

SENS ANNOUNCEMENT

ANGLO AMERICAN PLATINUM LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1946/022452/06)
Share Code: AMS
ISIN: ZAE000013181
("the Company" or "Anglo American Platinum")

Anglo American Platinum to transfer R2 billion of value in settlement of successful community share scheme

Anglo American Platinum announces the successful settlement of the notional vendor finance (NVF) by its community share scheme (Alchemy), resulting in the Lefa Le Rona Trust (LLRT), which is the umbrella trust on behalf of the regional development trusts (DTs), now holding unencumbered shares in Anglo American Platinum with a value of c.R2 billion at vesting. The settlement of the NVF and transfer of value to communities comes one year prior to the maturity of the Alchemy Scheme period (December 2011 to December 2021), due to Anglo American Platinum's recent strong share price performance.

Natascha Viljoen, CEO of Anglo American Platinum says:

"I am delighted to announce that our community share scheme Alchemy, set up in 2011, has delivered on its objective of creating sustainable shared value to our host communities and specific communities from where our employees originate in the Eastern Cape, North West and Southern African Development Community (SADC) countries. The settlement will result in R2 billion of value transferring to these communities via regional development trusts. These trusts will focus on advancing broad-based community development including infrastructure, education and health developments, as well as improving livelihoods. Anglo American Platinum is playing a responsible role by catalysing development in our communities. Through our established governance structures, we will work with the DTs to ensure the careful deployment of this capital so that it can further advance our efforts to deliver shared value and build thriving communities."

Background

In December 2011, Anglo American Platinum established a community empowerment and development scheme named Alchemy. The transaction was structured to provide equity ownership of Anglo American Platinum to the host communities around the mines and specific labour-sourcing communities, through development trusts. The LLRT is the umbrella trust through which the regional DTs hold their interest in the Company.

Transaction structure

At the time of the inception of Alchemy, the Company issued c.6.3 million shares at par value of 10 cents per share, which are held by LLRT, representing 2.33% of the total issued share capital.

Of the total dividends paid to the LLRT relating to their shareholding of 2.33%, 60% was used to service the NVF and the balance of 40% is retained by the LLRT. The dividends received by the LLRT to date amounted to c.R300 million which has been deployed to further the development objectives of the DTs.

The subscription for the shares was funded through the NVF mechanism, facilitated by the Company. The transaction structure provided for early settlement of the NVF when Anglo American Platinum's volume weighted average price (VWAP) reached a trigger price.

The trigger event occurred on 27 July 2020 and will result in the Company repurchasing 4,889,680 shares from LLRT (not from the market) on 22 September 2020 at par value of 10 cents per share, to settle the NVF. The vesting results in an immaterial cash flow impact for the Company.

The LLRT will have 1,400,685 unencumbered Anglo American Platinum shares held by LLRT (with a vesting value of c.R2 billion at the date of the trigger event).

The shares held by LLRT are subject to restrictions until the end of the Alchemy Scheme period in December 2021 – i.e. shares cannot be transferred, sold or encumbered.

Post the Alchemy Scheme period in December 2021, 40% of the shares can be distributed to the DTs based on their proportional interest held and are entitled to monetise this investment. The remaining 60% of shares held by LLRT are subject to a twenty year lock-in period, to the end of December 2041.

Governance

The DTs are managed by Trustees, including transparently selected community trustees, independent trustees and company selected trustees. The DTs have been designed in consultation with locally-based working groups, and structures and governance are carefully customised to serve local community dynamics and development requirements.

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Sponsor
Merrill Lynch South Africa Proprietary Limited

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Notes to editors:

The Lefa La Rona Trust (LLRT) was established in 2011 as a community empowerment vehicle to ensure sustainable community development in the areas where Anglo American Platinum operates and specific communities from where our employees originate (Eastern Cape, North West and SADC countries). The Trust serves as a conduit to four independent community development trusts (DTs) and a non-profit company (NPC) called Zenzele Itereleng, which serves Anglo American Platinum's labour-sourcing communities.

The Dikuna Tsa Sechaba DT serves Amandelbult and its surrounds, the Rustenburg DT serves Rustenburg and its surrounds, the Bohwa Bja Rena DT serves Twickenham Project and its surrounds, and the Ditholwana Tsa Rena DT serves Mogalakwena Complex and its surrounds.

Through these Public Benefit Organisation structures, funds generated from dividends on the LLRT shares flow directly to locally relevant and 'impact-by-design' community development. These Boards of Trustees with community-elected trustees have strong governance, senior operations managers and experienced project development & implementation units in place.

This enables communities through these DTs to undertake initiatives and projects of their own, to help confront their communities' challenges and to create a sustainable future for themselves, beyond the life of the mines in their vicinity. The development priorities include livelihood, education, health and poverty relief.

Anglo American Platinum Limited is a member of the Anglo American plc Group and is a leading primary producer of platinum group metals. The company is listed on the Johannesburg Securities Exchange (JSE). Its mining, smelting and refining operations are based in South Africa, as well as its two joint venture operations. Elsewhere in the world, the Group owns Unki Platinum Mine in Zimbabwe. Anglo American Platinum is committed to the highest standards of safety and continues to make a meaningful and sustainable difference in the development of the communities around its operations.

www.angloamericanplatinum.com

Anglo American is a leading global mining company and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive operations, development projects and undeveloped resources, provides many of the metals and minerals that enable a cleaner, greener, more sustainable world and that meet the fast growing consumer-driven demands of developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to mine, process, move and market our products to our customers – and to discover new resources – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, the steelmaking ingredients of iron ore and metallurgical coal, and nickel – with crop nutrients in development and thermal coal operations planned for divestment – we are committed to being carbon neutral across our operations by 2040. We work together with our business partners and diverse stakeholders to unlock sustainable value from precious natural resources for the benefit of the communities and countries in which we operate, for society as a whole, and for our shareholders. Anglo American is re-imagining mining to improve people's lives.

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