong balance sheet through the cycle, only focusing on high-returning and quick pay-back projects. We have therefore committed to allocating capital to pay a sustainable dividend based on a payout ratio of 30% of normalised headline earnings.

In terms of outlook our guidance is as follows:

- **Market outlook** – looking at the three major PGMs, forecasts suggest that platinum, palladium and rhodium will again collectively be in deficit in 2018. Rising vehicle production volumes and a healthy global economy should drive higher demand while primary mine production is likely to be relatively unchanged on the previous year. Platinum is likely to be in a small surplus again in 2018, with demand exceeded by overall supply, while palladium should remain in a substantial deficit even if disinvestment of physical palladium continues. Rhodium demand should continue to climb in 2018.
- **Operational outlook** – PGM production guidance (metal-in-concentrate) is 4.75 – 5.00 million ounces for 2018 and 2.3 to 2.4 million ounces platinum. Refined production and sales volumes will be in line with production, but lower than the review period, which benefited from the 2016 smelter run-out backlog and 2017 stockcount gain of some 100,000 ounces platinum.
- **Financial outlook** – The global economic outlook remains uncertain, with volatility in metal prices and exchange rates expected to continue. Management's efforts to reposition the portfolio, removing loss-making ounces, implementing strict cost control and focusing on operational efficiencies should enhance margins and generate sustainable cash flow. Capital discipline will continue, with capital expenditure projected at R4.7 billion to R5.2 billion, of which R3.9 billion to R4.2 billion will be on sustaining capex to maintain asset integrity and meet compliance requirements.

In closing, I thank my executive team and all our people for their hard work in 2017. Other than our poor safety performance, this is a set of results we can be proud of. I assure our stakeholders we are well on the path to successfully entrenching the foundations needed for a sustainable future.

Chris Griffith
Chief executive officer

15 February 2018

PERFORMANCE AGAINST OPERATIONAL TARGETS

Operational targets are set to collectively deliver on our strategic goals, aligned with the broader group's seven pillars of sustainable value (column 1). Terms are defined in the glossary in our supplementary report.

PILLAR	COMMENT	
Safety and health **DO NO HARM TO OUR WORKFORCE OR HOST COMMUNITIES** For more information see our supplementary report	**Number of work-related fatal injuries** **Total recordable case frequency rate (TRCFR)** – number of fatal injuries, lost-time injuries and medical treatment cases for employees and contractors per 200,000 hours worked. From 2018, we will measure this per 1,000,000 hours to align with best practice.	**Lost-time injury frequency rate (LTIFR)** – number of lost-time injuries for employees and contractors per 200,000 hours worked **TB cases** (new cases per 100,000 employees)**, HIV status and treatment*** ** As per UN targets, 90% of employees to know their status and 90% to be enrolled on treatment.*
Environment **MINIMISE HARM TO THE ENVIRONMENT** For more information see our supplementary report	**Energy use/unit production** – measured in million gigajoules (mGJ) **Greenhouse gas (GHG) emissions** – measured in million tonnes of CO_2 equivalent emissions (Mt CO_2e)	**Total new water (mega m³)** – total withdrawals or abstractions (total inflow excluding estimate of surface run-off or precipitation harvested)
Socio-political **PARTNER IN THE BENEFITS OF MINING WITH LOCAL COMMUNITIES AND GOVERNMENTS** For more information see our supplementary report	**Corporate social investment** Community development spend = >1% net profit after tax (NPAT)	**BEE/HDSA procurement** Procuring goods and services from black economic empowerment (BEE) companies
People **RESOURCE THE COMPANY WITH AN ENGAGED AND PRODUCTIVE WORKFORCE** For more information see our supplementary report	**Productivity definition** **HDSAs in management** – percentage of designated groups (mining charter)	**Gender diversity** – percentage of women employed (mining charter)
Production **EXTRACT OUR MINERAL RESOURCES IN A SUSTAINABLE WAY TO CREATE VALUE** For more information see our operations review on page 46	**Total refined production** – measured in 000 ounces (koz) **Sales** – measured in 000 ounces (koz) **Own mines' refined production** – measured in 000 ounces (koz)	
Cost **BE COMPETITIVE BY OPERATING AS EFFICIENTLY AS POSSIBLE** For more information see our financial review on page 46	**Total unit cost of production** – measured as R/Pt oz	Capital expenditure (excluding interest and waste stripping) – measured in R billion (Rbn)
Financial **DELIVER SUSTAINABLE RETURNS FOR OUR SHAREHOLDERS** For more information see our financial review on page 46	**Attributable return on capital employed** **EBITDA** – earnings before interest, taxation, depreciation and amortisation calculated by adding to operating profit the pre-tax equity-accounted earnings from associates.	**Headline earnings per share (HEPS)** – measured in cents **Operating free cash flow (FCF)** – cash generated from operations adjusted for stay-in-business capital expenditure and capitalised waste, measured in R billion (Rbn)

RESULTS AND TARGETS

FATALITIES#
Targets
2018 = 0
2017 = 0

Actual
2017 **6**
2016 7

TRCFR#
Targets
2018 = 15% improvement on 2017 baseline
2017 = 0.78

Actual
2017 **0.90**
2016 1.05

LTIFR
Actual
2017 = 0.63
2016 = 0.73

TB incidents – new cases#

Actual
2017 **148**
2016 253

HIV status (%)#
Target = 90
Actual = 80

HIV treatment (%)#
Target = 90
Actual = 86

Energy use (mGJ)#
Targets
2018 = 1% improvement
2017 = 22.9

Actual
2017 **21.5**
2016 24.6

GHG emissions (Mt CO_2e)
Targets
2018 = 4.3
2017 = 5.03

Actual
2017 **4.6**
2016 5.6

New water used (Mm³)#
Targets
2018 = 27.8
2017 = 29.1

Actual
2017 **26.4**
2016 32.7

Community development spend (R million)
Actual
6% of net profit after tax

Actual
2017 **295** *(excludes overhead costs and Unki)*
2016 354

BEE ownership (%)
Targets
2018 = At least 26
2017 = 26

Actual
2017 **35**
2016 33.34

BEE procurement (%)
Targets
2018 = 75
2017 = 70

Actual
2017 **72**
2016 72

Productivity (PGM oz/employee)

Actual
2017 **93.9**
2016 80.8

HDSAs in management (%)
Targets
2018 = 40
2017 = 40

Actual
2017 **75**
2016 74

Women in mining (%)
Targets
2018 = 10
2017 = 10

Actual
2017 **16**
2016 15

Total refined PGM production

Actual
2017 **5,116**
2016 4,787

PGM sales (koz)

Actual
2017 **5,382**
2016 5,058

Owned managed mines – PGM refined (koz)

Actual
2017 **2,432**
2016 2,227

Total operating cost (R billion)

Actual
2017 **59.1**
2016 57.4

Capex (R billion) excluding waste stripping and interest
Targets
2018 = 5.0
2017 = 3.9

Actual
2017 **4.0**
2016 3.4

Operating free cash flow (R billion)

Actual
2017 **5.1**
2016 5.2

ROCE (%)
Actual
2017 **18**
2016 9

HEPS (cents)
Actual
2017 **1,482**
2016 713

(R billion) EBITDA
Actual
2017 **12.0**
2016 9.1

 # Scorecard element of remuneration

FINANCIAL REVIEW

Ian Botha
Finance director

The company has delivered a strong financial performance in the year to 31 December 2017, despite subdued market conditions, by delivering against its strategy to reposition its portfolio, improve cost structures and optimise working capital.

KEY ACHIEVEMENTS

NET SALES REVENUE UP 6% TO
R65.7 billion

UNIT COST OF R19,203 PER PRODUCED PLATINUM OUNCE DOWN
2% on 2016

HEADLINE EARNINGS UP 108% TO
R3.9 billion in 2017

STRONG BALANCE SHEET – NET DEBT DOWN TO
R1.8 billion

REINTRODUCTION OF DIVIDEND OF R3.49 PER SHARE, OR
R0.9 billion

DISPOSALS CONCLUDED OF UNION, PANDORA AND LONG-DATED AMANDELBULT RESOURCES

SUPPORTED ATLATSA RESOURCES IN PLACING BOKONI ON
care and maintenance

OVERVIEW

Significant progress has been made in delivering on the 'value not volume' strategy and repositioning the portfolio with the successful completion of:

- The sale of our 42.5% interest in the Pandora joint venture to Lonmin on 1 December 2017 for a deferred cash consideration of a minimum of R400 million and maximum of R1 billion over six years; as well as a rental agreement for the use and full operational control of Lonmin's Baobab concentrator to process Mogalakwena ore for a three-year period
- The disposal of long-dated resources at Amandelbult to Northam Platinum on 6 December 2017 for cash of R1.1 billion and an ancillary Mineral Resource in Northam's Zondereinde mining right that borders Amandelbult's mining right and gives us flexibility in placing future mining infrastructure
- The sale of Union Mine to Siyanda Resources on 1 February 2018 for upfront cash of R400 million, a deferred cash consideration of 35% of net cumulative positive free cash flow for 10 years (with early settlement at the option of the buyer) and the purchase of concentrate agreement for seven years with a life-of-mine toll arrangement from year eight.

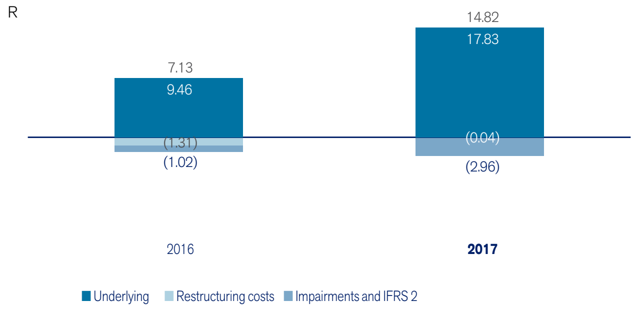
Amplats supported Atlatsa Resources in placing Bokoni on care and maintenance in the last quarter of 2017. In addition, we signed an agreement with Atlatsa to acquire Kwanda North and Central Block prospecting rights for consideration of R350 million and to write off the Atlatsa Holdings and Plateau Resources indebtedness to Amplats, being R3.7 billion at 31 December 2017. The transaction is subject to DMR approval to include these prospecting rights into our adjacent mining right.

We further strengthened the balance sheet and ended the year with net debt of R1.8 billion compared to R7.3 billion in 2016. This was driven primarily by improved operating cash flow of R1.6 billion, proceeds on asset sales of R1.2 billion and an increase in the customer prepayment of R2.6 billion, bringing the total customer prepayment to R4.6 billion.

In December 2017, following the finalisation of the 2018 business plan, ore stockpiles were measured for the first time at a relevant proportion of on-mine costs. In the past, owing to limited concentrating capacity, ore stockpiles accumulated. Relevant mining costs were fully allocated to material delivered to the concentrators, rather than deferring costs on the balance sheet for material the group did not have the capacity to process. A change in mining approach at Mogalakwena Mine, which increased pit-slope angles, was implemented on a large scale in 2017, and fully embedded in the 2018 business plan. This required reconsidering ore stockpile management. The new mining approach would cause a deficit in suitable grade ore from 2021, such that the material on ore stockpiles would be used to supplement production. The basis of allocating costs has changed as the group's normal capacity is no longer defined by the annual availability of concentrator capacity. Rather, costs are now being allocated to the material on ore stockpiles that have a reasonable expectation of being processed. The ore stockpile at Mogalakwena was measured at R1.6 billion, while other ore stockpiles were measured at R0.2 billion. Allocating costs to ore stockpiles consequently reduced the value of work-in-progress and refined metal inventory. Overall there was a net increase in inventory of R1.1 billion at Mogalakwena Mine, and R0.2 million at the group's other mines, including joint operations.

Headline earnings increased 108% to R3.9 billion (2016: R1.9 billion), with headline earnings per share (HEPS) of 1,482 cents (2016: 713 cents). Higher earnings reflect operating and overhead cost improvements and a higher dollar basket price, offset by a stronger exchange rate compared to 2016. We recorded attributable post-tax impairments totalling R3.9 billion impacting basic earnings, of which R0.8 billion impacts both basic and headline earnings. Impairments that affect only basic earnings included Union Mine of R1.0 billion, equity interest in BRPM of R1.9 billion and Bokoni Platinum Holdings of R0.2 billion. Both basic and headline earnings were impacted by the write-off of term-loan facilities advanced to Atlatsa of R0.7 billion and a loan to Bakgatla-Ba-Kgafela of R69 million related to their interest in Union Mine.

Headline earnings per share



Our focus remains on improving margins. Unit cost was R19,203 per platinum ounce, down 2% compared to 2016 (after measured ore stockpiles), markedly outperforming both CPI and input cost inflation. The all-in sustaining cost of production was US$826 per platinum ounce against an achieved platinum price of US$947 per ounce, benefiting from stringent cost management.

For a more comprehensive account of the company's financial position and performance, this review should be read in conjunction with the annual financial statements for 2017 which can be found on:
www.angloamericanplatinum.com.

FINANCIAL PERFORMANCE

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

R million	2017	2016	% change
Net sales revenue	**65,670**	61,960	6
Cost of sales	**56,578**	56,096	1
EBITDA	**11,985**	9,096	32
EBIT	**7,892**	4,429	78
Headline earnings	**3,886**	1,867	108
Cash generated from operations	**15,867**	13,596	17
Capital expenditure excluding capitalised waste stripping and interest	**3,960**	3,398	17

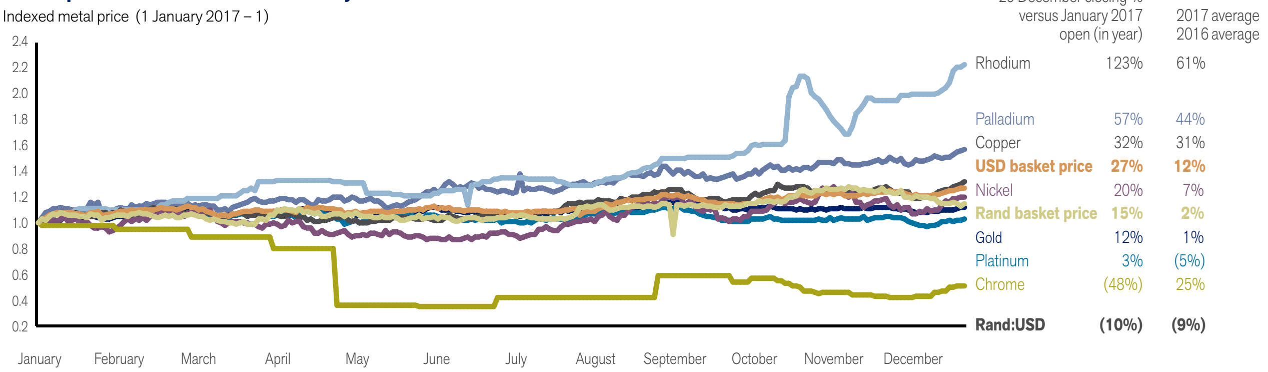
Revenue

Net sales revenue rose 6% to R65.7 billion from R62.0 billion in 2016 on the back of higher PGM and chrome sales volumes, a 12% higher US dollar basket price of US$1,966 per platinum ounce sold compared to US$1,753 in 2016, offset by a 9% stronger rand of R13.33 (2016: R14.63). The average US dollar sales price achieved on all metals improved, except platinum which was US$947 per ounce compared to US$993 in 2016. Palladium was up 44%, rhodium up 61%, nickel up 7% and chrome up 25%. The rand basket price improved only 2% to R26,213 per platinum ounce sold (2016: R25,649).

R million	2017	2016	% change
Gross sales revenue by metal	**65,688**	61,976	6
Platinum	**31,590**	35,156	(10)
Palladium	**18,421**	13,644	35
Rhodium	**4,242**	3,062	39
Nickel	**3,566**	3,787	(6)
Other	**7,869**	6,327	24
Commission paid	**(18)**	(16)	13
Net sales revenue	**65,670**	61,960	6

FINANCIAL REVIEW continued

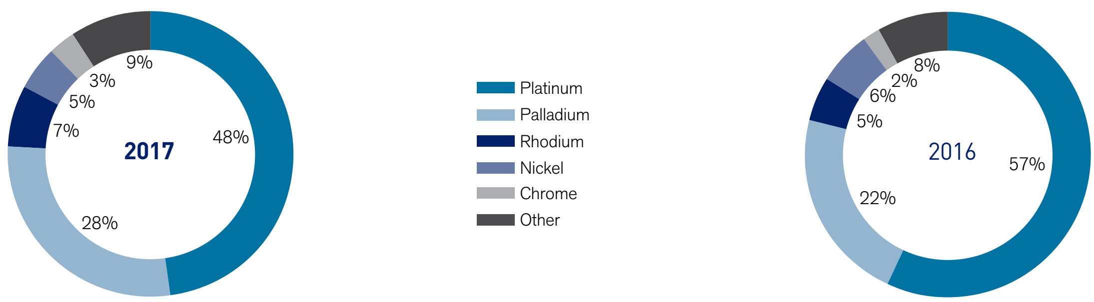
Metal price movements (1 January 2017 to 29 December 2017)



Sales of refined platinum and palladium increased 4% and 3% respectively while rhodium and nickel sales declined 6% and 5% respectively. Higher PGM sales volumes were due to higher refined production after built-up inventory post the Waterval smelter run-out in Q4 2016 was refined in 2017. Chrome sales rose 32% due to the ramp-up of the chrome plant at Amandelbult.

		2017	2016	% change
Total metal sold				
Platinum	000 oz	**2,505**	2,416	4
Palladium	000 oz	**1,572**	1,532	3
Rhodium	000 oz	**290**	308	(6)
PGM (5E+Au)	000 oz	**5,382**	5,058	6
Nickel sold	t	**25,411**	26,799	(5)
Chrome sold	t	**927,732**	704,425	32
Average market price achieved				
Platinum	US$/oz	**947**	993	(5)
Palladium	US$/oz	**876**	610	44
Rhodium	US$/oz	**1,094**	680	61
PGM (5E+Au)	US$/oz	**813**	751	8
Nickel	US$/t	**10,314**	9,611	7
Chrome	US$/t	**177**	141	26
Total revenue per platinum oz sold	US$/oz	**1,966**	1,753	12
Average exchange rate	R/US$	**13.33**	14.63	(9)
Total revenue per platinum oz sold	R/oz	**26,213**	25,649	2
Total revenue per PGM (5E+Au) oz sold	R/oz	**12,198**	12,249	(1)

Revenue per metal



Costs

Cost of sales increased 1% from R56.1 billion in 2016 to R56.6 billion. Following the sale of Rustenburg operations in November 2016, Amplats has higher purchase-of-concentrate costs and lower on-mine costs due to the purchase of concentrate from Sibanye-Stillwater.

On-mine costs (mines and concentrators) reduced by R5.9 billion to R26.9 billion due to lower mining costs after the Rustenburg exit, partly offset by input cost inflation and increased volume at retained operations. Processing costs rose 9% or R0.6 billion to R7.8 billion on 7% higher refined volumes in 2017 and inflationary increases.

Purchase-of-concentrate costs increased to R20.9 billion from R12.6 billion in 2016 due to higher volumes from Sibanye-Stillwater, and a slightly higher rand basket price compared to 2016.

Other costs rose 20% to R3.4 billion from R2.8 billion in 2016. The increase was primarily due to higher transport of metal costs given the increase in volume from the Amandelbult Chrome Plant and higher royalties on higher revenue.

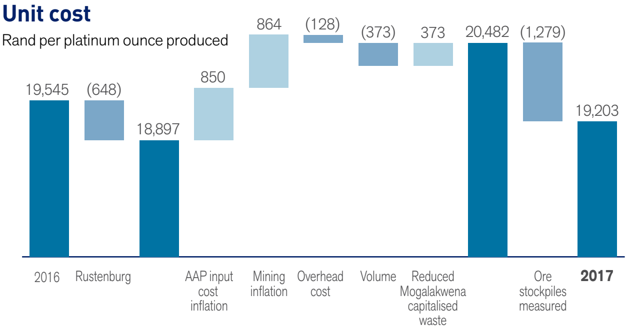
Amplats reduced overheads from R3.6 billion in 2016 to R3.3 billion in 2017. With the exit of Union, a further sustainable reduction in overhead of R0.3 billion per annum is expected.

Cost of sales analysis

R million	2017	2016	% change
On-mine	**26,932**	32,812	(18)
Processing	**7,784**	7,134	9
Smelting	**3,914**	3,515	11
Treatment and refining	**3,870**	3,619	7
Movement in inventories	**(2,276)**	(187)	1,117
Purchase of metals and trading activities	**20,763**	13,518	54
Other costs	**3,375**	2,819	20
Cost of sales	**56,578**	56,096	1

Through strict cost control and the benefits of exiting the high-cost Rustenburg operations, unit costs are down 2% to R19,203 per platinum ounce compared to R19,545 in 2016. (Before measurement of ore stockpiles, the unit cost was R20,482 per platinum ounce.) This outperformed both the company's input cost inflation of 4.5% and CPI of 5.4%. Lower capitalised waste production at Mogalakwena compared to 2016 accounted for an increase in working cost of R373 per platinum ounce.

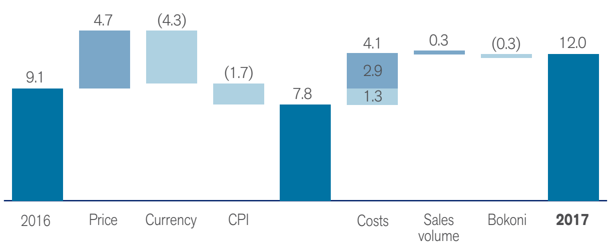
Unit cost
Rand per platinum ounce produced



Controllable items – volume and costs – contributed R4.2 billion, with sales volumes higher than 2016, increasing earnings by R0.3 billion. Costs (after adjusting for inflation and foreign exchange impacts) reduced R4.1 billion, including the benefit of a R0.3 billion higher stock-count gain compared to 2016. EBITDA was offset by R0.3 billion higher losses from non-managed associate Bokoni.

The EBITDA margin achieved was 18% (2016:15%), comprising own-mining operations of 32% (2016: 28%), JV operations of 20% (2016:19%) and purchase-of-concentrate of 9% (2016: 9%).

EBITDA
R billion



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

EBITDA increased 32% from R9.1 billion in 2016 to R12.0 billion. Uncontrollable items comprising CPI, US dollar metal prices and the rand/US dollar exchange rate, reduced earnings by R1.3 billion, with inflation contributing R1.7 billion and a stronger rand R4.3 billion, partially offset by stronger metal prices of R4.7 billion.

FINANCIAL REVIEW continued

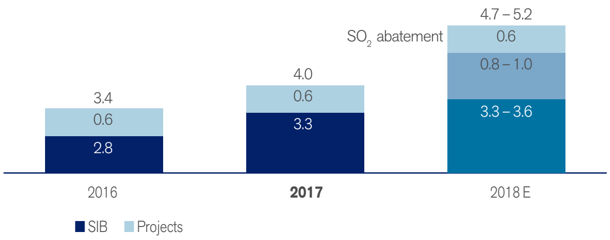
Capital expenditure

Disciplined capital allocation remains a priority for Amplats, aimed at maintaining asset integrity and adding value, not additional volume.

Capital expenditure for 2017, excluding capitalised interest and capitalised waste stripping, increased 18% to R4.0 billion from R3.4 billion in 2016. Stay-in-business capital expenditure rose R0.6 billion to R3.3 billion in 2017, focused on safety-critical and business-continuity projects, including heavy mining equipment (HME) replacement and the Waterval smelter and Amplats converter plant rebuilds. Our focus is to invest in low-capex, fast-payback, value-accretive projects. Project capital was broadly flat at R0.6 billion, relating to the Unki smelter and Mogalakwena North concentrator optimisation.

Capital expenditure

R billion



Waste tonnes mined decreased from 78Mt in 2016 to 69Mt in 2017 and the cost of mining 23Mt was capitalised against a capitalisation of 39Mt in 2016. As a result, capitalised waste stripping reduced from R1.3 billion in 2016 to R0.8 billion in 2017.

For 2018, project and stay-in-business capex is forecast between R4.7 billion and R5.2 billion, and capitalised waste stripping is expected to be around R1.1 billion. The increase in capital expenditure in 2018 is due to once-off stay-in-business project for SO_2 abatement at the Polokwane and Mortimer smelters to be incurred between 2018 and 2020 (R2.5 billion) to achieve global benchmark emissions standards.

Working capital

We continue to focus on optimising working capital levels. Trade working capital has been actively managed down from R13.3 billion at the beginning of 2016 to R6.2 billion at 31 December 2017, representing a 26-day working capital cycle. The R1.8 billion reduction in working capital from end-2016 is largely due to receiving the remainder of the customer prepayment of R2.6 billion, offset by an increase in stock from R16.4 billion at the end of 2016 to R18.5 billion, due to the ore stockpile recognition and increase in prices. Platinum and palladium work-in-progress inventory has reduced from around 505,000 oz and 410,000 oz at the end of 2016, due to the Waterval smelter furnace burn-through, to more normalised levels of 467,000 oz and 379,000 oz respectively at end-2017. In 2017, Amplats benefited from a 76,000 oz platinum stock-count gain valued at R0.9 billion compared to a stock-count gain of R0.6 billion or 62,000 oz of platinum in 2016.

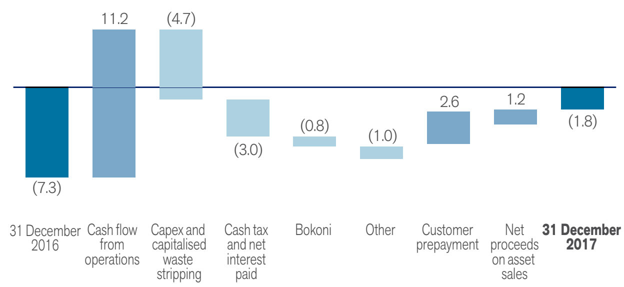
	2017 R million	Days	2016 R million	Days
Inventory	**18,489**	94	16,369	101
Trade accounts receivable	**1,188**	5	1,509	8
Trade accounts payable	**(13,460)**	(73)	(9,833)	(60)
Total after customer prepayment	**6,217**	26	8,045	49

Cash flows and net debt

During the year, we made significant progress in strengthening the balance sheet. The company ended with net debt of R1.8 billion compared to R7.3 billion at the end of 2016, supported by cash generated from operations of R11.2 billion, R2.6 billion from the customer prepayment and proceeds of R1.2 billion from asset disposals, of which R1 billion is from disposing of the long-dated Amandelbult resources. These cash flows were used to fund capital expenditure and capitalised waste stripping of R4.7 billion; pay taxation of R1.7 billion; settle interest of R1.2 billion to our debt providers and contribute R1.8 billion to funding our JV and associate operations, of which R0.8 billion was for Bokoni.

Net debt

R billion



Gearing has reduced to 4.3% and net debt to EBITDA has improved to 0.2. The company has increased liquidity headroom to R20.6 billion, comprising both undrawn committed facilities of R11.2 billion and cash of R9.4 billion, and is comfortably within its debt covenants.

Investor relations activity and share price

The company has continued targeted engagement with its key financial audiences including buy-side and sell-side analysts, institutional investors and potential shareholders over the last year. Engaging with key shareholders has been important given the progress in executing the strategy, as well as continued focus on operational excellence and developing the market for PGMs.

The investor relations team manages interaction between the company and key stakeholders, and regular presentations take place on annual and interim results. An active programme of communication with potential shareholders is also maintained. We conduct a series of roadshows domestically and internationally and attend key emerging-market and mining-related conferences to engage with institutional investors.

The board is briefed regularly by the Head of Investor Relations and analyst reports are circulated to management. Feedback from meetings and roadshows are communicated to the board.

The shareholder base comprises companies, individuals, pension and provident funds, insurance companies, banks, nominee and finance companies, trust funds and investment companies, and other corporate bodies. The shareholding of Anglo South Africa Capital Proprietary Limited was 77.69%.

The Amplats share price was the best-performing PGM stock on the JSE, outperforming peers and the JSE platinum index by rising 28% from R264 per share on 31 December 2016 to R353 on 29 December 2017.

Share price

Dividends

The board has declared a final cash dividend of R3.49 per share, which is equivalent to a 30% headline earnings pay-out ratio.

The board has adopted a pay-out ratio driven dividend policy, in line with the company's capital allocation framework and our commitment to sustainably return cash to shareholders through the cycle, while retaining a high level of balance sheet strength.

Going forward, the board's target is to distribute 30% of headline earnings for each reporting period. This dividend policy will result in variable dividend payments for each six-month period, given that the industry faces volatility in metal prices and exchange rates, among other factors.

SIGNIFICANT ACCOUNTING MATTERS

Completion of the sale of investment in Pandora

The company entered into a conditional sale-and-purchase agreement on 10 November 2016 with Eastern Platinum Limited, a wholly owned subsidiary of Lonmin, to sell its 42.5% interest in the Pandora JV. All relevant conditions precedent were met on 1 December 2017, and the sale was effective from this date.

The consideration for this interest comprises a deferred cash payment of 20% of distributable free cash flows generated by Pandora over six years, with a minimum of R400 million and a maximum of R1.0 billion; and a rental agreement for the use and full operational control of Lonmin's Baobab concentrator for a three-year period. The investment was impaired by R153 million in 2016. The sale has given rise to a loss on disposal of R9 million in addition to the prior impairment. This loss is excluded from headline earnings.

FINANCIAL REVIEW continued

Sale of long-dated resources at Amandelbult to Northam

On 11 November 2016, we announced the disposal of Mineral Resources in the Amandelbult mining right, and surface properties above and adjacent to the resource, to Northam Platinum Limited for a consideration comprising R1.0 billion in cash, and an ancillary Mineral Resource in Northam's Zondereinde mining right that borders Amandelbult's mining right and gives Amplats flexibility for the placement of future mining infrastructure.

As the resource is long-dated and outside our long-term life-of-mine plans, it does not impact on any current or future mining plans. The transaction also does not constrain our next-generation options for Amandelbult Mine, which has a number of shallow and less capital-intensive life-extension options. The transaction concluded on 6 December 2017, with R1.1 billion (including interest) being received. A profit of R1.1 billion was recognised owing to the fact that the resource had a Rnil carrying value for accounting purposes. This profit is excluded from headline earnings.

Change in estimate of the accounting value of ore stockpiles

Owing to a change in mining approach, which was fully embedded in the strategy late in 2017, run-of-mine ore stockpile material has been measured at the lower of cost and net realisable value. This represents a change in accounting estimate. The total value of ore stockpiles at 31 December 2017 was R1.8 billion. Consequent on the measurement of the ore stockpile, the carrying value of refined and work-in-progress metal reduced by R500 million. Together, this results in a net increase in EBITDA of R1.3 billion.

Change in estimate of quantities of inventory

In the current year, the company changed its estimate of the quantities of inventory based on the outcome of a physical count of in-process metals. The group runs a theoretical metal inventory system based on inputs, results of previous counts and outputs. Due to the nature of in-process inventories being contained in weirs, pipes and other vessels, physical counts only take place once per annum, except in the Precious Metals Refinery, where the physical count is usually conducted every three years. This change in estimate has had the effect of increasing the value of inventory disclosed in the financial statements by R942 million (2016: R618 million). This resulted in the recognition of an after-tax gain of R678 million (2016: R445 million).

Impairment of assets and investments

Equity investments in Atlatsa and Bokoni, and associated loans

The company has a 22.76% shareholding in Atlatsa and a 49% shareholding in Bokoni (which is equity accounted as an associate). On 21 July 2017, Atlatsa announced that it would place Bokoni Mine on care and maintenance, which was effected on 1 October 2017. We indicated that Amplats would fund, via a loan account to Bokoni, all once-off costs associated with placing the mine on care and maintenance as well as ongoing care-and-maintenance costs until 31 December 2019. Both the equity investments in Atlatsa and Bokoni had, in prior periods, been fully impaired. A further impairment of R235 million arose for the investment in Bokoni owing to capitalisation of loan funding to the investment. This impairment was excluded from headline earnings.

Amplats had further provided funding to Atlatsa. The balance of these loans was fully impaired to a carrying value of R201 million at 31 December 2016. Further funds were advanced in 2017 for operational reasons and to fund care-and-maintenance expenditure. A further related impairment of R708 million was recognised in the current year, which is included in headline earnings.

Equity investment in BRPM

The company has a 33% direct interest in Bafokeng Rasimone Platinum Mine (BRPM), with Royal Bafokeng Platinum Limited (RBPlat) holding the balance. The decline in the RBPlat share price in 2017 provided indication of the impairment of BRPM, as RBPlat's primary mining asset, and our equity accounted investment in BRPM was impaired by R1.9 billion in 2017. This impairment is excluded from headline earnings.

POST-BALANCE SHEET EVENT

Sale of Union Mine

Approval from the competition tribunal was received in September 2017 and the DMR granted approval under section 11 of the MPRDA for the sale of the Union mining right and prospecting right on 14 November 2017. For accounting purposes, Union Mine was classified as held-for-sale from this date, and reflected as such in financial results for the year ended 31 December 2017.

The sale of Union Mine concluded on 1 February 2018, with the following key commercial terms:

- Initial purchase price of R400 million
- Deferred consideration of 35% of net cumulative positive free cash flow for 10 years (with early settlement at the option of the buyer)
- Purchase of concentrate agreement for seven years with a life-of-mine toll arrangement from year eight.

Including the already recognised attributable, post-tax impairment loss of R996 million, the Group expects to realise a total attributable post-tax loss on disposal of between R1.8 billion and R2.0 billion.

Key factors that will affect future financial results

Restructuring and repositioning

Post year end, the sale-and-purchase agreement for Union Mine with Siyanda Resources was concluded.

Inflation and cost escalation

We recorded input cost inflation of 4.5% in 2017, and this will remain a challenge in 2018. While some costs have been mitigated by restructuring the company and implementing various initiatives, inflationary pressures from wage increases (on average 6.74% over a three-year period from July 2016) and electricity remain. Further initiatives have been identified to reduce the impact of costs on the business and we expect the unit cost per platinum ounce produced to be between R19,600 and R20,200 in the year ahead.

OUTLOOK

The global economic outlook remains uncertain, with volatility in metal prices and exchange rates expected to continue. Management's efforts to reposition the portfolio, taking out loss-making ounces, implementing strict cost control and focusing on operational efficiencies should enhance margins and generate sustainable cash flow. Capital discipline will continue, with capital expenditure projected at R4.7 billion to R5.2 billion, of which R3.9 billion to R4.2 billion will be on sustaining capex to maintain asset integrity and meet compliance requirements.

The company expects to produce, refine and sell 2.3 million to 2.4 million ounces of platinum in 2018.

ACKNOWLEDGEMENT

My sincere gratitude to the Amplats finance team for its ongoing support and diligence over yet another challenging year.

Ian Botha
Finance director

Johannesburg
15 February 2018

Performance review

FIVE-YEAR REVIEW

R million	2017	2016	2015	2014	2013
STATEMENT OF COMPREHENSIVE INCOME					
Gross sales revenue	**65,688**	61,976	59,829	55,626	52,822
Commissions paid	**(18)**	(16)	(14)	(14)	(418)
Net sales revenue	**65,670**	61,960	59,815	55,612	52,404
Cost of sales	**(56,578)**	(56,096)	(54,584)	(53,320)	(46,332)
Cash operating costs	**(30,642)**	(35,317)	(35,482)	(30,211)	(30,973)
On-mine costs	**(24,109)**	(29,615)	(29,918)	(25,391)	(26,666)
Smelting costs	**(3,363)**	(2,834)	(2,886)	(2,518)	(2,385)
Treatment and refining costs	**(3,170)**	(2,868)	(2,678)	(2,302)	(1,922)
Purchased metals	**(20,763)**	(13,518)	(10,247)	(12,411)	(10,582)
Depreciation of operating assets	**(4,074)**	(4,629)	(5,215)	(4,926)	(4,824)
Increase/(decrease) in metal inventories	**515**	187	(1,029)	(2,967)	3,290
Increase/(decrease) in ore stockpiles	**1,761**	–	–	–	–
Other costs	**(3,375)**	(2,819)	(2,611)	(2,805)	(3,243)
Gross profit on metal sales	**9,092**	5,864	5,231	2,292	6,072
Other net expenditure	**(6)**	(600)	(514)	(561)	(1,094)
Scrapping of immaterial assets	**–**	(22)	–	–	–
Market development and promotional expenditure	**(813)**	(683)	(800)	(827)	(450)
Adjusted operating profit	**8,273**	4,559	3,917	904	4,528
Loss from associates (pre-taxation)	**(381)**	(130)	(557)	(82)	(331)
EBIT[1]	**7,892**	4,429	3,360	822	4,197
Amortisation and depreciation (add back)	**4,093**	4,667	5,281	4,985	4,928
EBITDA[1]	**11,985**	9,096	8,641	5,807	9,125
Other operating expense	**(8,464)**	(8,051)	(23,083)	(5,726)	(8,735)
Profit/(loss) before taxation (adjusted for taxation on associates)	**3,521**	1,045	(14,442)	81	390
Taxation (including taxation on associates earnings)	**(1,597)**	(349)	2,007	(51)	(2,105)
Profit/(loss) for the year	**1,924**	696	(12,435)	30	(1,715)
Basic earnings/(loss) attributable to ordinary shareholders	**1,944**	632	(12,358)	282	(1,571)
Headline earnings/(loss) attributable to ordinary shareholders	**3,886**	1,867	(126)	445	1,250
Notes					
Associate losses					
Loss from associates (pre-taxation)	**(381)**	(130)	(557)	(82)	(331)
Tax on associates	**19**	15	28	(46)	33
Loss on associates post taxation (net of taxation)	**(362)**	(115)	(529)	(128)	(298)
Calculation of EBITDA					
Profit/(loss) before taxation (adjusted for taxation on associates)	**3,521**	1,045	(14,442)	81	390
Adjusted for:					
Share-based payment expense for facilitation of BEE investment in Atomatic	**–**	156	–	–	–
Net gain on Atlatsa refinancing transactions	**–**	–	–	(243)	(454)
Loss on acquisition of properties from Atlatsa Resources Corporation	**–**	–	–	–	833
Loss on disposal of Rustenburg Mine	**–**	1,681	–	–	–
Loss on scrapping of property, plant and equipment	**1,699**	–	10,242	480	2,814
Loss on revaluation of investment in Wesizwe Platinum Limited	**–**	–	–	–	40
Impairment of investments in associates	**2,145**	283	4,082	168	–
Impairment of non-current financial assets	**777**	111	1,792	–	–
Impairment of available-for-sale investment in Royal Bafokeng Platinum	**–**	–	775	–	–
Net interest expense	**951**	1,153	911	336	574
Profit on disposal of long-dated resources	**(1,066)**	–	–	–	–
Profit on disposal of associates	**(135)**	–	–	–	–
Amortisation and depreciation	**4,093**	4,667	5,281	4,985	4,928
EBITDA	**11,985**	9,096	8,641	5,807	9,125

[1] *Adjusted in the current year to exclude scrapping of property, plant and equipment. Prior years recalculated for comparability.*

R million	2017	2016	2015	2014	2013
STATEMENT OF FINANCIAL POSITION					
Assets					
Property, plant and equipment	**36,597**	38,574	39,869	44,297	43,298
Capital work in progress	**5,361**	4,892	6,548	10,736	9,810
Investment in associates	**2,464**	3,963	3,883	7,637	6,816
Investments held by environmental trusts	**970**	907	882	842	732
Other financial assets	**3,507**	3,326	1,023	3,120	3,422
Other non-current assets	**39**	–	–	54	54
Current assets	**31,318**	26,035	20,715	22,373	24,286
Non-current assets held for sale	**558**	–	–	–	–
Total assets	**80,814**	77,697	72,920	89,059	88,418
Equity and liabilities					
Shareholders' equity	**41,001**	39,782	39,244	49,836	49,572
Long-term interest-bearing borrowings	**9,362**	9,398	12,124	9,459	9,486
Obligations due under finance leases	**98**	96	94	–	–
Other financial liabilities	**239**	219	–	–	–
Environmental obligations	**1,693**	1,938	2,404	2,110	1,859
Employees' service benefit obligations	**17**	17	14	8	3
Deferred taxation	**7,455**	7,519	7,928	10,270	10,451
Current liabilities	**20,374**	18,728	11,112	17,376	17,047
Liabilities associated with non-current assets held for sale	**575**	–	–	–	–
Total equity and liabilities	**80,814**	77,697	72,920	89,059	88,418
STATEMENT OF CASH FLOWS					
Net cash from operating activities	**13,121**	11,400	8,264	4,645	6,078
Net cash used in investing activities	**(7,118)**	(5,829)	(6,064)	(7,398)	(7,013)
Purchase of property, plant and equipment (including interest capitalised)	**(4,969)**	(5,018)	(5,152)	(6,863)	(6,346)
Other	**(2,149)**	(811)	(912)	(535)	(667)
Net cash (used in)/from financing activities	**(2,103)**	(1,786)	(1,730)	2,793	(77)
(Repayment of)/proceeds from interest-bearing borrowings	**(1,659)**	(1,668)	(1,487)	3,204	(50)
Other	**(444)**	(118)	(243)	(411)	(27)
Net increase/(decrease) in cash and cash equivalents	**3,900**	3,785	470	40	(1,012)
Cash and cash equivalents at beginning of year	**5,457**	1,672	1,202	1,162	2,174
Cash and cash equivalents at end of year	**9,357**	5,457	1,672	1,202	1,162

FIVE-YEAR REVIEW continued

R million	2017	2016	2015	2014	2013
RATIO ANALYSIS					
Gross profit margin (%)	**13.8**	9.5	8.7	4.1	11.6
Adjusted operating profit as a % of average operating assets	**12.8**	7.7	6.3	1.4	7.0
Return on average shareholders' equity (%)	**4.8**	1.8	(27.9)	0.1	(3.5)
Return on average capital employed (%) (ROCE)	**17.6**	8.9	5.8	1.3	6.9
Return on average attributable capital employed (%)	**19.0**	9.4	6.1	1.4	7.6
Current ratio	**1.5:1**	1.4:1	1.9:1	1.3:1	1.4:1
Gearing ratio (net debt to total capital) (%)	**4.3**	15.5	24.5	22.7	18.8
EBITDA interest cover (times)	**9.8**	6.4	6.8	5.4	9.9
Debt coverage ratio (times)	**1.4**	1.1	0.8	0.5	0.6
Interest-bearing debt to shareholders' equity (%)	**27.3**	32.1	36.8	31.7	25.5
Net asset value as a % of market capitalisation	**43.2**	55.8	78.5	54.2	46.7
Effective tax rate (%)	**45.6**	(34.3)	(13.7)	14.3	509.0
SHARE PERFORMANCE					
Number of ordinary shares in issue (millions)	**262.2†**	262.0†	261.7†	261.2	261.0†
Weighted average number of ordinary shares in issue (millions)	**262.2†**	261.9†	261.4†	261.1	261.0†
Headline earnings/(loss) per ordinary share (cents)	**1,482**	713	(48)	170	479
Dividends per share (cents)	**–**	–	–	–	–
Interim	**–**	–	–	–	–
Final	**3.49**	–	–	–	–
Market capitalisation (R million)	**94,911**	71,307	49,983	91,994	106,230
Net asset value per ordinary share	**152.7**	148.3	146.4	186.3	185.4
Number of ordinary shares traded (millions)	**82.1**	113.9	100.6	67.2	101.1
Highest price traded (cents)	**42,000**	48,780	40,526	53,000	50,899
Lowest price traded (cents)	**26,512**	15,646	15,905	30,620	27,318
Closing price (cents)	**35,346**	26,441	18,534	34,112	39,391
Value traded (R million)	**26,974**	39,336	28,154	29,117	38,233

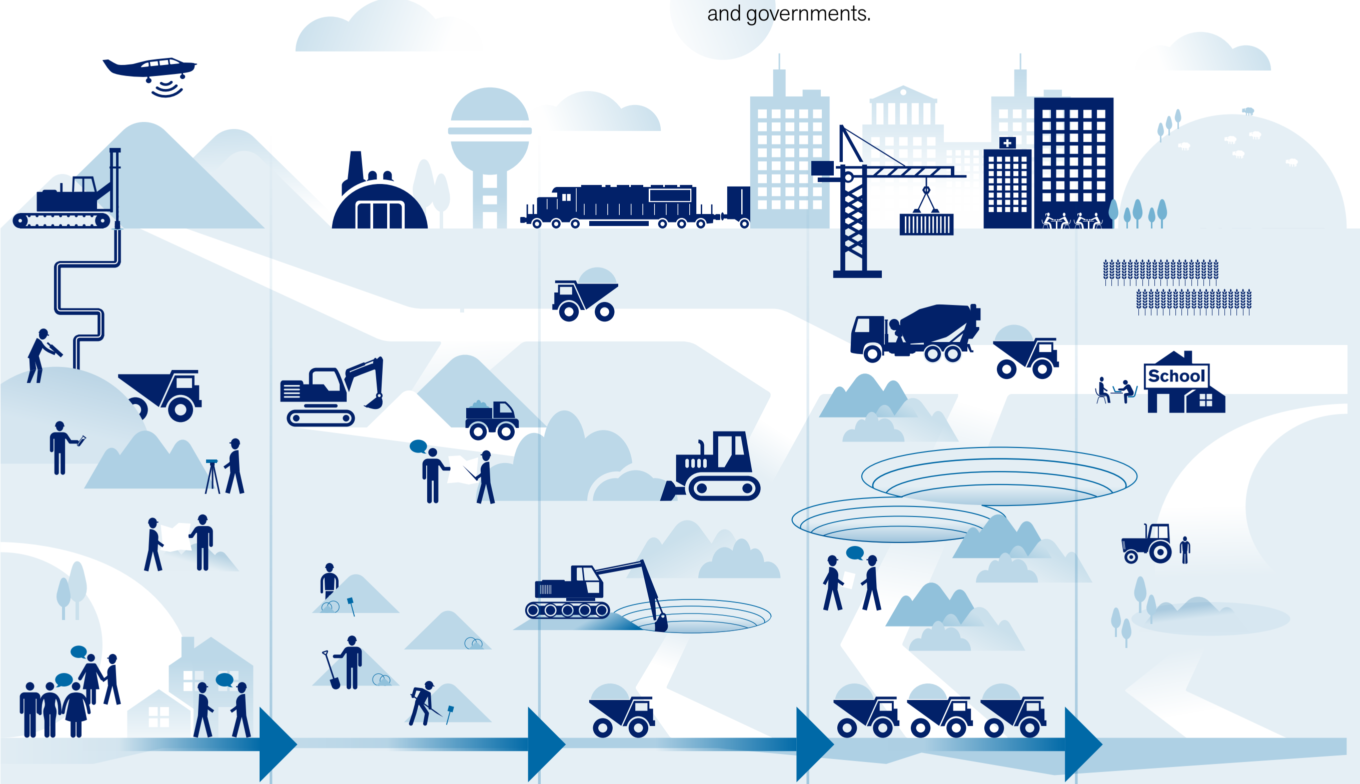
† *Net of 1,162,483 (2016: 1,408,887) shares held in respect of the group's share scheme, the 6,290,365 shares issued as part of the community economic empowerment transaction and, in 2014 and prior years, 356,339 shares held by the Kotula Trust (the group employee share participation scheme).*

TAX CONTRIBUTION THROUGH THE LIFE CYCLE OF A MINE

We add value through taxes across our full value chain.

Many tax regimes in resource-rich countries, including South Africa and Zimbabwe, offer tax relief for the exploration, development and construction of mines, often available in addition to the regular tax provisions applicable to companies in other sectors.

This means that our total tax contribution fluctuates depending on economic conditions. However, even when profit-based tax payments reduce, a significant portion of our contribution endures owing to mining royalties and taxes associated with, for example, employment and procurement. This feature is one indicator of the long-term nature of our investments and our business's contribution to our host communities and governments.



EXPLORATION

Value add through taxes
Money spent with suppliers, directly generating sales taxes and import duties. Employment taxes are paid, in addition to payments to contractors. Suppliers and contractors will also, in turn, pay their own taxes.

DEVELOPMENT

Value add through taxes
Very significant amounts are spent with suppliers in developing the mine and infrastructure, generating sales taxes and import duties. Increasing levels of taxes are generated directly from employment, as well as payments made to contractors. Suppliers and contractors will, in turn, pay their own taxes.

EARLY PRODUCTION

Value add through taxes
Many mining tax regimes include a royalty based on production volumes or values; these revenues will start to flow to government even before the operation has made any profit. Significant employment taxes are also generated, as well as payments made to contractors. Suppliers and contractors will, in turn, pay their own taxes.

FULL PRODUCTION

Value add through taxes
Corporate income tax will be paid on profits from production. Royalties and employment taxes continue to be generated, as well as payments made to contractors. Suppliers and contractors will, in turn, pay their own taxes.

END-OF-LIFE PLAN

Value add through taxes
Significant amounts are spent with suppliers in placing a mine on care and maintenance, or in closing down the mine and rehabilitating the land, generating sales taxes and import duties. Employment taxes continue to be paid. Corporate income taxes may also be paid. Suppliers and contractors will, in turn, pay their own taxes.

TAX CONTRIBUTION THROUGH THE LIFE CYCLE OF A MINE continued

Paying taxes is a key contributor to creating value for our host countries and stakeholders.

Mining is a long-life, high-risk business with very significant initial capital investment required before any return on investment is realised (see illustration on page 57). 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 we generate and pay to governments, and our general approach to tax and tax disclosure, are of considerable interest to many of our stakeholders. Being able to demonstrate the contribution we make to host countries and communities by paying taxes is critical for building trust and supporting our social licence to operate. It is equally important to show this contribution in more challenging economic times, as well as when commodity prices are high.

APPROACH OF THE GROUP TO RISK MANAGEMENT AND GOVERNANCE ARRANGEMENTS

Our approach to tax is aligned with our code of conduct, our long-term business strategy and our vision to be 'partners in the future'. We support the principles of transparency and active and constructive engagement with our stakeholders. 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 mining activity in their regions.

Tax governance

We have a global team of tax professionals charged with managing the group's tax affairs in line with its tax strategy.

This team is committed to acting in accordance with our code of conduct and 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, including industrial bodies, on a wide range of issues relating to tax. This helps to bring commercial understanding and experience into debates about tax policy and governance.

Tax matters are regularly presented to our board and audit committee who 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 local compliance and reporting procedures.

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

Approach to tax management

Our approach to tax is set out in the group's 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 respect the law in each of the jurisdictions in which the close group operates. This means that we comply with our legal obligations for tax, that we file our tax returns on time with full and adequate disclosure of all relevant matters, and pay our taxes on time.
- We do not take an aggressive approach to tax management. This means that we will not undertake transactions that we are not prepared to fully disclose, and that we will only undertake transactions that are based on strong underlying commercial motivation, and which are not (nor appear to be) artificial or contrived.
- We conduct intragroup transactions on an arm's-length basis and comply with our obligations under transfer pricing rules and global principles in the jurisdictions in which we operate.
- All our entities are tax resident in countries where we have business operations subject to the SA Controlled Foreign company rules.

The use of tax havens plays no part in the management of our taxes.

Approach to dealing with tax authorities

We seek to maintain a long-term, open, constructive relationship with tax authorities and governments in relation to taxation. We seek to proactively engage with those tax authorities and governments directly or indirectly (through relevant representative bodies) to shape future tax policy and legislation in ways that share our experience and international best practice and promote and protect Amplats' interests, principles and strategy.

THE CURRENT TAX ENVIRONMENT AND OUR COMMITMENT TO TAX TRANSPARENCY

The subject of taxation continues to be of great interest in the public domain. This is matched by ongoing significant scrutiny of tax affairs by tax authorities, and is resulting in a number of high-profile and increasingly public tax investigations.

As a result the number of mandatory transparency requirements (of approaches and strategies as well as financial data) and the resulting compliance burden continue to increase. There are a number of specific tax disclosure obligations in many of the jurisdictions in which Amplats operates, at various stages of implementation.

In 2017, we have complied with our obligations under the country-by-country reporting measures as recommended by the OECD BEPS project, and continued to disclose our payments to governments on a project-by-project basis as required under UK law.

For a number of years, Amplats has voluntarily provided information about its tax payments on a country-by-country basis. We continue to review our disclosures to ensure they provide information that is meaningful for all stakeholders, and that complements the various mandatory tax transparency disclosures that are applicable to Amplats.

We believe that tax disclosure requirements should support reporting that is accessible and easy for a range of stakeholders to understand. Currently, each mandatory requirement is inconsistent in terms of the information we are required to disclose. It is important to ensure that when reporting regimes are developed and made law, sufficient, clear guidelines and support are provided by the relevant governments and their agencies to ensure that the resulting compliance burden is manageable and that the underlying intent of such rules is clear, both for those charged with complying and for those who ultimately use disclosures. We hope that consensus will eventually be reached between the various transparency initiatives of governments and regulatory authorities.

Until then we strive to ensure that all data is reported on a clear and understandable basis and that consistency is maintained.

OECD BASE EROSION AND PROFIT SHIFTING

Amplats is supportive of the aims of the OECD BEPS project. A large part of its focus has been to ensure that tax outcomes are aligned with the reality of how multinational businesses actually operate, rather than being distorted by artificial structures. This is consistent with Amplats' tax strategy which states that the group will not implement transactions or adopt structures that are not supported by a clear underlying commercial rationale.

However, we do expect that the implementation of the OECD BEPS recommendations is likely to significantly increase our tax compliance obligations and therefore our cost of doing business, even if there is no material change in tax payable in individual countries.

Although South Africa is not a member of the OECD, it has adopted a number of the OECD BEPS recommendations.

TAX CONTRIBUTION THROUGH THE LIFE CYCLE OF A MINE continued

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.

South Africa 2017 – R million	Total taxes borne	Total taxes collected	Capital investment	Total addressable procurement spend	Localised procurement from host communities	Wages and related	Corporate social investment	Total tax and economic contribution
Economic contribution	2,080.4	1,818.3	4,306.2	18,260.7	18.64%	9,614.5	295.4	36,375.6

Included in total taxes borne is corporation tax of R1,273 million and royalties of R659 million.

NUMBER OF EMPLOYEES

27,559

TOTAL TAX AND ECONOMIC CONTRIBUTION TO THE SOUTH AFRICAN ECONOMY IN 2017

R36,376m

TOTAL TAXES COLLECTED FROM EMPLOYEES IN 2017[1]

R1,818m

[1] *As disclosed in the Amplats Sustainability Reports.*

CASE STUDY: DEVELOPING LOCAL SKILLS FOR THE GLOBAL MARKET

Over the past 18 years, the Anglo American Platinum PlatAfrica Awards have enabled hundreds of local jewellery designers to work in platinum and develop skills and expertise for the global market. This was taken a step further in 2017 when Amplats and Platinum Guild International India collaborated to take the 2016 winners to India to participate in the design-sourcing process for the prestigious Evara brand. The 2017 winners will get the same opportunity to visit India to expand their creative horizons and further their careers.

An agreement was also concluded with another PlatAfrica partner, Metal Concentrators, to administer the Amplats jewellery scheme and extend its scope to offer greater opportunities for domestic jewellers to compete in local and international markets. The new scheme will provide a more holistic development approach to the local industry through access to a consistent supply of metal, financial terms that support effective cash-flow management, and developing business management skills for approved companies.

The aim is to take promising local jewellery manufacturers and develop their business skills to enable them to effectively manage and grow sustainable businesses.

Announcing the winners of the 2017 PlatAfrica Awards, Amplats CEO Chris Griffith said that PlatAfrica forms an integral part of the company's vision to develop the platinum jewellery industry, and driving platinum as the jewellery metal of choice.

Ulandie Jonas from Uwe Koetter Jewellers won the professional category with her piece themed The Family Bond. In the student and apprentice category, Anke van der Linden from the Durban University of Technology won with her piece Undulation.

Bold minimalism was the overarching theme of the 2017 competition, aiming to pair timeless platinum with on-trend design for the target market of Indian millennials.

ZIMBABWE

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

Zimbabwe 2017 – R million	Total taxes borne	Total taxes collected	Capital investment	Total addressable procurement spend	Localised procurement from host communities	Wages and related	Corporate social investment	Total tax and economic contribution
Economic contribution	57.5	15.7	437.8	974.5	87.96%	387.5	5.7	1,878.8

Included in total borne is corporation tax of R54 million and royalties of Rnil.

NUMBER OF EMPLOYEES

1,133

TOTAL TAX AND ECONOMIC CONTRIBUTION TO THE ZIMBABWEAN ECONOMY IN 2017

R1,879m

TOTAL TAXES COLLECTED FROM EMPLOYEES IN 2017[1]

R8m

[1] *As disclosed in the Amplats Sustainability Reports.*

UNKI-RUCHANYU CLINIC

The lack of a health service centre in areas around the mines and wider district means community members have to walk over 25km to access primary healthcare. This presents potentially serious challenges, including delays in seeking medical attention, defaulting on reviews and home births that put the lives of mothers and babies at risk.

Unki Mine responded to the needs of the 20 relocated Rietfontein families and broader Ruchanyu community by partnering with the Department of Health to construct the clinic and staff accommodation facilities, and then equip the clinic.

The project also included power and water reticulation, as well as perimeter fencing. All infrastructure is complete while equipping the clinic is under way.

Staff accommodation

OPERATIONS OVERVIEW

Summary – please refer to supplementary report and results announcement on our website for details.

Our operations consist of own-managed mines, and non-managed joint venture (JV) mines and associate mines across South Africa and Zimbabwe. These mines extract PGM-containing ore from Merensky and UG2 reefs, the Platreef and Main Sulphide Zone (also known as Unki reef).

The ore is milled and treated by own-managed, JV and associate concentrators and further processed by our wholly owned smelters and refineries.

Dean Pelser
Executive head: Mining

OWN-MANAGED MINES OVERVIEW

Amplats' managed mines consist of three mining complexes – Mogalakwena, Amandelbult and Unki – stretching across the Bushveld complex in South Africa while Unki is located on Zimbabwe's Great Dyke. Except for the open-pit Mogalakwena Mine, all mines are underground conventional and mechanised operations. Amplats also has a number of projects largely based on the Eastern Limb of the Bushveld complex. The Twickenham project was placed on care and maintenance from 1 July 2016, and is currently being used to test new mining technology.

KEY FEATURES

- ✓ 5% IMPROVEMENT IN TOTAL RECORDABLE CASE FREQUENCY RATE (TRCFR)
- ✓ FATALITY FREE: MOGALAKWENA (FIVE-AND-A-HALF YEARS) AND UNKI (SIX YEARS)
- × THREE FATALITIES AT AMANDELBULT
- ✓ 5% INCREASE IN TOTAL PGM PRODUCTION
- ✓ 3% INCREASE IN PLATINUM PRODUCED
- ✓ 8% IMPROVEMENT IN BUILT-UP HEAD GRADE
- ✓ 1% DECREASE IN CASH OPERATING COST PER PLATINUM OUNCE AND 2% DECREASE IN CASH OPERATING COST PER PGM OUNCE
- ✓ 11% IMPROVEMENT IN OPERATING FREE CASH FLOW

Own mines (managed – 100% owned)		2017	2016
Safety			
Fatalities	Number	**3**	2
TRCFR	Rate/ 200,000 hrs	**0.73**	0.77
Total PGM production	000 oz	**2,122.4**	2,026.6
Net sales revenue	R million	**30,030**	27,146
EBITDA	R million	**9,695**	7,468
EBITDA margin	%	**32.3**	27.5
ROCE	%	**21.8**	13.7
Operating free cash flow	R million	**4,682**	4,214
Net cash flow	R million	**4,125**	4,059
Cash on-mine cost/ tonne milled	R/tonne	**653**	683
Cash operating cost/ PGM oz produced	R/PGM oz	**8,637**	8,816
Cash operating cost/ Pt oz produced	R/Pt oz	**18,773**	18,906

SAFETY

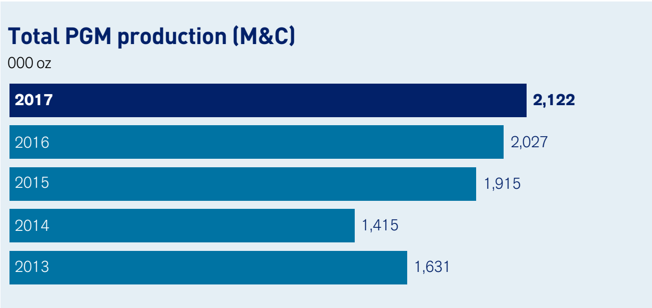
After the tragic loss of three employees at the Amandelbult complex in 2017, a comprehensive safety performance turnaround plan is being implemented to address challenges (detailed in our supplementary report).

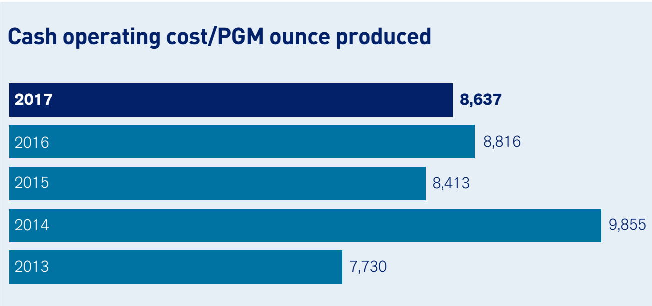
Safety milestones in 2017 included:

- Mogalakwena Mine: five-and-a-half years' fatality-free
- Unki Mine: six years' fatality-free
- Amandelbult concentrator: six million fatal-free shifts
- Amandelbult chrome plant: 566 days without a lost-time injury (LTI) (no LTIs since inception)
- Twickenham Mine: awards for most improved operation year on year and best-in-class safety for mining at MineSAFE 2017
- Total recordable case frequency rate (TRCFR) at 0.73 is the lowest ever achieved by managed mines.

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES			
Merensky	161.4Mt	➜	35.8 4E Moz
UG2	383.7Mt	➜	67.6 4E Moz
MSZ	226.7Mt	➜	30.5 4E Moz
Platreef	3,788.3Mt	➜	295.7 4E Moz

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**





OPERATIONAL REVIEW

Total PGM production by our managed mines was up 5% to 2,122,400 ounces in 2017:

- Platinum ↑ 3% to 976,400 ounces.
- Palladium ↑ 8% to 775,700 ounces.
- Rhodium ↑ 3% to 114,700 ounces.

Individual performances follow, but to summarise:

- Mogalakwena Mine: record 1,098,500 PGM ounces, including 463,800 platinum ounces, up 12% and 13% respectively.
- Amandelbult Mine: 858,000 PGM ounces, including 438,000 platinum ounces, down 3% and 4% respectively.
- Unki Mine: 165,900 PGM ounces up 2%, including 74,600 platinum ounces.

At 3.67g/t, the built-up head grade improved 8% on higher grade from Mogalakwena and improved mining reef cut at Unki, partially offset by lower grade at Amandelbult.

Productivity, measured as PGM produced ounces per employee, improved 1% to 113 PGM ounces per annum.

Cash operating costs (after off-mine smelting and refining activities) rose 3% to R18.3 billion, mainly on increased production, mining inflation and a revaluation of ore stockpiles.

Cash operating costs per platinum ounce decreased 1% to R18,773 while cash operating costs per PGM ounce decreased 2% to R8,637, mainly on higher throughput and a revaluation of ore stockpiles.

Operating free cash flow (after operating costs, allocated overheads, stay-in-business capital, waste stripping and minorities; before project capital and restructuring costs) rose 11% to R4.7 billion. This reflects an 11% increase in revenue from higher metal sales and a higher basket price.

CAPITAL EXPENDITURE

Capital expenditure for own-managed mines and their concentrator operations (after allocating off-mine smelting and refining capital) rose 45% to R2.7 billion:

- Projects: R557 million (2016: R156 million)
- Stay-in-business capital: R2.1 billion (2016: R1.7 billion).

Capitalised waste stripping expenses at Mogalakwena Mine decreased to R784 million compared to R1.3 billion in 2016.

Details and the impact of capital projects in execution appear in the individual mine reviews.

OUTLOOK

Platinum production from managed operations is expected to increase around 4% in 2018.

OPERATIONS OVERVIEW continued

MANAGED MINES

Mogalakwena Mine is 30km north-west of the town of Mokopane in Limpopo province, and operates under a mining right covering 137km^2.

MOGALAKWENA MINE

KEY FEATURES

- ✓ **6 MILLION FATALITY-FREE** SHIFTS (FIVE-AND-A-HALF YEARS)
- ✓ **CONTINUED WORLD-CLASS LOST-TIME INJURY FREQUENCY RATE (LTIFR) OF 0.15** – LOWEST EVER
- ✓ **RECORD PGM AND PLATINUM PRODUCTION** UP 12% AND 13% RESPECTIVELY
- ✓ **TONNES MILLED INCREASED 8%**

Managed – 100% owned		2017	2016
Safety			
Fatalities	Number	**–**	–
TRCFR	Rate/ 200,000 hrs	**0.27**	0.46
Total PGM production	000 oz	**1,098.5**	980.1
Net sales revenue	R million	**16,118**	14,227
EBITDA	R million	**7,700**	5,781
EBITDA margin	%	**47.8**	40.6
ROCE	%	**31.8**	22.4
Operating free cash flow	R million	**3,977**	3,158
Net cash flow	R million	**3,756**	3,122
Cash on-mine cost/ tonne milled	R/tonne	**351**	428
Cash operating cost/ PGM oz produced	R/PGM oz	**6,628**	7,766
Cash operating cost/ Pt oz produced	R/Pt oz	**15,696**	18,477

MINE OVERVIEW

The current infrastructure comprises five open pits (Sandsloot, Zwartfontein, Mogalakwena South, Central and North), with pit depths varying from 45m to 245m. Ore is milled at the on-mine North and South concentrators as well as Messina Mine Baobab concentrator.

OPERATIONAL REVIEW

Tonnes mined decreased 8% to 88 million tonnes on a better mining stripping ratio. The concentrator produced a record 1,098,500 PGM ounces, including 463,800 platinum ounces, reflecting feed grade, throughput and concentrator recoveries. Tonnes milled increased 8%, including an additional 876,000 of Zwartfontein ore treated (higher grade but lower recovery). The 4E built-up head grade rose 2% to 3.09g/t.

Cash operating costs excluding capitalised waste stripping (after allowing for off-mine smelting and refining activities) dropped 4% to R7.3 billion on increased throughput, cost management and revaluation of ore stockpiles.

Cash operating costs per PGM (excluding capitalised waste stripping) decreased 15% to R6,628, while cash operating costs per ounce dropped 15% to R15,696, largely on increased throughput, cost management and revaluation of ore stockpiles.

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES*		
Platreef	**3,788.3Mt** ◆	**295.7 4E Moz**

** Includes Measured Resource stockpile of 58.8Mt ◆ 3.4 4E Moz*

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

Total PGM production (M&C)

000 oz

Cash operating cost/PGM ounce produced

Operating free cash flow (defined on page 63) rose 26% to R4 billion on higher sales volumes of PGMs and a higher basket price achieved.

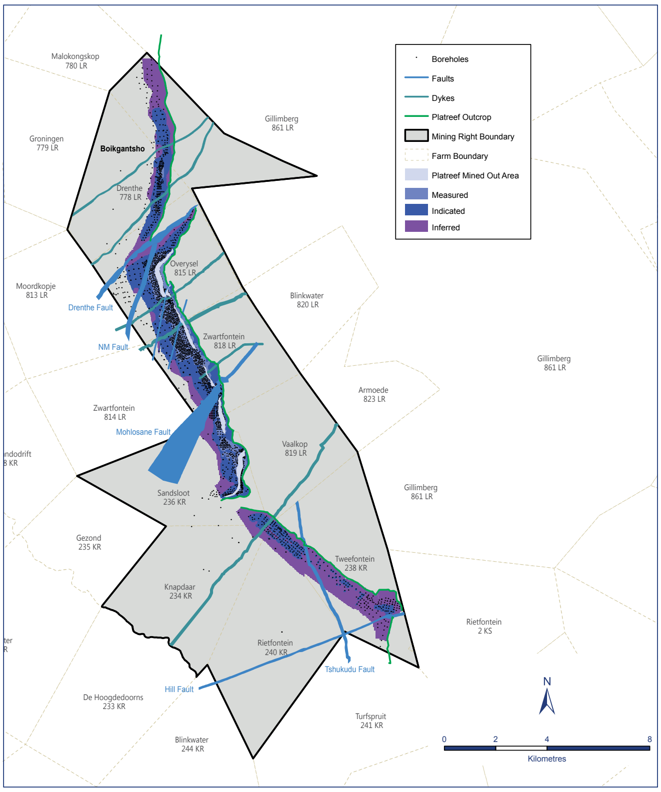
CAPITAL EXPENDITURE

Total capital expenditure (including capitalised waste stripping and after allocating off-mine smelting and refining capital) decreased to R2.4 billion in 2017 (R2.5 billion in 2016), including stay-in-business capital of R1.4 billion and project capital of R221 million. Capital waste stripping was R784 million from R1.3 billion in 2016 but is expected to rise to R1.1 billion in 2018.

OUTLOOK

Mogalakwena platinum production is expected to remain flat at 440 000 – 460 000 platinum ounces in 2018.

Mogalakwena Platreef



OPERATIONS OVERVIEW continued

MANAGED MINES continued

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 141km².

AMANDELBULT MINE

KEY FEATURES

- × 3 FATALITIES
- × LTIFR REGRESSED TO 0.69 AND TRCFR TO 0.93
- × PRODUCTION AFFECTED BY EXCESSIVE RAINFALL, LOWER AVAILABLE ORE RESERVES AND SAFETY STOPPAGES
- ✓ GOOD CASH FLOW FROM NEW CHROME PLANT

Managed – 100% owned		2017	2016
Safety			
Fatalities	Number	**3**	2
TRCFR	Rate/ 200,000 hrs	**0.93**	0.87
Total PGM production	000 oz	**858.0**	884.6
Net sales revenue	R million	**11,423**	10,692
EBITDA	R million	**1,173**	1,423
EBITDA margin	%	**10.3**	13.3
ROCE	%	**5.7**	7.0
Operating free cash flow	R million	**91**	996
Net cash flow	R million	**73**	956
Cash on-mine cost/ tonne milled	R/tonne	**1,197**	1,092
Cash operating cost/ PGM oz produced	R/PGM oz	**10,846**	9,559
Cash operating cost/ Pt oz produced	R/Pt oz	**21,246**	18,438

MINE OVERVIEW

The complex consists of 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 reef 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 production transitions from Tumela Upper to Dishaba Lower UG2.

Regrettably, Amandelbult lost three employees in fatal incidents (detailed on page 40). A comprehensive, mine-wide safety performance turnaround plan is being implemented to address challenges.

OPERATIONAL REVIEW

Amandelbult produced 858,000 PGM ounces, including 438,000 platinum ounces, down 3% and 4% respectively. This was due to excessive rainfall in the first quarter, lower available Ore Reserves and increased development as the mine transitions from Tumela Upper to Dishaba Lower UG2. Production was also affected by section 54 safety stoppages after fatal incidents.

Tonnes milled were maintained at 7 million tonnes as underground tonnes were supplemented with increased tonnes from surface sources. The increased surface sources in the ore

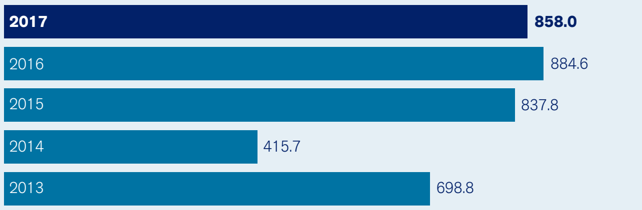
MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

Merensky	**161.4Mt**	**35.8 4E Moz**
UG2	**383.7Mt**	**67.6 4E Moz**

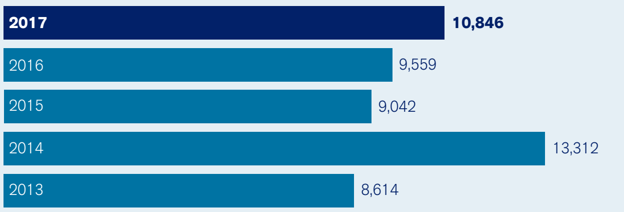
For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

Total PGM production (M&C)

000 oz



Cash operating cost/PGM ounce produced



mix reduced the 4E build-up head grade by 5% to 3.86 g/t.

Production from the new chrome plant rose 73% to 4.8 million tonnes of UG2 tailings as it operated for 12 months compared to three months in 2016. This yielded 654,400 tonnes of chrome concentrate. Although the chrome price fell in 2017, given the plant's low cost of production, it generated cash flow of R577 million.

Cash operating costs (after allowing for off-mine smelting and refining activities) rose 10% to R9.3 billion, mainly due to mining inflation, chrome plant operational costs and costs to replace production from the upper section of Tumela which will reach end of life by 2021. Initially this was to be achieved by sinking a new shaft from 2017. However, we have identified lower capital-intensive replacement options from the UG2 reef at Dishaba which can be accessed via current infrastructure for Merensky mining.

Cash operating costs per platinum ounce at R21,246 and per PGM ounce at R10,846 rose 15% and 13% respectively, due to higher operating costs and lower throughput.

Operating free cash flow (defined on page 63) decreased to R91 million, due to cost expenditure and stay-in-business capital increases partly offset by more revenue from higher chrome sales and increased basket price.

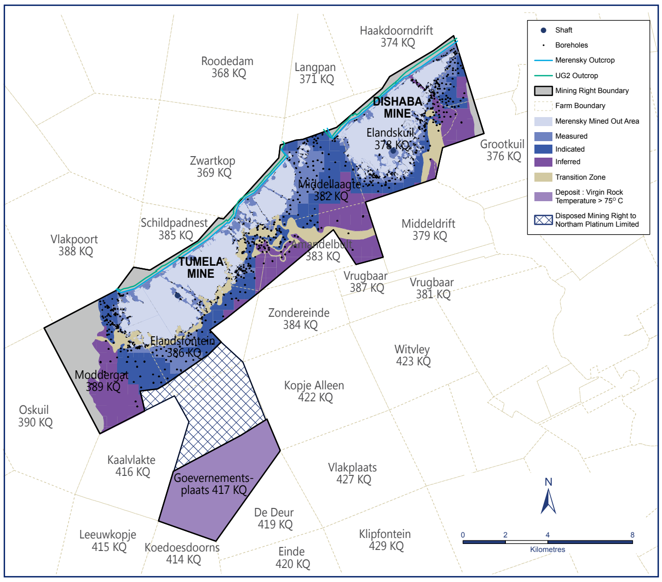
CAPITAL EXPENDITURE

Total capital expenditure (after allocating off-mine smelting and refining capital) rose to R581 million, mainly stay-in-business capital expenditure (R563 million).

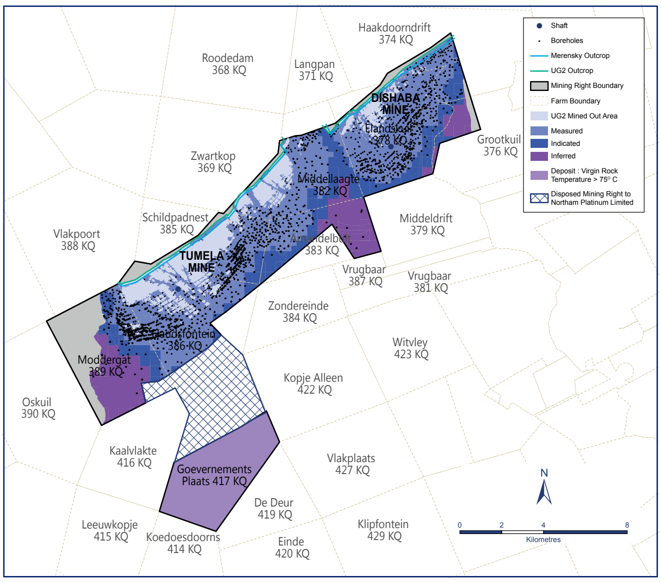
OUTLOOK

Total production from Amandelbult is expected to rise to c. 480,000 ounces in 2018. Further low-capital options to improve its profitability are being studied.

Amandelbult Merensky reef



Amandelbult UG2 reef



OPERATIONS OVERVIEW continued

MANAGED MINES continued

Unki Mines Private Limited's operations are on the Great Dyke in Zimbabwe, 60km south-east of the town of Gweru. This 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.

UNKI PLATINUM MINE – ZIMBABWE

KEY FEATURES

- ✓ **FATALITY-FREE** FOR SIX YEARS
- ✓ **2% INCREASE IN PGM** OUNCES INCLUDING 74,600 PLATINUM OUNCES
- ✓ **CASH ON-MINE COSTS DOWN 3%**

Managed – 100% owned		2017	2016
Safety			
Fatalities	Number	**–**	–
TRCFR	Rate/ 200,000 hrs	**0.55**	0.72
Total PGM production	000 oz	**165.9**	162.0
Net sales revenue	R million	**2,489**	2,227
EBITDA	R million	**823**	264
EBITDA margin	%	**33.1**	11.8
ROCE	%	**9.5**	(2.8)
Operating free cash flow	R million	**614**	61
Net cash flow	R million	**296**	(20)
Cash on-mine cost/ tonne milled	R/tonne	**811**	873
Cash operating cost/ PGM oz produced	R/PGM oz	**10,519**	11,109
Cash operating cost/ Pt oz produced	R/Pt oz	**23,387**	24,151

MINE OVERVIEW

Unki's twin shafts are now 1,898m from the portal on surface. Fifteen mining sections have been established, 14 of which are fully equipped and have strikes belts for transferring ore directly onto the main incline shaft conveyor. Run-of-mine ore is processed at the concentrator plant on site.

OPERATIONAL REVIEW

Unki Mine's total recordable case frequency rate improved by 24% from 0.72 in 2016 to 0.55 in 2017 – the lowest since commissioning in 2010. The LTIFR regressed to 0.30, mainly due to incidents involving fall-of-ground (FOG) and operating machinery. An appropriate turnaround strategy was implemented.

Tonnes milled rose 2% to 1.75 million on increased productivity, while the 4E built-up head grade rose slightly to 3.47g/t on an improved mining reef cut. As a result, PGM ounces produced rose 2% to 165,900 and platinum ounces increased marginally to a record 74,600.

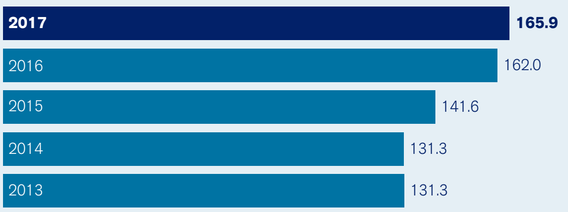
Cash operating costs (after allowing for off-mine smelting and refining activities) were flat at R1.8 billion. The 9% strengthening of the rand against the US dollar translated into a 7% increase in dollar on-mine costs. Higher volumes and revaluing ore stockpiles decreased cash operating costs per platinum ounce by 3% to R23,387, and per PGM ounce by 5% to R10,519.

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES		
MSZ	**226.7Mt**	**30.5 4E Moz**

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

Total PGM production (M&C)

000 oz



Cash operating cost/PGM ounce produced

Operating free cash flow (defined on page 63) rose strongly to R614 million, reflecting the decrease in other income and expenses after selling R228 million in treasury bills, export incentives of R63 million and a 12% increase in revenue from higher metal sales and basket price.

CAPITAL EXPENDITURE

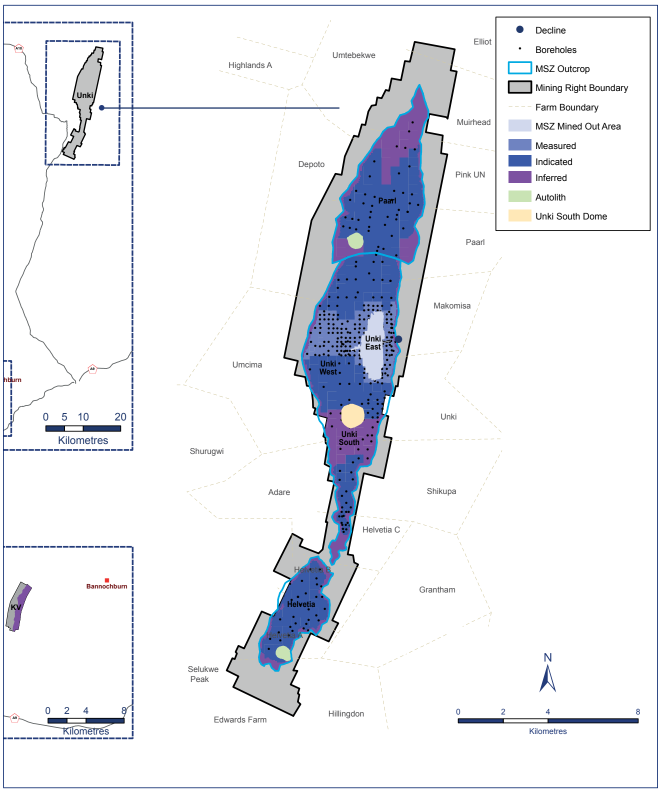
Total capital expenditure (after allowing for off-mine smelting and refining capital) rose to R500 million (2016: R244 million), largely for project capital (R318 million).

The Unki smelter, a project in execution, is expected to be completed in H2 of 2018 at a total cost of R650 million. R306 million of Unki's 2017 project capital expenditure was incurred on the smelter with R343 million expected to be incurred in 2018.

OUTLOOK

Platinum production in 2018 is expected to be similar to 2017 at c. 75,000 ounces. Unki Smelter is planned to be commissioned in July 2018, followed by a ramp-up period of 60 months.

Zimbabwe – Unki Main Sulphide Zone (MSZ)



OPERATIONS OVERVIEW continued

MANAGED MINES continued

TWICKENHAM PROJECT

Managed – 100% owned

The Twickenham project can potentially offer 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 2018. Twickenham was placed on care and maintenance in 2016.

Some of the mining footprint is being used to research new mining technology, including small-scale mining activity.

DER BROCHEN

Managed – 100% owned

Der Brochen is a greenfield project area in the extreme south of the Eastern Limb of the Bushveld complex. It borders on the Mototolo JV (page 72).

The consolidated and amended environmental impact assessment was submitted to the authorities and a record of decision is imminent. If approved, this would permit open-pit mining on the UG2 outcrop. Study work continues on how best to exploit the down-dip total resource, and a number of options are being considered.

OPERATIONS OVERVIEW continued

Summary – please refer to supplementary report and results announcement on our website for details.

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS

This portfolio includes the Bafokeng Rasimone (BRPM), Kroondal, Marikana, Union and Pandora mines in the Western Limb of the Bushveld complex, and the Bokoni, Modikwa and Mototolo mines in the Eastern Limb.

Vishnu Pillay
Executive head: joint ventures and exit operations

KEY FEATURES

- ✓ EXCEPTIONAL OPERATIONAL PERFORMANCE AT MODIKWA, BRPM, KROONDAL AND UNION
- ✓ UNION DISPOSAL ON TRACK
- × **TWO** FATALITIES AT JOINT VENTURES, **ONE** AT UNION MINE
- × **CHALLENGING** YEAR OPERATIONALLY AT BOKONI AND MOTOTOLO

Cash operating cost/PGM ounce produced

Total PGM production (M&C)
000 oz

Modikwa concentrator

JV and associate operations		2017	2016
Safety			
Fatalities	Number	**2**	6
TRCFR	Rate/ 200,000 hrs	**1.61**	1.85
Total PGM production	000 oz	**1,580**	1,642
JV operations only			
Net sales revenue	R million	**6,268**	6,127
EBITDA	R million	**1,274**	1,189
EBITDA margin	%	**20.3**	19.4
ROCE	%	**13.8**	11.6
Operating free cash flow	R million	**408**	846
Net cash flow	R million	**331**	770
Cash on-mine cost/ tonne milled	R/tonne	**1,003**	927
Cash operating cost/ PGM oz produced	R/PGM oz	**9,098**	8,397
Cash operating cost/ Pt oz produced	R/Pt oz	**20,329**	18,670

The joint ventures (JV) portfolio was established over a decade ago to promote industry transformation and optimise Mineral Resource extraction. These are primarily underground mines and are not operationally managed by Amplats except for the Union Mine JV.

Mined ore is processed into concentrate at each mine. Amplats claims its portion and acquires the JV partners' portion of concentrate under purchase agreements, except for the Pandora JV, where ore is sold to Western Platinum Limited (a subsidiary of Lonmin plc).

Restructuring the JV portfolio continues:

- 2012: Marikana placed on care and maintenance
- 2016: Our 42.5% share of Pandora sold to Lonmin, our JV partner
- 2017: Bokoni placed on care and maintenance in October
- Union Mine disposal on track for completion in 2018.

SAFETY

The TRCFR improved 13% to 1.61 in 2017. The JV operations regrettably recorded two fatalities in 2017 (six in 2016) at Bokoni and Modikwa. Union Mine had a fatality in October 2017 (detailed in our supplementary report) and its TRCFR regressed by 22%.

OPERATIONAL REVIEW OF 2017

A dedicated Amplats team assists the JV operations with project execution, mining engineering, improving the cost base and safety performance.

OPERATIONS OVERVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS continued

Production in 2017 was affected by placing Bokoni on care and maintenance, stopping the Mototolo concentrator in August to stabilise the Helena tailings storage facility, and section 54 stoppages.

As a result, PGM production from JVs and associates (including mined and purchased production) dropped 4% to 1,580,194 ounces. Platinum production dropped 4% to 756,119 ounces, palladium 4% to 450,937 ounces and rhodium 3% to 119,264 ounces. Together JV and associates contributed 32% of our total concentrate ounces in 2017.

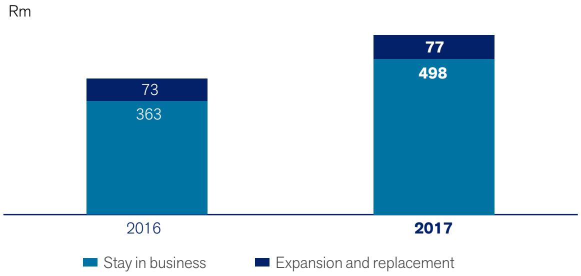
The 4E built-up head grade and concentrator recovery were 3.80g/t (3.83g/t in 2016) and 84.3% (84.6% in 2016) respectively.

Despite the fatality and bad ground conditions, Union Mine's PGM production produced rose 3% to 308,626 ounces on improved stoping efficiencies. Platinum produced increased by 2% to 154,498 ounces, palladium by 4% to 71,433 ounces and rhodium by 4% to 28,555 ounces.

Our attributable JV cash on-mine costs (mining and concentrating) increased 6% to R4.6 billion. Attributable cash operating cost per PGM ounce rose 8% to R9,098, and per platinum ounce were up 9% to R20,329.

Union Mine's cash on-mine costs increased 5% to R2.8 billion and cash operating costs per PGM ounce rose 4% to R10,567.

JVs – attributable capital expenditure



Expansion and replacement projects primarily include the South 2 shaft at Modikwa. All capital expenditure was reviewed to counter the current economic reality, which included slowing the Styldrift production build-up.

MOTOTOLO PLATINUM MINE

Non-managed – 50% owned		2017	2016
Safety			
Fatalities	Number	**–**	–
TRCFR	Rate/ 200,000 hrs	**0.74**	0.65
Total PGM production	000 oz	**185**	252
Net sales revenue	R million	**1,218**	1,418
EBITDA	R million	**267**	377
EBITDA margin	%	**21.9**	26.6
ROCE	%	**41.4**	43.1
Operating free cash flow	R million	**(42)**	286
Net cash flow	R million	**(42)**	286
Cash on-mine cost/tonne milled	R/tonne	**786**	678
Cash operating cost/PGM oz produced	R/PGM oz	**9,195**	7,826
Cash operating cost/Pt oz produced	R/Pt oz	**19,916**	16,899

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

UG2 reef **10.5Mt ➧ 1.4 4E Moz**

JV PARTNER

Glencore Kagiso Tiso Platinum Partnership **50%**

** The concentrator was stopped from mid-August to early December 2017 to construct the buttress wall at the Helena tailings storage facility.*

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

Mine overview

Mototolo is a 50:50 JV between Glencore Kagiso Tiso Platinum and Rustenburg Platinum Mines. The mine is managed by Glencore, while Amplats manages the concentrator. Mototolo is 30km west of Burgersfort in Limpopo in the Eastern Limb of the Bushveld complex and operates under a mining right covering 9km^2.

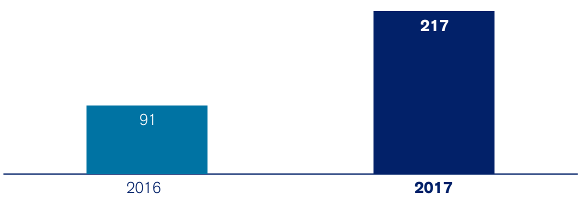
KEY FEATURES

- ✓ FATALITY-FREE SINCE 2011
- × ATTRIBUTABLE PGM OUNCES DOWN 27% AFTER CONCENTRATOR STOPPED

Operational review of 2017

Production and costs were affected by the concentrator being stopped in mid-August while a buttress wall was constructed to stabilise the Helena tailings storage facility. Attributable PGM production, including 92,377 ounces purchased from the JV partner, decreased to 184,753 ounces. Platinum production also dropped 27% to 85,304 ounces.

Capital expenditure
Rm



Our attributable share of capital expenditure mainly reflects construction of the new Mareesburg tailings dam.

MODIKWA PLATINUM MINE

Non-managed – 50% owned		2017	2016
Safety			
Fatalities	Number	**1**	–
TRCFR	Rate/ 200,000 hrs	**1.07**	1.81
Total PGM production	000 oz	**326**	296
Net sales revenue	R million	**1,817**	1,608
EBITDA	R million	**361**	158
EBITDA margin	%	**19.9**	9.8
ROCE	%	**12.1**	(1.1)
Operating free cash flow	R million	**166**	147
Net cash flow	R million	**89**	71
Cash on-mine cost/tonne milled	R/tonne	**1,252**	1,238
Cash operating cost/PGM oz produced	R/PGM oz	**9,259**	9,226
Cash operating cost/Pt oz produced	R/Pt oz	**23,792**	23,778

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

Merensky reef **106.4Mt ➔ 9.2 4E Moz**

UG2 reef **134.1Mt ➔ 26.0 4E Moz**

JV PARTNER

ARM Mining Consortium Limited **50%**

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

Mine overview

Modikwa is an independently managed, equal JV between ARM Mining Consortium and Rustenburg Platinum Mines in Limpopo, 25km west of Burgersfort. It forms part of the Eastern Limb of the Bushveld complex and operates under a mining right covering 140km². Current infrastructure comprises three major decline shafts (North 1, South 1 and South 2), three adits and a concentrator. The mine uses 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 AFTER 4 MILLION FATALITY-FREE SHIFTS ACHIEVED IN JULY 2017
- ✓ ATTRIBUTABLE PGM OUNCES **UP 10%**

Safety

Regrettably, Modikwa Mine had a fatality on 10 October 2017 when an employee succumbed to suspected gassing and/or heat exposure.

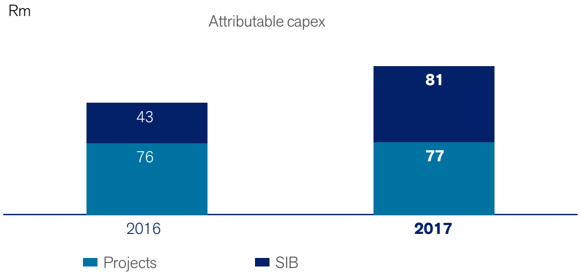
Operational review of 2017

Attributable PGM production, including 162,783 ounces purchased from our JV partner, rose 10% to 325,566 ounces.

Platinum production was 10% higher at 126,696 ounces, reflecting increased underground efficiencies and improved concentrator recovery.

Cash operation cost was broadly flat at R9,259 per PGM ounce, and R23,792 per platinum ounce.

Capital expenditure
Rm



Our attributable share of capital expenditure rose 33%, primarily due to the 12-month deferment of North 1 shaft's 9-level scope of work and continued expenditure on two execution projects.

OPERATIONS OVERVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS continued

KROONDAL PLATINUM MINE

Non-managed – 50% owned		2017	2016
Safety			
Fatalities	Number	–	2
TRCFR	Rate/ 200,000 hrs	1.88	2.47
Total PGM production	000 oz	586	576
Net sales revenue	R million	3,233	3,101
EBITDA	R million	646	654
EBITDA margin	%	20.0	21.1
ROCE	%	8.3	13.2
Operating free cash flow	R million	284	412
Net cash flow	R million	284	412
Cash on-mine cost/tonne milled	R/tonne	977	928
Cash operating cost/PGM oz produced	R/PGM oz	8,979	8,221
Cash operating cost/Pt oz produced	R/Pt oz	18,881	17,286

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES*

UG2 reef **44.6Mt ➧ 4.2 4E Moz**

JV PARTNER

Sibanye-Stillwater **50%**

** Includes UG2 reef Mineral Resources of Siphumelele 3 shaft (100% owned), which is managed and mined on a royalty basis from Kroondal Mine by Sibanye-Stillwater.*

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

Mine overview

Kroondal is now a 50:50 pooling-and-sharing agreement between Sibanye-Stillwater and Rustenburg Platinum Mines, managed by Sibanye-Stillwater. It is in the North West province, 10km outside the town of Rustenburg, and up-dip of Rustenburg Platinum Mines. It forms part of the South-western Limb of the Bushveld complex and operates under a mining right covering 22km². Current infrastructure comprises five decline shafts and two concentrators. Kroondal is a partly mechanised bord-and-pillar operation mining UG2 reef exclusively, between surface and 450m below.

KEY FEATURES

- ✓ FATALITY FREE
- ✓ ATTRIBUTABLE PGM OUNCES UP 2%
- ✓ RECORD HOISTED TONNES AND MOST MILLED TONNES SINCE 2009

Operational review of 2017

Attributable PGM production, including 292,915 ounces bought from our JV partner, rose 2% to 585,830 ounces. Platinum produced also rose 2% to 278,591 ounces.

Cash operating cost per PGM ounce was up 9% to R8,979, and up 9% per platinum ounce to R18,881.

MARIKANA PLATINUM MINE

Non-managed – 50% owned

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

UG2 reef **20.8Mt ➧ 2.2 4E Moz**

JV PARTNER

Sibanye-Stillwater **50%**

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

Mine overview

Marikana is a 50:50 pooling-and-sharing agreement between Sibanye-Stillwater and Rustenburg Platinum Mines, managed by Sibanye-Stillwater. It is in the 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 given depleted mineable Ore Reserves, high operating costs and a decreasing commodity price. The open pit was mined out and closed in 2011.

BAFOKENG RASIMONE PLATINUM MINE (BRPM)

Non-managed – 33% owned		2017	2016
Safety			
Fatalities	Number	–	1
TRCFR	Rate/ 200,000 hrs	2.03	1.46
Financial			
Amplats' attributable profit/(loss) before tax	R million	134	90
Net cash distributions/(cash calls)*	R million	(444)	(211)

** Styldrift capex.*

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

Merensky reef	50.4Mt ➧ 12.0 4E Moz
UG2 reef	65.7Mt ➧ 10.8 4E Moz

JV PARTNER

Royal Bafokeng Platinum Limited (RBPlat)	67%

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

Mine overview

BRPM is a 67:33 JV between Royal Bafokeng and Rustenburg Platinum Mines, managed by Royal Bafokeng Platinum Management Services. The mine is in the North West province, 25km north of the town of Rustenburg. It forms part of the Western Limb of the Bushveld complex and operates under a mining right covering 87km^2. Current infrastructure comprises two decline shafts, North and South, and a 250ktpm concentrator. Both shafts extend 550m below surface. The primary reef mined is Merensky, with limited mining of UG2 reef at both shafts. The mining method is conventional breast stoping with strike pillars, with an operating depth for current workings of 50m to 500m below surface.

The main shaft and service shaft for the new mechanised underground mine, Styldrift I, have been sunk. The main shaft is fully equipped and operational, while the service shaft should be commissioned in March 2018.

KEY FEATURES

- ✓ **2 MILLION FATALITY-FREE** SHIFTS IN JULY 2017
- ✓ ATTRIBUTABLE PGM OUNCES **UP 8%**
- ✓ **RECORD MILLED TONNES**

Operational review of 2017

Our attributable PGM production rose 8% to 367,157 ounces. Platinum production rose 8% to 211,946 ounces. The mine achieved its highest platinum production since 2006, and delivered and milled record tonnages since starting production.

Net cash calls for the period were R444 million (2016: R211 million) to support Styldrift capex.

Projects

Progress on BRPM's key projects (North shaft phase 3, overland conveyor and concentrator upgrade) are detailed in our supplementary report.

UNION MINE

Managed – 85% owned (Sold to Siyanda Resources January 2018)		2017	2016
Safety			
Fatalities	Number	1	1
TRCFR	Rate/ 200,000 hrs	2.08	1.71
Total PGM production	000 oz	309	298
Net sales revenue	R million	4,280	3,958
EBITDA	R million	612	476
EBITDA margin	%	14.3	12.0
ROCE	%	38.1	10.2
Operating free cash flow	R million	211	302
Net cash flow	R million	211	302
Cash on-mine cost/tonne milled	R/tonne	1,044	1,015
Cash operating cost/PGM oz produced	R/PGM oz	10,567	10,145
Cash operating cost/Pt oz produced	R/Pt oz	21,109	20,016

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

Merensky reef	75.5Mt ➧ 14.7 4E Moz
UG2 reef	142.4Mt ➧ 24.5 4E Moz
Tailings	14.9Mt ➧ 0.6 4E Moz

JV PARTNER

Bakgatla-Ba-Kgafela	15%

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

OPERATIONS OVERVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS continued

Mine overview

Union Mine spans the Limpopo and North West provinces, 15km west of the town of Northam. It forms part of the North-western Limb of the Bushveld complex and operates under a mining right covering 119km^2. Operating infrastructure comprises two vertical shafts and a concentrator complex.

KEY FEATURES

- × ONE FATALITY
- ✓ TIGHT OPERATIONAL COST MANAGEMENT
- ✓ ATTRIBUTABLE PGM OUNCES **UP 3%**
- ✓ UNION MINE DISPOSAL ON TRACK WITH SECTION 11 GRANTED ON **7 NOVEMBER 2017**

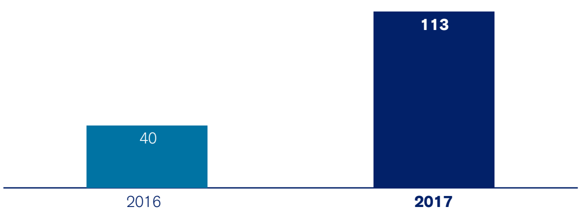
Safety

Regrettably, Union Mine had a fatality in October 2017 (detailed in our supplementary report).

Operational review

PGM production was up 3% to 308,626 ounces, while platinum produced rose 2% to 154,498 ounces reflects improved stoping efficiencies. Despite the fatality and bad ground conditions, the mine improved most key production metrics.

Capital expenditure
Rm



BOKONI PLATINUM MINE

Non-managed – 49% owned		2017	2016
Safety			
Fatalities	Number	**1**	3
TRCFR	Rate/ 200,000 hrs	**1.45**	1.77
Financial			
Amplats' attributable profit/(loss) before tax	R million	**(445)**	(159)
Net cash distributions/(cash calls)	R million	**(585)**	(287)

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

Merensky reef	**169.7Mt ➧ 27.0 4E Moz**
UG2 reef	**228.1Mt ➧ 48.1 4E Moz**

JV PARTNER

Atlatsa Resources Corporation **51%**

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

Mine overview

Bokoni Platinum Holdings Proprietary Limited 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 147km^2. Current mining infrastructure, comprising two decline shafts and two concentrators, was placed on care and maintenance in October 2017. Older shafts were closed in 2015. The opencast operation was terminated in December 2016 and rehabilitation began in January 2017.

KEY FEATURES

- × ONE FATALITY
- × MINE PLACED ON CARE AND MAINTENANCE IN OCTOBER 2017
- × ATTRIBUTABLE PGM OUNCES DOWN 34%

Operational review

Attributable PGM production dropped 34% to 116,888 ounces while platinum production decreased to 53,583 ounces after the fatality, section 54 stoppages and gradual halt of stoping operations as the mine transitioned to care and maintenance.

PANDORA PLATINUM MINE

Non-managed – 42.5% owned		2017	2016
Safety			
Fatalities	Number	–	1
TRCFR	Rate/ 200,000 hrs	1.47	1.41
Financial			
Amplats' attributable profit/(loss) before tax	R million	(49)	(55)
Net cash distributions/(cash calls)	R million	(32)	(18)

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

UG2 **0Mt ➔ 0 4E Moz**

JV PARTNER

Eastern Platinum Limited (subsidiary of Lonmin plc)	50%
Mvelaphanda Resources	7.5%

For our full Ore Reserves and Mineral Resources report 2017, please go to **www.angloamericanplatinum.com/investors/annual-reporting/2017**

Mine overview

Rustenburg Platinum Mines had a 42.5% interest in the Pandora JV, which has been sold to Lonmin. The mine is in the North West province, 40km east of the town of Rustenburg, in Lonmin's Marikana mining area. It forms part of the South-western Limb of the Bushveld complex. Mine infrastructure consists of one decline shaft system mining UG2 ore. Pandora is a shallow, conventional mine, with current workings between surface and 300m below surface.

Transaction update

In November 2016, Amplats entered into a conditional sale-and-purchase agreement with Eastern Platinum Limited (EPL), a wholly owned subsidiary of Lonmin plc, to sell its 42.5% interest in Pandora for a deferred cash payment of a minimum of R400 million and maximum of R1.0 billion over six years (nominal terms), and a rental agreement for the use and full operational control of Lonmin's Baobab concentrator for a three-year period.

The transaction became unconditional on 30 November 2017 after regulatory consent under section 11 of MPRDA to transfer the mining right, competition approval and approval from the remaining JV partner. EPL assumed full ownership, control and management of the Pandora operations on 1 December 2017.

PROCESS REVIEW

Summary – please refer to supplementary report and results announcement on our website for details.

The process operations are all running at steady state. Planned maintenance continues, with the Mortimer smelter full rebuild and Polokwane smelter side and end walls replacement in 2018.

Gary Humphries
Executive head: processing

KEY FEATURES

- × **TWO** FATALITIES
- ✓ LTIFR IMPROVED **26%** TO 0.40
- ✓ **9%** INCREASE IN OWN TONNES SMELTED
- ✓ **14%** INCREASE IN TOTAL TONNES SMELTED
- ✓ **5%** RISE IN BASE METAL PRODUCTION (CHANGE IN ORE MIX) IN TOTAL
- ✓ **1%** INCREASE IN OWN REFINED PLATINUM PRODUCTION
- ✓ **8%** INCREASE IN REFINED PLATINUM PRODUCTION IN TOTAL

OPERATIONAL REVIEW OF 2017

Tonnes smelted
Mt

Total cash operating costs
Rbn

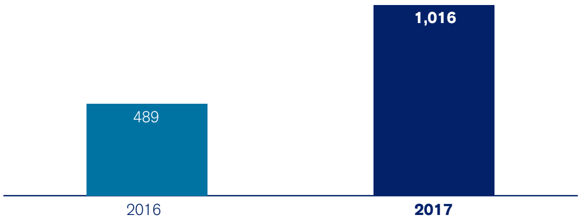
Base metal production
t

Cash operating cost/refined Pt oz
R

PMR refined platinum production
Moz

The 12% rise in total cash operating costs reflects higher own production volumes of concentrate smelted and associated variable costs. Similarly, the 4% increase in cash operating cost per refined platinum ounce produced is also due to higher volumes smelted.

Capital expenditure
Rm



The 108% rise in capital expenditure includes R130 million for Waterval smelter furnace 2 rebuild, and R147 million for the converter plant phase A rebuild. Procuring long lead items for the Mortimer furnace rebuild (R79 million) in 2018 and SO_2 abatement projects totalled R100 million.

Smelters	2017	2016
Safety		
Fatalities	**1**	0
LTIFR	**0.58**	0.33
Tonnes smelted (Mt)	**1.45**	1.32
Cash costs/tonne concentrate smelted excluding tolling) (R)	**2,197**	2,141

Our three primary smelting operations – Polokwane, Waterval and Mortimer – are responsible for the pyrometallurgical treatment of concentrates from Amplats, JVs and third parties. They produce furnace mattes, which are then upgraded to a matte rich in PGMs and base metals by the Amplats converter process (ACP).

Safety

Regrettably, Waterval Smelter recorded a fatality in December 2017 in a moving-machinery incident. Safety performance was disappointing, with the combined smelter LTIFR deteriorating to 0.58. The focus remains on analysing leading indicators and reducing high-potential incidents, with a marked reduction in the latter.

Production

Collectively the operations smelted 9.4% more concentrate (a record 1.45Mt) in 2017. Most of the concentrate was treated at Polokwane smelter, due to its higher installed capacity, and proximity to Mogalakwena Mine and concentrator.

In June 2017, a high-pressure water leak into the converter led to steam explosions at the ACP plant, causing severe damage but no injuries. The standby converter was restarted immediately, and ACP was back in production within 10 days. Despite this, ACP processed almost 198,000t furnace matte, 8% higher than 2016.

Costs

Total cash operating costs increased 12% to R3.2 billion, reflecting disciplined cost management and higher production volumes. The unit cash cost per tonne of concentrate smelted rose 3% to R2,197.

Capital expenditure

Capital expenditure rose 146% to R697 million, including stay-in-business capital for the Waterval furnace 2 rebuild (R130 million) and ACP phase A rebuild (R147 million). Long lead items for SO_2 abatement projects and Mortimer furnace rebuild in 2018 were also procured in the review period.

Outlook

The major focus is completing refurbishment of the standby converter at ACP by mid-2018. Unki smelter is scheduled to be operational in August 2018, ramping up to capacity over 16 months. Building on the milestones achieved at ACP, slag-cleaning furnace and Polokwane, the same methods will be applied to the remaining assets to unlock value.

Rustenburg Base Metal Refinery	2017	2016
Safety		
Fatalities	**0**	0
LTIFR	**0.29**	0.49
Base metal production (kt)	**37.2**	38.6
Cash costs/base metal tonne (R)	**49,882**	47,899

The main function of the Rustenburg Base Metal Refinery (RBMR) is separating precious metals from base metals using milling and magnetic concentration. The magnetic fraction is upgraded further to a final concentrate fed to the Precious Metals Refinery (PMR). The non-magnetic fraction is refined at the Base Metals Refinery (BMR) to produce base metal products.

Safety

The LTIFR improved 42% to 0.29, reflecting the benefits of focused campaigns.

Production

The RBMR complex functioned fairly steadily in 2017. Base metal production was affected by lower converter matte receipts, dropping 3%. The characteristics of the ore mix have changed, with lower base metal content from the mining operations.

Costs

Cash operating costs rose to R1.8 billion. Lower RBMR base metal production contributed to the 4% year-on-year unit cost increase per base metal tonne.

Capital expenditure

Capital expenditure was 35% higher at R201 million, mainly for production and safety-critical projects.

Precious Metals Refinery (PMR)	2017	2016
Safety		
Fatalities	**1**	0
LTIFR	**0.23**	1.21
Platinum production (Moz)	**2.34**	2.31
Cash costs/Pt oz (R)	**335**	333

PMR receives final concentrate from RBMR, which is refined into various PGMs and gold to meet market requirements.

Safety and health

PMR regrettably recorded its first fatality in 2017 (see supplementary report), although the LTIFR improved significantly.

Production

Refined platinum production rose 1% on higher inputs from upstream operations.

Product quality

Platinum, palladium and rhodium purity has been maintained, resulting in good customer satisfaction levels.

Costs

PMR's cash operating costs rose 3% to R793 million, largely due to higher volumes treated and recommissioning the effluent treatment plant. The cash operating cost per platinum ounce was 1% higher, below mining inflation for 2017.

Capital expenditure

Capital expenditure rose 110% to R118 million, all for stay-in-business capital.

ORE RESERVES AND MINERAL RESOURCES REVIEW

Total Ore Reserves and inclusive Mineral Resources decreased in the review period primarily due to disposals, economic assumptions and production.

Gordon Smith
Executive head: technical

The Anglo American Platinum Limited (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). The reporting of Mineral Resources and Ore Reserves for 2017 has been aligned to changes prescribed in the new SAMREC Code published in 2016, for implementation in 2017.

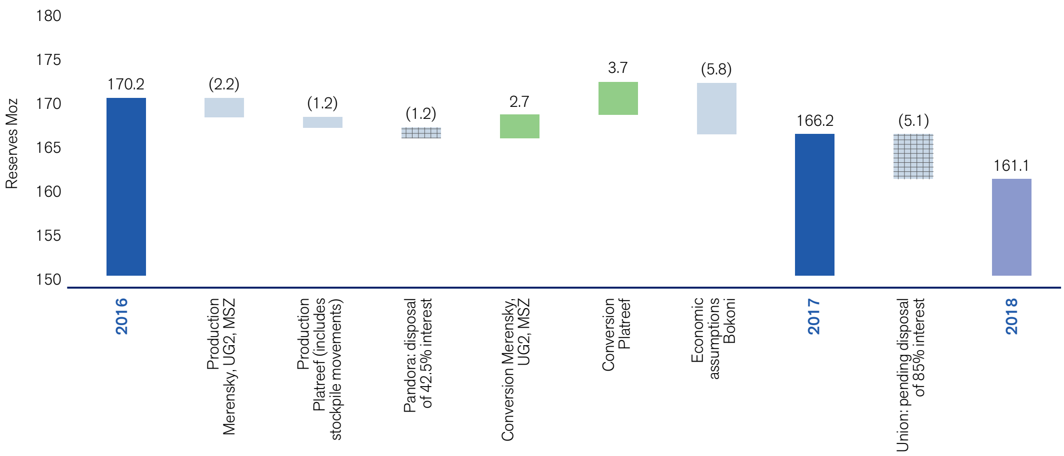
The estimates (tonnes and content) quoted in the report are on an attributable interest basis and the attributable interest is noted. Ore Reserves and Mineral Resources are quoted as at 31 December 2017.

ORE RESERVES

The combined South African and Zimbabwean Ore Reserves decreased by 2.4% from 170.2 4E Moz to 166.2 4E Moz in the review period. The reduction was primarily due to Bokoni Mine being placed on care and maintenance by Atlatsa Resource Corporation (Atlatsa) and the sale of our interest in Pandora Mine to Lonmin Platinum Limited (Lonmin). The reduction of Ore Reserves has been partially offset by an increase in Ore Reserves at Mogalakwena, Tumela and Dishaba mines due to the additional conversion of Mineral Resources to Ore Reserves.

Anglo Platinum Merensky, UG2, Platreef and Main Sulphide Zone (MSZ) Ore Reserves (4E Moz) – South Africa and Zimbabwe

Changes between 2016 and 2017 (Amplats attributable)



At Mogalakwena Mine, a combination of enhanced geological modelling, pit-shell optimisation, production and stockpile movements resulted in Mogalakwena Platreef Ore Reserves increasing by 2.5 4E Moz from 124.1 4E Moz in 2016 to 126.6 4E Moz in 2017. The combination of basket metal prices and 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 mining inflation and increasing mining depth.

At the Amandelbult mining complex, continued execution of the Tumela and Dishaba UG2 strategy results in an additional 1.3 4E Moz being converted to Ore Reserves from the exclusive Mineral Resources.

MINERAL RESOURCES

The combined South African and Zimbabwean Mineral Resources, inclusive of Ore Reserves, decreased by 3.7% from 831.7 4E Moz to 801.1 4E Moz in the review period. This was primarily the result of the disposal of the interest in Pandora Mine Mineral Resources to Lonmin (-12.0 4E Moz) and the sale of a long-dated portion of the Tumela Mine inclusive Mineral Resources to Northam Platinum Mines Limited (Northam) (-17.5 4E Moz).

IMPACT OF PORTFOLIO REPOSITIONING STRATEGY

Since 2013, Amplats has been executing a portfolio repositioning strategy comprising three core elements: restructuring mineral assets into a value-optimised portfolio, deriving full value from operations and enhancing cost and financial performance.

IMPACT OF PORTFOLIO REPOSITIONING STRATEGY

DISPOSAL OF THE RUSTENBURG MINING AND CONCENTRATING OPERATIONS TO SIBANYE-STILLWATER

TWICKENHAM PROJECT PLACED ON CARE AND MAINTENANCE

OPERATIONS CEASING AT BOKONI MINE FOLLOWING A DECISION BY ATLATSA TO PLACE IT UNDER CARE AND MAINTENANCE

SALE OF INTERESTS IN PANDORA MINE TO LONMIN

SALE OF A PORTION OF TUMELA MINE TO NORTHAM

THE SALE OF UNION MINE TO BE CONCLUDED BY THE END OF FEBRUARY 2018

ONGOING ENGAGEMENTS ON **INTERESTS IN THE KROONDAL AND MOTOTOLO JOINT VENTURES**

To date, the net impact of this strategy is a reduction of Mineral Resources inclusive of Ore Reserves of 29.5 4E Moz for the 2017 reporting period and a further 39.8 4E Moz following closure of the Union Mine transaction in 2018 (see waterfall chart below).

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

DISPOSAL OF THE INTEREST IN PANDORA MINE TO LONMIN PLATINUM LIMITED – 2017

Mineral Resources inclusive of Ore Reserves

As part of the portfolio repositioning strategy, interests in Pandora Mine were sold to Lonmin on 5 December 2017, resulting in:

–12.0 4E Moz

of UG2 Reef (42.5% attributable)

DISPOSAL OF A PORTION OF TUMELA MINE (RUSTENBURG PLATINUM MINES) TO NORTHAM PLATINUM LIMITED – 2017

Mineral Resources inclusive of Ore Reserves

As part of the portfolio repositioning strategy, a long-dated portion of the Tumela Mine inclusive resource was transferred to Northam on 6 December 2017, resulting in:

–8.2 4E Moz

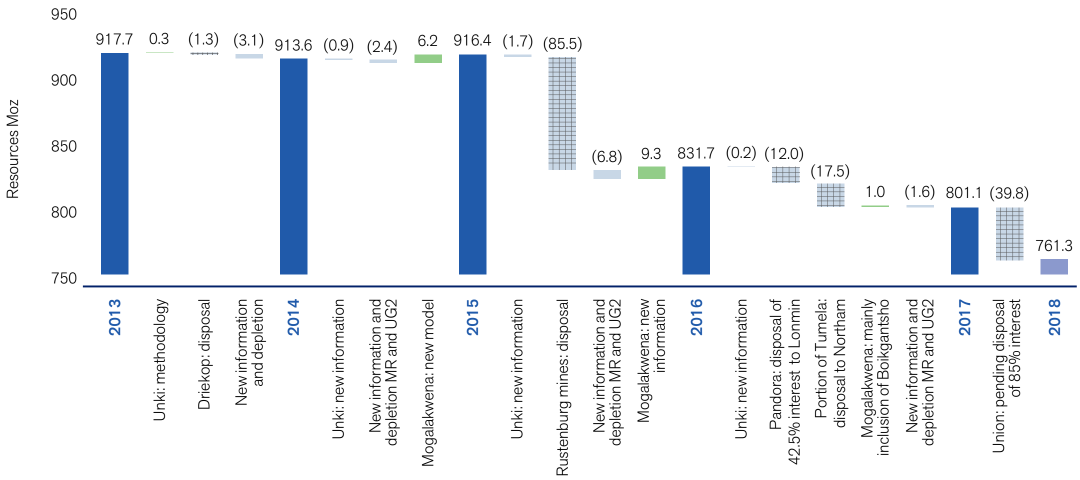
of Merensky Reef (100% owned)

–9.3 4E Moz

of UG2 Reef (100% owned)

Anglo Platinum Merensky, UG2, Platreef and Main Sulphide Zone (MSZ), Inclusive Mineral Resources (4E Moz) – South Africa and Zimbabwe

Changes between 2013 and 2018 (Amplats attributable)



ORE RESERVES AND MINERAL RESOURCES REVIEW continued

DISPOSAL OF UNION MINE – 2018

Mineral Resources inclusive of Ore Reserves

In executing the portfolio repositioning strategy, Amplats is progressing transactions for the disposal of its share of Mineral Resources inclusive of Ore Reserves at Union Mine. Execution of the sale is expected in the first quarter of 2018. Finalisation of this transaction would decrease the combined South African and Zimbabwean Mineral Resources inclusive of Ore Reserves by 5.0% from 801.1 4E Moz to 761.3 4E Moz (–39.8 4E Moz) based on the 2017 declaration.

–14.7 4E Moz Merensky Reef (85% attributable)

–24.5 4E Moz UG2 Reef (85% attributable)

–0.6 4E Moz tailings dams (85% attributable)

Ore Reserves

Finalisation of the disposal of Amplats' share of Ore Reserves at Union Mine would decrease combined South African and Zimbabwean Ore Reserves by 3.1% from 166.2 4E Moz to 161.1 4E Moz (–5.1 4E Moz) based on the 2017 declaration.

–0.4 4E Moz Merensky Reef (85% attributable)

–4.7 4E Moz UG2 Reef (85% attributable)

–0.03 4E Moz tailings dam (85% attributable)

CHROMITE BY-PRODUCT FROM UG2 TAILINGS

Under current market conditions, the recovery of saleable chromite concentrate from UG2 processing is economically viable. 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 is recovered as a by-product during processing. Amplats currently operates two chromite recovery plants at Union and Amandelbult concentrators. Chromite recoveries are between 12% and 16% from every tonne of UG2 ore processed (overall yield factor) when the Cr_2O_3 content is greater than 20%. The contained monetary value of the chromite by-product is included when assessing UG2 reef Ore Reserves where the chromite recovery plants are 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 and 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 reserve reporting, which takes into account 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 sign-off of Mineral Resources and Ore Reserves.

Information communicated

- Mineral Resource and Ore Reserve waterfall charts indicating annual movements
- Prill and base-metal grade distribution of Mineral Resources inclusive of Ore Reserves
- Spatial distribution of the Ore Reserve and Mineral Resource classifications of the major mines
- Reporting of Mineral Resources , inclusive of Ore Reserves
- Statement of deposits.

Resource and Reserve management database

- Web-based data capturing of all relevant Mineral Resource and Ore Reserve information
- Integration with Anglo American plc's group resource and reserve reporting management systems
- Internal database audit and approval.

EXTERNAL REVIEWS

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 estimate audits.

To comply with the three-year external review and audit schedule, Optiro Mining Consultants was contracted to conduct:

- A detailed numerical audit in 2017 of the data gathering, data transformation and reporting of Mineral Resources and Ore Reserves for Tumela Mine and Dishaba Mine.

COMPETENCE AND RESPONSIBILITY

In accordance with the Listings Requirements of the JSE Limited, Amplats prepared its Mineral Resource and Ore Reserve statements for all its operations with reference to the 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 2017 Ore Reserves and Mineral Resources report is the executive head: technical, 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 obtained the following qualifications from the University of the Witwatersrand: BSc (mining engineering), MSc (engineering), MBA and PhD. He has 38 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.

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

RISK

The geosciences and integrated planning departments follow risk management processes to systematically reduce risks relevant to the Mineral Resources and Ore Reserves estimation. 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 resources to 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 resources to reserves and the reallocation of reserves back to 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.

Gordon Smith
PrEng, PhD, MBA, MSc (engineering), BSc (mining engineering)
Executive head: technical

Anglo American Platinum
55 Marshall Street
Johannesburg, South Africa

15 February 2018

CHANGES IN THE ORE RESERVES AND MINERAL RESOURCES FOR 2017

Summary of Ore Reserve and Mineral Resource estimates

The figures in the table below represent Amplats' attributable interests

	2017		2016	
Category	**Million tonnes (Mt)**	**4E million troy ounces (4E Moz)**	Million tonnes (Mt)	4E million troy ounces (4E Moz)
Ore Reserves – South Africa	**1,652.9**	**160.9**	1,719.2	165.2
Ore Reserves – Zimbabwe (Unki)	**47.4**	**5.2**	45.5	4.9
Ore Reserves[1] – South Africa and Zimbabwe	**1,700.3**	**166.2**	1,764.7	170.2
Exclusive Mineral Resources[3] – South Africa	**4,989.1**	**595.4**	5,101.4	616.9
Exclusive Mineral Resources[3] – Zimbabwe (Unki)	**176.5**	**23.8**	180.8	24.4
Exclusive Mineral Resources[2] – South Africa and Zimbabwe	**5,165.6**	**619.2**	5,282.2	641.3
Inclusive Mineral Resources[4] – South Africa	**6,589.6**	**770.6**	6,757.9	800.9
Inclusive Mineral Resources[4] – Zimbabwe (Unki)	**226.7**	**30.5**	228.5	30.8
Inclusive Mineral Resources[2] – South Africa and Zimbabwe	**6,816.3**	**801.1**	6,986.4	831.7
Ore Reserves – South Africa tailings	**0.7**	**0.0**	0.1	0.0
Exclusive Mineral Resources – South Africa tailings	**86.6**	**2.5**	87.2	2.5
Inclusive Mineral Resources – South Africa tailings	**87.3**	**2.5**	87.4	2.5

Note: 'Mineral Resources exclusive of Ore Reserves' and 'Scheduled Resources converted to Ore Reserves' are not additive because of modifying factors being applied during the conversion from resources to reserves. The above Mineral Resources excludes Sheba's Ridge Project in South Africa. This project reflects a 3E grade which is the sum of platinum, palladium and gold grades, whereas the other mines and projects reflect a 4E grade. For this project, see the tabulation below:

	2017		2016	
Category	**Million tonnes (Mt)**	**3E million troy ounces (3E Moz)**	Million tonnes (Mt)	3E million troy ounces (3E Moz)
Inclusive Mineral Resources[4] – South Africa (Sheba's Ridge)	**211.9**	**6.4**	211.9	6.4
Inclusive Mineral Resources[4] – South Africa (Boikgantsho)[5]	**0.0**	**0.0**	48.8	1.9
Inclusive Mineral Resources[2] – South Africa	**211.9**	**6.4**	260.7	8.3

[1] *The Ore Reserves reflect the total of Proved and Probable Ore Reserves*
[2] *The Mineral Resources reflect the total of Measured, Indicated and Inferred Mineral Resources. The 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*
[5] *Boikgantsho: In 2017 the Mineral Resources were re-estimated as 4E and are now incorporated in the Mogalakwena Mine*

For our full Ore Reserves and Mineral Resources report 2017, please go to
www.angloamericanplatinum.com/investors/annual-reporting/2017

OUR BOARD

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Governance committee (GC)
Nominations committee (NC)
Remuneration committee (RC)
Safety and sustainable development committee (S&SD)
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Valli Moosa
Chairman

RC GC S&SD SET NC

Valli Moosa (60)

BSc (mathematics)

Independent non-executive chairman

Appointed independent non-executive chairman in April 2013.

Board member of the World Wildlife Fund (South Africa). He previously served as chairman of Eskom, director of the Bombay Stock Exchange-listed Indian Hotels Company Limited, president of the International Union for the Conservation of Nature, chairman of the UN commission on sustainable development and minister of constitutional development in President Mandela's cabinet.

External directorships: Imperial Holdings Limited, Sanlam Limited, Sun international Limited, Sappi Limited

Chris Griffith
Chief executive officer

S&SD

Chris Griffith (53)

BEng (mining) (hons), PrEng

Chief executive officer

Appointed CEO in September 2012.

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.

Ian Botha
Finance director

Ian Botha (45)

BCom, CA(SA)

Finance director

Appointed finance director in May 2015.

Previously group financial controller of Anglo American plc since November 2009. Prior to this, he was chief financial officer of Anglo American's coal division and its ferrous metals and industrial division.

Mark Cutifani
Non-executive director

NC

Mark Cutifani (58)

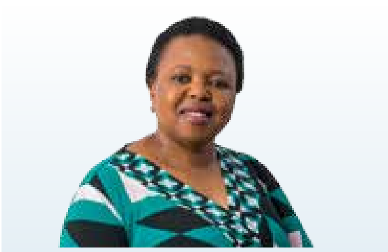
BEng (mining)

Non-executive director

Appointed a director in April 2013.

Mark has worked across six continents, 25 countries and over 20 commodities. He has been chief executive of Anglo American since 2013, and serves on the group management committee. Previously chief operating officer for Inco and Vale's global nickel business, and senior executive with leading multinational mining groups. With a leadership style focused on people development, accountability and delivering sustainable value, Mark has emphasised developing strong investor, labour, industrial, government and community relationships.

External directorships: Anglo American plc, Anglo American South Africa (chair), De Beers Societé Anonyme (chair)



Pinky Moholi
Independent non-executive director

RC GC S&SD SET

Nombulelo (Pinky) Moholi (56)

BSc (engineering)

Independent non-executive director

Appointed a director in July 2013.

Pinky has spent most of her career in the telecommunications sector. She was chief executive officer of Telkom SA SOC Limited from 2011 to 2013 after heading senior portfolios in that company for 14 years. She also served in strategy, marketing and corporate affairs roles at Nedbank.

External directorships: Old Mutual Life Holdings SA, Woolworths Holdings Limited, Eyethu Community Trust (chair), Old Mutual Emerging Markets and Old Mutual Group Holdings

Peter Mageza
Independent non-executive director

ARC GC

Peter Mageza (63)

FCCA (UK)

Independent non-executive director

Appointed a director in July 2013.

Chartered certified accountant and fellow of the Association of Chartered Certified Accountants (ACCA) UK. Until 2009, he was executive director and group chief operations officer of Absa Group Limited and served that group in various capacities over his nine-year tenure.

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

Andile Sangqu
Non-executive director

GC SET

Andile Sangqu (50)

BCom (acc), BCompt (hons), CTA, HDip tax law, MBL

Non-executive director

Appointed a director in July 2015.

Executive head and director of Anglo American South Africa, working with the constituent businesses to deliver the group's strategy, provide leadership and coordination for stakeholder relations in South Africa and facilitate regional alignment with the group's central functions. Prior roles include group executive of sustainability and risk at Impala Platinum and executive director for Glencore Xstrata South Africa. He served on the Chamber of Mines' national development plan committee and in executive and non-executive roles at Kagiso Trust Investments.

External directorships: Chamber of Mines (vice-president), Kumba Iron Ore Limited, Pioneer Food Group Limited

Daisy Naidoo
Non-executive director

ARC RC GC

Dhanasagree (Daisy) Naidoo (45)

BCom, CA(SA), Masters in Accounting (taxation)

Independent non-executive director

Appointed a director in July 2013.

Professional background in structured finance and debt capital markets. Daisy developed her career at Sanlam after a brief tenure in financial planning and corporate taxation at SA Breweries and Deloitte & Touche respectively.

External directorships: STRATE Holdings Limited, Barclays Africa Group Limited, Mr Price Group Limited, Hudaco Industries Limited. Trustee: Discovery Health Medical Scheme

John Vice
Independent non-executive director

ARC GC S&SD

John Vice (65)

BCom, CA(SA)

Independent non-executive director

Appointed a director in November 2012.

Before retiring in 2013, John was a senior partner in KPMG where his roles included head of audit, serving on the South African and African boards and executive committees, and chairman of KPMG's international IT audit.

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

Stephen Pearce
Non-executive director

Stephen Pearce (54)

BA Business (accounting)

Non-executive director

Appointed non-executive director in January 2018.

Stephen is the finance director of Anglo American plc. He has more than 16 years of public company director experience and 30 years' experience in the mining, oil and gas and utilities industries.

Stephen has a Bachelor of Business from Royal Melbourne Institute of Technology and a Graduate Diploma in Company Secretarial Practice. He is the fellow of the Institute of Chartered Accountants and a member of the Governance Institute of Australia and the Australian Institute of Directors.

External directorships: Anglo American plc, De Beers plc, Kumba Iron Ore Limited

Richard Dunne
Independent non-executive director

ARC NC RC GC S&SD SET

Richard Dunne (69)

CA(SA)

Independent non-executive director

Appointed a director in July 2006.

Richard was with Deloitte for 42 years until retiring in 2006 as chief operating officer.

External directorships: Standard Bank Group Limited

Tony O'Neill
Non-executive director

Tony O'Neill (59)

BEng, MBA

Non-executive director

Appointed a director in October 2013.

Group director technical at Anglo American plc and a recognised global business and technical expert in the mining industry. Spearheaded strategy development and significant turnarounds in large, complex and geographically diverse mining businesses. Tony's career spans some 35 years, predominantly in the gold mining sector, with senior roles at Newcrest Mining, Western Mining Corporation and AngloGold Ashanti.

External directorships: Anglo American plc, Anglo American South Africa, De Beers Societé Anonyme

Rene Medari resigned with effect from 31 December 2017.

OUR EXECUTIVE COMMITTEE

Chris Griffith
Chief executive officer

Chris Griffith (52)

BEng (mining) (hons), PrEng

Chief executive officer

Appointed CEO in September 2012.

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.

Ian Botha
Finance director

Ian Botha (45)

BCom, CA(SA)

Finance director

Appointed finance director in May 2015.

Previously group financial controller of Anglo American plc since November 2009. Prior to this, he was chief financial officer of Anglo American's coal division and its ferrous metals and industrial division.

Dean Pelser
Executive head: mining operations

Dean Pelser (48)

BSc Eng (mining) (hons)

Executive head: mining operations

Appointed in December 2015.

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.

Indresen Pillay
Executive head: projects and SHE

Indresen Pillay (45)

BSc (QS)

Executive head: projects and SHE

Appointed in March 2014.

Indresen has over 20 years of international experience in project management, cost management, procurement on complex building, infrastructure and industrial projects.

Vishnu Pillay
Executive head: joint ventures and exit operations

Vishnu Pillay (59)

BSc, MSc

Executive head: joint ventures and exit operations

Appointed as executive head: joint ventures in January 2011.

Prior to joining our executive committee, Vishnu was executive vice-president: South African operations for Gold Fields Limited and, before that, vice-president and head of operations at Driefontein Gold Mine. His 25 years at Gold Fields were interrupted by a period with the Council for Scientific and Industrial Research as director of mining technology and group executive for institutional planning and operations. In May 2013 he joined the board of Harmony Gold as an independent non-executive director. Since July 2015, Vishnu had operational responsibility for our platinum assets to be disposed of.

Gordon Smith
Executive head: technical

Gordon Smith (58)

BSc Eng (mining), MSc Eng, MBA, PhD, PrEng

Executive head: technical

Appointed in September 2013.

Gordon has 38 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, and a member of the South African National Institute of Rock Engineering and associate professor at University of the Witwatersrand, school of mining engineering.

Seara Macheli-Mkhabela
Executive head: corporate affairs

Seara Macheli-Mkhabela (45)

BA (law), LLB, MBA

Executive head: corporate affairs

Appointed in July 2014.

A lawyer by profession, with a specific interest and training in protection of intellectual property, Seara has 19 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.

Lorato Mogaki
Executive head: human resources

Lorato Mogaki (47)

BA (law), master's dip (human resources management), MBA

Executive head: human resources

Appointed in June 2013.

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.

Gary Humphries
Executive head: processing

Gary Humphries (51)

PrEng, BSc Eng (chem), BCom, MBA

Executive head: processing

Appointed in January 2017.

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.

Elizna Viljoen
Company secretary

Elizna Viljoen (41)

BCom, FCIS

Company secretary

Appointed in May 2013.

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.

CORPORATE GOVERNANCE

Several high-profile corporate failures and governance issues in 2017 have highlighted the importance of the board as the focal point for and custodian of a company's governance framework. At Amplats this framework begins with the board itself and continues through its committees and its relationship with management, shareholders and other stakeholders.

KEY GOVERNANCE ISSUES IN 2017

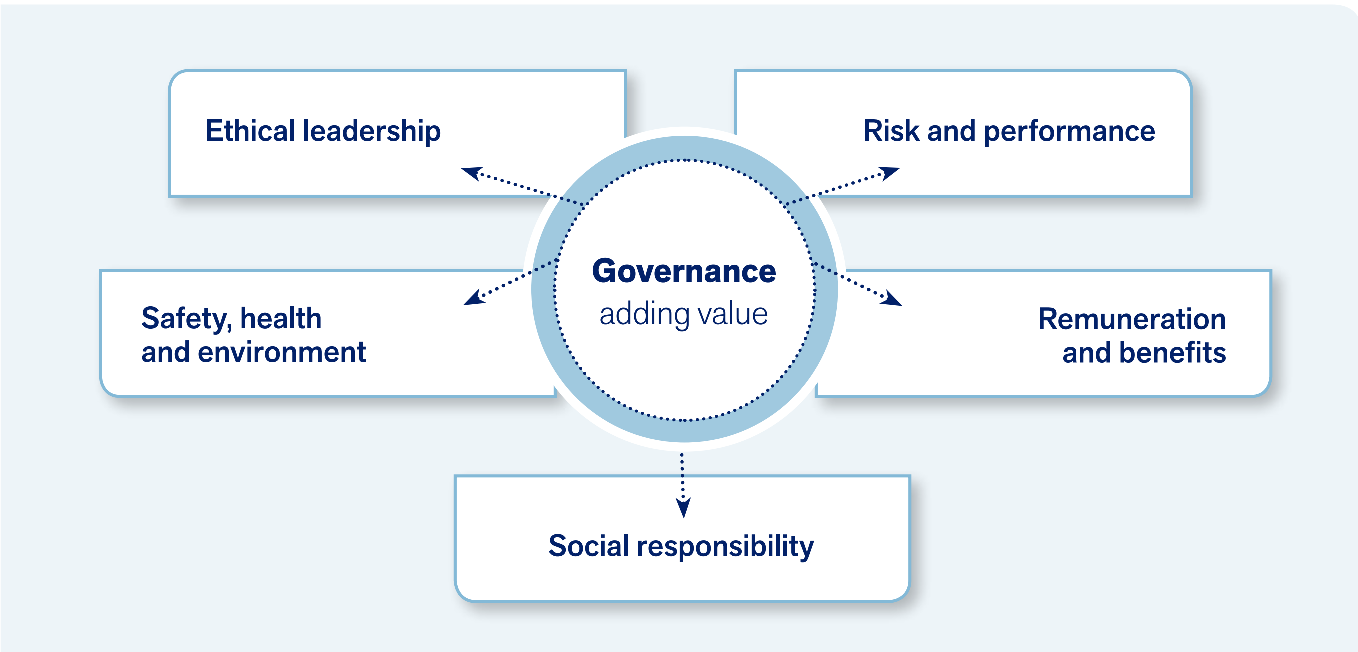
Understanding that governance practices can create or destroy value, in the review period the board focused on:

- monitoring the changing risks facing the business
- input on strategic prioritisation; regularly monitoring execution
- ensuring strategy translates into measurable key performance areas and targets
- entrenching an ethical culture in the business
- monitoring the company's social performance

The board is committed to a high standard of corporate governance. It continues to develop and review its governance policies, practices and procedures in line with an integrated governance, risk and compliance framework and best practice.

In 2016, Amplats early adopted the principles and recommended practices in the King Report on Governance for South Africa (King IV). The board reviews its governance practices annually and is satisfied that all aspects of King IV were applied in 2017. The directors recognise that sound corporate governance practices enhance both shareholder value and the long-term sustainability of the business.

OUR APPROACH TO GOVERNANCE



ETHICAL LEADERSHIP

The board subscribes to the ethical standards detailed in the Amplats code of conduct and business integrity policy and seeks to lead by example. It demonstrates these standards in all engagements with stakeholders, in its deliberations and decisions, and by monitoring the ethical culture and compliance of the group. During the year, the board was updated on the implementation strategy for the group code of conduct and reviewed compliance to this code. It also reviewed the results of an ethical risk assessment of 23 areas in the code of conduct, which identified top risks in the areas of:

- Bribery and corruption
- Managing and protecting information
- Stakeholder relations.

Next steps include an operational assessment to provide a holistic view of the ethical risk profile and a group-wide internal audit to test critical controls and validate risk assessment findings. For more information on our approach to risk management, key risks facing the business and mitigating strategies, refer to page 34.

The board supports the organisational cultural transformation that began in 2013. This is a multifaceted process to create and sustain a culture of personal, team and organisational wellness:

- A top-down approach prepares senior management to lead, understanding our values are part of our organisational culture
- A bottom-up approach underpins the behavioural shift for all employees, starting at a personal level.

The social, ethics and transformation committee receives periodic updates on progress and the outlook for the future.

The process will continue in 2018 to embed ethical values throughout Amplats as a key enabler to its strategy. For more information on our organisational cultural transformation journey, refer to our strategic journey on page 26.

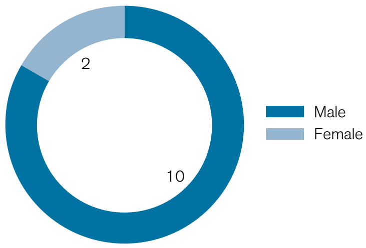
The chairman promotes a culture of cohesive support by providing ethical and effective leadership to the board, without limiting the principle of collective responsibility for board decisions.

All board members are fully involved and informed of any business issue on which a decision must be taken and constructively challenge management when appropriate.

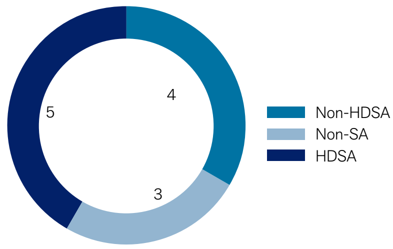
The board is mandated by its charter, which sets out the role of the board, chairman and CEO to ensure a balance of power and authority, and preclude any one director from exercising unfettered powers of decision making.

LEADERSHIP STRUCTURE

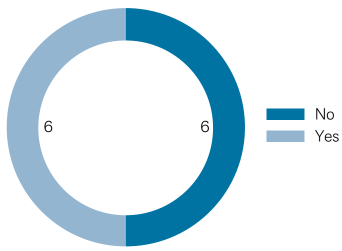
Gender



Race



Independent



The company supports the principles of race and gender diversity at board level. HDSA representation on the board is currently 42% while female representation is 17%. Race and gender diversity targets are aligned to the current mining charter (MCII). No new appointments were made during the year.

CORPORATE GOVERNANCE continued

SKILLS AND EXPERIENCE MATRIX FOR DIRECTORS

The balance of the board is monitored against a skills matrix to ensure it is able to discharge its governance roles and responsibilities effectively. The current composition of directors' skills and experience is shown below:

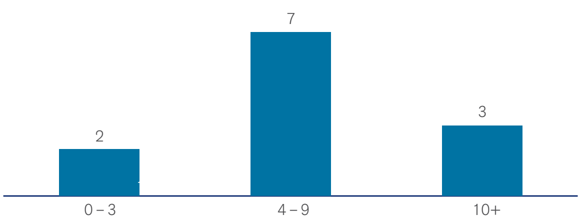
Significant skills and experience (10+ years, in-depth, main focus area, weekly use, line accountability)

Average skills and experience (5-10 years, ad hoc, but regular and fairly in-depth exposure/use of skills)

GOVERNANCE									
Director	Finance	Governance, compliance, legal	Executive remuneration	Risk management	Strategy	Information and technology	Stakeholder relations	Engineering	Under-ground mining
V Moosa	Average	Significant	Significant	Average	Significant		Significant		Average
RMW Dunne	Significant	Significant	Significant	Significant	Significant	Significant	Significant	Average	Average
CI Griffith	Average	Average	Average	Significant	Significant	Average	Significant	Significant	Significant
I Botha	Significant	Significant	Significant	Significant	Significant	Significant	Significant		Average
J Vice	Significant	Significant		Significant	Average	Significant			
M Cutifani	Significant	Significant	Significant	Significant	Significant	Average	Significant	Significant	Significant
A Sangqu	Significant	Significant	Average	Significant	Significant		Significant		
NP Mageza	Significant	Significant	Average	Significant	Significant	Significant	Significant		
NT Moholi	Average	Significant	Significant	Average	Significant	Significant	Significant	Significant	
D Naidoo	Significant	Significant	Average	Significant	Average	Average	Average		
T O'Neill	Average	Average	Average	Significant	Significant	Average	Average	Significant	Significant

TENURE OF DIRECTORS

Tenure of directors



René Médori resigned as non-executive director with effect from 31 December 2017. The board appointed Stephen Pearce in his stead from 1 January 2018.

The board follows a formal and transparent process when appointing new directors. Any appointments are considered by the board as a whole, on the recommendations of the nomination committee. During this process, the committee will evaluate the skills, knowledge and experience required to implement group strategy and any potential candidate will be assessed against defined competencies in the skills matrix to address any gaps. Race and gender diversity are also considered.

The independence of directors who have served more than nine years is reviewed annually.

Richard Dunne and Valli Moosa have served as directors for an aggregate period in excess of nine years since first appointment.

Both will retire at the forthcoming AGM and have offered themselves for re-election.

	INDUSTRY/TECHNICAL				SUSTAINABILITY					GLOBAL	
	Open pit mining	Refining	Smelting	Base metals	Safety, health, environment	Energy	Water use, rights, waste technology	Community knowledge	Government relations	Africa (other than SA)	International

TRAINING AND DEVELOPMENT

The first two hours of quarterly board meetings are dedicated to training in areas pertinent to the company, industry or society at large. These topics are identified after the board-evaluation process to address specific requirements expressed by directors.

This year the board received a regulatory update on the MPRDA amendment bill and draft mining charter III, adopted code of conduct and business integrity policy, held a risk workshop and had an in-depth discussion on the current socio and political environment in South Africa and how this might impact operations.

BOARD EFFECTIVENESS

The company secretary and chairman facilitate the annual evaluation of the effectiveness and performance of the board, its committees and individual directors. In past years, a questionnaire-based approach was used, highlighting key focus areas identified in the previous board evaluation.

This year, the board's 2017 performance will be externally evaluated in early 2018. The process will include individual interviews with directors to identify matters of importance as well as self-assessments via individual questionnaires and feedback sessions with the chairman.

COMPANY SECRETARY

The board is supported by the company secretary, Elizna Viljoen. The board conduced its annual review of her performance in compliance with paragraph 3.84(h) of the JSE Listings Requirements.

In its assessment, the board considered the recommended practices of King IV and satisfied itself that Elizna is competent, qualified and has the necessary expertise and experience to fulfil the role.

The company secretary is not a director of the group and has an arm's-length relationship with the board.

CORPORATE GOVERNANCE continued

BOARD COMPOSITION

The board is supported by a number of committees:

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

Monitors and develops Amplats' compliance with section 72(8) of the Companies Act, read with regulation 43. Monitors its goals for the 10 principles of the United Nations Global Compact; recommendations on corruption of the Organisation for Economic Cooperation; Employment Equity Act 55 1998, as amended; BBBEE Act 53 2003, as amended; and other corporate citizenship, labour and employment principles.

AUDIT AND RISK COMMITTEE

Monitors adequacy of financial controls and reporting; reviews audit plans and adherence to these by external and internal auditors; ascertains the reliability of the audit; ensures financial reporting complies with IFRS and the Companies Act; reviews and makes recommendations on all financial matters; nominates auditors for appointment; monitors the company's appetite for risk, and concomitant controls required. Governance of risk and IT.

BOARD

SAFETY AND SUSTAINABLE DEVELOPMENT (S&SD) COMMITTEE

Develops frameworks, policies and guidelines for S&SD management and ensures their implementation; monitors group compliance with relevant legislation. Evaluates all material sustainability impacts against the precautionary principle.

REMUNERATION COMMITTEE

Establishes principles and determines the remuneration of executive directors and executive heads; considers, reviews and approves group policy on executive remuneration and communicates this to stakeholders in the integrated report.

CORPORATE GOVERNANCE COMMITTEE

Monitors and reports on corporate governance in the group and recommends measures to enhance this in terms of King IV.

NOMINATION COMMITTEE

Considers suitable nominations for appointment to the board and succession planning; makes appropriate recommendations based on qualifications and experience

Composition, attendance and activities of board committees are reported on pages 94 to 121.

Attendance at meetings

	Board meeting	Board strategy session	Risk workshop
Valli Moosa (chairman)	7/7	1/1	1/1
Chris Griffith (chief executive officer)	7/7	1/1	1/1
Ian Botha	7/7	1/1	1/1
Mark Cutifani	6/7	1/1	1/1
Richard Dunne	7/7	1/1	1/1
Peter Mageza	6/7	1/1	1/1
Pinky Moholi	6/7	1/1	1/1
René Médori	4/7	1/1	1/1
Daisy Naidoo	7/7	1/1	1/1
Tony O'Neill	6/7	1/1	1/1
Andile Sangqu	6/7	1/1	1/1
John Vice	7/7	1/1	1/1

STRATEGY AND RISK PROCESS

Risk management

The board has specific responsibility for risk management in the group and has delegated oversight to the audit and risk committee. This committee regularly reviews significant risks and mitigating strategies, and reports to the board on material changes in the group's risk profile each quarter.

The risk management process is facilitated by Anglo American Business Assurance Services, but overall accountability and responsibility for risk management rests with the board of directors, executive committee and other officers.

A board risk workshop is held annually. At this session, the risk process, company's top risks against external views on the risk facing the business, risk appetite and tolerance status for top risks are considered. For more information on risk management, refer to page 34.

The strategic process

Responsibility for group performance lies with the board which collectively sets the direction for group strategy. The executive committee is tasked with formulating the group strategy and annual review.

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.

During the year, the board approved various transactions that supported the company's strategy of repositioning its portfolio, continuing to move its production down the cost curve and creating a more value-enhancing portfolio. This included the disposal of Union Mine and MASA Chrome, sale of our interest in the Pandora joint venture, the sale of long-dated resources at Amandelbult and supporting Bokoni's decision to place its operations on care and maintenance.

In 2018 the board will continue to monitor the implementation of this strategy.

REMUNERATION AND BENEFITS

Through its remuneration committee, the board ensures group strategy is translated into measurable key performance areas and that targets are clearly articulated.

In response to shareholders' comments, the committee approved an additional negative measure to its fatality matrix that will impact performance conditions of long-term incentive awards from 2017. Further policy amendments were made to align with Anglo American remuneration policies on short and long-term incentives.

The report of the remuneration committee, including associated philosophy and policy, is on page 104. This report has been prepared in line with King IV and includes single-figure disclosure for executive board members.

SOCIAL RESPONSIBILITY

The social, ethics and transformation (SET) committee reviews significant social responsibility matters. Building leading community and stakeholder relationships around our operations is a key strategic enabler, and the committee chairman provides feedback at quarterly board meetings. For more information on our strategy and the activities of the committee, please refer to pages 98 and 99 respectively.

SAFETY, HEALTH AND ENVIRONMENT

The board manages safety, health and environmental risks through its S&SD committee and receives updates at its quarterly meetings.

The company's safety strategy, based on zero harm, embeds continuous improvement to review processes to incorporate learnings and evaluate the effectiveness of strategic focus areas.

The increase in work-related fatalities and lost-time injuries in 2016 and 2017 prompted management to review its safety strategy. The revised strategy, with key focus areas defined to generate clear deliverables after workshops with all stakeholders, was reviewed and approved by the committee in October 2017.

The S&SD committee conducts site visits annually, with an invitation to attend extended to all board members. Visits are arranged to areas of strategic importance and/or key risk areas impacting the business. During the year, the committee visited the Waterval smelter to monitor refurbishment of the phase A ACP converter after recent damage in a steam explosion. The committee engaged with mine management and key executives on issues such as safety and environment.

For more on the activities of the committee, refer to pages 101 to 103.

Corporate governance outcome	Page reference Integrated report (IR) Supplementary report (SR)
Ethical culture	IR 88 to 93, 98 and 99 SR published on the website
Performance and value creation	IR 12, 40 to 59 SR published on the website
Effective control	IR 34 to 39, 92, 95 SR published on the website
Trust, good reputation and legitimacy	IR 34 to 39, 85 to 93 SR published on the website

AUDIT AND RISK COMMITTEE REPORT

Richard Dunne
Chairman

This is a statutory committee, duly constituted in accordance with section 94 of the Companies Act 71 2008, as amended. The committee has an independent role, with accountability to both the shareholders and the board. It assists the board in fulfilling its responsibilities on all matters related to external and internal financial reporting (including maintaining an appropriate relationship with the company's auditors), risk management, and operational and compliance control principles.

We are pleased to present the audit and risk committee report for the year ended 31 December 2017. The committee continues to ensure that financial reporting, external audit, internal controls and risk management processes are robust, safeguarding the integrity and transparency of the integrated report.

Members	Committee member since	Board status	Meeting attendance
RMW Dunne (chairman)	1 July 2006	Independent non-executive director	4/4
NP Mageza	1 July 2013	Independent non-executive director	4/4
D Naidoo	1 July 2013	Independent non-executive director	4/4
J Vice	30 November 2012	Independent non-executive director	4/4

OUR PURPOSE

The committee assists the board in discharging its duties and makes recommendations to the board on:

- Safeguarding assets
- Operating adequate systems, control and reporting processes
- Preparing accurate reporting and financial statements in compliance with all applicable legal and regulatory requirements, accounting standards and disclosure requirements
- The effectiveness of the company's procedures for risk assessment and management of financial reporting risks, internal financial controls, fraud risk, information technology risk.

ADDING VALUE IN 2017

The committee has executed its duties and responsibilities during the year in line with its terms of reference and section 3.84(g) of the JSE Listings Requirements for the group's accounting, financial reporting practices and finance function, external audit, internal audit and internal control, integrated reporting, risk management and IT governance.

For the external audit, in the review period, the committee:

- Nominated Deloitte & Touche and G Berry as the external auditor and designated auditor respectively to shareholders for appointment for the financial year ended 31 December 2017, and ensured the appointment complied with all applicable legal and regulatory requirements for appointing an auditor
- Considered all information as required by the JSE Listings Requirements in assessing the auditor's and designated auditor's suitability for reappointment.
- Approved the auditor's annual plan and scope of work, monitored the effectiveness of the external auditors in terms of audit quality, expertise and independence
- Considered key audit matters noted in the integrated report. Key audit matters are set out in the report of the independent auditors (page 5 of the annual financial statements)
- Determined the nature and extent and pre-approved all non-audit services provided by the external auditor

- Received the necessary representations from the auditors confirming that:
  - The auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the company or group
  - The auditor's independence was not impaired by any consultancy, advisory or other work undertaken
  - The auditor's independence was not prejudiced by any previous appointment as auditor
  - The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies have been met
- After considering these factors, the committee is satisfied that Deloitte & Touche is independent of the group and has recommended to the board that this firm should be reappointed for the 2018 financial year.

For the financial statements, the committee:
- Ensured that the appropriate financial reporting procedures are established and are operating
- Reviewed and discussed the annual financial statements (AFS) and related disclosures, considered the accounting treatment, significant or unusual transactions; and accounting estimates and judgements, confirmed that the AFS had been prepared on a going concern basis and recommended these to the board for approval.

For internal control and internal audit, the committee:
- Ensured that internal audit performed an independent assurance function and monitored the effectiveness of the internal audit function in terms of its assurance scope, executing its plan, independence, and overall performance of the function and the head of this function
- 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 actions taken
- 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.

In respect of IT, the committee has:
- Reviewed IT risks and governance
- Reviewed the IT service level agreement between the company and Anglo American plc
- Considered the impact of cyber crime on the organisation and reviewed the internal information security capability
- Reviewed reports on the effectiveness of IT risk management as part of the group risk management.

For risk management, the committee:
- Reviewed the group's policies on risk assessment and 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.

For sustainability issues in the integrated and supplementary reports, the committee has:
- Considered the PwC assurance scope and schedule of key material issues for the 2017 integrated report
- Received the necessary assurances through this process that material disclosures are reliable and do not conflict with financial information.

For legal and regulatory requirements that may affect the financial statements, the committee:
- Reviewed, with management, legal matters that could have a material financial impact on the group
- Assessed compliance with all other statutory duties under section 94(7) of the Companies Act, King IV and JSE Listings Requirements.
- Received and considered the report of the JSE Limited on proactive monitoring of the financial statements
- Dealt with any concerns or complaints relating to accounting practices, internal control systems, contents or auditing of the company's financial statements, or any other related matter.

On coordinating assurance activities, the committee:
- Reviewed the combined assurance framework that categorises each provider of assurance into different lines of defence in the organisation, namely management, internal and external assurance providers
- Reviewed the level of assurance provided through the combined assurance framework and concluded this was appropriate for identified business risks and exposures
- Reviewed the plans and work outputs of the external and internal auditors and concluded these were adequate to address all significant financial risks facing the business.

On integrated reporting, the committee has:
- 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 14 February 2018, recommended the integrated report for the year ended 31 December 2017 for approval by the board.

AUDIT AND RISK COMMITTEE REPORT continued

FINANCE DIRECTOR AND FINANCE FUNCTION

The committee has reviewed an internal assessment of the skills, expertise and experience of Ian Botha, 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.

Based on the processes and assurances obtained, we believe the company and group's accounting practices are effective.

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.

On behalf of the committee

Richard Dunne
Chairman

Johannesburg
15 February 2018

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

Nombulelo (Pinky) Moholi
Chairman

We are pleased to present the social, ethics and transformation (SET) committee report for the year ended 31 December 2017. The committee is constituted in terms of the requirements of section 72(8) of the Companies Act 71 2008 (the Act), and its associated regulations.

The committee continues to assist the board in discharging its duties and makes recommendations to the board on social and economic development, good corporate citizenship, environment, health and public safety, applicable consumer relationships, and labour and employment issues. It also draws relevant matters to the attention of the board and reports to shareholders at the annual general meeting.

Members	Committee member since	Board status	Meeting attendance
NT Moholi (chairman)	25 October 2013	Independent non-executive director	4/4
RMW Dunne	23 April 2012	Independent non-executive director	3/4
DTG Emmett	23 April 2012	Independent non-executive director	4/4
L Mogaki	24 April 2013	Executive head: human resources	4/4
MV Moosa	23 April 2012	Independent non-executive director	4/4
AH Sangqu	27 October 2015	Non-executive director	3/4

OUR PURPOSE

The committee continues to assist the board in discharging its duties and makes recommendations to the board on:

- Key policies and guidelines in managing environmental, transformation, social and ethical issues
- Compliance with relevant social, ethical and legal requirements
- Employment equity, broad-based black economic empowerment, labour and employment
- Management's performance against board-approved targets and/or policies on matters relating to sustainability, stakeholder management, good corporate citizenship and ethical behaviour.

ADDING VALUE IN 2017

The committee has executed its duties for the financial year in line with its terms of reference.

Sustainability and stakeholder management

- The committee received reports from the safety and sustainable development (S&SD) committee to assure itself on progress with board-approved objectives
- Assured the board on the integrity of the company's annual integrated and supplementary reports and provided recommendations on material issues arising from the materiality assessment which the board should consider to maintain the integrity of this report
- Attended the combined S&SD site visits
- Received results of the Anglo American social way assessment and made recommendations.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT continued

Good corporate citizenship and community

- Reviewed the community strategy, key performance indicators and objectives, and approved the annual community investment budget
- Received social performance updates, including updates on community issues
- Reviewed all community investment strategy sponsorships, donations and charitable contributions.

Ethics management

- Reviewed the company's ethical policies and processes and considered their effectiveness
- Monitored infringements of the company's corruption and business integrity policy to ensure robust controls remain in force.

Labour and employment

- Monitored the company's activities in terms of labour and employment
- Received updates on the revised housing strategy and considered it appropriate
- Reviewed progress on the Nkululeko financial wellness programme to ensure the desired outcome.

Broad-based black economic empowerment management

- Monitored the correct balance between transformation activities to ensure adequate skills are available as required and maintain stability in the company.

FOCUS AREAS

Project Alchemy

Strong governance and financial management are in place, overseen by seasoned and committed trustees. The operational capacity of the trusts and the non-profit company (NPC) has been significantly enhanced by appointing senior operations managers as well as project development and implementation units to execute the daily affairs of the trusts.

All the trusts and the NPC are prioritising stakeholder engagement and consultation by implementing their engagement and communication strategies. This contributes to a deeper understanding of the development needs, community assets and levers in communities to maximise socio-economic transformation and impact.

The trusts and the NPC have a number of sources of funding: shareholder dividends, 'safety net' funding in the absence of dividends, founder (Amplats) CSI funding, and founder health and safety funding. To date, over R232 million (cumulative dividend/safety net and CSI) has flowed to the trusts and NPC, with some R126 million (54%) allocated to 40 projects and R49 million paid out. In November 2017, the founder approved a further R40.4 million to 29 new community development projects from 2018 via the trusts and NPC to accelerate and deepen positive impact in the benefit communities. Pro bono partner support provides scarce competencies in the development field.

Mining charter

Amplats is committed to creating and maintaining an environment that provides equal opportunities to all its employees, with special consideration for historically disadvantaged groups.

Our transformation programme aims to create a workforce that reflects the diversity of South Africa's population and complies with the requirements of the current mining charter. We are diversifying our workforce through talent acquisition and talent development strategies for women in mining, historically disadvantaged South Africans (HDSAs) and people with disabilities. Progress includes:

- Female participation has increased over the past five years has increased by 33%, but representation at senior management levels remains a challenge. Women made up 23% of our management (2016: 22%), and 16% of our workforce (2016: 15%), with 13% in the core disciplines of mining, engineering, projects and metallurgy (2016: 12%)
- By the end of 2017, 75% of our managers were HDSAs (2016: 74%), exceeding the South African mining charter requirement of 40% representation at management levels. HDSA representation for core and critical skills remained at 85% against the mining charter target of 40%
- We focus on rewarding good performers, developing skills and implementing succession plans, providing opportunities for career advancement and developing leadership capacity. We continue to improve levels of representation in all these groups.

Employee relations

Achieving our goal to be the employer of choice depends on achieving the appropriate balance in key underlying elements.

We are implementing a number of longer-term initiatives for our employees, including:

- A proactive programme to improve communication and relationships with our employees directly
- Building the people leadership skills of our supervisors and mine managers to enable them to engage effectively with employees, building trust and respect
- Rolling out a values and culture change programme
- Giving employees the training necessary to deliver sustainable value as we mechanise operations.

Anglo American social way

The Anglo American social way is our governing framework for social performance. We aim to make a lasting, positive contribution to the communities in which we operate by seeking and maintaining mutually beneficial relationships. The social way sets out clear requirements for all sites to ensure that policies and systems are in place to engage with affected and interested stakeholders; avoid, prevent and, where appropriate, mitigate and remediate adverse social impacts; and maximise development opportunities.

Compliance to the social way is included in the business scorecard, and all sites are required to achieve compliance on all requirements. The results of an assessment in 2017 indicated that the group as a whole was 92.3% compliant with the policy. Amplats demonstrated strong performance on: managing commitments, emergency planning and benefit sharing.

The group social performance team will work with each site in early-2018 to develop improvement plans with quarterly milestones that will be tracked through the business scorecard.

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 supplementary reports.

SET committee priorities	Activities monitored by the committee	Page reference Integrated report (IR) Supplementary report (SR)
Social and economic development	Performance against UN Global Compact principles and OECD anti-corruption:	
	Human rights	SR (stakeholders)
	Labour	SR (our people)
	Environment	SR (environment)
	Anti-corruption	IR page 89
	Employment equity performance	SR (our people)
	Broad-based black economic empowerment	SR (our people)
Good corporate citizenship and community	Social performance	IR page 25 SR (our communities)
	Community development policy, strategy and performance	IR pages 25, 30 to 32 SR (our communities)
Environment, health and safety	Safety policy, strategy and performance	SR (safety and health)
	Health policy, strategy and performance	IR pages 102 and 103 SR (safety and health)
	Environmental policy, strategy and performance	SR (environment)
Stakeholder management	Addressing stakeholder expectations and maximising community benefit	SR (stakeholders) IR pages 22 to 25
Labour and employment	Employment and labour practices policy and performance	SR (our people)

CONCLUSION

The committee is satisfied it has considered and 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
Chairman

Johannesburg
15 February 2018

NOMINATION COMMITTEE REPORT

Valli Moosa
Chairman

The committee is pleased to present its report for the year ended 31 December 2017. It continues to evaluate the board structure, size and composition, balance of skills, experience, independence and knowledge of directors to enable them to discharge their duties and responsibilities effectively in support of the company's strategic priorities.

Members	Committee member since	Board status	Meeting attendance
MV Moosa (chairman)	26 April 2013	Independent non-executive director	2/2
RMW Dunne	1 July 2006	Independent non-executive director	2/2
M Cutifani	26 April 2013	Non-executive director	2/2

OUR PURPOSE

- Evaluating the structure, size and composition (including the skills, knowledge, experience and diversity) of the board
- Give full consideration to succession planning for directors and other senior executives, taking into account the 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
- Recommendations to the board on the continued service or retirement of any director who has reached the age of 70
- Consider the performance of directors and take steps to remove those who do not make an appropriate contribution
- Recommend to the board a replacement for the chief executive officer when that becomes necessary.

ADDING VALUE IN 2017

- Considered the directors proposed to retire at the annual general meeting on 8 April 2018 and concluded on their eligibility for re-election in terms of their independence, performance and contribution to the company and board
- Continue to further the company's objectives in terms of its gender and race diversity policy.
- Considered the board committee structure and representation on the respective committees. No changes were deemed necessary
- Considered the relocation of Mr RMW Dunne to Australia in mid-2017 and his offer to step down as a director due to travel costs and logistical arrangements. Following presentation, the committee declined his offer to step down and agreed that he continue to serve as a director and chairman of the audit and risk committee, and that the matter be reviewed again in 2018
- Received updates from management on the process to appoint an executive head: process and confirmation on the appointment of Mr G Humphries in the position
- Assessed the suitability of the company secretary in line with JSE Listings Requirements.

ADDING VALUE IN 2018 AND BEYOND

- Review and consider executive succession and the talent pipeline
- Identify suitable board appointments in line with the gender and race diversity policy and strategic objectives of the company
- External evaluation of board effectiveness, the performance of individual directors and how results affect the functioning of the board structure.

CONCLUSION

The nomination committee is satisfied that it has considered and discharged its responsibilities in line with its terms of reference in the review period.

On behalf of the committee

Valli Moosa
Chairman

Johannesburg
15 February 2018

SAFETY AND SUSTAINABLE DEVELOPMENT (S&SD) COMMITTEE REPORT

Dorian Emmett
Chairman

We are pleased to present the safety and sustainable development committee report for the year ended 31 December 2017. The committee continues to ensure that the company operates responsibly and achieves a sustainable balance between economic, social and environmental development.

Members	Committee member since	Board status	Meeting attendance
DTG Emmett (chairman)	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	4/4
NT Moholi	30 October 2013	Independent non-executive director	4/4
J Vice	10 February 2017	Independent non-executive director	3/3
I Pillay	13 October 2016	Executive head: projects and SHE	4/4

OUR PURPOSE

The committee assists the board in discharging its duties and makes recommendations to the board on:

- The safety of employees and those who work at our operations
- The health of employees and those closely associated with our operations
- The impact of our operations from a safety, health and environmental (SHE) perspective.

It also provides a written report after each meeting to the audit and risk, and social, ethics and transformation committees on salient matters within their terms of reference.

ADDING VALUE IN 2017

The committee has executed its duties during the financial year in line with its terms of reference and work plan for the S&SD function, safety, related audit, risk management, the integrated report, reporting and policy.

For the S&SD function, in the review period, the committee:

- Recommended objectives in the field of SHE to the board
- Monitored key indicators and learnings from major incidents and ensured these were shared across the group and its joint venture partners
- Considered the performance of the company's individual operating units in terms of SHE performance and compliance
- Monitored and reviewed the management of safety, health and the environment, and related performance of operations
- Considered the appropriateness of the SHE strategy, framework policy and guidelines for managing sustainability issues including SHE and management systems aligned with the company's strategic priorities.

SAFETY AND SUSTAINABLE DEVELOPMENT (S&SD) COMMITTEE REPORT continued

To remain abreast of trends in the field, the committee:

- Invited experts in key aspects of S&SD to share information at its meetings. In 2017, Ms Ellen Davies from the World Wildlife Foundation (WWF), project manager for extractive industries, presented an overview of WWF and potential opportunities for collaboration, including:
  - Ensuring the natural resources and ecosystems used by our businesses are used sustainably to the benefit of all
  - Considering innovative solutions needed to drive change
  - Being a strong driver of social, economic and environmental sustainability
  - Driving best and innovative practices in environmental sustainability.

For managing occupational and non-occupational health risks:

- The five key areas of intervention were again occupational health, health promotion, disease management, emergency medical care and public health. A collaborative approach is used to deal with challenges posed by HIV/Aids and tuberculosis (TB).

For SHE and S&SD audits, the committee:

- Considered audit findings and reviewed the results of specific audits conducted in terms of legal and company requirements
- Reviewed the results of the audit process to verify compliance with the company's health and safety policies, guidelines and appropriate local and international standards and relevant local laws in safety and health-related matters.

For risk management, the committee:

- Had oversight of identifying material SHE risks and ensuring that risk management processes used to identify and mitigate safety and sustainability risks are appropriate. It also took note of an internal assurance report. The processes are aligned with those of Anglo American plc, whose business assurance unit is responsible for auditing the integrated risk management process.

For the 2017 supplementary report, the committee has:

- Approved the health and safety report to shareholders as stipulated in section 2(1)(c) of the Mine Health and Safety Act
- Overseen the process of reporting and reviewed the information in this report
- Considered PwC findings on assurance and made the appropriate enquiries to management
- Received the necessary assurances through this process that material disclosures are reliable.

Every six months, the committee also reviews a report on relevant benchmarking against other SHE best practice.

KEY PERFORMANCE AREAS

Safety

Tragically, we lost six colleagues in 2017 in work-related fatalities, and our deepest condolences go to the families, friends and colleagues of Nkoliseko Alfred Jikumlambo, Kagiso Zacharia Ramokgatla, Douw Gerbrand Swart, Tlou Abel Keetse, Arlindo Francisco Sumbe and Samuel Zithulele Jele.

The fatal-injury frequency rate (FIFR) at the end of 2017 was 0.015, a deterioration from the 0.013 reported in 2016. The lost-time injury frequency rate (LTIFR) for managed mines is 0.63, an improvement on our 2016 performance of 0.73. Our total recordable case frequency rate (TRCFR) for 2017 is 0.90, improving on our 2016 performance of 1.05.

While a degree of improvement in lagging indicator performance is apparent, the deterioration in FIFR relative to a disappointing 2016 performance was deeply sad, given the raft of measures introduced in 2017 to eliminate serious injuries. At the end of 2016, the company reviewed its safety strategy with input from all operations, unions and management, and developed specific turnaround plans for each retained operation. The thorough execution of these plans has been a strong focus for management.

Significant safety achievements in 2017:

- Mogalakwena complex fatality-free for over five years (since June 2012)
- Mototolo concentrator achieved one year injury-free on 12 January 2017
- Supply chain and Eastern Limb distribution centre reached 10 years LTI-free on 30 March 2017.

Looking to the year ahead, we will continue to strive towards our ambition of zero harm and eliminating fatalities by focusing on:

- Safety leadership, with renewed commitment to be made at a CEO safety summit
- Operational risk management, including critical-control management aspects of the control strategy, inspections, monitoring and compliance with Amplats' standards for priority unwanted events and 'fatal risks'
- Capability and capacity building, with risk training for most of our people aimed at strengthening risk and hazard identification, and response
- The introduction of mandatory minimum fatal-risk standards, with a uniform approach to fatal risks to be developed by subject-matter experts. These will include engineered controls to move up the hierarchy of controls
- Modernising aspects related to high-risk work, with the goal of eliminating fatal risks across the mining cycle
- Reinforcing 'golden rules/life-saving rules', as non-negotiable, visible and simple
- Leveraging off lessons from incidents (including high-potential incidents and high-potential hazards) with emphasis on embedding, tracking and monitoring learnings at operations
- Employee engagement by enhancing our flagship global safety day campaign and activations
- Improving safety culture awareness through our ongoing organisational cultural transformation (OCT) initiative.

Health

We understand that our health is inextricably linked to a safe working environment and a caring culture. To attain a safe working environment, reach the 90:90:90 targets for HIV and continuous improvement in health, the focus was maintained on engineering controls for workplace exposures and proactive wellness screening and disease management. Highlights include:

- 100% roll out of second-generation face drill mufflers
- Increased uptake of antiretroviral therapy from 66% in January to 86% in December
- Cumulative uptake of isoniazid prophylaxis for TB of 77%
- Ongoing reduction in the incidence of new TB cases from 660 per 100,000 in 2016 to 582 per 100,000 in 2017

Environment

Highlights of 2017 include:

- Establishing a bioremediation plant at Mogalakwena
- Starting construction of the Mareesburg tailings storage facility at Der Brochen
- Zero level 3 to 5 environmental incidents
- Compliance with internal waste, water and energy targets
- Although internal water and energy targets were achieved in the reporting year, absolute water and energy consumption in 2017 was marginally higher than 2016. The smelters increased their energy use to match the increased production profile in 2017
- Both energy and water intensity reduced 1% in 2017 as consumption reduced marginally while tonnes milled increased by 3%.

GLOBAL SAFETY DAY

We hosted another successful global safety day, with all operations on 26 October 2017. The 2017 theme was Safe, responsible production – together we make it happen, consolidating themes from previous years.

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
15 February 2018

Governance

REMUNERATION REPORT

Nombulelo (Pinky) Moholi
Chairman

This report focuses on the fixed and variable elements of executive remuneration, as well as fees paid to non-executive directors, and uses the recommended single-figure disclosure format.

PART 1: BACKGROUND STATEMENT

DEAR SHAREHOLDERS

I am pleased to present the Anglo American Platinum Limited (Amplats) remuneration report for the year ended 31 December 2017.

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 intend to enhance our reporting standard year on year to ensure shareholders receive a transparent overview of the company's remuneration policy and practices.

In particular, the report focuses on the fixed and variable elements of executive remuneration, as well as fees paid to non-executive directors, and uses the recommended single-figure disclosure format. Assessed against King IV and the amended JSE Listing Requirements, the remuneration committee is satisfied with the company's compliance.

The committee is focused on responsible remuneration practices across the company and strives for a fair, living wage for all employees by reviewing salaries and ensuring these remain ahead of the mining industry. Our industry faces many challenges and we recognise the need to retain our top talent to ensure a focused drive towards meeting shareholder expectations. It is therefore important for Amplats to present a competitive value proposition in remuneration and benefits.

The company remains sensitive to the wage differential between executive and lower-income employees in awarding annual salary increases. Amplats considers a Gini coefficient to measure the wage gap against the national SA wage gap, which is 0.72. The Amplats Gini coefficient is 0.42 lower than the national SA average. Accordingly, annual increases for lower-income employees exceeded inflation while increases awarded to executives and management employees were inflation-linked. The Amplats minimum wage is 2.8 times more than the national prescribed minimum wage.

For executive, management and corporate employees, short- and long-term incentive awards are based on both company and individual performance outcomes. In terms of individual performance outcomes, the company operates a reliable and credible performance management system based on reaching stretched, but realistically achievable measures and targets.

For the operations, appropriate productivity-based bonus schemes incentivise relevant staff in meeting productivity and operational targets.

In terms of additional employee benefits, the company maintains and regularly reviews a market-competitive and comprehensive benefits programme to ensure employees and their families are adequately provided for on retirement, for sickness and accidents.

In addition, a number of employee support and wellness programmes are in place. Socially, we focus on debt-reduction training which has contributed to increased take-home pay and allows us to have a greater focus on equality. We provide free antiretroviral medication to HIV-infected employees and have committed to the 90:90:90 principle set out by the Council of Medical Schemes to ensure that 90% of employees must know their HIV status, 90% of HIV-positive individuals must be on antiretroviral therapy (ART) treatment and 90% of individuals on treatment must be viral load suppressed.

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, 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, including risk-based monitoring of incentives.
- Determine specific remuneration packages of executive directors and prescribed officers.
- Approve and monitor the 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 84	**Richard Dunne** Profile on page 85	**Valli Moosa** Profile on page 84	**Daisy Naidoo** Profile on page 85
Independent non-executive director	Independent non-executive director	Independent 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).

Work plan and key remuneration decisions

February	▪ Approve the remuneration report. ▪ Review short-term incentive targets and payments for executive directors and prescribed officers. ▪ Approve the business unit multiplier for short-term incentive payments to the balance of employees (excluding union-affiliated employees). ▪ Approve 2017 share incentive plan awards as well as performance conditions and vesting of 2014 executive directors and prescribed officer share awards. ▪ Review shareholding of executives. ▪ Review committee's effectiveness (collective and individual).
April	▪ Approve new share-based incentive awards and performance criteria for executive directors and prescribed officers for the year ahead. ▪ Share scheme compliance officer report: share plans.
July	▪ Review of King IV and its impact on remuneration, with specific focus on single-figure disclosure. ▪ Review shareholder feedback after the annual general meeting. ▪ Review and approve any proposed changes to existing reward framework (remuneration policy, short-term incentives, long-term incentives). ▪ Review executive directors and prescribed officers' service contracts. ▪ Review the committee's terms of reference. ▪ Review the appropriateness and competitiveness of retirement benefits offered.
October	▪ Annual salary review for executive directors and prescribed officers. ▪ Annual salary adjustments for all non-union affiliated employees. ▪ Approve peer group for benchmarking executive remuneration and non-executive director fees.
November	▪ Approve annual salary increase for CEO. ▪ Approve annual salary increases for finance director and prescribed officers. ▪ Approve annual salary increases for senior management and corporate employees. ▪ Approve annual non-executive director fees.

Governance controls and protocols

No executive director or prescribed officer is involved in deciding their own remuneration. In 2017, the committee received advice from Anglo American plc's human resource department and PwC South Africa, as independent advisers.

The company's auditors, Deloitte & Touche, have not provided advice to the committee. However, as in 2016 and at the request of the committee, they conducted certain verification procedures on calculating and disclosing the remuneration of directors and prescribed officers.

REMUNERATION REPORT continued

REMUNERATION IN CONTEXT

The table below reflects the total spend on employee remuneration and benefits in 2017 and 2016 compared to headline earnings and dividends payable in those years.

Distribution statement		2017	2016
Headline earnings	Rm	**3,886**	1,867
	% change	**108**	–
Dividends payable to share scheme participants for year (total)	Rm	**5**	–
	% change	**–**	–
Payroll costs for all employees[1]	Rm	**10,093**	13,465
	% change	**(25)**	–
Employee numbers		**28,692**	28,250
	% change	**2**	–
Community engagement development spend	Rm	**295**	337
	% change	**(12)**	–
Taxation paid	Rm	**1,826**	2,210
	% change	**(17)**	–

[1] *Excluding taxes and other payments to government.*

At the annual general meeting on 7 April 2017, our 2016 remuneration report was endorsed by 99.06% of our shareholders. We believe this reflects recognition of our ongoing commitment to engage with our shareholders, and act on concerns where necessary. In the event that the remuneration policy or implementation report is 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.

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 is managed for a low-price environment in the protracted commodity downturn.

Nombulelo (Pinky) Moholi
Chairman

Johannesburg
15 February 2018

PART 2: REMUNERATION PHILOSOPHY AND POLICY

REMUNERATION PHILOSOPHY

The 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 and fair 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.

ELEMENTS OF REMUNERATION

The key elements of total remuneration in 2017 are outlined on the following pages.

GUARANTEED SALARY

Non-union affiliated employees

Guaranteed salary is reviewed annually and positioned competitively against peers that are 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 the company benchmarks pay.

Union-affiliated employees

Guaranteed salary levels depend on the outcome of wage negotiations with representative unions. In the past, adjustments have generally been made at above inflation rates.

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 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 the particular fund.

Death benefits cater for the high-risk environment in which our employees work. In the event of a fatality on mine, the 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 dependant 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 and finance director are based on company performance and individual performance assessment (IPA), on an additive basis. For the CEO, performance measures are weighted 60% for company performance and 40% for individual performance. For the finance director, the business and individual weighting ratio is 55% and 45% respectively. The award for the remaining participants (excluding union-affiliated employees) is based on company and individual performance on a multiplicative basis.

REMUNERATION REPORT continued

Value of annual cash incentive:	**CEO:** The maximum cash incentive is 100% of base salary. *Annual cash incentive = [(company performance score [60]) + (IPA score [40])] × maximum cash incentive (100%) x base salary* **Finance director:** The maximum cash incentive is 80% of base salary. *Annual cash incentive = [(company performance score [55]) + (IPA score [45])] × maximum cash incentive (80%) x base salary* **Prescribed officers, management and corporate employees:** A target bonus of 20 – 25% for senior management and 30% for prescribed officers. Incentive salary is set at 80% of total package for management and 100% of base salary for executives. A company performance multiplier is determined at the end of the year, based on the company's performance against targets. *Annual cash incentive = (target bonus percentage × IPA modifier × company performance multiplier) x incentive 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*
Changes for 2018:	The company will, as approved by the board, implement the following changes to share incentives for executive directors and prescribed officers: ▪ The implementation of malus provisions as a pre-vesting condition on unvested share awards. Malus typically refers to the reduction of unvested awards before the end of the vesting period (due to a negative 'trigger event'). ▪ Capping the number of annual awards to a dilution percentage limit of 0.75% of issued share capital. This is meant to reduce the possibility of windfall gains being made from granting share awards when the share price is low, in circumstances where a substantial share price increase follows. ▪ Introduction of a safety modifier to the KRA weightings, to address fatalities.
Company and individual limits:	An aggregate limit applies – see details under the LTIP.

Long-term incentive plan (LTIP)

Participants	Executive directors, prescribed officers and senior management.
Consists of:	**Executive directors and prescribed officers** – conditional full-value shares that vest after three years, subject to meeting company performance conditions. **Senior management** – non-conditional shares that vest after three years.
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:** 15% of 80% of total package.
Performance measures:	Awards are subject to two stretching performance conditions. The initial 2017 LTIP performance conditions, were: ▪ 50% of each award will be subject to a total shareholder return (TSR) index benchmarked against the returns of a group of comparable companies. ▪ 50% of each award will be subject to a return on capital employed (ROCE) measure.
Performance period:	Performance conditions are measured over a three-year period, commensurate with the financial years of the company.
Changes in 2017:	Changes approved by the remuneration committee on performance metrics: ▪ TSR increased to 70% ▪ ROCE reduced to 10% ▪ Cumulative attributable free cash flow is added at 10% ▪ Safety and sustainable development is added at 10% Changes to the performance metrics resulted from Anglo American plc engagement with major shareholders, which indicated that the current 50:50 metric should lean more towards TSR (70%) and less towards ROCE (10%). Shareholders also required a safety element to measure performance. Cumulative attributable free cash flow aims to align with the objective of reducing net debt, supporting project capital investment and reintroducing a dividend. The alignment to group proposed measures was adopted to ensure better retention of executives and create more focus on safety.
Proposed changes for 2018:	See proposed changes under STI section.

Company and individual limits:	Despite the fact that the aggregate limit for the BSP and LTIP is 26,339,152 shares, representing around 10% of the issued share capital, the company does not issue new shares in settlement of the plan and purchases them in the market to avoid shareholder dilution. Currently, the number of awards outstanding is less than 1% and the directors have no intention of using the maximum number of shares. The total number of shares awarded in 2017 was 135,911, representing 0.516% of issued share capital.

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)

The company is consulting with employees and their representative unions, where applicable, on the structure of a new scheme to replace the previous ESOP (Kotula), which ended in 2015.

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 must be accumulated from LTIP and BSP awards on an elective pre-tax basis, where executive directors and prescribed officers will choose the quantum of shares to hold, prior to any award vesting.

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 2017 appear on pages 114 to 119.

SERVICE CONTRACTS OF EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

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 finance director 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.

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.
- Fees not retained by the executive director from both external and internal sources must be ceded to the company before accruing to the director.

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 committee membership. A fee applies for any additional special meetings over and above 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 2017 are tabulated in part 3 of this remuneration report.

NON-BINDING ADVISORY VOTE

Shareholders are requested to cast a non-binding advisory vote on part 2 of this remuneration report.

REMUNERATION REPORT continued

PART 3: IMPLEMENTATION OF POLICIES FOR THE FINANCIAL YEAR

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 business environment in which we operate.

EXECUTIVE DIRECTOR TOTAL REMUNERATION AT DIFFERENT LEVELS OF PERFORMANCE

The charts below illustrate the pay mix of the CEO, finance director and prescribed officers at below on-target performance (figure 1), on-target performance (figure 2) and stretch performance (figure 3) applicable from 2018. There have been no amendments to the package structure for executives from 2017.

Figure 1: 2018 forward – below

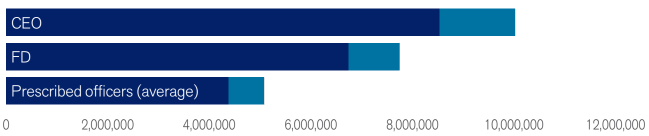


Figure 2: 2018 forward – target

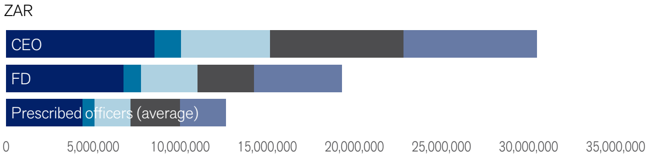
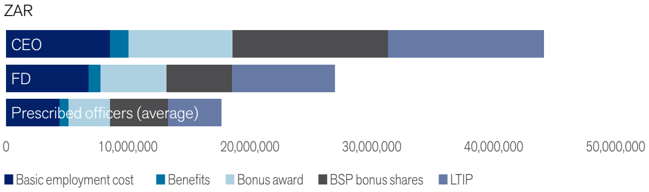


Figure 3: 2018 forward – stretch

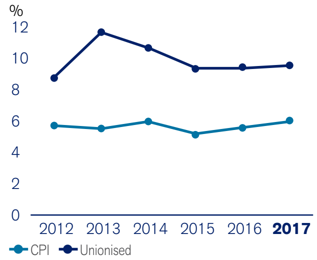


BASE SALARY ADJUSTMENTS

The committee approved a 6.5% increase on the guaranteed packages for senior management and on base salary for executive directors and prescribed officers for 2017 to align more closely with industry peers and to retain top talent. This compares with an average base salary increase of 8.73% for union-affiliated staff (9.47% in 2016). The charts below reflect executive and management increases and increases of union-affiliated staff against CPI (figures 4 and 5).

Figure 4: January increases

Figure 5: July increases



2017 STI outcomes (cash and deferred bonus shares)

There have been many operational challenges to navigate in 2017, including a difficult and tragic year on the safety front. Other challenges included the furnace rebuild at Waterval smelter, ACP (Amplats converting process) failure, placing Bokoni on care and maintenance with our JV partners and stopping deposition on the Helena tailings dam and its associated impact on Mototolo.

Despite these, we have recorded a solid production performance, up slightly year on year, and exceeded 2017 budgeted earnings and net debt-reduction targets. This performance reflects the collective effort of our employees, particularly at a time when the platinum mining industry still faces many financial challenges.

The extent to which annual performance measures were met in 2017 is set out below.

Chief executive officer measures	Weighting	Below threshold	Threshold	Target	Above target	Maximum
Company performance measures	**60**					
Fatalities[1]	3	•				
Safety and health[2]	7	•				
Environment[3]	5				•	
Socio-political	2			•		
Production[4]	11				•	
People[5]	2				•	
Cost/margin[6]	10			•		
Financial/returns	20			•		
Personal performance	**40**			•		
Overall performance	**100**					

Key performance aspects
[1] Includes reduction in fatalities.
[2] Includes a reduction in LTIFR and TRCFR.
[3] This includes environmental initiatives, ie reduced emissions, energy use, water use and environmental incidents.
[4] This includes equivalent refined production, sales volumes and operational improvement targets.
[5] This includes square metres per operating employee, strengthening stakeholder relationships and equity targets.
[6] This includes measures of commercial savings, operating profit and achieving EPS targets for both Amplats and Anglo American plc.

Finance director measures	Weighting	Below threshold	Threshold	Target	Above target	Maximum
Company performance measures	**55**					
Safety and health	3			•		
Production[1]	12		•			
People and environment[2]	8			•		
Financial	19			•		
Cost and capex[3]	7			•		
Socio-political	6			•		
Personal performance	**45**			•		
Overall performance	**100**					

Key performance aspects
[1] This includes equivalent refined production, sales volumes and operational improvement targets.
[2] This includes square metres per operating employee, strengthening stakeholder relationships and equity targets.
[3] This includes measures of commercial savings, operating profit and achieving EPS targets for Amplats.

The CEO and finance director achieved final scores out of 100 of 84.5 and 87 respectively on their performance targets for 2017, which calculates to bonus percentages of 84.5% and 69.6% of basic salary, respectively.

2017 annual cash incentive payments and deferred bonus shares to be awarded in 2018

Names	Annual cash incentive R	Percentage of basic salary %	Bonus shares awarded R	Percentage of basic salary %
Executive directors				
CI Griffith	6,840,145	84.50	10,260,218	126.75
I Botha	4,447,440	69.60	4,447,440	69.60
Prescribed officers				
DW Pelser	2,143,453	48.30	3,000,834	67.62
V Pillay[3]	2,030,417	44.85	2,842,584	62.79
GL Smith[3]	2,126,441	51.75	2,977,018	72.45
LN Mogaki	2,126,441	51.75	2,977,018	72.45
S Macheli-Mkhabela	1,738,599	44.85	2,434,039	62.79
IP Pillay	2,006,076	51.75	2,808,507	72.45
GA Humphries[1]	1,971,497	48.30	2,760,096	67.62
Former				
AR Hinkly[2]	2,110,947	57.60	2,955,326	80.64
Grand total	**27,541,456**	**58.39**	**37,463,080**	**79.43**

[1] Appointed on 1 January 2017 as executive head: process.
[2] Left the executive committee on 7 August 2017.
[3] VP Pillay and GL Smith are both within two years of retirement and will receive the cash value equivalent in line with policy as described on page 109.

2017 LTIP outcomes and awards

The annual share awards for 2017 and performance outcomes for the 2015 share awards (which performance period ended on 31 December 2017) for the CEO, finance director and prescribed officers are set out on the following page.

REMUNERATION REPORT continued

LTIP awards made in 2017

Name	Number of LTIP awards	Market face value[1] R
Executive directors		
CI Griffith	**33,436**	**12,074,408**
I Botha	**22,119**	**7,987,613**
Prescribed officers		
DW Pelser	**12,289**	**4,437,804**
VP Pillay	**12,536**	**4,527,000**
GL Smith	**11,379**	**4,109,184**
LN Mogaki	**11,379**	**4,109,184**
S Macheli-Mkhabela	**10,735**	**3,876,623**
I Pillay	**10,735**	**3,876,623**
GA Humphries	**11,303**	**4,081,139**
Former		
A Hinkly[2]		
Total	**135,911**	**49,080,178**

[1] *Market face value is based on the price at grant of R361.12.*
[2] *A Hinkly is awarded Anglo American plc shares.*

LTIP performance metrics for 2017

The vesting of LTIP awards is based on achieving stretching performance conditions measured over a three-year period. The table below summarises performance conditions applied to conditional share awards granted under the LTIP in 2017:

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 and Lonmin (JSE)	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 2017 to 31 December 2019
Return on capital employed (ROCE) (10%)	Vesting for the ROCE performance condition is on a sliding scale if the company achieved: ▪ ROCE equal to 8.6%: 25% vests. ▪ ROCE equal to 18.6%: 100% vests. Linear vesting occurs between these points.	1 January 2017 to 31 December 2019
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 break-even attributable free cash flow: 25% vests. ▪ Maximum attributable free cash flow of R2.4 billion: 100% vests. Linear vesting occurs between these points.	1 January 2017 to 31 December 2019
Safety and sustainable development (10%)	Vesting is split as: ▪ 5% being achieved through a ≥3% reduction in CO_2 emissions measured against 2016 actuals, and ▪ 5% being achieved through a reduction in fatalities cumulatively over three years measured as 50% in 2017, 25% in 2018 and 25% in 2019 with 2016 as a base.	1 January 2017 to 31 December 2019

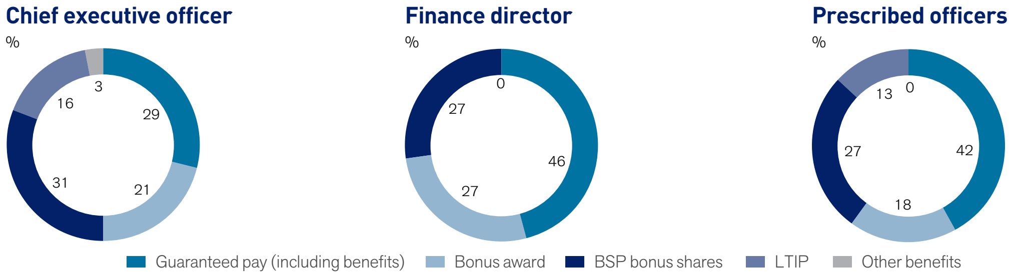
Vesting of LTIP awards (2015 – performance period ended 31 December 2017)

The extent to which performance measures for the 2015 award were met is detailed below. These awards will vest on 16 April 2018 after a three-year vesting period has lapsed.

LTIP measures	Below	Threshold	Target	Above
Total shareholder return (50%)			•	
Return on capital employed (50%)	•			
Resulting vesting LTIP award		34.82%		

TOTAL REMUNERATION OUTCOMES

Total remuneration outcomes and mix between fixed and variable pay in 2017 for the CEO, finance director and prescribed officers are shown below:



EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

Total remuneration and detail on outstanding and settled long-term incentives of executive directors and prescribed officers for 2016 and 2017 is reflected in the tables below and on the following page. The format is aligned to the King IV recommended total single figure disclosure of remuneration.

Total single figure of 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 award[3, 4] R	LTIP reflected[5, 6] R	Other[7] R	Total single figure of remuneration R
Executive directors								
CI Griffith[8]	2017	8,094,849	1,420,503	6,840,145	10,260,218	5,195,092	1,076,719	**32,887,526**
	2016	7,937,263	1,415,986	4,450,720	6,676,080	2,372,287	1,003,068	**23,855,404**
I Botha	2017	6,390,000	951,735	4,447,440	4,447,440	–	–	**16,236,615**
	2016	6,000,000	892,680	3,932,973	3,932,973	–	–	**14,758,626**
Prescribed officers								
DW Pelser	2017	4,437,792	721,250	2,143,453	3,000,834	1,726,666	–	**12,029,995**
	2016	4,189,511	673,922	2,081,386	2,913,940	983,978	–	**10,842,737**
VP Pillay[9, 10]	2017	4,527,132	724,668	2,030,417	4,071,527	1,902,278	–	**13,256,022**
	2016	4,250,820	677,532	1,840,182	3,735,635	1,083,797	–	**11,587,966**
GL Smith[11]	2017	4,109,065	642,029	2,126,441	2,977,018	1,726,666	–	**11,581,219**
	2016	3,858,276	600,744	1,927,209	2,698,093	983,978	–	**10,068,300**
I Pillay	2017	3,876,480	652,200	2,006,076	2,808,507	1,629,104	–	**10,972,367**
	2016	3,639,888	602,328	1,939,330	2,715,062	928,067	–	**9,824,675**
LN Mogaki	2017	4,109,065	657,159	2,126,441	2,977,018	1,726,666	–	**11,596,349**
	2016	3,858,276	614,424	1,670,248	2,338,347	983,978	–	**9,465,273**
S Macheli-Mkhabela	2017	3,876,480	623,318	1,738,599	2,434,039	1,629,104	–	**10,301,540**
	2016	3,639,888	582,648	1,333,290	1,866,606	–	–	**7,422,432**
GA Humphries[12]	2017	4,081,776	653,430	1,971,497	2,760,096	–	–	**9,466,799**
Former								
AR Hinkly[14]	2017	3,664,839	534,984	2,110,947	2,955,326	–	–	**9,266,096**
	2016	6,935,330	995,606	4,094,315	5,732,041	–	–	**17,757,292**
J Ndlovu[13]	2017	–	–	–	–	2,013,462		**2,013,462**
	2016	2,999,096	484,848	1,298,309	1,817,633	1,146,974	–	**7,746,860**

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 2016 BSP shares awarded on the basis of performance for the 2016 financial year is reflected in the 2016 single figure of remuneration.
4 The value of the 2017 BSP shares to be awarded on the basis of performance for the 2017 financial year is reflected in the 2017 single figure of remuneration.
5 The value of the 2014 LTIP award with a performance period ending on 31 December 2016, and vesting at R364.00 per share, is reflected in the 2016 single figure of remuneration.
6 The value of the 2015 LTIP award with a performance period ending on 31 December 2017 is reflected in the 2017 single figure of remuneration at a 90-day VWAP of R368.16 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 VP Pillay falls within the two-year cut-off threshold as per the share award policy referenced in part 2, page 109. LTIP and BSP are awarded as cash payments, conditional on remaining in service until the effective retirement date.
11 GL Smith falls within the two year cut-off threshold as per the share award policy referenced in part 2, page 109. LTIP and BSP are awarded as cash payments, conditional on remaining in service until the effective retirement date.
12 GA Humphries was promoted to executive head: process on 1 January 2017.
13 AR Hinkly resigned from Amplats on 7 August 2017 and no longer serves on the executive committee. His remuneration has been prorated accordingly.
14 J Ndlovu was transferred to Anglo American Thermal Coal on 1 September 2016.

REMUNERATION REPORT continued

Unvested share incentive awards and cash value of settled share awards

Incentive scheme	Award year	Opening number on 1 January 2016	Granted during 2016	Forfeited in respect of 2016 vesting	Settled in respect of 2016 vesting
CI Griffith					
LTIP	2013	29,161	–	3,018	26,143
LTIP	2014	22,600	–	15,090	–
LTIP	2015	40,529	–	–	–
LTIP	2016		31,072	–	–
LTIP	2017		–	–	–
BSP	2013	9,519		–	9,519
BSP	2013S	1,880		–	1,880
BSP	2014	8,026	–	–	–
BSP	2015	17,531	–	–	–
BSP	2016		12,533	–	–
BSP	2017				
Total		129,246	43,605	18,108	37,542
I Botha					
LTIP	2013	–	–	–	–
LTIP	2014	–	–	–	–
LTIP	2015	–	–	–	–
LTIP	2016		18,780	–	–
LTIP	2017		–	–	–
BSP	2013	–		–	–
BSP	2013S	–		–	–
BSP	2014	–	–	–	–
BSP	2015	–	–	–	–
BSP	2016		6,511	–	–
BSP	2017				
Total		–	25,291	–	–
DW Pelser					
LTIP	2013	12,612	–	1,305	11,307
LTIP	2014	9,373	–	6,258	–
LTIP	2015	13,472	–	–	–
LTIP	2016		10,434	–	–
LTIP	2017		–	–	–
BSP	2013	1,938		–	1,938
BSP	2013S	–		–	–
BSP	2014	3,595	–	–	–
BSP	2015	8,891	–	–	–
BSP	2016		5,450	–	–
BSP	2017				
Total		49,881	15,884	7,563	13,245
VP Pillay					
LTIP	2013	13,896	–	1,438	12,458
LTIP	2014	10,326	–	6,895	–
LTIP	2015	14,842	–	–	–
LTIP	2016		10,644	–	–
LTIP	2017		–	–	–
BSP	2013	6,799		–	6,799
BSP	2013S	2,054		–	2,054
BSP	2014	6,129	–	–	–
BSP	2015	13,221	–	–	–
BSP	2016		–	–	–
BSP	2017				
Total		67,267	10,644	8,333	21,311

Closing number on 31 December 2016	Cash value on settlement in 2016 R	Closing fair value at 31 December 2016 R	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting	Closing number on 31 December 2017	Cash value on settlement during 2017 R	Closing fair value at 31 December 2017 R
–	10,172,241	–	–	–	–	–	–	–
7,510	–	2,372,259	–	–	7,510	–	2,733,640	–
40,529	–	7,681,380	–	26,417	–	14,111	–	5,195,092
31,072	–	5,889,014	–	–	–	31,072	–	6,863,662
–	–	–	33,436	–	–	33,436	–	7,385,859
–	3,703,272		–	–	–	–	–	–
–	731,395		–	–	–	–	–	–
8,026	–	2,535,253	–	–	8,026	–	2,927,243	–
17,531	–	5,537,692	–	–	–	17,531	–	6,454,196
12,533	–	3,958,924	–	–	–	12,533	–	4,614,137
–	–	–	18,732	–	–	18,732	–	6,896,355
117,201	14,606,908	27,974,522	52,168	26,417	15,536	127,415	5,660,883	37,409,300
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
18,780	–	3,559,336	–	–	–	18,780	–	4,148,416
–	–	–	22,119	–	–	22,119	–	4,885,986
–	–		–	–	–	–	–	–
–	–		–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
6,511	–	2,056,695	–	–	–	6,511	–	2,397,083
–	–	–	11,035	–	–	11,035	–	4,062,635
25,291	–	5,616,031	33,154	–	–	58,445	–	15,494,119
–	4,399,554	–	–	–	–	–	–	–
3,115	–	983,966	–	–	3,115	–	1,133,860	–
13,472	–	2,553,321	–	8,781	–	4,690	–	1,726,666
10,434	–	1,977,535	–	–	–	10,434	–	2,304,823
–	–	–	12,289	–	–	12,289	–	2,714,584
–	753,960		–	–	–	–	–	–
–	–		–	–	–	–	–	–
3,595	–	1,135,589	–	–	3,595	–	1,311,168	–
8,891	–	2,808,489	–	–	–	8,891	–	3,273,302
5,450	–	1,721,546	–	–	–	5,450	–	2,006,467
–	–	–	8,176	–	–	8,176	–	3,010,068
44,957	5,153,513	11,180,446	20,465	8,781	6,710	49,930	2,445,028	15,035,909
–	4,847,316	–	–	–	–	–	–	–
3,431	–	1,083,784	–	–	3,431	–	1,248,884	–
14,842	–	2,812,975	–	9,674	–	5,167	–	1,902,278
10,644	–	2,017,336	–	–	–	10,644	–	2,351,211
–	–	–	12,536	–	–	12,536	–	2,769,145
–	2,645,083		–	–	–	–	–	–
–	799,088		–	–	–	–	–	–
6,129	–	1,936,029	–	–	6,129	–	2,235,369	–
13,221	–	4,176,249	–	–	–	13,221	–	4,867,430
–	–	–	–	–	–	–	–	–
–		–	–	–	–	–	–	–
48,267	8,291,487	12,026,373	12,536	9,674	9,560	41,568	3,484,253	11,890,063

Governance

REMUNERATION REPORT continued

Incentive scheme	Award year	Opening number on 1 January 2016	Granted during 2016	Forfeited in respect of 2016 vesting	Settled in respect of 2016 vesting
GL Smith					
LTIP	2013	–	–	–	–
LTIP	2014	9,373	–	6,258	–
LTIP	2015	13,472	–	–	–
LTIP	2016		9,661	–	–
LTIP	2017		–	–	–
BSP	2013	1,951		–	1,951
BSP	2013S	–		–	–
BSP	2014	2,661	–	–	–
BSP	2015	7,224	–	–	–
BSP	2016		5,801	–	–
BSP	2017				
Total		34,681	15,462	6,258	1,951
I Pillay					
LTIP	2013	–	–	–	–
LTIP	2014	8,842	–	5,904	–
LTIP	2015	12,709	–	–	–
LTIP	2016		9,114	–	–
LTIP	2017		–	–	–
BSP	2013	–		–	–
BSP	2013S	–		–	–
BSP	2014	3,171	–	–	–
BSP	2015	5,679	–	–	–
BSP	2016		4,743	–	–
BSP	2017				
Total		30,401	13,857	5,904	–
LN Mogaki					
LTIP	2013	–	–	–	–
LTIP	2014	9,373	–	6,258	–
LTIP	2015	13,472	–	–	–
LTIP	2016		9,661	–	–
LTIP	2017		–	–	–
BSP	2013	1,937		–	1,937
BSP	2013S	–		–	–
BSP	2014	2,811	–	–	–
BSP	2015	6,669	–	–	–
BSP	2016		5,414	–	–
BSP	2017				
Total		34,262	15,075	6,258	1,937
S Macheli-Mkhabela					
LTIP	2013	–	–	–	–
LTIP	2014	–	–	–	–
LTIP	2015	12,709	–	–	–
LTIP	2016		9,114	–	–
LTIP	2017		–	–	–
BSP	2013	–		–	–
BSP	2013S	–		–	–
BSP	2014	–	–	–	–
BSP	2015	3,146	–	–	–
BSP	2016		4,743	–	–
BSP	2017				
Total		15,855	13,857	–	–

Closing number on 31 December 2016	Cash value on settlement in 2016 R	Closing fair value at 31 December 2016 R	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting	Closing number on 31 December 2017	Cash value on settlement during 2017 R	Closing fair value at 31 December 2017 R
–	–	–	–	–	–	–	–	–
3,115	–	983,966	–	–	3,115	–	1,133,860	–
13,472	–	2,553,321	–	8,781	–	4,690	–	1,726,666
9,661	–	1,831,030	–	–	–	9,661	–	2,134,071
–	–	–	11,379	–	–	11,379	–	2,513,569
–	759,017		–	–	–	–	–	–
–	–		–	–	–	–	–	–
2,661	–	840,557	–	–	2,661	–	970,520	–
7,224	–	2,281,917	–	–	–	7,224	–	2,659,581
5,801	–	1,832,420	–	–	–	5,801	–	2,135,690
–		–	–	–	–	–	–	–
41,934	759,017	10,323,211	11,379	8,781	5,776	38,755	2,104,380	11,169,576
–	–	–	–	–	–	–	–	–
2,938	–	928,055	–	–	2,938	–	1,069,432	–
12,709	–	2,408,711	–	8,284	–	4,425	–	1,629,104
9,114	–	1,727,358	–	–	–	9,114	–	2,013,241
–	–	–	10,735	–	–	10,735	–	2,371,312
–	–		–	–	–	–	–	–
–	–		–	–	–	–	–	–
3,171	–	1,001,655	–	–	3,171	–	1,156,527	–
5,679	–	1,793,883	–	–	–	5,679	–	2,090,775
4,743	–	1,498,219	–	–	–	4,743	–	1,746,178
–		–	7,618	–	–	7,618	–	2,804,635
38,354	–	9,357,882	18,353	8,284	6,109	42,314	2,225,959	12,655,245
–	–	–	–	–	–	–	–	–
3,115	–	983,966	–	–	3,115	–	1,133,860	–
13,472	–	2,553,321	–	8,781	–	4,690	–	1,726,666
9,661	–	1,831,030	–	–	–	9,661	–	2,134,071
–	–	–	11,379	–	–	11,379	–	2,513,569
–	753,570		–	–	–	–	–	–
–	–		–	–	–	–	–	–
2,811	–	887,939	–	–	2,811	–	1,025,228	–
6,669	–	2,106,604	–	–	–	6,669	–	2,455,252
5,414	–	1,710,174	–	–	–	5,414	–	1,993,213
–		–	6,561	–	–	6,561	–	2,415,491
41,142	753,570	10,073,034	17,940	8,781	5,926	44,374	2,159,088	13,238,262
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
12,709	–	2,408,711	–	8,284	–	4,425	–	1,629,104
9,114	–	1,727,358	–	–	–	9,114	–	2,013,241
–	–	–	10,735	–	–	10,735	–	2,371,312
–	–		–	–	–	–	–	–
–	–		–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
3,146	–	993,758	–	–	–	3,146	–	1,158,228
4,743	–	1,498,219	–	–	–	4,743	–	1,746,178
–	–	–	5,237	–	–	5,237	–	1,928,049
29,712	–	6,628,047	15,972	8,284	–	37,400	–	10,846,112

REMUNERATION REPORT continued

Incentive scheme	Award year	Opening number on 1 January 2016	Granted during 2016	Forfeited in respect of 2016 vesting	Settled in respect of 2016 vesting
GA Humphries					
LTIP	2013	–	–	–	–
LTIP	2014	–	–	–	–
LTIP	2015	–	–	–	–
LTIP	2016		–	–	–
LTIP	2017		–	–	–
BSP	2013	–		–	–
BSP	2013S	–		–	–
BSP	2014	1,791	–	–	–
BSP	2015	3,436	–	–	–
BSP	2016		2,466	–	–
BSP	2017				
Total		5,227	2,466	–	–
J Ndlovu					
LTIP	2013	14,706	–	1,522	13,184
LTIP	2014	10,928	–	7,297	–
LTIP	2015	15,708	–	–	–
LTIP	2016		11,264	–	–
LTIP	2017		–	–	–
BSP	2013	4,271		–	4,271
BSP	2013S	2,135		–	2,135
BSP	2014	4,354	–	–	–
BSP	2015	10,367	–	–	–
BSP	2016		7,215	–	–
BSP	2017				
Total		62,469	18,479	8,819	19,590

Interpretation notes
2013 LTIP and BSP awarded on: 2013/04/26 at R339.57 per share, which vested on 2016/04/26 with LTIP vesting of 89.65% at R389.10 and BSP at R389.04 per share.
2014 LTIP and BSP awarded on: 2014/04/16 at R491.35 per share, which vested on 2017/04/16 with LTIP vesting of 33.23% at R364.00 and BSP at R364.72 per share.
2015 LTIP and BSP awarded on: 2015/04/16 at R296.00 per share, which vests on 2018/04/16. The estimated vesting for LTIP in 2016 was 60% and in 2017 the LTIP vested at 34.82%.
2016 LTIP and BSP awarded on: 2016/04/13 at R399.00 per share, which vests on 2019/04/14. The estimated vesting for LTIP in 2016 was 60% and in 2017 LTIP vesting estimated at 60%.
2017 LTIP and BSP awarded on: 2017/04/13 at R361.12 per share, which vests on 2020/04/13. The estimated vesting for LTIP in 2016 was 60% and in 2017 LTIP vesting estimated at 60%.
90-day volume weighted average price, for determining the fair value of unvested award at 31 December 2016 is R315.88 per share.
90-day volume weighted average price, for determining the fair value of unvested award at 31 December 2017 is R368.16 per share.
2014 LTIP and BSP were settled at R364 per share and R364.72 per share, respectively.
Value of the 2015 LTIP and BSP is estimated at a 90-day VWAP price of R368.16 per share, as date of transaction only occurs in April 2018.

Closing number on 31 December 2016	Cash value on settlement in 2016 R	Closing fair value at 31 December 2016 R	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting	Closing number on 31 December 2017	Cash value on settlement during 2017 R	Closing fair value at 31 December 2017 R
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	11,303	–	–	11,303	–	2,496,781
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
1,791	–	565,741	–	–	1,791	–	653,214	–
3,436	–	1,085,364	–	–	–	3,436	–	1,264,994
2,466	–	778,960	–	–	–	2,466	–	907,880
–		–	3,415	–	–	3,415	–	1,257,263
7,693	–	2,430,065	14,718	–	1,791	20,620	653,214	5,926,918
–	5,129,867	–	–	–		–	–	–
3,631	–	1,146,960	–	–	3,631	–	1,321,684	–
15,708	–	2,977,106	–	10,238	–	5,469	–	2,013,462
11,264	–	2,134,843	–	–	–	11,264	–	2,488,166
–	–	–	–	–	–	–	–	–
–	1,661,590	–	–	–	–	–	–	–
–	830,600	–	–	–	–	–	–	–
4,354	–	1,375,342	–	–	4,354	–	1,587,991	–
10,367	–	3,274,728	–	–	–	10,367	–	3,816,704
7,215	–	2,279,074	–	–	–	7,215	–	2,656,267
–	–	–	–	–	–	–	–	–
52,539	7,622,057	13,188,053	–	10,238	7,985	34,315	2,909,675	10,974,599

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 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 2016 AGM, the committee has incorporated a three-year catch-up strategy to align current fees to market levels. For 2017, non-executive director fees will be adjusted in line with inflation, with an additional adjustment capped at 20% to move closer to the market median. Please refer to special resolution number 1 as set out in the notice convening the meeting, for the proposed adjustments to be approved by shareholders at the 2018 annual general meeting.

The tables below reflect non-executive directors' fees for 2016 and 2017.

Non-executive directors' fees

Current		Directors' fees R	Ad hoc committee meeting R	Committee fees R	Total remuneration R
M Cutifani[3,8]	**2017**	**292,635**	**–**	**100,449**	**393,084**
	2016	223,813	–	92,155	315,968
RMW Dunne[1,2,3,4,5,6]	**2017**	**292,635**	**18,880**	**718,064**	**1,029,579**
	2016	223,813	15,000	645,095	883,908
R Médori[8]	**2017**	**292,635**	**–**	**–**	**292,635**
	2016	223,813	–	–	223,813
V Moosa[2,3,4,5,6]	**2017**	**1,444,944**	**18,880**	**641,943**	**2,105,767**
	2016	1,316,578	15,000	585,858	1,917,436
NP Mageza[1,4]	**2017**	**292,635**	**–**	**231,574**	**524,209**
	2016	223,813	15,000	210,641	449,454
NT Moholi[2,4,5,6]	**2017**	**292,635**	**18,880**	**551,074**	**862,589**
	2016	223,813	15,000	500,229	739,042
D Naidoo[1,2,4]	**2017**	**292,635**	**18,880**	**336,238**	**647,753**
	2016	223,813	15,000	309,381	548,194
A O'Neill[8]	**2017**	**292,635**	**18,880**	**–**	**311,515**
	2016	223,813	–	–	223,813
AH Sangqu[5,7]	**2017**	**292,635**	**18,880**	**98,376**	**409,891**
	2016	223,813	–	88,399	312,212
JM Vice[1,4,6]	**2017**	**292,635**	**18,880**	**331,331**	**642,846**
	2016	223,813	–	210,641	434,454
Dorian Emmett[5,6,9]	**2017**	**–**	**–**	**267,948**	**267,948**
	2016	–	–	202,966	202,966
Total	**2017**	**4,078,659**	**132,160**	**3,276,997**	**7,487,816**

[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 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 15 February 2018.

Nombulelo (Pinky) Moholi
Chairman

Johannesburg
15 February 2018

ANALYSIS OF SHAREHOLDERS

for the year ended 31 December 2017

	2017		2016	
	Number of shareholders	**Percentage of issued capital**	Number of shareholders	Percentage of issued capital
Size of shareholding				
1 – 1,000	**10,708**	**0.55**	11,280	0.59
1,001 – 10,000	**1,039**	**1.20**	1,096	1.31
10,001 – 100,000	**297**	**3.58**	322	3.84
100,001 – 1,000,000	**75**	**8.08**	86	9.00
1,000,001 and over	**10**	**86.59**	7	85.25
	12,129	**100.00**	12,791	100.00
Category of shareholder				
Companies	**259**	**77.75**	195	77.79
Individuals	**9,600**	**0.83**	10,176	1.01
Pension and provident funds	**357**	**5.50**	316	5.42
Insurance companies	**76**	**0.60**	65	0.63
Bank, nominee and finance companies	**358**	**8.85**	348	8.75
Trust funds and investment companies	**1,340**	**6.37**	1,449	6.18
Other corporate bodies	**139**	**0.10**	242	0.21
	12,129	**100.00**	12,791	100.00
Shareholder spread				
Public shareholders	**12,126**	**22.38**	12,786	22.31
Non-public shareholders				
Directors and associates	**2**	**–***	4	–*
Persons interested, directly or indirectly, in 10% or more	**1**	**77.62**	1	77.69
	12,129	**100.00**	12,791	100.00

* *Less than 0.01%.*

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:

	Number of shares	**Percentage**	Number of shares	Percentage
Anglo South Africa Capital Proprietary Limited	**208,417,151**	**77.62**	208,417,151	77.69

GEOGRAPHICAL ANALYSIS OF SHAREHOLDERS

Resident shareholders held 244,492,531 shares (91.05%) (2016: 243,350,601; 90.71%) and non-resident shareholders held 24,026,872 shares (8.95%) (2016: 24,922,398; 9.29%) of the Company's issued ordinary share capital of 268,519,403 shares at 31 December 2017 (2016: 268,272,999).

The treasury shares of 1,162,483 (2016: 1,408,887) 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	12 April 2018 at 10:00
REPORTS	
Announcement of interim results	23 July 2018
Integrated report for the full year to 31 December	March
Suite of annual reports	March

DIRECTORS' RESPONSIBILITY AND APPROVAL OF ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2017

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the group (the term 'group' refers to the company, its subsidiaries, associates, joint ventures and joint operations) as at the end of the financial year and the results of its operations and cash flows for that period, and conforming with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards, Companies Act requirements and based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment.

To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss cost effectively. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that, in all reasonable circumstances, is above reproach.

The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors believe, based on information and explanations from management, that the system of internal control is adequate for ensuring the:
- Reliability and integrity of financial and operating information
- Compliance of established systems with policies, plans, procedures, laws and regulations
- Safeguarding of group assets against unauthorised use or disposition
- Economic, effective and efficient use of resources
- Achievement of established objectives and goals for operations or programmes.

The directors believe, as a result of the comprehensive structures and controls in place and ongoing monitoring of the activities of executive and operational management, the board maintains effective control over the group's affairs.

The separate and consolidated annual financial statements are prepared on the going concern basis. Nothing has come to the attention of the directors to indicate that the group and company will not remain a going concern for the foreseeable future.

Valli Moosa
Chairman

Chris Griffith
Chief executive officer

Johannesburg
15 February 2018

COMPANY SECRETARY'S CERTIFICATE

for the year ended 31 December 2017

In my capacity as the company secretary, I hereby certify to the best of my knowledge and belief that Anglo American Platinum Limited has lodged with the Companies and Intellectual Property Commission all returns required of a public company in terms of the Companies Act 71 2008. Further, I certify that such returns are true, correct and up to date.

Elizna Viljoen
Company secretary
Anglo American Platinum Limited

Johannesburg
15 February 2018

Deloitte.

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INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Anglo American Platinum Limited

Opinion

The summarised consolidated financial statements of Anglo American Platinum Limited, which comprise the summarised consolidated statement of financial position as at 31 December 2017, the summarised consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Anglo American Platinum Limited for the year ended 31 December 2017.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Anglo American Platinum Limited, in accordance with the disclosure requirements of IAS 34: *Interim financial reporting* and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Anglo American Platinum Limited and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 19 February 2018. That report also includes:

- The communication of other key audit matters as reported in the auditor's report of the audited financial statements.

Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the disclosure requirements of IAS 34: *Interim financial reporting* and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summarised Financial Statements.

Deloitte & Touche

Deloitte & Touche
Registered Auditors
Per: G Berry
Partner
19 February 2018

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

	Notes	2017 Rm	2016 Rm
Gross sales revenue		**65,688**	61,976
Commissions paid		**(18)**	(16)
Net sales revenue	1	**65,670**	61,960
Cost of sales	2	**(56,578)**	(56,096)
Gross profit on metal sales	2	**9,092**	5,864
Other net expenditure	4	**(6)**	(600)
Loss on impairment and scrapping of property, plant and equipment	5	**(1,699)**	(22)
Market development and promotional expenditure		**(813)**	(683)
Operating profit		**6,574**	4,559
Impairment of investment in associate – Bokoni Holdco		**(235)**	(130)
Impairment of investment in associate – Pandora Joint Venture		**–**	(153)
Impairment of investment in associate – Bafokeng Rasimone Platinum Mine (BRPM)		**(1,910)**	–
Impairment of non-current financial assets		**(777)**	(111)
Profit on disposal of long-dated resources		**1,066**	–
Profit on disposal of associates		**135**	–
Share-based payment expense for facilitation of BEE investment in Atomatic		**–**	(156)
Loss on disposal of Rustenburg Mine		**–**	(1,681)
Interest expensed		**(1,219)**	(1,329)
Interest received		**222**	149
Remeasurements of loans and receivables		**46**	27
Losses from associates (net of taxation)		**(362)**	(115)
Profit before taxation	5	**3,540**	1,060
Taxation		**(1,616)**	(364)
Profit for the year		**1,924**	696
Other comprehensive income, net of income tax			
Items that will be reclassified subsequently to profit or loss		**(416)**	(465)
Deferred foreign exchange translation losses		**(553)**	(769)
Actuarial loss on employees' service benefit obligation		**–**	(6)
Net gains on available-for-sale investments		**137**	310
Total comprehensive income for the year		**1,508**	231
Profit/(loss) attributed to:			
Owners of the Company		**1,944**	632
Non-controlling interests		**(20)**	64
		1,924	696
Total comprehensive income/(loss) attributed to:			
Owners of the Company		**1,528**	167
Non-controlling interests		**(20)**	64
		1,508	231
EARNINGS PER SHARE			
Earnings per ordinary share (cents)			
– Basic		**741**	241
– Diluted		**739**	240
Headline earnings	7	**3,886**	1,867

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Notes	2017 Rm	2016 Rm
ASSETS			
Non-current assets		**48,938**	51,662
Property, plant and equipment		**36,597**	38,574
Capital work in progress		**5,361**	4,892
Investment in associates	8	**2,464**	3,963
Investments held by environmental trusts		**970**	907
Other financial assets	9	**3,507**	3,326
Other non-current assets		**39**	–
Current assets		**31,318**	26,035
Inventories	10	**18,489**	16,369
Trade and other receivables		**2,097**	2,140
Other assets		**1,075**	1,554
Other financial assets		**73**	45
Taxation		**469**	470
Cash and cash equivalents		**9,115**	5,457
Non-current assets held for sale	11	**558**	–
Total assets		**80,814**	77,697
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		**27**	27
Share premium		**22,673**	22,498
Foreign currency translation reserve		**1,764**	2,317
Available-for-sale reserve		**429**	334
Retained earnings		**16,634**	14,840
Non-controlling interests		**(526)**	(234)
Shareholders' equity		**41,001**	39,782
Non-current liabilities		**18,864**	19,187
Interest-bearing borrowings	12	**9,362**	9,398
Obligations due under finance leases		**98**	96
Environmental obligations		**1,693**	1,938
Employee benefits		**17**	17
Other financial liabilities		**239**	219
Deferred taxation		**7,455**	7,519
Current liabilities		**20,374**	18,728
Interest-bearing borrowings	12	**1,713**	3,267
Obligations due under finance leases within one year		**17**	15
Trade and other payables		**11,316**	10,241
Other liabilities		**6,691**	4,623
Other financial liabilities		**616**	567
Share-based payment provision		**21**	15
Liabilities associated with non-current assets held for sale	11	**575**	–
Total equity and liabilities		**80,814**	77,697

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

	Notes	2017 Rm	2016 Rm
Cash flows from operating activities			
Cash receipts from customers		**65,993**	61,783
Cash paid to suppliers and employees		**(50,126)**	(48,187)
Cash generated from operations		**15,867**	13,596
Interest paid (net of interest capitalised)		**(1,004)**	(1,071)
Taxation paid		**(1,742)**	(1,125)
Net cash from operating activities		**13,121**	11,400
Cash flows used in investing activities			
Purchase of property, plant and equipment (includes interest capitalised)		**(4,969)**	(5,018)
Proceeds from sale of plant and equipment		**17**	140
Purchases of financial asset investments		**(68)**	–
Proceeds on sale of Rustenburg Mine (net of cash disposed of)		**–**	1,356
Working capital support in respect of Rustenburg Mine		**(1,529)**	(1,418)
Proceeds on disposal of long-dated resources		**1,066**	–
Proceeds on disposal of associates		**144**	–
Shareholder funding capitalised to investment in associates		**(1,156)**	(448)
Acquisition of equity investment in Hydrogenious		**(13)**	(34)
Acquisition of available-for-sale investment in Greyrock		**–**	(36)
Acquisition of convertible notes in United Hydrogen		**(4)**	(39)
Redemption/(acquisition) of preference shares in Baphalane Siyanda Chrome Company		**86**	(84)
Advances made to Plateau Resources Proprietary Limited		**(708)**	(312)
Net increase in investments held by environmental trusts		**–**	2
Interest received		**143**	95
Growth in environmental trusts		**8**	7
Other advances		**(135)**	(40)
Net cash used in investing activities		**(7,118)**	(5,829)
Cash flows used in financing activities			
Purchase of treasury shares for the Bonus Share Plan (BSP)		**(155)**	(163)
Purchase of Anglo American plc shares for the Amplats share schemes		**–**	(7)
Repayment of interest-bearing borrowings		**(1,659)**	(1,668)
Repayment of finance lease obligation		**(17)**	(16)
Funding for non-controlling interest's 26% in subsidiary		**–**	112
Cash distributions to non-controlling interests		**(272)**	(44)
Net cash used in financing activities		**(2,103)**	(1,786)
Net increase in cash and cash equivalents		**3,900**	3,785
Cash and cash equivalents at beginning of year		**5,457**	1,672
Cash and cash equivalents at end of year		**9,357**	5,457
Movement in net debt			
Net debt at beginning of year		**(7,319)**	(12,769)
Net cash from operating activities		**13,121**	11,400
Net cash used in investing activities		**(7,118)**	(5,829)
Other		**(517)**	(121)
Net debt at end of year		**(1,833)**	(7,319)
Made up as follows:			
Cash and cash equivalents		**9,115**	5,457
Cash and cash equivalents classified as held for sale	11	**242**	–
Non-current interest-bearing borrowings	12	**(9,362)**	(9,398)
Obligations due under finance leases within one year		**(17)**	(15)
Current interest-bearing borrowings	12	**(1,713)**	(3,267)
Obligations due under finance leases		**(98)**	(96)
		(1,833)	(7,319)

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Share capital Rm	Share premium Rm	Foreign currency translation reserve Rm	Available-for-sale reserve Rm	Retained earnings Rm	Non-controlling interests Rm	Total Rm
Balance at 31 December 2015	27	22,395	3,086	24	14,120	(408)	39,244
Total comprehensive (loss)/income for the year			(769)	310	626	64	231
Non-controlling interest's 26% share in subsidiary						112	112
Cash distributions to minorities						(44)	(44)
Shares acquired in terms of the BSP – treated as treasury shares	(–)*	(163)					(163)
Shares vested in terms of the BSP	–*	266			(266)		–
Equity-settled share-based compensation					389	42	431
Shares purchased for employees					(29)		(29)
Balance at 31 December 2016	27	22,498	2,317	334	14,840	(234)	39,782
Total comprehensive (loss)/income for the year			**(553)**	**137**	**1,944**	**(20)**	**1,508**
Deferred taxation charged directly to equity				**(42)**	**2**		**(40)**
Cash distributions to minorities						**(272)**	**(272)**
Shares acquired in terms of the BSP – treated as treasury shares	**(–)***	**(155)**					**(155)**
Shares vested in terms of the BSP	**–***	**330**			**(330)**		**–**
Equity-settled share-based compensation					**189**		**189**
Shares purchased for employees					**(11)**		**(11)**
Balance at 31 December 2017	**27**	**22,673**	**1,764**	**429**	**16,634**	**(526)**	**41,001**

* *Less than R500,000.*

Appendices

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2017

	Net sales revenue		Operating contribution		Depreciation	
	2017 Rm	2016 Rm	**2017 Rm**	2016 Rm	**2017 Rm**	2016 Rm
1. SEGMENTAL INFORMATION						
Segment revenue and results						
Operations						
Mogalakwena Mine	**16,118**	14,227	**7,029**	4,785	**1,726**	1,813
Amandelbult Mine	**11,423**	10,692	**1,699**	1,293	**719**	820
Unki Platinum Mine	**2,489**	2,227	**369**	22	**356**	424
Twickenham Project	**21**	215	**(376)**	(448)	**42**	48
Modikwa Platinum Mine[1]	**1,817**	1,608	**246**	18	**157**	175
Mototolo Platinum Mine[1]	**1,218**	1,418	**200**	290	**99**	120
Kroondal Platinum Mine[1]	**3,233**	3,101	**213**	318	**517**	406
Rustenburg Mine[2]	**–**	9,307	**–**	410	**–**	299
Union Mine[3]	**4,280**	3,958	**974**	596	**80**	253
Other	**14**	16	**10**	80	**2**	3
Total – mined	**40,612**	46,709	**10,363**	7,364	**3,699**	4,361
Inter-segmental transaction	**(24)**	–	**–**	–	**–**	–
Purchased metals	**25,082**	15,191	**2,104**	1,319	**375**	268
	65,670	61,960	**12,467**	8,683	**4,074**	4,629
Other costs (note 3)			**(3,375)**	(2,819)		
Gross profit on metal sales			**9,092**	5,864		

[1] *Amplats' share (excluding purchase of concentrate).*
[2] *Effective 1 November 2016, Rustenburg Mine was disposed of.*
[3] *Held for sale – refer to note 11.*

Information reported to the Executive Committee of the Group for purposes of resource allocation and assessment of segment performance is done on a mine-by-mine basis.

Changes to segmental information
The following changes to the segmental reporting were made following changes to internal reporting to the Executive Committee:

Following the move to more detailed reporting on purchase of concentrate activities, Amandelbult has been changed to exclude metal purchased from third parties. Also the results for toll refining activity have been moved from purchased metal to other. These changes led to a corresponding change in the results for purchased metal.

This resulted in the following changes to the comparative figures:

	Net sales revenue		Operating contribution		Depreciation	
	As reported Rm	**Reclassified Rm**	**As reported Rm**	**Reclassified Rm**	**As reported Rm**	**Reclassified Rm**
Amandelbult Mine	10,870	10,692	1,367	1,293	822	820
Other	–	16	–	80	–	3
Purchased metal	15,029	15,191	1,325	1,319	269	268
	25,899	25,899	2,692	2,692	1,091	1,091

	2017 Rm	2016 Rm
2. GROSS PROFIT ON METAL SALES		
Net sales revenue	**65,670**	61,960
Cost of sales	**(56,578)**	(56,096)
Cash operating costs	**(30,642)**	(35,317)
On-mine	**(24,109)**	(29,615)
Smelting	**(3,363)**	(2,834)
Treatment and refining	**(3,170)**	(2,868)
Purchase of metals and leasing activities*	**(20,763)**	(13,518)
Depreciation	**(4,074)**	(4,629)
On-mine	**(2 823)**	(3,197)
Smelting	**(551)**	(681)
Treatment and refining	**(700)**	(751)
Increase in metal inventories	**515**	187
Increase in ore stockpiles (notes 10 and 16)	**1,761**	–
Other costs (note 3)	**(3,375)**	(2,819)
Gross profit on metal sales	**9,092**	5,864

* *Consists of purchased metals in concentrate, secondary metals and other metals.*

3. OTHER COSTS

Other costs comprise the following principal categories:

	2017 Rm	2016 Rm
Overheads		
Corporate costs	**531**	364
Royalties	**653**	493
Contributions to education and community development	**372**	419
Research	**230**	251
Exploration	**105**	95
Total exploration costs	**157**	162
Less: Capitalised	**(52)**	(67)
Other	**423**	367
	2,314	1,989
Direct operating overheads		
Transport of metals	**856**	565
Share-based payments – other share schemes	**205**	265
	1,061	830
Total other costs	**3,375**	2,819

4. OTHER NET EXPENDITURE

Other net expenditure comprises the following principal categories:

	2017 Rm	2016 Rm
Realised and unrealised foreign exchange loss	**(398)**	(150)
Fair value losses on cash and cash equivalents designated as a hedging instrument	**(383)**	(5)
Fair value gains on deferred income liability	**422**	63
Other foreign exchange losses	**(437)**	(208)
Project maintenance costs*	**(106)**	(233)
Restructuring and other related costs	**(11)**	(342)
Loss on disposal of plant, equipment, and conversion rights	**(16)**	(23)
Royalties received	**27**	16
Insurance proceeds	**197**	13
Proceeds realised on treasury bills	**228**	–
Other – net	**73**	119
	(6)	(600)

* *Project maintenance costs comprise costs incurred to maintain land held for future projects and costs to keep projects on care and maintenance. It also includes the costs of the operations put onto care and maintenance once the decision was made.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

		2017 Rm	2016 Rm
5.	**PROFIT BEFORE TAXATION**		
	Profit before taxation is arrived at after taking account of:		
	Auditors' remuneration	**14**	15
	Audit fees – current year	**14**	12
	Other services	**–**	3
	Losses on financial instruments at fair value through profit or loss	**709**	21
	Fair value changes on hedging accounting	**(39)**	–
	Operating lease charges – buildings and equipment	**40**	11
	Impairment of investments in associates	**2,145**	283
	Impairment of non-current financial assets	**777**	111
	Share-based payment expense for facilitation of BEE investment in Atomatic	**–**	156
	Loss on disposal of Rustenburg Mine	**–**	1,681
	Profit on disposal of associates	**135**	–
	Loss on impairment, disposal and scrapping of property, plant and equipment	**1,658**	45
	Loss on disposal of property, plant and equipment	**7**	23
	Insurance proceeds realised on loss of assets	**(48)**	–
	Loss on impairment and scrapping of property, plant and equipment	**1,699**	22
	Union Mine and Masa Chrome (note 11)	**1,655**	–
	Various smaller assets scrapped	**44**	22
	(Reversal)/write-down of inventories to net realisable value	**(198)**	511
	Mined#	**(310)**	325
	Purchased	**112**	186

This reversal arises as a result of changes in prices of metal.

		%	%
6.	**TAXATION**		
	A reconciliation of the standard rate of South African normal taxation compared with that charged in the statement of comprehensive income is set out in the following table:		
	South African normal tax rate	**28.0**	28.0
	Disallowable items that are individually immaterial	**2.3**	9.7
	Share-based payment expense for facilitation of BEE investment in Atomatic	**–**	4.1
	Employee housing expenditure disallowed	**1.1**	4.3
	Impairment of investments in associates	**17.0**	10.4
	Impairment of non-current financial assets	**6.1**	–
	Prior year (overprovision)/underprovision	**(1.7)**	2.3
	Effect of after-tax share of losses from associates	**2.9**	3.0
	Difference in tax rates of subsidiaries	**(1.6)**	(3.1)
	Impact of disposal of Rustenburg Mine	**–**	(27.5)
	Zimbabwean Aids levy	**–**	1.3
	Profit on disposal of long-dated resources	**(8.4)**	–
	Profit on disposal of associates	**(1.1)**	–
	Taxation not raised on minority share of impairment of Union Mine	**1.9**	–
	Other	**(0.9)**	1.8
	Effective taxation rate	**45.6**	34.3

	2017 Rm	2016 Rm
7. RECONCILIATION BETWEEN PROFIT AND HEADLINE EARNINGS		
Profit attributable to shareholders	**1,944**	632
Adjustments		
Net loss on disposal of property, plant and equipment	**7**	23
Tax effect thereon	**(2)**	(6)
Loss on impairment and scrapping of property, plant and equipment	**44**	22
Tax effect thereon	**(12)**	(6)
Profit on disposal of long-dated resources	**(1,066)**	–
Tax effect thereon	**–**	–
Impairment of investments in associates	**2,145**	283
Tax effect thereon	**–**	–
Insurance proceeds on loss of assets	**(48)**	–
Tax effect thereon	**14**	–
Profit on disposal of associates	**(135)**	–
Tax effect thereon	**–**	–
Impairment of Union Mine and Masa Chrome	**1,655**	–
Tax effect thereon	**(397)**	–
Non-controlling interest's share	**(263)**	–
Loss on disposal of Rustenburg Mine	**–**	1,681
Tax effect thereon	**–**	(762)
Headline earnings	**3,886**	1,867
Attributable headline earnings per ordinary share (cents)		
Headline	**1,482**	713
Diluted	**1,476**	710
8. INVESTMENT IN ASSOCIATES		
Listed (market value: R75 million (2016: R113 million))		
Investment in Atlatsa Resources Corporation	**–**	–
Unlisted	**2,464**	3,963
Bokoni Platinum Holdings Proprietary Limited (Bokoni Holdco)		
Carrying value of investment	**–**	–
Bafokeng Rasimone Platinum Mine (BRPM)		
Carrying value of investment	**2,333**	3,665
Richtrau No. 123 Proprietary Limited		
Carrying value of investment	**5**	5
Primus Power		
Carrying value of investment	**26**	–
Peglerae Hospital Proprietary Limited		
Carrying value of investment	**57**	56
Unincorporated associate – Pandora		
Carrying value of investment (note 17)	**–**	192
Hydrogenious Technologies GmbH		
Carrying value of investment	**43**	45
	2,464	3,963

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

		2017 Rm	2016 Rm
9.	**OTHER FINANCIAL ASSETS**		
	Loans carried at amortised cost		
	Loans to Plateau Resources Proprietary Limited	**201**	201
	Loan to ARM Mining Consortium Limited	**52**	65
	Advance to Bakgatla-Ba-Kgafela traditional community	**149**	200
	Convertible notes in United Hydrogen Group Inc.	**30**	33
	Preference share investment in Baphalane Siyanda Chrome Company	**–**	84
	Other	**100**	103
		532	686
	Available-for-sale investments carried at fair value		
	Investment in Royal Bafokeng Platinum Limited	**627**	798
	Investment in Wesizwe Platinum Limited	**114**	161
	Investment in Altergy Systems	**31**	–
	Investment in Ballard Power Systems Inc.	**258**	–
	Investment in Greyrock Energy Inc.	**93**	34
	Investment in Food Freshness Technology Holdings	**77**	49
		1,200	1,042
	Other financial assets at fair value through profit or loss		
	Deferred consideration on sale of Pandora Joint Venture (note 17)	**115**	–
	Deferred consideration on sale of Rustenburg Mine	**1,660**	1,598
	Total other financial assets	**3,507**	3,326
10.	**INVENTORIES**		
	Refined metals	**3,906**	3,165
	At cost	**2,548**	1,665
	At net realisable values	**1,358**	1,500
	Work in process	**10,354**	10,593
	At cost	**5,547**	5,396
	At net realisable values	**4,807**	5,197
	Ore stockpiles (note 16)	**1,761**	–
	Trading metal originating from third parties at fair value less costs of disposal*	**–**	3
	Total metal inventories	**16,021**	13,761
	Stores and materials at cost less obsolescence provision	**2,468**	2,608
		18,489	16,369

* *Trading metal comprises metal acquired from third parties in a refined state, and which is valued at spot prices at the end of the reporting period.*

11. NON-CURRENT ASSETS HELD FOR SALE

The Group concluded a binding sale agreement for its 85% ownership interest in Union Mine and its 50.1% ownership interest in Masa Chrome Proprietary Limited (Masa) to a subsidiary of Siyanda Resources Proprietary Limited (Siyanda). The agreement was signed on 14 February 2017 and most of the critical conditions precedent were met on 1 December 2017, such that the sale was highly probable of being concluded within 12 months. Accordingly, the criteria for reclassification as held for sale in terms of IFRS 5 *Non-current Asset Held for Sale and Discontinued Operations* were met as of 1 December 2017.

The disposal was in accordance with the Group's portfolio repositioning strategy. The two ownership interests are classified as a single disposal group in accordance with IFRS 5.

The fair value less cost to sell on reclassification was negative R259 million, and was determined using the upfront consideration of R400 million receivable in cash, deferred consideration based on 35% of cumulative positive distributable free cash flows paid annually discounted using a rate of 10% over a period of 10 years, and a purchase of concentrate (POC) liability of R931 million which comprises a purchase price adjustment. The deferred consideration receivable is a level 3 fair value of nil. This resulted in an attributable, post-tax impairment loss of R996 million.

	2017 Rm	2016 Rm
Assets held for sale are made up of:		
Non-current assets	**221**	–
Environmental assets	**139**	–
Deferred taxation	**82**	–
Current assets	**337**	–
Trade and other receivables	**79**	–
Taxation	**16**	–
Cash and cash equivalents	**242**	–
Total assets	**558**	–
Liabilities associated with assets held for sale are made up of:		
Non-current liabilities	**201**	–
Environmental obligations	**201**	–
Current liabilities	**374**	–
Trade and other payables	**188**	–
Other liabilities	**186**	–
Total liabilities	**575**	–
Net liabilities held for sale	**17**	–

Appendices

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

	2017 Facility amount Rm	2017 Utilised amount Rm	2016 Facility amount Rm	2016 Utilised amount Rm
12. INTEREST-BEARING BORROWINGS				
Unsecured financial liabilities measured at amortised cost				
The Group has the following borrowing facilities:				
Committed facilities	**22,254**	**9,397**	22,286	9,430
ABSA Bank Limited	**2,000**	**–**	2,000	–
Anglo American SA Finance Limited	**9,100**	**9,100**	9,100	9,100
BNP Paribas	**1,000**	**–**	–	–
FirstRand Bank Limited	**2,857**	**–**	2,857	–
Nedbank Limited	**4,297**	**297**	4,329	330
Standard Bank of South Africa Limited	**3,000**	**–**	4,000	–
Uncommitted facilities	**6,230**	**1,678**	5,824	3,199
Anglo American SA Finance Limited	**5,000**	**1,678**	5,000	3,199
Nedbank London[#]	**738**	**–**	824	–
Standard Bank of South Africa Limited	**492**	**–**	–	–
Total facilities	**28,484**	**11,075**	28,110	12,629
Deferred income – top up	**–**	**–**	–	36
Total interest-bearing borrowings	**28,484**	**11,075**	28,110	12,665
Current interest-bearing borrowings		**1,713**		3,267
Non-current interest-bearing borrowings		**9,362**		9,398
		11,075		12,665
Weighted average borrowing rate (%)		**8,59**		8,80

[#] *USD60 million uncommitted facility.*

Borrowing powers

The borrowing powers in terms of the memorandum of incorporation of the holding company and its subsidiaries are unlimited.

Committed facilities are defined as the bank's obligation to provide funding until maturity of the facility, by which time the renewal of the facility is negotiated.

An amount of R18,657 million (2016: R19,657 million) of the facilities is committed for one to five years; R1,000 million (2016: R1,300 million) is committed for a rolling period of 364 days; R2,300 million (2016: R1,000 million) is committed for a rolling period of 18 months; while the rest is committed for less than 364 days. The Company has adequate committed facilities to meet its future funding requirements.

Uncommitted facilities are callable on demand.

13. RELATED PARTY TRANSACTIONS

The Company and its subsidiaries, in the ordinary course of business, enter into various sale, purchase, service and lease transactions with the ultimate holding company, Anglo American plc, its subsidiaries, joint arrangements and associates, as well as transactions with the Group's associates. Certain deposits and borrowings are also placed with subsidiaries of the holding company. The Group participates in the Anglo American plc insurance programme. These transactions are priced on an arm's length basis. Material related party transactions with subsidiaries and associates of Anglo American plc and the Group's associates and not disclosed elsewhere in the notes to the financial statements are as follows:

	2017 Rm	2016 Rm
Compensation paid to key management personnel	**81**	81
Interest paid for the year[1]	**1,068**	1,111
Interest received for the year[1]	**58**	9
Insurance paid for the year[1]	**447**	347
Purchase of goods and services for the year[2]	**5,936**	6,209
Associates	**5,310**	5,566
Anglo American plc and other subsidiaries	**626**	643
Deposits[1]	**7,246**	1,684
Interest-bearing borrowings (including interest accrued)[1]	**10,777**	12,390
Amounts owed to related parties	**1,434**	1,427
Associates	**1,423**	1,388
Anglo American plc and other subsidiaries	**11**	39

[1] *Anglo American plc and its subsidiaries.*
[2] *This includes purchase of concentrate from the Group's associates.*

Trade payables

Trade payables are settled on commercial terms.

Deposits

Deposits earn interest at market-related rates and are repayable on maturity.

Interest-bearing borrowings

Interest-bearing borrowings bear interest at market-related rates and are repayable on maturity.

14. COMMITMENTS

	2017 Rm	2016 Rm
Mining and process property, plant and equipment		
Contracted for	**1,919**	1,106
Not yet contracted for	**4,302**	5,649
Authorised by the directors	**6,221**	6,755
Project capital	**2,040**	3,114
Within one year	**799**	408
Thereafter	**1,241**	2,706
Stay-in-business capital	**4,180**	3,641
Within one year	**2,997**	2,312
Thereafter	**1,183**	1,329
Capital commitments relating to the Group's share in associates		
Contracted for	**337**	167
Not yet contracted for	**1,569**	2,305
	1,906	2,472
Other		
Operating lease rentals – buildings and equipment	**200**	116
Due within one year	**77**	37
Due within two to five years	**123**	79

These commitments will be funded from existing cash resources, future operating cash flows, borrowings and any other funding strategies embarked on by the Group.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

15. FAIR VALUE DISCLOSURES

The following is an analysis of the financial instruments that are measured subsequent to initial recognition at fair value. They are grouped into levels 1 to 3 based on the extent to which the fair value is observable.

The levels are classified as follows:

- Level 1 – fair value is based on quoted prices in active markets for identical financial assets or liabilities.
- Level 2 – fair value is determined using directly observable inputs other than Level 1 inputs.
- Level 3 – fair value is determined on inputs not based on observable market data.

	31 December 2017	**Fair value measurement at 31 December 2017**		
Description	**Rm**	**Level 1 Rm**	**Level 2 Rm**	**Level 3 Rm**
Financial assets through profit and loss				
Investments held by environmental trusts	**1,109**	**1,109**	**–**	**–**
Other financial assets	**1,848**	**–**	**7**	**1,841**
Available-for-sale assets at fair value through other comprehensive income				
Other financial assets	**1,200**	**741**	**–**	**459**
Total	**4,157**	**1,850**	**7**	**2,300**
Financial liabilities through profit and loss				
Trade and other payables*	**(6,753)**	**–**	**(6,753)**	**–**
Other financial liabilities	**(547)**	**–**	**(4)**	**(543)**
Non-financial liabilities at fair value through profit and loss				
Liabilities for return of metal	**(134)**	**–**	**(134)**	**–**
Total	**(7,434)**	**–**	**(6,891)**	**(543)**

	31 December 2016	Fair value measurement at 31 December 2016		
Description	Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Financial assets through profit and loss				
Investments held by environmental trusts	907	907	–	–
Other financial assets	1,643	–	1	1,642
Available-for-sale assets at fair value through other comprehensive income				
Other financial assets	1,042	959	–	83
Non-financial assets at fair value through profit and loss				
Trading metal inventories originating from third parties	3	3	–	–
Total	3,592	1,869	1	1,725
Financial liabilities through profit and loss				
Trade and other payables*	(6,266)	–	(6,266)	–
Other current financial liabilities	(504)	–	(3)	(501)
Non-financial liabilities at fair value through profit and loss				
Liabilities for return of metal	(535)	–	(535)	–
Total	(7,305)	–	(6,804)	(501)

* *Represents payables under purchase of concentrate agreements.*

15. FAIR VALUE DISCLOSURES continued

There were no transfers between the levels during the year.

Valuation techniques used to derive Level 2 fair values

Level 2 fair values for other financial liabilities relate specifically to forward foreign exchange contracts and fixed price commodity contracts.

The valuation of forward foreign exchange contracts is a function of the ZAR:USD exchange rate at balance sheet date and the forward exchange rate that was fixed as per the forward foreign exchange rate contract. Fixed price commodity contracts are valued with reference to relevant quoted commodity prices at period end.

Level 2 fair values for trade and other payables relate specifically to purchase of concentrate trade creditors which are priced in US dollar. The settlement of these purchase of concentrate trade creditors takes place on average three to four months after the purchase has taken place. The fair value is a function of the expected ZAR:USD exchange rate and the metal prices at the time of settlement. The Level 2 fair value of liabilities for the return of metal is determined by multiplying the quantities of metal under open leases by the relevant commodity prices and ZAR:USD exchange rates.

Level 3 fair value measurement of financial assets and financial liabilities at fair value

The Level 3 fair value of other financial assets comprises investments in unlisted companies Food Freshness Technology Holdings, Ballard Power Systems Inc., Altergy Systems and Greyrock Energy Inc. All these investments are classified as available-for-sale in terms of IAS 39 *Financial Instruments: Recognition and Measurement*. The deferred consideration on the disposals of Rustenburg Mine and Pandora Joint Venture are classified as financial assets at fair value through profit and loss. The fair values are based on unobservable market data, and estimated with reference to recent third party transactions in the instruments of the Company, or based on the underlying discounted cash flows expected.

The Level 3 fair value of other financial liabilities comprises the components of the deferred consideration on the disposal of Rustenburg Mine, payable to Sibanye, which is classified as a financial liability at fair value through profit and loss. The fair value is based on the underlying discounted cash flows expected.

Reconciliation of Level 3 fair value measurements of financial assets and liabilities at fair value

	2017 Other financial assets Rm	2016 Other financial assets Rm	**2017 Other financial liabilities Rm**	2016 Other financial liabilities Rm
Opening balance	**1,725**	19	**(501)**	–
Disposal of Pandora and acquisition of investment	**115**	35	**–**	–
Disposal of Rustenburg Mine	**–**	1,615	**–**	(494)
Interest included in profit or loss	**115**	27	**(42)**	(7)
Payment received	**(31)**	–	**–**	–
Total gains included in other comprehensive income	**393**	35	**–**	–
Foreign exchange translation	**(17)**	(6)	**–**	–
Closing balance	**2,300**	1,725	**(543)**	(501)

Level 3 fair value sensitivities

Assumed expected cash flows, discount rates and market prices of peer groups have a significant impact on the amounts recognised in the statement of comprehensive income. A 10% change in expected cash flows and a 0.5% change in the discount rates would have the following impact:

	Financial asset		**Financial liability**	
	2017 Rm	2016 Rm	**2017 Rm**	2016 Rm
10% change in expected cash flows				
Reduction to profit or loss	**23**	28	**54**	–
Increase to profit or loss	**23**	28	**54**	–
0.5% change in discount rates				
Reduction to profit or loss	**54**	51	**2**	4
Increase to profit or loss	**56**	53	**2**	4
10% change in market price of peer groups				
Reduction to profit or loss	**46**	5	**–**	–
Increase to profit or loss	**46**	5	**–**	–

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2017

16. CHANGES IN ACCOUNTING ESTIMATES

Change in estimate of quantities of inventory

During the current year, the Group changed its estimate of the quantities of inventory based on the outcome of a physical count of in-process metals. The Group runs a theoretical metal inventory system based on inputs, the results of previous counts and outputs. Due to the nature of in-process inventories being contained in weirs, pipes and other vessels, physical counts only take place once per annum, except in the Precious Metal Refinery, where the physical count is usually conducted every three years.

This change in estimate had the effect of increasing the value of inventory disclosed in the financial statements by R942 million (2016: increase of R618 million). This results in the recognition of an after-tax gain of R678 million (2016: after-tax gain of R445 million).

Change in estimate of useful lives

The Group performed its annual comprehensive reassessment of useful lives of all assets. This process resulted in the useful life of buildings increasing from a maximum of 20 years to a maximum of 50 years. The useful life in respect of plant and equipment has not changed but the useful lives of individual assets within the category moved from the lower to the higher bracket. Changes were accounted for prospectively. These changes have an effect on current and future periods. The current year effect is a decrease in depreciation of R323 million and it is expected that the effect on future periods will be similar to the current year.

Change in estimate of the discounting period

During the annual review of environmental liabilities, the discount periods were revised to more closely align to the actual life of mine, limited to a period of 35 years to accommodate for estimation uncertainty beyond that point. This resulted in an overall increase in discounting period for the purposes of determining the Group's environmental obligations.

The decrease in the liability consequent on the overall extension of discount period was partly offset by increased assumption of cost pertaining to ground water rehabilitation. This was accounted for as a change in accounting estimates and therefore adjusted prospectively.

As this partly comprised a change in the timing of the rehabilitation of related assets, the decrease was first recognised as a reduction in the related decommissioning asset in terms of IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities.*

This resulted in a decrease in the decommissioning asset by only R152 million to reduce it to a nil balance. The remainder of the reduction was recognised in profit or loss.

This is a once-off adjustment and it does not impact future periods, except for the future depreciation on relevant decommissioning assets being nil, giving rise to an increased future gross profit on metal sales and operating profit.

Change in estimate of the run-of-mine stockpile

During the second half of 2017, management allocated mining costs to ore stockpiles for the first time. Historically these stockpiles had not been expected to be processed due to limited concentrator capacity within the period considered by management for the determination of normal production capacity in terms of IAS 2 *Inventories.* Hence, all on-mine costs were allocated to work in progress and refined metal inventory based on concentrator capacity. Primarily as a result of a different mining profile that was fully implemented in the current year, a drawdown of stockpiles is anticipated within the five-year period considered by management, hence it was appropriate to allocate production costs to run-of-mine ore stockpiles to the value of R1.8 billion. Low grade ore was measured to the extent it was expected to be processed within the next five years, this comprised 14% of total low grade ore. Very low grade ore is below the cut-off grade for economic viability and was accordingly not measured. Owing to a consequential impact on the value of work in progress and refined metal inventory, inventory as a whole increased by R1.3 billion, similarly gross profit on metal sales increased by R1.3 billion, and profit after tax by R905 million, in the current year.

17. DISPOSAL TRANSACTIONS

Equity investments in Pandora

The group entered into a conditional Sale and Purchase Agreement (SPA) on 10 November 2016 with Eastern Platinum Limited, a wholly owned subsidiary of Lonmin plc, to sell its 42.5% interest in the Pandora Joint Venture. The sale was completed on 1 December 2017, when all the conditions precedent were met, for a deferred cash consideration of a minimum of R400 million and maximum of R1.0 billion over six years. The deferred consideration receivable per note 9 is a level 3 fair value as presented and disclosed in note 15.

Long-dated resources

On 11 November 2016 the Group announced the disposal of Mineral Resources within the Amandelbult Mining Right, and surface properties above and adjacent to the resource, to Northam Platinum Limited for a consideration comprising R1.0 billion in cash and an ancillary Mineral Resource within Northam's Zondereinde Mining Right that borders Amandelbult's Mining Right and which provides the company with flexibility for the placement of future mining infrastructure.

The resource is long-dated and outside of Amplats' long-term life-of-mine plans and therefore does not impact any current or future mining plans. The transaction was completed on 6 December 2014 for a cash consideration of R1.066 million including interest. The full proceeds was recognised as a profit on disposal, which was excluded from headline earnings.

18. IMPAIRMENT OF ASSETS AND INVESTMENTS

Equity investments in Atlatsa and Bokoni Holdco and associated loans

The group has a 22.76% shareholding in Atlatsa as well as a 49% shareholding in Bokoni Holdco, which are equity accounted as associates.

On 21 July 2017 Atlatsa Resources announced the placement of Bokoni Platinum Mine on care and maintenance, which was effected on 1 October 2017. The group committed to support Bokoni while on care and maintenance until the end of December 2019. A total of R1.4 billion was advanced during the year ended 31 December 2017.

All funding advanced has been impaired to the extent that it comprises a loan to Plateau for its 51% share of the funding requirements. The 49% effective shareholder contribution to Bokoni was capitalised to the investment. Equity-accounted losses were applied thereto and the balance recognised as an impairment.

In addition, a letter agreement was signed with Atlatsa Resources for the group to acquire the Kwanda North and Central Block Prospecting Rights for a consideration of R350 million. The transaction is still subject to DMR approval to include the specified rights in the group's adjacent mining rights. Should the acquisition be implemented the Group has undertaken to waive the Atlatsa Holdings and Plateau indebtedness to Anglo American Platinum Limited of c.R3.7 billion.

Equity investments in Bafokeng Rasimone Platinum Mine

The share price of Royal Bafokeng Platinum (RB Plat), which holds as its primary mining asset a 67% share in BRPM, indicated that the group's investment in BRPM was impaired. An impairment test was performed as at 31 December 2017 resulting in an impairment loss of R1.91 billion for the year, using the implied value derived from RB Plat share price of R 28.00 at 31 December 2017. This is considered to be a level 2 fair value as defined in note 15. The impairment loss is excluded from headline earnings.

19. UNKI PLATINUM MINE INDIGENISATION PLAN

The Zimbabwean Indigenisation and Economic Empowerment Act was promulgated in March 2008 and seeks to ensure that at least 51% of the shares of every company is owned by indigenous Zimbabweans. The company has sought to secure compliance with this legislation through the implementation of two previous transactions. Both these transactions were not executed to finality as the government of Zimbabwe has been refining its position on indigenisation.

In his budget speech in December 2017, the Zimbabwean minister of finance, honourable PA Chinamasa, proposed further changes to the Indigenisation and Economic Empowerment Act. The proposed changes will result in the 51/49 indigenisation requirement being only applicable to diamond and platinum miners, with all other sectors free from the indigenisation requirements.

While generally a positive development for most foreign investors in Zimbabwe, we will continue to engage the Zimbabwean government regarding Unki's indigenisation.

Stakeholders will be kept informed of any material developments in this regard.

20. POST-BALANCE SHEET EVENTS

There are no post-balance sheet events other than disclosed below.

Sale of Union Mine

The sale of the group's interests in Union Mine and Masa Chrome became effective on 1 February 2018, when all significant conditions precedent were met. The key commercial terms include:

- Initial purchase price of R400 million
- Deferred consideration of 35% of net cumulative positive free cash flow for 10 years (with an early settlement option)
- Purchase of concentrate agreement for seven years, with a toll arrangement from year eight onwards.

Including the already recognised impairment loss, the Group expects to realise an attributable, post-tax loss on disposal of between R1.8 billion and R2.0 billion.

Dividends declared

A final dividend of R0.9 billion for the year ended 31 December 2017 was declared on Thursday, 15 February 2018, payable on Monday, 12 March 2018 to shareholders recorded in the register at the close of business on Friday, 9 March 2018.

INDEPENDENT ASSURANCE REPORT

for the year ended 31 December 2017

TO THE DIRECTORS OF ANGLO AMERICAN PLATINUM LIMITED

We have been engaged by the directors of Anglo American Platinum Limited (the company) to perform an independent assurance engagement in respect of selected sustainability information reported in the company's integrated report for the year ended 31 December 2017 (the report). This report is produced in accordance with the terms of our contract with the company dated 3 November 2017.

INDEPENDENCE, QUALITY CONTROL AND EXPERTISE

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement was conducted by a multi-disciplinary team of health, safety, environmental and assurance specialists with extensive experience in sustainability reporting.

SCOPE AND SUBJECT MATTER

The subject matter of our engagement and the related levels of assurance that we are required to provide are as follows:

REASONABLE ASSURANCE

The following selected sustainability information in the report was selected for an expression of reasonable assurance:

- Total work-related fatal injuries [page 144]
- Fatal-injury frequency rate (FIFR) [page 144]
- Total recordable case frequency rate (TRCFR) [page 144]
- Total number of new cases of noise-induced hearing loss (NIHL) [page 144]
- Total CO_2 Scope 1 emissions million tonnes CO_2e [page 148]
- Total CO_2 Scope 2 emissions million tonnes CO_2e [page 148]
- Total energy used in TJ [page 147]
- Total number of Level 3, 4 and 5 environmental incidents reported [page 148].

LIMITED ASSURANCE

The following selected sustainability information in the report was selected for an expression of limited assurance:

- Hazardous waste to landfill in tonnes [page 148]
- Non-hazardous waste to landfill in tonnes [page 148]
- Corporate social investment spend (ZAR) [page 147]
- Total employment turnover excluding VSPs [page 146]
- Employment equity per the mining charter [page 146].

We refer to this information as the "selected sustainability information for reasonable assurance" and "selected sustainability information for limited assurance", respectively, and collectively as the "selected sustainability information".

We have carried out work on the data reported for 2017 only and have not performed any procedures with respect to earlier periods, or any other elements included in the 2017 report and, therefore, do not express any conclusion thereon. We have not performed work in respect of future projections and targets.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND PRICEWATERHOUSECOOPERS INC.

The directors are responsible for selection, preparation and presentation of the selected sustainability information in accordance with the criteria set out in the company's 2017 supplementary report. The directors are also responsible for designing, implementing and maintaining internal controls as the directors determine is necessary to enable the preparation of the selected sustainability information that is free from material misstatements, whether due to fraud or error.

Our responsibility is to form an independent conclusion, based on our reasonable assurance procedures, on whether the selected sustainability information for reasonable assurance has been prepared, in all material respects, in accordance with the reporting criteria.

We further have a responsibility to form an independent conclusion, based on our limited assurance procedures, on whether anything has come to our attention to indicate that the selected sustainability information for limited assurance has not been prepared, in all material respects, in accordance with the reporting criteria.

This report, including the conclusions, has been prepared solely for the directors of the company as a body, to assist the directors in reporting on the company's sustainable development performance and activities. We permit the disclosure of this report within the report for the year ended 31 December 2017, to enable the directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and the company for our work or this report save where terms are expressly agreed and with our prior consent in writing.

ASSURANCE WORK PERFORMED

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements other than Audits and Reviews of Historical Financial Information*, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements (ISAE) 3410 *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These standards require that we comply with ethical requirements and that we plan and perform the assurance engagement to obtain assurance on the selected sustainability information as per the terms of our engagement.

Our work included examination, on a test basis, of evidence relevant to the selected sustainability information. It also included an assessment of the significant estimates and judgements made by the directors in the preparation of the selected sustainability information. We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence on which to base our conclusion in respect of the selected sustainability information.

Our work in respect of the selected sustainability information consisted of:

- Reviewing processes that the company have in place for determining the selected sustainability information included in the report;
- Obtaining an understanding of the systems used to generate, aggregate and report the selected sustainability information;
- Conducting interviews with management at the sampled operations and at head office;
- Applying the assurance criteria in evaluating the data generation and reporting processes;
- Performing control walkthroughs;
- Testing the accuracy of data reported on a sample basis for limited and reasonable assurance;
- Reviewing the consolidation of the data at head office to obtain an understanding of the consistency of the reporting processes compared with prior years and to obtain explanations for deviations in performance trends; and
- Reviewing the consistency between the selected sustainability information and related statements in the company's report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised). Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

The procedures selected depend on our judgement, including the assessment of the risk of material misstatement of the selected sustainability information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation of the selected sustainability information in order to design procedures that are appropriate in the circumstances.

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

INHERENT LIMITATIONS

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the report in the context of the group policies set out on the website www.angloamericanplatinum.com.

CONCLUSIONS

Reasonable assurance

Based on the results of our reasonable assurance procedures, in our opinion, the selected sustainability information for the year ended 31 December 2017, has been prepared, in all material respects, in accordance with the reporting criteria.

Limited assurance

Based on the results of our limited assurance procedures nothing has come to our attention that causes us to believe that the selected sustainability information for the year ended 31 December 2017, has not been prepared, in all material respects, in accordance with the reporting criteria.

OTHER MATTERS

The maintenance and integrity of Anglo American Platinum's website is the responsibility of the company's directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the report or our independent assurance report that may have occurred since the initial date of presentation on the Anglo American Platinum website.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Jayne Mammatt
Director

Registered Auditor
4 Lisbon Lane
Johannesburg
2 March 2018

KEY STATISTICS

for the year ended 31 December 2017

SAFETY

	Number of fatalities					Fatal-injury frequency rate (FIFR)				
Operations	**2017**	2016	2015	2014	2013	**2017**	2016	2015	2014	2013
Tumela Mine	**1**	2	0	0	1	**0.01**	0.20	0	0	0.01
Dishaba Mine	**2**	0	0	1	0	**0.03**	0	0	0.03	0
Union Mine	**1**	1	0	0	1	**0.02**	0.20	0	0	0.01
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	**0**	0	0	0	0	**0**	0	0	0	0
Union concentrators	**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	**0**	0	0	0	0	**0**	0	0	0	0
Polokwane smelter	**0**	0	0	0	0	**0**	0	0	0	0
Waterval smelter	**1**	0	0	1	0	**0.13**	0	0	0.07	0
Mortimer smelter	**0**	0	0	0	0	**0**	0	0	0	0
Rustenburg Base Metal Refiners	**0**	0	0	0	0	**0**	0	0	0	0
Precious metals refinery	**1**	0	0	0	0	**0.12**	0	0	0	0
Greenfield projects	**0**	0	1	0	0	**0**	0	0.03	0	0
Total/aggregate	**6**RA	7	2	3	6	**0.02**RA	0.013	0.003	0.006	0.01

RA *Reasonable assurance.*

	Lost-time injury frequency rate (LTIFR)					Total recordable case frequency rate (TRCFR)[1]				
Operations	**2017**	2016	2015	2014	2013	**2017**	2016	2015	2014	2013
Tumela Mine[5]	**0.79**	0.54	1.03	0.78	1.24	**0.93**	0.86	1.41	0.98	1.65
Dishaba Mine	**0.54**	0.63	0.93	0.86	1.11	**0.89**	0.95	1.83	1.6	1.67
Union Mine[6]	**1.58**	1.32	1.73	0.9	1.26	**2.11**	1.77	2.5	1.52	3.76
Mogalakwena Mine	**0.14**	0.17	0.22	0.15	0.83	**0.27**	0.45	1.36	1.31	2.13
Unki Platinum Mine	**0.34**	0.19	0.18	0.11	0.11	**0.56**	0.82	0.53	0.86	0.85
Amandelbult concentrators	**0.81**	0.30	0.25	0	0.64	**1.26**	0.61	0.83	0.37	0.93
Union concentrators	**0.31**	0.26	0.33	0	0.45	**1.55**	0.53	0.33	0	1.01
Mogalakwena concentrators	**0.16**	0.16	0.11	0.37	1.32	**0.26**	0.47	0.8	1.11	0.92
Unki concentrator	**0**	0	0.45	0.46	0	**0**	0	1.36	0.91	1.46
Mototolo concentrator	**0**	0.52	0	0	0	**0**	0.52	0	0	0
Polokwane smelter	**0**	0	0	0.39	0.20	**0.91**	0.46	0.42	1.16	0.61
Waterval smelter	**0.66**	0.40	0.14	0.92	0.79	**1.46**	0.48	0.28	1.28	1.14
Mortimer smelter	**1.02**	0.38	0	0	0.39	**1.36**	1.13	0.74	0.74	0.78
Rustenburg Base Metal Refiners	**0.29**	0.49	0.84	0.40	0.58	**0.51**	1.28	1.55	0.96	0.93
Precious Metals Refinery	**0.23**	1.21	0.53	0.26	0.39	**0.46**	1.45	1.18	1.18	1.41
Greenfield projects	**0**	0.15	0.51	0.61	0.43	**0.13**	0.25	1.08	1.39	1.34
Total/aggregate	**0.63**	0.73	0.98	0.69	1.05	**0.90**RA	1.05	1.52	1.22	1.82

RA *Reasonable assurance.*

HEALTH

	2017	2016	2015	2014	2013
New cases of noise-induced hearing loss	**6**RA	23	36	34	68
Employees who know their status	**20,173**	22,222	32,375	41,822	34,238

RA *Reasonable assurance.*

HUMAN RESOURCES

EMPLOYMENT STATISTICS

	2017	2016	2015	2014	2013
Breakdown of South African workforce[1, 2]					
Gauteng	**255**	278	330	377	417
Limpopo	**22,010**	21,692	23,259	24,822	24,577
North West	**2,878**	2,860	17,991	20,323	20,762
Mpumalanga	**177**	136	136	140	128
Total own employees	**25,320**	24,966	41,716	45,662	45,884
Contracting staff[3]					
Labour hire	**37**	98	401	435	495
Contractors	**2,201**	2,090	2,171	2,422	2,151
Total contracting staff	**2,238**	2,188	2,572	2,857	2,646
Employment creation in provinces, numbers					
Gauteng	**25**	(52)	(47)	(40)	(115)
Limpopo	**651**	(1,567)	(1,563)	245	(68)
North West	**144**	(15,131)	(2,332)	(439)	(4,793)
Mpumalanga	**18**	0	(4)	12	(13)
Total own employees		(16,750)	(3,946)	(222)	(4,989)
Labour turnover in South Africa, % (including voluntary separation packages)					
Gauteng	**0.25**	0.15	0.20	0.06	0.2
Limpopo	**4.77**	5.13	4.54	1.61	4.09
North West	**0.69**	2.56	4.73	1.4	7.09
Mpumalanga	**0.03**	0.01	0.02	0.01	0.13
Labour turnover in Zimbabwe	**0.19**	0.14	0.12	0.15	

[1] *Workforce numbers at 31 December 2017 and exclude Platinum Health, JVs and associate operations.*
[2] *Workforce breakdown reviewed against published group statistics.*
[3] *A further 1,133 employees and contractors are employed at our Unki operations in Zimbabwe.*

EMPLOYMENT EQUITY PER OCCUPATIONAL LEVEL
(2017 employment equity 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	2	5	2	0	0	0	0	0	9
Senior management	38	4	12	73	7	0	9	8	6	0	157
Professionally qualified and experienced specialist and mid-management	564	19	19	442	186	5	17	137	32	5	1,426
Skilled technical and academically qualified workers, junior management, supervisors	2,427	26	5	692	744	10	3	170	172	2	4,251
Semi-skilled and discretionary decision-making	13,757	8	0	81	2,287	2	1	11	1,951	2	18,100
Unskilled and defined decision-making	560	0	0	1	310	0	0	0	49	0	920
Total permanent employees	**17,346**	**57**	**38**	**1,294**	**3,536**	**17**	**30**	**326**	**2,210**	**9**	**24,863**
Temporary employees	280	3	2	32	59	2	3	17	26	0	424
Grand total	**17,626**	**60**	**40**	**1,326**	**3,595**	**19**	**33**	**343**	**2,236**	**9**	**25,287**

Note: All numbers are for the year ended 31 December 2017.

KEY STATISTICS continued

for the year ended 31 December 2017

HUMAN RESOURCES continued

EMPLOYMENT EQUITY AS PER MINING CHARTER

Description	Measure	2017 progress against target	Compliance target
Diversification of the workplace to reflect the country's demographics and remain competitive	Top management (board) level	**42%**LA	40%
	Senior management (exco)	**51%**LA	40%
	Middle management	**67%**LA	40%
	Junior management	**80%**LA	40%
	Core skills	**85%**LA	40%

TURNOVER PER REGION

	2017 excluding VSPs		**2017 including VSPs**		2016 excluding VSPs		2016 including VSPs		2015 excluding VSPs		2015 including VSPs	
	Total	**%**	**Total**	**%**	Total	%	Total	%	Total	%	Total	%
Gauteng	**60**	**0.23**	**65**	**0.25**	33	0.09	61	0.15	19	0.04	88	0.20
Limpopo	**1,211**	**4.67**	**1,235**	**4.77**	976	2.53	2,055	5.13	1,019	2.26	2,048	4.54
Mpumalanga	**8**	**0.03**	**8**	**0.03**	5	0.01	6	0.01	7	0.02	7	0.02
North West	**172**	**0.66**	**179**	**0.69**	463	1.20	1,025	2.56	678	1.50	2,136	4.73
Zimbabwe	**47**	**0.18**	**49**	**0.19**	56	0.15	56	0.14	53	0.12	53	0.12
Grand total	**1,498**	**5.78**LA	**1,536**	**5.93**	1,533	3.98	3,203	8.00	1,776	3.94	4,332	9.60

LA *Limited assurance.*

TRAINING IN 2017

	Black		Coloured		Asian		White		Total HDSA trained	Total trained
Type of training	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**		
Graduates	**50**	**28**	**0**	**0**	**1**	**2**	**14**	**8**	**89**	**103**
Bursaries	**41**	**28**	**1**	**0**	**6**	**3**	**24**	**8**	**87**	**111**
Leaderships (engineering)	**162**	**76**	**1**	**0**	**1**	**0**	**15**	**2**	**242**	**257**
Leaderships (mining)	**12**	**–**	**–**	**–**	**–**	**–**			**12**	**12**

MEMBERSHIP OF RECOGNISED UNIONS AND ASSOCIATIONS

as at 31 December	**2017**	2016	2015	2014	2013
Association of Mineworkers and Construction Union (AMCU)	**13,664**	13,691	24,382	24,815	26,916
National Union of Mineworkers (NUM)	**6,437**	6,378	8,200	9,463	9,560
United Association of South Africa (UASA)	**2,544**	2,630	5,827	6,518	5,077
National Union of Metalworkers of South Africa (NUMSA)	**269**	270	347	359	465
Total	**22,914**	22,969	38,756	41,155	42,018
Total percentage of workforce represented, excluding management* (%)	**92**	92	94	91	94

* *Workforce including Unki operations in Zimbabwe.*

AVERAGE TRAINING HOURS IN 2016

Average training hours per employee	2017	2016	2015
Professionally qualified and experienced specialists and mid-management	**39**	46	50
Semi-skilled and discretionary decision makers	**96**	98	84
Senior management	**11**	10	26
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	**85**	88	93
Unskilled and defined decision makers	**101**	80	74
Total per employee	**90**	91	81

SOCIAL

R million	2017	2016	2015	2014	2013
CSI spend	**301.1**LA*	354	546	236	286

LA Limited assurance.
** Excludes overhead costs.*

ENVIRONMENTAL

	2017	2016	2015	2014	2013
MATERIALS – kilotonnes					
Rock broken – managed operations (100%)	**98,340**	112,433	152,414	143,219	126,329
Ore milled – managed operations (100%)	**26,066**	37,165	36,305	29,593	36,120
Accumulated low-grade stockpiles	**55,710**	49,060	41,811	37,586	33,364
Coal	**142.27**	132.58	137.02	134.2	140.3
Liquid petroleum gas (LPG)	**4.62**	4.84	4.17	4.65	4.81
Grease	**0.34**	0.37	0.37	0.33	0.38
FUELS – megalitres	**74.88**	75.68	70.8	67.46	65.15
Lubricating and hydraulic oils	**7.66**	53.14	15.97	8.31	26.75
ENERGY – terajoules					
Energy from electricity purchased	**14,889**	18,112	18,751	16,376	18,594
Energy from processes and fossil fuels	**6,608**	6,516	6,428	6,257	6,348
Total energy consumed	**21,497**RA	24,628	25,178	22,633	24,942
WATER – megalitres					
Total water withdrawals#	**26,533**	32,687	33,197	27,137	33,412
Potable water from an external source	**9,433**	12,327	14,408	13,581	17,138
Non-potable water from an external source†	**5,595**	10,021	4,961	7,618	9,518
Surface water used	**1,396**	4,521	9,343	2,590	1,507
Groundwater used††	**10,110**	5,826	4,695	3,369	6,372
Water recycled in processes†††	**28,791**	54,631	60,170	51,462	50,159
LAND – hectares*					
Land under company charge for current mining activities	**109,299**	108,202	117,266	116,792	117,382
Land under management control	**43,240**	42,142	46,644	53,042	43,305
Land used for current mining and related activities	**8,600**	7,903	10,321	8,612	9,337
Total tailings dam area	**1,564**	1593	2,326	2,326	2,152
Total waste rock dump area	**928**	947	1,097	1,043	931
All land owned	**13,685**	13,685	21,154	33,543	27,902

 # Total water withdrawals or abstractions (total inflows excluding estimated surface water run-off and precipitation harvested). Water reporting requirements in 2017 changed in alignment with the ICMM. Water usage for primary and non-primary activities no longer reported.
† Non-potable water from external sources includes waste or second-class water (prior years).
†† The change in reporting requirements resulted in an increase in reported groundwater. In addition, increased in-pit water at Mogalakwena resulted in increased pumping and reduced non-potable input requirements.
††† Lower recycled water reported in 2017 is mainly a result of the sale of the Rustenburg Concentrator that accounted for more than 40% of the measured recycled streams in 2016.
** 2016: All numbers reported accumulative and once per year, shows the final status of all retained operations, but excluding Rustenburg mines and concentrators (all other monthly reported numbers includes the first 10 months of Rustenburg mines and concentrators, as well as all retained operations).*

KEY STATISTICS continued

for the year ended 31 December 2017

ENVIRONMENTAL continued

	2017	2016	2015	2014	2013
EMISSIONS – kilotonnes					
GHG emissions, CO_2 e (scope 1 and 2 only)	**4,612**	5,579	5,878	5,363	5,936
From electricity purchased	**4,049**[RA]	5,034	5,316	4,817	5,378
Internally generated – from fossil fuels	**563**[RA]	545	561	547	558
Nitrous oxides	**NM**	NM	NM	NM	NM
Sulphur dioxide**	**NM**	19.66	18.01	15.46	19.15
Particulates (point sources)	**0.04**	0.18	0.16	0.15	0.19
DISCHARGE – megalitres					
Discharge to surface water	**769**	913	278	557	363
QUALITY					
Surface water quality monitored at all operations	**Yes**	Yes	Yes	Yes	Yes
Surface water quality deterioration offsite	**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

NM = not measured
[RA] *Reasonable assurance.*
** *Annual calculated tonnage of SO_2 from Amplats processes (first approved data set to meet new regulatory reporting requirements)*

	2017	2016	2015	2014	2013
WASTE – kilotonnes					
Mineral waste accumulated in:					
Tailings dams (active and inactive)*	**467,072**	439,118	841,963	830,176	849,895
Rock dumps	**1,184,522**	1,115,410	1,053,785	972,125	898,074
Slag dumps	**5,820**	5,218	4,728	4,257	4,975
Non-mineral waste generated					
Hazardous to landfill	**9.22**[LA]	15.51	9.01	9.85	10.22
Hazardous incinerated	**0**	0	0.02	0.01	0.01
Non-hazardous to landfill	**3.58**[LA]	5.82	9.76	8.27	11.87
Non-hazardous incinerated	**–**	–	–	–	–
ENVIRONMENTAL INCIDENTS AND COMPLAINTS					
Level 1	**381**	603	453	525	590
Level 2	**10**	28	18	37	0
Level 3[RA]	**0**	0	0	0	1
Level 4 and 5[RA]	**0**	0	0	0	0
Formal complaints	**9**	23	2	9	10
Substandard acts and conditions	**1,480**	1,786	2,135	1,957	2,092
PRODUCTS – ounces					
Total refined PGMs and gold	**5,116,237**	4,787,168	4,981,432	3,830,429	4,664,895

* *Total water withdrawals or abstractions (total inflows excluding estimated surface water run-off and precipitation harvested).*
Water reporting requirements in 2017 changed in alignment with the ICMM. Water usage for primary and non-primary activities no longer reported.
[LA] *Limited assurance.*
[RA] *Reasonable assurance.*

ADMINISTRATION

DIRECTORS

Executive directors

C Griffith (chief executive officer)
I Botha (finance director)

Independent non-executive directors

MV Moosa (independent non-executive chairman)
RMW Dunne (British)
NP Mageza
NT Moholi
D Naidoo
JM Vice

Non-executive directors

M Cutifani (Australian)
S Pearce (Australian)
AM O'Neill (British)
AH Sangqu

Alternate director

PG Whitcutt (alternate director to S Pearce)

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angloplat@anglospeakup.com

HR-RELATED QUERIES

Job opportunities: www.angloamericanplatinum.com/careers/job-opportunities

Bursaries: bursaries@angloplat.com

Career information: www.angloamericanplatinum.com/careers/working-at-anglo-american-platinum

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JSE code: AMS – ISIN: ZAE000013181

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