ANGLO AMERICAN PLATINUM LIMITED

INTEGRATED REPORT 2018

UNLOCKING
OUR FULL
POTENTIAL

AngloAmerican

Real Mining. Real People. Real Difference.

CONTENTS

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

Unlocking our full potential

As unprecedented challenges in the global mining industry continue, Anglo American Platinum (Amplats) has proven its resilience and ability to manage change with a focused strategy that is unlocking our full potential and positioning our group for a sustainable future.

We are concentrating on elements within our control and building the foundations for continuous improvement. Our strategic focus is on value. We have therefore shaped our business to operate successfully in a fundamentally changed market – driving the transformation that will make us more robust, responsive and competitive. We have refined our portfolio by exiting certain assets and focused on continuous improvement as well as developing international markets for our products. Importantly, we are building strong relationships with all our stakeholders as our operations concentrate on optimising their potential.

Refers to other pages in this report.

SUPPORTING DOCUMENTATION ON THE WEBSITE

Full annual financial statements (AFS)
Full ore reserves and mineral resources report
Supplementary report
GRI referenced index
UN Global Compact Assessment
King IV™ application register

www.angloamericanplatinum.com/investors/annual-reporting/2018

OUR APPROACH TO REPORTING

Amplats is a member of the Anglo American plc group, guided by the purpose and values of our parent while mindful of the complexities of our industry in developing our strategy. The synergies created by a common purpose, shared values and rigorous discipline underpin significant benefits for all stakeholders (page 15).

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

INTEGRATED REPORT

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

It includes information 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 range of stakeholders, including employees, local communities, non-governmental organisations (NGOs), customers, investors and government.

REPORTING FRAMEWORK

- International <IR> Framework of the International Integrated Reporting Council
- South African Companies Act 71 2008, as amended (Companies Act)
- JSE Listings Requirements
- King Report on Corporate Governance for South Africa 2016 (King IV™*)
- GRI (formerly 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.

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 could not provide comprehensive targets for the review period but have done so for 2019 and beyond, where relevant.

ASSURANCE

Financial and several non-financial aspects of this report and of our 2018 suite of reports are independently assured. The report of the external auditor on our summarised consolidated financial statements is on page 4 of the AFS, while the external assurer's report on specific non-financial indicators is on page 106 of the supplementary report.

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)
- Companies Act defined above
- JSE Listings Requirements

ASSURANCE

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

ORE RESERVES AND MINERAL RESOURCES REPORT

In accordance with the JSE Listings Requirement, 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:

- The Mineral Corporation conducted a detailed numerical audit of the data gathering, data transformation and reporting of Mineral Resources and Ore Reserves for Unki Mine.

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 2018 and follows a similar report for the year to 31 December 2017.

REPORTING PRINCIPLES AND APPROACH

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

CONSISTENCY AND COMPARABILITY	STRATEGIC FOCUS AND FUTURE ORIENTATION	ACCOUNTABILITY	RELIABILITY AND COMPLETENESS	CONNECTIVITY OF INFORMATION
Year-on-year comparisons demonstrate progress towards our strategic goals.	Insight on how our strategy influences our ability to create value in the short, medium and long term.	Our leaders are accountable for the company's actions, and are the custodians of our governance framework. Our governance structures and key issues they dealt with in 2018 are detailed from page 97.	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 Amplats, with financial, operational and non-financial aspects.

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

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

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

REPORT CONTENT

As noted, in 2018 we have elected to report against our strategic progress, after significantly repositioning our business over the past five years to establish the platform for sustainable growth in the next phase of our strategy.

Our material issues (summarised from page 16) are woven into this narrative and defined as issues 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 9), significant risks and opportunities identified in our integrated risk management process (page 23), or issues that are important to stakeholders (page 10).

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

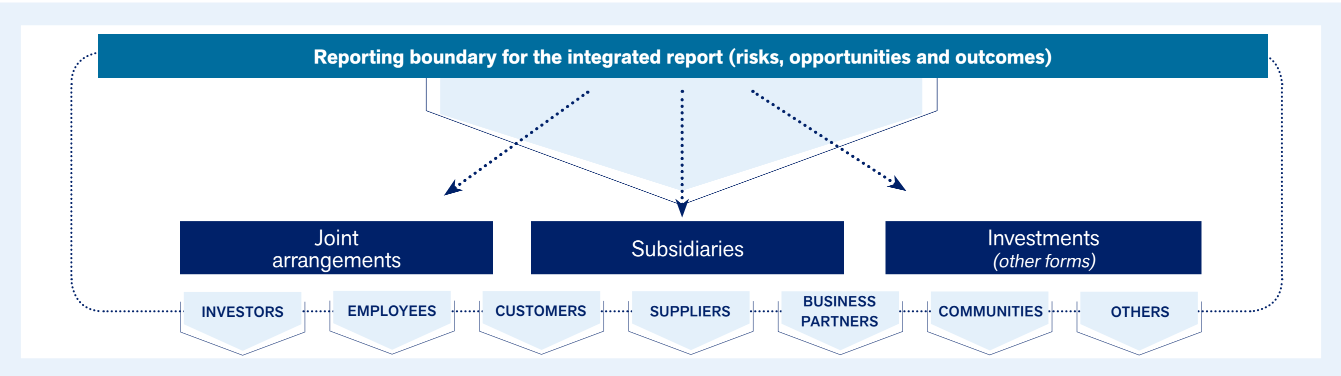
- Internal materiality review
- External materiality review
- Materiality workshop.

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

Our business model (page 6) illustrates how Amplats considers the capitals – financial, manufactured, human, social and relationship, natural and intellectual – articulated by the IIRC in creating value, as well as the trade-offs.

DETERMINING THE REPORTING BOUNDARY

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

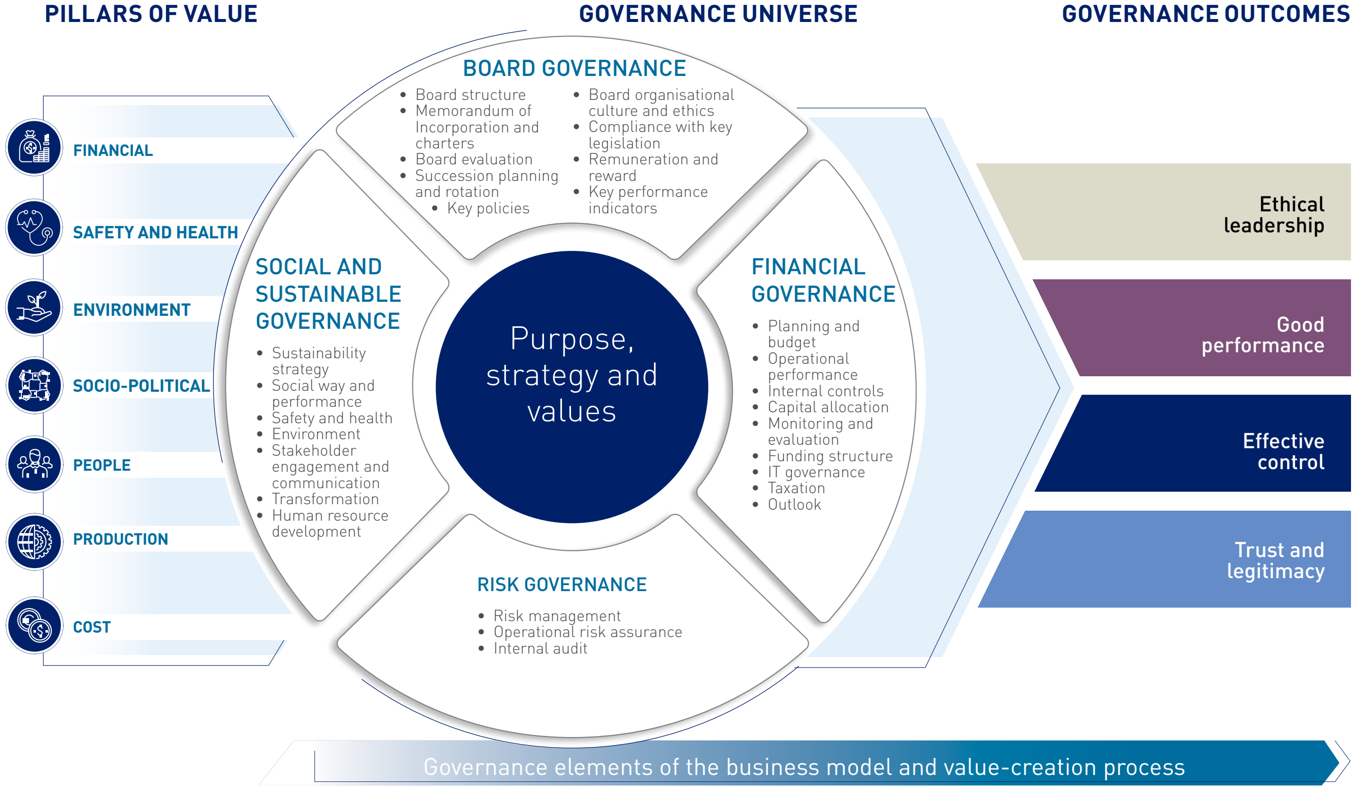


Sound corporate governance is a critical foundation for protecting stakeholder value and achieving the group's strategic growth objectives. Our governance universe (below) illustrates how the pillars of value are governed via the four governance segments – board, finance, risk and social and sustainable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

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

IIRC CAPITAL	AMPLATS PILLAR OF VALUE
Financial	Financial, cost
Manufactured	Production
Human	People, safety and health
Social and relationship	Socio-political
Natural	Environment
Intellectual	All pillars

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



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 2018 integrated report is presented in accordance with the IIRC framework by addressing all material matters to offer a balanced view of our strategy and how it relates to Amplats' ability to create value in the short, medium and long term.

Valli Moosa
Chairman

Chris Griffith
Chief executive officer

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

SAFETY AND HEALTH
DO NO HARM TO OUR WORKFORCE

	KPIs
2 Fatalities (2017: 6)	Eliminate fatalities
3.0 TRCFR (2017: 4.5)	Reduce total recordable case frequency rate (TRCFR)

SOCIO-POLITICAL
PARTNER WITH LOCAL COMMUNITIES AND GOVERNMENT IN THE BENEFITS OF MINING

3.9
Anglo American social way
(2017: 3.2)

KPIs
- Corporate social investment
- Socio-economic development
- Enterprise and supplier development
- Strengthening stakeholder relationships
- Taxes and royalties to government

ENVIRONMENT
MINIMISE OUR IMPACT ON THE ENVIRONMENT

	KPIs
0.79 Energy intensity (2017: 0.83)	Reduce gigajoules/t milled
0.96 Water intensity (2017: 1.08)	Reduce m³/t milled

PRODUCTION
SUSTAINABILITY PRODUCE VALUABLE PRODUCT

5,187
PGM M&C production
(2017: 5,008)

KPIs
- Equivalent refined production operational improvement projects
- Sales volumes

PEOPLE
CREATE A SUSTAINABLE COMPETITIVE ADVANTAGE THROUGH CAPABLE PEOPLE AND AN EFFECTIVE, PERFORMANCE-DRIVEN ORGANISATION

	KPI
108 Productivity (2017: 94)	PGM oz/employee

6.28%
training and development of total payroll

COST
BE COMPETITIVE BY OPERATING AS EFFICIENTLY AS POSSIBLE

20,684
(2017: Unit cost 19,203)

2018 guidance 19,600 – 20,200
Unit cost R/Pt oz

FINANCIAL RETURNS
SUSTAINABLE RETURNS TO SHAREHOLDERS

24
Return on capital employed (%)
(2017: 18)

KPI
- Commercial savings
- Operating profit
- Achieving EPS targets

HOW WE ARE DOING

oekom r|e|s|e|a|r|c|h

Top 2 mining company globally in ISS Oekom Corporate Responsibility Review 2018

FTSE4Good

Inclusion in FTSE4Good index since June 2015

JSE

Top 30 in JSE Responsible Investment index

ADDING VALUE

R million	2018	%	2017 Revised
Value created	**74,582**		65,670
Net sales revenue	**74,582**	14	65,670
Value added by operations	**29,063**	40	20,785
Value distributed	**30,014**	33	22,646
Salaries, wages and other benefits	**9,732**	(4)	10,118
Skills development	**104**	28	81
Percentage of total payroll	**1%**		1%
Taxation	**4,876**	12	4,344
Providers of capital	**922**	(25)	1,229
Minority shareholders as dividends	**198**	(27)	272
Dividends declared to shareholders***	**3,034**	222	941
Total social investment*	**609**	40	436
Development programme**	**35**	100	–
Environmental investment	**68**	(23)	89
Waste disposal, emissions treatment and remediation	**20**	(27)	27
Pollution and environmental management	**49**	(21)	62
Total value distributed	**19,578**	12	17,509
Reinvested in the group	**10,436**	103	5,137
Losses from investments net of interest received	**(951)**	(49)	(1,861)
	29,063	40	20,785
* *Total social investment includes social and labour plans and corporate social investment expenditure of R264 million, payments into community trusts of R82 million and operations community expenses of R121 million and the dividends to communities of R142 million. Also including Unki CSI.*			
** *Development programme comprising supplier, enterprise and youth development as well as loans disbursements to suppliers and entrepreneurs. The programme was developed in 2018, hence no figures for 2017.*			
*** *Interim*	***1,009***		*–*
*** *Final*	***2,025***		*941*

Our differentiated value proposition... enabled through delivery of our strategy over the past five years

OUR DIFFERENTIATED VALUE PROPOSITION

QUALITY ASSETS AND OPERATIONAL EXCELLENCE	CAPITAL DISCIPLINE AND SHAREHOLDER RETURNS	LONG-TERM SUSTAINABILITY
70% production in H1 of primary producer cost curve	**Strong balance sheet and earnings**	**Project studies on value-add growth optionality**
Only open-pit PGM mine of scale in the world	**Focused capital allocation**	**Grow demand** for PGMs
Long-life Mineral Resources	**Sustainable cash dividend**	**Modernising mining through innovation**
Progress on operational improvement with significant potential still possible	**Industry leading returns**	**Invest in people and communities**

Refer to the strategy on page 20.

OUR BUSINESS MODEL

We have mapped the IIRC capitals that translate well into our pillars of value (page 22), and have elected to report against these pillars as underlying key performance indicators integral to our performance-based remuneration structure.

INPUTS per value pillar

FINANCIAL
- Working capital
- Debt capital

SAFETY AND HEALTH
- Substantive investment upward of a billion rand in the areas of safety and health.

ENVIRONMENT
- SO_2 abatement investment R2.5bn

SOCIO-POLITICAL
- R609m on total social investment community development and social labour plans

PEOPLE
- 24,789 highly skilled people

PRODUCTION
- New operating models, modernisation and mechanisation

COST
- Initiatives to manage impact of cost escalations

OUR BUSINESS

Key enablers Zero harm, organisational culture, modernisation, innovation and community and stakeholder relationships

TRADE-OFFS

HEALTH AND SAFETY
The urgent need to entrench safe behaviour across operations has financial implications, but benefits employee well being and productivity

ENVIRONMENT
Offsetting our impacts through rehabilitation, providing energy and water, and responsibly sharing socio-economic benefits

SOCIO-POLITICAL
Sentiment on mining has turned sharply negative in recent years. Restoring trust based on a common understanding of our challenges and purposes

OUTCOMES

Mining and concentrating
- Four underground mines
- One open-pit mine
- Chrome recovery plant
- Two joint ventures

Outputs
- Platinum **2.5Moz**
- Palladium **1.6Moz**
- Rhodium **0.3Moz**
- Other PGMs **0.8Moz**
- Base metals

By-products
- Sodium sulphate
- Cobalt sulphate
- Sulphuric acid

Output
- 20MGJ Energy
- 24.4Mm^3 Water used
- 7.9kt Waste to land fill
- 4.1kt CO_2 emission

FINANCIAL
Cash flow from operations
R5.6bn
ROCE 24%

SAFETY AND HEALTH
Two fatalities
88% of employees know their HIV status
TRCFR improvement of 34%

ENVIRONMENT
Energy and water intensity ▼ 7.9% and 9.6%
Waste to landfill ▼ 38%
GHG emission ▼ 11%

SOCIO-POLITICAL
Social and labour plans on-track, progress on collaboration regional development

PEOPLE
6.28% of total payroll on training and development, attrition rate for critical and scarce roles at 8.69%

PRODUCTION
Productivity
▲ to 15%

COST
Unit cost
▲ 8%

underpin value-creation process

PEOPLE
Incorporating the Mototolo workforce will require short-term focus to integrate these employees into our culture and processes

OPERATIONS
We invest in technology to improve operational efficiencies and reskill people for modernised operations and purpose

GLOBAL FOOTPRINT AND MARKETS

Amplats is the leading primary producer of PGMs from resource to market and operates the best assets.

UNKI

Key feature: Smelter commissioning began in Q3 2018
Key issue: Difficult local economic conditions, uncertain government policy and indigenisation

POLOKWANE SMELTER

Key feature: Construction of the SO_2 abatement plant began in August 2018
Key issue: Service-delivery capacity, land claims

MOGALAKWENA

Key feature: Record PGM and platinum production, both up 7%
Key issue: High dependence on mining, capacity of local and provincial government

TWICKENHAM

Key feature: Mining footprint is being used to research new mining technology
Key issue: Care and maintenance: unemployment, environmental issues, illegal mining

AMANDELBULT

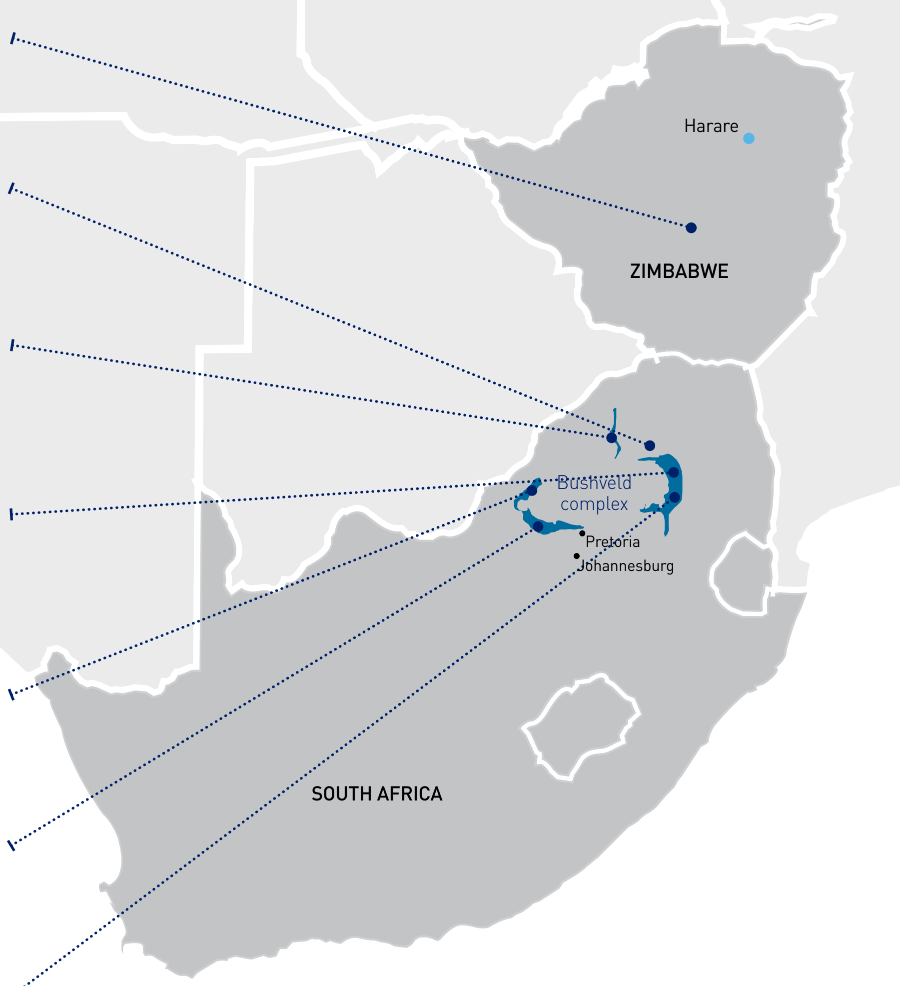
Key feature: Strong cash flow from new chrome plant
Key issue: Burden on mine due to high local unemployment

PROCESS RUSTENBURG

Key feature: End-of-campaign rebuild of Mortimer smelter and ACP phase A returned to service
Key issue: Community demands for local procurement

MOTOTOLO/DER BROCHEN

Key feature: Acquired Glencore's interest in Mototolo
Key issue: High poverty levels exacerbated by low skills and education levels



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

We focus on extracting value from all the PGMs and base metals we mine – metals that make modern life possible in safe, smart and responsible ways.

We concentrate on low-capex, high-return and fast-payback opportunities that enhance value.

Attractive growth options are available when the market demands the metal and our balance sheet allows.

For more detail on our operations mineral resources and reserves see from page 86 of our full ore reserves and mineral resources report.

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

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

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

Recent corporate action: We bought out minority shareholders in Mototolo Platinum Mine, and sold our minority interest in BRPM. The Twickenham project and Bokoni Platinum Mine (49% held) are on care and maintenance.

A detailed review of our markets is included in our supplementary report. Key features are summarised below.

PLATINUM

(000 oz)	2018	2017
Total primary supply	**6,108**	6,105
Demand	**7,765**	7,963
(Deficit)/surplus	**523**	179

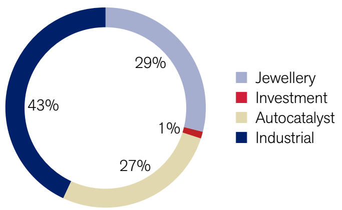
PALLADIUM

(000 oz)	2018	2017
Total primary supply	**6,880**	6,361
Demand	**9,623**	9,568
(Deficit)/surplus	**(9)**	(788)

RHODIUM

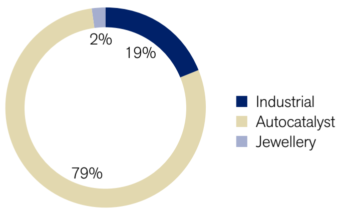
(000 oz)	2018	2017
Total primary supply	**759**	759
Demand	**1,012**	1,050
(Deficit)/surplus	**92**	19

Platinum (net demand)[1]



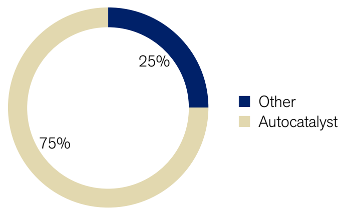
Medium-term demand outlook
stable

Palladium (net demand)[1]



Medium-term demand outlook
positive

Rhodium (net demand)[1]



Medium-term demand outlook
stable

[1] *Net demand, gross demand net of recycling.*

DUE TO THE LONG-TERM NATURE OF THE BUSINESS WE CONSIDER VARIOUS PGM MARKET OUTCOMES IN SETTING, STRATEGY AND PLANNING, SUCH AS:

AUTOMOTIVE
- Fewer vehicles
- Faster adoption of battery electric vehicles
- Vehicle drivetrain "Patchwork"
- Continued dominance of internal combustion engines

JEWELLERY
- China historical decline continues + India stagnates
- China historical decline continues
- Producer-led market development efforts drive growth demand

INVESTMENT
- Limited net incremental investment demand
- Additional incremental demand supported by market development

SUPPLY
- **Irrational response** projects progressed despite weak fundamentals
- **Rational response** projects progressed when demand and economics support
- **Supply restrictions** rationalisation and consolidation plans progressed

STAKEHOLDERS

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 (NGOs), members of our supply chain and our joint venture (JV) 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 providing appropriate responses to support both our social capital and licence to operate. Our approach is therefore based on being transparent and responding timeously and professionally to their concerns.

During the materiality process, a number of key stakeholders were engaged to identify issues that they consider material to our ability to create value. Representatives from investors (Old Mutual Invest, Public Investment Corporation and Coronation), a customer and a supplier of mining equipment) were interviewed. In addition, a materiality workshop with a multidisciplinary team of internal and external stakeholders gave them the opportunity to add material issues that were not identified through internal and external reviews. Internal reviews included representatives from key departments – investor relations, strategy, human resources, supply chain management, corporate affairs, governance and assurance, and corporate affairs. External reviews included representatives from recognised unions, as well as the NGO, Action Aid.

Engaging with regional partners is an ongoing process in our regional social economic development programme in Limpopo (page 61 of supplementary report). This initiative draws on partnerships with other mining companies, research organisations, philanthropic bodies, governmental agencies and local communities to effect much-needed socio-economic development in the province.

KEY ISSUES IN 2018

◆ Strong relationships ◆ Cordial relationships ◆ Weak relationships

STAKEHOLDER AND LINK TO STRATEGY/ MATERIAL ISSUE	QUALITY OF RELATIONSHIP*	KEY ISSUES	RESPONSE
Community	◆	Demand for compensation for ploughing fields for the Sekuruwe and Ga-Molekana communities	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	Amplats continues to engage with interested and affected parties, organised structures and individuals. Engaging with communities is critical as part of our social way and specific plans are in place. Working with municipalities to develop structures that would be widely accepted by communities and drive development in line with agreed plans.
	◆	Relocation of the remaining 63 households in Motlhothlo village close to Mogalakwena Mine	In principle, agreement secured with communities on relocation and the farm where the community will be relocated to 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.
	◆	Invasion of Amplats' land in the Paardekraal and Seraleng areas around Rustenburg process operations, as well as in Mogalakwena Mine lease areas	Amplats worked with the municipality and law-enforcement agencies to interdict and remove illegal occupants. We continue to work on a broad land strategy with all operations and have finalised the agreement to donate 204ha of land to Rustenburg municipality.
	◆	Grave relocation at Mareesburg tailings facilities	Agreement reached with affected families; all compensated as per agreement. All graves successfully relocated with the support of the municipality and Department of Cooperative Governance and Traditional Affairs.
	◆	Employment and procurement opportunities demands around all operations	Continued engagement with affected parties and contractors to ensure local employment and procurement is prioritised and other jobs are created outside of mining to reduce dependency on the mine.

** For 2018, this is a subjective assessment. We are working on a more objective, quantifiable method.*

◆ Strong relationships ◆ Cordial relationships ◆ Weak relationships

STAKEHOLDER AND LINK TO STRATEGY/ MATERIAL ISSUE	QUALITY OF RELATIONSHIP*	KEY ISSUES	RESPONSE
Government relations *(national and provincial)*	◆	Premier Employment Growth Advisory Council	Positive as Amplats CEO co-chairs with MEC of public works.
		Amplats CEO's engagement with the Department of Mineral Resources (DMR) minister on low commodity prices	Positive response from Minister Gwede Mantashe to Amplats CEO on the company's good record in employee safety and health. Ministerial assurance that government will support the platinum coin project.
		SO_2 abatement communications and engagement strategy	As requested by exco, a communication and engagement strategy has been developed to pursue settlement by directly engaging with the Department of Environmental Affairs (DEA) and suspending current legal challenges. Rather than focusing on the technicalities of interim levels and postponements, the strategy positioned the announced R2.5 billion SO_2 abatement project as a win-win for all parties and to initiate engagement with the DEA. As a result, our CEO met with the director general in June and agreed in principle to settle disputed matters through engagement, followed by two meetings between the respective legal teams.
		Government does not have maintenance plans for Social and Labour Plans (SLP) projects handed over	Collaborating with Limpopo Department of Education and established quarterly engagement forum to monitor SLP projects that Amplats has handed over.
		Solidifying relationship with regulator	Director general of DMR represented the minister at the company's Global Safety Day and congratulated Amplats on low fatalities.
		Anglo American South Africa's (AASA) engagement with the DMR mining charter 18 (MC18) drafting team	AASA was part of the delegation of the Minerals Council SA that engaged with the minerals resource minister. Met the DMR and Department of Trade and Industry (DTI) drafting teams to present alternative proposals on free carried interests in the ownership component of MC18. Amplats works with government to reduce the level of fatalities in the industry.
Government relations *(municipal)*	◆	Engaging with municipalities	Ongoing engagement with municipalities where we operate to ensure alignment, collaboration and resolution of issues that affect service delivery.
		• Rustenburg – finalise donation of land in Bokamoso • Thabazimbi – implement community development initiatives • Mogalakwena – finalise Motlhotlo resettlement action plan and township establishment where community will be resettled	• Planning committee established to facilitate land donation
		• Fetakgomo-Tubatse – relocate of Mareesburg graves	• Engagement forum comprising senior officials of Mogalakwena municipalities meets fortnightly to action relocation plan. Five graves successfully relocated with assistance from Limpopo Department of Cooperative Governance, Human Settlement and Traditional Affairs
		• Polokwane – implement community development initiatives	• Strong relationship with mayor established

** For 2018, this is a subjective assessment. We are working on a more objective, quantifiable method.*

STAKEHOLDERS CONTINUED

STAKEHOLDER AND LINK TO STRATEGY/ MATERIAL ISSUE	QUALITY OF RELATIONSHIP*	KEY ISSUES	RESPONSE
Investors		• Disciplined capital allocation • Market supply and demand • Political and policy uncertainty in South Africa	• 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
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	We engage with regional union leadership and operational unit partnership forums where key operational issues are discussed.
Media		Historical and current status at Motlhotlo	Amplats has received a number of concerns about houses in Armoede, including one from a specific household. We commissioned an independent structural review to understand the extent of the problem, technical and causal elements (other than construction) and remedial actions required for affected households. The review ensured that the specific household cited is not dealt with in isolation. As part of the relocation agreement, relocated families are responsible for maintaining their properties. However, Amplats will help these households to fix identified issues. An internal process to appoint a contractor is under way.
		Modikwa employee bus incident	The incident where a bus transporting Modikwa Mine employees was set alight is the subject of an ongoing criminal investigation. As a result, we are not able to comment on the matter as this may interfere with the investigation and subsequent prosecution. Any enquiries are being directed to the police. In line with the mine's policies, no employees may return to work until they have been declared fit by an independent medical practitioner. In addition, the mine is providing independent counselling services to all employees affected by the incident. In addition to standard employee benefits, the mine assisted injured employees, as well as families of the deceased, through the claims process and all applicable benefits were paid out in full. The JV partners have also contributed additional sums to assist affected families.

** For 2018, this is a subjective assessment. We are working on a more objective, quantifiable method.*

◆ Strong relationships ◆ Cordial relationships ◆ Weak relationships

STAKEHOLDER AND LINK TO STRATEGY/ MATERIAL ISSUE	QUALITY OF RELATIONSHIP*	KEY ISSUES	RESPONSE
Media (continued)	Cordial relationships	Ga-Molekana community accusing Mogalakwena Mine of employing outsiders and not giving local businesses an opportunity to participate in supply-chain initiatives	In 2004, local communities established a labour desk to enable their members to apply for vacant positions at the mine or its contracting companies. This has evolved over the years, working closely with Mogalakwena Mine. The labour desk is managed by members of the community from neighbouring villages to ensure a transparent application process. Résumés received through the labour desk are screened to ensure applicants are from local villages, then matched to requirements of vacant positions. Once both these criteria have been satisfied, Amplats HR processes are followed, ie interviewing, assessments, etc. This process applies to recruiting locals for both the mine and its contractors. All entry-level permanent positions are reserved for locals who meet the requirements. Currently 84% of Mogalakwena staff are locals, while our contractors have 67% local employee representation. In addition to supporting employment growth in related areas, our supply chain department has trained over 1,200 entrepreneurs in host communities around the mine. As a result, 38 direct contracts and 16 joint ventures have been awarded to local entrepreneurs. Creating sustainable communities is a core priority for Amplats and, in 2018 alone, R40 million procurement spend has flowed into businesses at Ga-Molekana village.
		Bench Marks Foundation Policy Gap 13 Report, making allegations on issues ranging from the company's inability to report transparently on material sustainability issues to a lack of community engagement and inadequate social spend, finding that the company has been paying huge dividends to shareholders compared to benefits to others, unmet employee housing commitments and a number of environmental issues	Amplats has made great progress with its community engagement initiatives, community spend, health and safety performance and environmental management over the reporting period reviewed by Bench Marks Foundation and beyond, despite the difficult financial conditions under which the company has operated in recent years. The assertion that shareholders have benefited unduly is inconsistent with demonstrated contributions to communities, our employees, and the South African fiscus. While we are proud of our sustainability performance over the years, we are committed to continuous improvement in line with our vision of re-imagining mining to improve people's lives. As such, we will continue to engage with Bench Marks Foundation to improve both our sustainability performance and reporting practices. The case study in our 2018 sustainability report covers the outcomes of these engagements and changes we have made to our sustainability practices and reporting in relevant areas. These engagements create substantial value for the company and consequently our stakeholders, and we value our continued engagement with the foundation.
		Daily Maverick allegations of a corrupt relationship with Kgosi Nyalala Pilane of the Bakgatla Ba Kgafela community	Amplats refutes the allegations of fraud and corruption in articles published by the Daily Maverick ('Stealing the Crust: How the Bakgatla-Ba-Kgafela were robbed of their inheritance' and 'Investigative analysis: Stealing the Crust II: All players in a heinous SA mining fraud'). A detailed review of company records on dealings with the Bakgatla traditional community and Kgosi Pilane has shown that all dealings were above board and lawful. A detailed response is available on our website.

For 2018, this is a subjective assessment. We are working on a more objective, quantifiable method.

STAKEHOLDERS CONTINUED

Strong relationships Cordial relationships Weak relationships

STAKEHOLDER AND LINK TO STRATEGY/ MATERIAL ISSUE	QUALITY OF RELATIONSHIP*	KEY ISSUES	RESPONSE
NGOs		In-depth and continual engagement with local and international NGOs in 2018. Issues under discussion included environmental, economic, social, labour and sustainability reporting	Formal responses were prepared to NGO reports. Meetings were held with NGOs to discuss key issues. Open dialogue with affected NGOs has enabled greater transparency and collaboration in working towards improving in socio-economic and environmental performance.
Customers		Customers from the automotive and jewellery-sectors showed interest in our sustainability-related performance and issues. Dialogue centred around development of our sustainability strategy and addressing key social and environmental issues	There was active and regular communication on sustainability-related issues, including visits by and to customers, in 2018. These discussions have strengthened communication channels and collaboration between Amplats and its customers.
Suppliers		A supplier of mining equipment engaged actively with Amplats in 2018 on sustainability issues. This created the need for regular feedback meetings, where detail was provided on pertinent sustainability topics	At quarterly feedback meetings with the supplier, key sustainability-related matters were discussed. The supplier visited our sites to enhance its understanding of our sustainability performance and initiatives. Amplats representatives visited the supplier to understand its specific sustainability challenges.
Unions		• AMCU demanded the transfer of AGPF to IGULA and also disputed the transfer of employees' funds in the AGPF to Old Mutual; • The NUM and UASA raised as a concern and referred disputes to the CCMA and Labour Court, the salary related allowances that were frozen in the 2016 wage agreement; and • NUMSA is disputing the payment, in terms of the 2016 wage agreement, of the Holiday Leave Allowance or 13th cheque.	Quarterly meetings with senior union leadership to discuss key strategic issues: • Safety, health and environment (SHE) through community forums/bilateral sessions • Company strategies and implementation • Performance of the company (leadership forum attended by executives) • Relationship-building with union leadership and dispute resolution using different platforms • Address unions' interest issues or community issues affecting business (leadership forum and CEO sessions) All issues affecting Amplats are addressed in various forums and, where appropriate, escalated to the CEO.

** For 2018, this is a subjective assessment. We are working on a more objective, quantifiable method.*

ENGAGING WITH OUR HOST COMMUNITIES

In line with the Anglo American social way, each of our operations has mapped the stakeholders who have an interest in and are affected by our operations. They update their stakeholder engagement plans annually, informed by risks and impacts in host areas and as part of maintaining relationships with different stakeholders.

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

In addition, Amplats has partnered with interfaith leaders in our communities as an engagement and development partner. This is part of the Courageous Conversation movement in which churches engage with the mining industry to address issues affecting host communities and as a trusted stakeholder to help shape development agendas. The programme started in Mapela in 2017 and is now being rolled out to Twickenham and Der Brochen.

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

Our field workers, mainly previously unemployed youth from host communities, continue to engage with and provide feedback to stakeholders who have raised issues or queries with any of our sites. The field workers ensure that, individually, families do not have to wait for the forums to get information or feedback, but can engage directly with the field workers in their own homes.

OUR MATERIAL ISSUES

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

PILLARS OF VALUE	MATERIAL ISSUE AND ASSOCIATED TOPICS	IMPACT	LINKS TO STRATEGIC GOAL	READ MORE
Safety and health	**Health and safety** • Employee and community health and safety • Fire risk and explosives management • Tailings storage facility failure • Reduction of airborne pollutants and inhalable hazards	Injury and absentee rates are generally linked to trends in morale and productivity. Amplats' aim is for zero harm, supported by targeted health and safety initiatives which should result in fewer health and safety incidents.	Zero harm	The respective pillars are detailed in the supplementary report
Financial/ socio-political	**Market conditions** • Future demand and supply of PGMs • Economic growth prospects in South Africa • Price and exchange rate volatility • Global commodity prices • Electrification of the automotive drive train • Market development; focused on jewellery demand, supporting hydrogen economy and enhancing platinum investment products	Changing global economic conditions affect markets and, in turn, our position in those markets. Future demand for PGMs is at risk from slower growth in combustion engine manufacturing, technological developments in battery vehicles, suppressed jewellery sales, as well as Amplats' dependency on market segments such as autocatalyst and diesel vehicles. Market development is therefore a priority, and latent demand across jewellery, investment and industrial segments presents a large and growing opportunity.	Develop the market for PGMs to increase demand	The respective pillars are detailed in the supplementary report
Financial	**Delivering maximum potential of our operating assets** • Expansion of Mogalakwena • Sustainability of Unki • Social impact of mechanisation at Amandelbult • Repositioning assets towards value optimisation • Failing to make secure investments and grow our leadership	Focus on value-enhancing growth optionality: deliver the full potential of Amplats' own operating assets through synergies and world-best operating practices. Failing to make efficient and value-creating investments on time and within budget would jeopardise the sustainability of our business.	Extract the full potential from our operations through our people and innovation Invest in our core portfolio that delivers industry-leading cash flows and returns	The respective pillars are detailed in the supplementary report

Our established materiality process aims (page 19) to ensure that societal, environmental and economic issues that present risks and opportunities to Amplats are identified, while considering issues of salient concern to external stakeholders.

PILLARS OF VALUE	MATERIAL ISSUE AND ASSOCIATED TOPICS	IMPACT	LINKS TO STRATEGIC GOAL	READ MORE
Socio-political/ financial	**Political and regulatory uncertainty** • New mining charter: procurement challenges, applicability to the Precious Metals Act, enhanced community expectations • Land access and resettlement • Expropriation of land and SA land policy • Regulatory compliance risks	Changes in the political and regulatory environment (eg mining charter, MPRDA amendments, failing to deliver on social and labour plans, changes to land and water legislation) can impact our business through increased compliance requirements and costs. Political instability can also affect business operations as it impacts investor sentiment.	Build leading community and stakeholder relationships, and make a lasting contribution	The respective pillars are detailed in the supplementary report
Socio-political/ people	**Social licence to operate** • Employee and labour relations • Transformation • BEE procurement • Alchemy community empowerment initiative • Human rights assessment • Employee and community ownership • Relationships with stakeholders • Local economic development • Local procurement and supplier development • Community unrest	To expand local employment opportunities, increase tax revenues, and meet increasing community demands for improved infrastructure and greater environmental protection, government continues to put pressure on the mining industry. Accordingly, there is a growing need to achieve measurable social outcomes and build sound relationships around operations. Engaging with stakeholders is key to implementing our business strategy. Failing to do so jeopardises our social licence to operate and could reduce opportunities in the market.	Extract the full potential from our operations through our people and innovation Build leading community and stakeholder relationships, and make a lasting contribution	The respective pillars are detailed in the supplementary report
	Creating resilient mining communities • Planning for local economic activity and social sustainability post life of mine	Our vision is for economically diverse and sustainable communities with a future beyond mining, through mining. This will require companies to leverage the digital infrastructure, create new education models, improve communication, develop suppliers, or deliver other services.	Build leading community and stakeholder relationships, and make a lasting contribution	The respective pillars are detailed in the supplementary report

OUR MATERIAL ISSUES CONTINUED

PILLARS OF VALUE	MATERIAL ISSUE AND ASSOCIATED TOPICS	IMPACT	LINKS TO STRATEGIC GOAL	READ MORE
People	**Ethical leadership and culture** • Internal fraud and corruption • Fraud and corruption at national level • Company code of conduct • Improved cooperation with NGO and religious leaders	Mining companies face regional and global scrutiny, and conforming to formal ethical standards of conduct is non-negotiable. Fraud and corruption can increase in an economic downturn, and the current societal spike in exposure to corrupt practices and unethical leadership heightens the risk to Amplats.	Organisational culture anchored on a significant leadership style and values orientation	The respective pillars are detailed in the supplementary report
	Talent development, attraction and retention • Women in mining • Leadership succession • Education and training • Re-envisioning talent management in the digital age	As manual jobs are replaced by automated processes, labour dynamics will shift significantly. Greater reliance on digital solutions could result in job losses, raising concerns about social responsibility to communities and the existing workforce. Conversely, this can translate into new employment opportunities as new roles are created. It can accommodate the realities of shifting global demographics by enabling more women and seniors to enter and remain in the workforce. As such, mining companies should consider how to reskill and retrain people to learn technology and tools faster.	Extract the full potential from our operations through our people and innovation Achieve best practice, modernisation and innovation across our value chain	The respective pillars are detailed in the supplementary report
Production/ cost	**Technology and innovation** • Mechanisation and modernisation • Beneficiation and recycling of PGMs • Technology developments downstream • Using data-driven insights to create value	Technology holds the promise of increasing production, improving safety and creating new opportunities for people and communities. Mechanisation and modernisation are key enablers of business sustainability and linked to the long-term goals of innovation and operational excellence. Data-driven insights can integrate and streamline business processes to create a more responsive organisation.	Extract the full potential from our operations through our people and innovation	The respective pillars are detailed in the supplementary report
Environment	**Responsible use of resources** • Water infrastructure and management • Energy infrastructure and management • Emissions reduction • Waste management • Biodiversity • Concurrent rehabilitation and mine closure provision • Climate change	Amplats is committed to achieving net positive water, air and biodiversity impacts with social co-benefits, which implies full implementation of the impact-mitigation hierarchy, including avoidance, minimisation, restoration and offset measures. The goal is to support our long-term sustainability by effectively managing resources, reducing impact on the environment and communities, and complying with legal requirements.	Zero harm	The respective pillars are detailed in the supplementary report

** Refer to supplementary report for detail on each pillar.*

INTERNAL MATERIALITY

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

EXTERNAL MATERIALITY

Issues affecting our external environment, and the mining sector in general, were assessed by analysing media articles, research materials, industry benchmarking studies and economic outlook reports as well as interviews with key stakeholders. Key reports reviewed included the Bench Marks study of Amplats' sustainable development reporting from 2003 to 2015 and Brot für die Welt: Noble metal – unworthy degradation (Bread for the World is the globally active development and relief agency of the Protestant Churches in Germany).

To ensure impartiality, we commissioned an external specialist to engage with key stakeholders in one-on-one interviews. This process helped validate whether identified material issues are aligned to issues stakeholders believe are most material to our ability to create value.

MATERIALITY WORKSHOP

A workshop with relevant internal and external stakeholders refined and prioritised our material issues based on their potential impact and Amplats' ability to influence these. The workshop group (a multidisciplinary group of 30 representatives) was given the opportunity to add any material issues not identified through internal and external reviews.

STAKEHOLDER ENGAGEMENT ON MATERIAL ISSUES

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

OUR STRATEGY – THE NEXT FIVE YEARS

With our portfolio largely reshaped, our focus now turns to extracting further value – fuelled by operational excellence – to deliver sustainable returns.

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 facilitating market development for PGMs and completing project studies that increase optionality, synergies and cash flow. We are modernising our business through innovation, ensuring we have an engaged workforce and supportive stakeholders.

Given that, the pricing and operating environments remain challenging. We continue to run our business for the current price environment. We believe we have the portfolio to generate superior returns for our stakeholders and optionality to benefit from improving PGM fundamentals.

The performance review, beginning with the chairman's letter on page 32, details our progress and summarises strategic plans to continue creating value.

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

Our strategic priorities

1. Extracting the full potential from our operations through our people and innovation
2. Investing in our core portfolio that delivers industry-leading cash flows and returns
3. Facilitating the development of the market for PGMs to increase demand

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

- ZERO HARM – Safety, health and environment
- Organisational culture anchored on a significant leadership style and values orientation
- Best practice, modernisation and innovation across our value chain
- Building leading community and stakeholder relationships, and making a lasting contribution

Built on our pillars of value

- FINANCIAL RETURNS
- SAFETY AND HEALTH
- ENVIRONMENT
- SOCIO-POLITICAL
- PEOPLE
- PRODUCTION
- COST

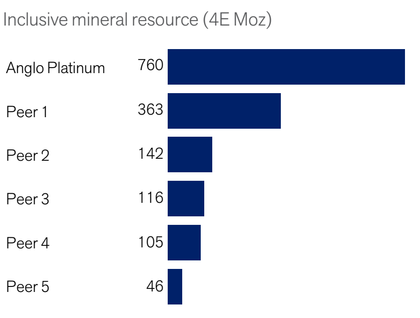
HOW WE CREATE VALUE

We will achieve our value proposition by implementing the next value-enhancing phase of our strategy (summarised below and detailed from page 56).

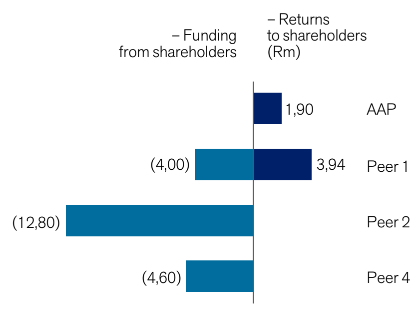
STRATEGIC PRIORITY	HOW	LONGER-TERM TARGETS
1 Extracting the full potential from our operations through our people and innovation	Through the operating model, delivering stable and optimised performance Achieving global best practice Setting best practice through technology and innovation	Such as: • Mining: – 45Mtpa shovel performance from 26Mtpa in 2018 – Steepening of open pit slope angles • Concentrating: – 10% throughput increase – 83% recoveries from 81% • Smelting and refining – 81% operating factor from 73% • Smelting and refining – 81% operating factor from 73% • Investing in technology
2 Investing in our portfolio to deliver industry-leading cash flows and returns	Investing in key value-enhancing projects	Fast-payback projects Mototolo/ Der Brochen expansion Mogalakwena expansion
3 Facilitating the development of the market for PGMs to increase demand	Investing in: • Platinum Guild International – jewellery demand • World Platinum Investment Council – investment demand • AP Ventures – industrial demand • Policy advocacy – hydrogen and fuel cells • R&D on uses for PGM	Market development

Strategy in action FY18

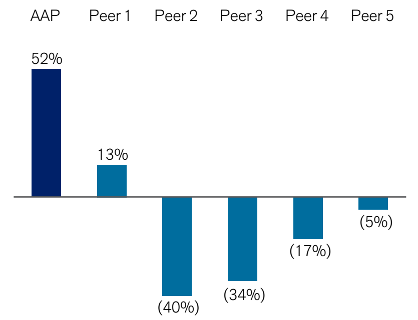
Quality of assets Inclusive mineral resource



Paying a dividend while industry requiring capitalisation (Rbn)



12-month share price performance



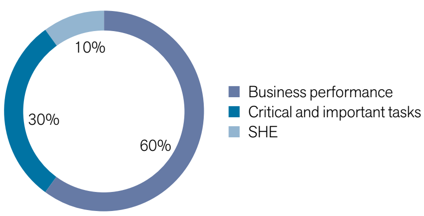
HOW WE REWARD SUCCESS

The key results areas shown below for the CEO and prescribed officers translate into measurable key performance indicators (KPIs) that determine the variable component in their remuneration (refer remuneration report from page 118). Flowing from this reward structure, Amplats' most important KPIs are summarised below.

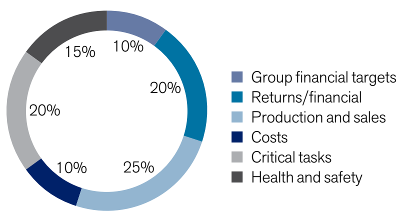
Pillar of value	KPI	Unit	2018 target	2018 actual	Achievement	2019 target
Safety and Health	TRCFR	/million hrs	3.01	**3.00**	Fully achieved	2.88
	Fatalities	Number	0	**2**	Not achieved	0
	HIV management (90:90)	%	90:90	**88:90**	Partially achieved	90:90
Environmental	Zero level 4 and 5 incidents	Number	0	**0**	Fully achieved	0
	Energy intensity	GJ/ton milled	0.83	**0.79**	Fully achieved	0.81
	Total energy used	million gigajoules	19.3	**20.0**	Not achieved	20.5
	Water intensity	m^3/tonnes milled	1.08	**0.96**	Fully achieved	1.17
	Total water withdrawals	Megalitre	24.36	**24.43**	Not achieved	29.6
	Compliance to SO_2 emissions permits	%	100	**100**	Fully achieved	100
Socio-political	Anglo social way	Score average 3.2	3.2	**3.9**	Fully achieved	3.2
Production	PGM M&C production	koz	5,008	**5,187**	Fully achieved	4,200 – 4,500
	Refined PGM production	koz	4,962	**4,785**	Fully achieved	4,600 – 4,900
	Productivity PGM ounce per employee	PGM oz	107	**108**	Fully achieved	
	Unit costs	R/Pt oz	19,814	**20,684**	Not achieved	21,000 – 22,000
Financial	EBITDA	Rbn	10.5	**14.5**	Fully achieved	
	Operating free cash flow	Rbn	4.4	**11.8**	Fully achieved	
	Return on capital employed (ROCE)	%	14	**24**	Fully achieved	
	Capital expenditure (capex)	Rbn	5.0	**4.7**	Fully achieved	5.7 – 6.3
	Cash flow return	%	9	**24**	Fully achieved	

● Fully achieved ● Partially achieved ● Not achieved

CEO



Prescribed officers



OUR APPROACH TO RISK AND OPPORTUNITY MANAGEMENT

GROUP RISK FRAMEWORK

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

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 by developing and implementing the Anglo American group integrated risk management standard
- Operations identify risks by function. This information is consolidated and considered by the Amplats executive committee, audit and risk committee, and the board in a formal risk workshop where risks are compared and aligned to those identified at 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
- 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. The chairman of the two respective committees report to the board on a quarterly basis.

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

OPPORTUNITIES

As part of our risk management process and in line with King IV requirements, we have considered opportunities (where available) for our key risks. The opportunities identified from page 24 demonstrate the value that our initiatives and strategies could yield to the growth of our company. Our business model (page 6) and review of our external environment (page 14 of the supplementary report) elaborate on how we leverage opportunities to ultimately create value.

CATASTROPHIC RISKS

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

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

Fall-of-ground	Explosion and fire	Slope failure
Transportation	Asset structural failure	Tailings dam failure

RISK APPETITE AND TOLERANCE

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

OUR APPROACH TO RISK AND OPPORTUNITY MANAGEMENT CONTINUED

OUR JOURNEY IN RISK APPETITE MATURITY

Using risk management as a tool to address uncertainties, applying the risk appetite methodology in 2018 highlighted two of six catastrophic risks – asset structural failure, and fire and explosion – as being outside of appetite, but are still within Amplats' tolerance. This was prompted by evaluating data from the operational risk assurance programme accumulated over the last three years. Identified control weaknesses are being addressed through management actions, comprising immediate interventions supported by long-term plans to bring these catastrophic risks back within appetite. This will be a continuous improvement process executed by applying the following principles:

Identifying risks

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

Reporting and monitoring

- Management is responsible for monitoring progress on mitigating key risks and determining if the risk is within the limits of our risk appetite
- Management is supported by an internal audit programme that 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.

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
- External views are also considered – including risks identified by our customers, investors and the market.

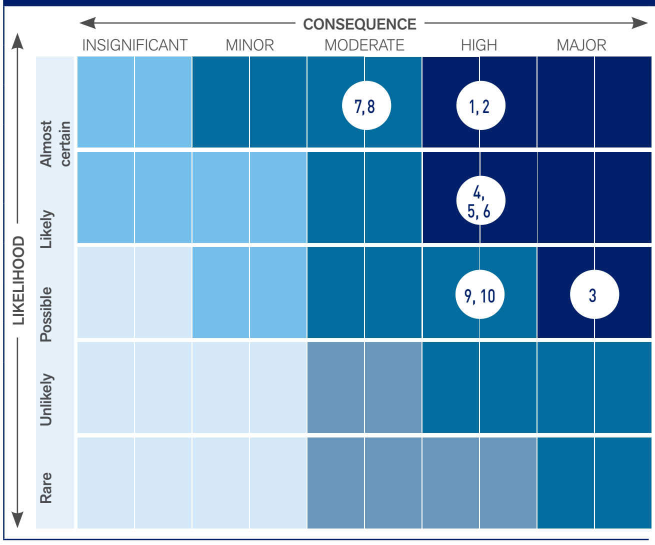
Determining management actions required

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

TOP 10 RISKS

The heat map positions (below) reflect residual risks. Our actions to manage risks are detailed from page 26.

AMPLATS' TOP 10 RISKS



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

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.

	DESCRIPTION OF RISK AND ITS CONTEXT	OPPORTUNITIES

1 EMPLOYEE SAFETY

No change in risk rating from prior year

DESCRIPTION OF RISK AND ITS CONTEXT

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

ROOT CAUSE

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

POTENTIAL IMPACTS

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

MITIGATION

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

RISK APPETITE

- Currently within risk appetite, but potential to exceed it

RISK TOLERANCE

- Within tolerance

PILLARS OF VALUE

SAFETY AND HEALTH

PEOPLE

OPPORTUNITIES

Introduction of new digital safety, health and environment (SHE) incident management and real-time analytics has the potential to reduce future incidents.

Predictive big-data analytics system to identify and notify SHE potential risks.

OUR APPROACH TO RISK AND OPPORTUNITY MANAGEMENT CONTINUED

	DESCRIPTION OF RISK AND ITS CONTEXT	OPPORTUNITIES

2 LABOUR UNREST

Risk increased (2017: 11)

Labour unrest that leads to stoppages, strike action and violence has an enormously negative effect on Amplats, including the ability to stop production. The labour climate remains volatile in South Africa, and the potential for labour unrest is heightened due to the upcoming 2019 wage negotiations.

ROOT CAUSE
- Wage gap and unionised employees' expectations to earn higher salaries
- Labour instability due to rivalry between AMCU and NUM, the major unions at Amplats

POTENTIAL IMPACTS
- Production and financial loss
- Damage to assets during violent protest action
- Loss of life
- Negative reputation

MITIGATION
- Actively engaging our employees and labour unions to rebuild a relationship of trust
- Bilateral with union leadership at the various levels

RISK APPETITE
- Currently within risk appetite but potential to exceed it

RISK TOLERANCE
- Within tolerance

PILLARS OF VALUE

PEOPLE PRODUCTION FINANCIAL COST

OPPORTUNITIES

We are progressing with our organisational culture transformation (OCT) project, which has the potential to change our work environment in a positive way, motivating the workforce and yielding positive production returns.

3 FUTURE DEMAND AND SUPPLY OF PGMs

No change in risk rating from prior year

Future demand for PGMs is at risk from potentially slower growth in manufacturing combustion-engine motor vehicles, technological developments resulting in battery electric vehicles competing with hydrogen fuel cell electric vehicles, and suppressed jewellery sales, although some upside potential also exists. Amplats' dependency on certain market segments, eg autocatalyst and diesel vehicles, puts the company at risk.

ROOT CAUSE
- Changes to consumer preference and environmental legislation impacting diesel motor vehicle demand
- Battery electric vehicle adoption substituting internal combustion engine (ICE) and threatening/delaying fuel cell electric vehicle adoption market
- Suppressed or negative jewellery demand
- Secondary PGM supply from recycling
- Potential increase of primary supply from competitors (exacerbating demand supply imbalance)
- Future technological developments that may result in significantly lower barriers to entry into PGM mining industry
- Price sensitivity of individual commodities and price substitution.
- Potential to substitute palladium with platinum in gasoline vehicle catalysts
- Potential upside for growth from heavy-duty diesel, fuel cells and Indian jewellery

POTENTIAL IMPACTS
- Weakened cash flow, profitability and ROCE
- Loss of investor confidence

MITIGATION
- Investigating multiple demand segments to reduce risk through marketing and stimulating demand
- Invest in new PGM technologies, leveraging our footprint to add value
- Active market development in Indian/Chinese jewellery

RISK APPETITE
- Currently within risk appetite, but potential to exceed it

RISK TOLERANCE
- Within tolerance

PILLARS OF VALUE

FINANCIAL PRODUCTION

OPPORTUNITIES

Established a venture capital fund (AP Ventures) dedicated to investing in technological innovation across PGMs.

Jewellery (PGI) and investment (WPIC) have created new partnerships and products launched.

For industrial fuel cells, a co-investment by Shell and Toyota in seven hydrogen refuelling stations in California, and the launch of a USA and UK fuel advocacy all have the potential to stimulate demand for PGMs.

	DESCRIPTION OF RISK AND ITS CONTEXT	OPPORTUNITIES
4 **MACRO-ECONOMIC UNCERTAINTY CREATING PRICE AND EXCHANGE RATE VOLATILITY** No change in risk rating from prior year	*Macro-economic uncertainty creating price and exchange rate volatility impacting weakened levels of cash flow, profitability and ROCE.* **ROOT CAUSE** • The global economic environment could impact the price for PGMs • Current political factors could impact the exchange rate • Slower-than-expected growth in emerging economies • Weak demand for and negative sentiment on PGMs could affect the price • Global trade wars **POTENTIAL IMPACTS** • Weakened cash flow, profitability and ROCE • Reduced ability to exploit future growth/value-enhancing initiatives. **MITIGATION** • Strategy to position Amplats in H1 of cost curve, ensuring sustainable return • Integrated planning process • Regular updates of economic analysis and commodity price assumptions to management • Continued focus on operational improvements, cost control, disciplined capital allocation and cash generation • Unprofitable production will be removed **RISK APPETITE** • Currently within risk appetite, but potential to exceed it **RISK TOLERANCE** • Within tolerance **PILLARS OF VALUE** SOCIO-POLITICAL, COST, FINANCIAL	
5 **POLITICAL AND REGULATORY COMPLIANCE** No change in risk rating from prior year	*Failure to resolve critical country-specific issues such as economic growth, land reform, education, healthcare, infrastructure development and corruption continues to impact AAP. Furthermore, changing regulatory requirements increase the risk of non-compliance and failing to deliver on our social and labour plans (SLPs).* **ROOT CAUSE** • Uncertain regulatory environment • Critical country-specific issues such as economic growth, land reform, education, health care, infrastructure development and corruption • Local procurement requirements and unemployment **POTENTIAL IMPACTS** • Non-compliance to mining charter requirements and SLP commitments • Sections 53 and 54 leading to loss of production and financial loss • Increased costs of conducting business through additional regulation **MITIGATION** • Active engagement with government and other stakeholders • Deliver on agreed SLPs, mine work plans and environmental management programmes • Actively monitoring regulatory developments, updating applicable policies and procedures to ensure compliance **RISK APPETITE** • Currently within risk appetite, but potential to exceed it **RISK TOLERANCE** • Within tolerance **PILLARS OF VALUE** SOCIO-POLITICAL, PRODUCTION, COST, FINANCIAL	

OUR APPROACH TO RISK AND OPPORTUNITY MANAGEMENT CONTINUED

	DESCRIPTION OF RISK AND ITS CONTEXT	OPPORTUNITIES
6 **SOCIAL LICENCE TO OPERATE** Risk increased (2017: 7)	*If local communities and wider society actively oppose the existence of our operations, our ability to conduct our activities could be threatened. There are rising levels of dissatisfaction among communities on social delivery, unresolved legacy issues, and less-than-expected benefits from mining.* **ROOT CAUSE** • Dissatisfaction among communities on social delivery, community perception of transformation, employment and procurement activities • Use of trust money by communities • Poor service delivery of local municipalities to communities • Less-than-expected benefit from mining • Trust relationship between communities and Amplats • Poor engagement between traditional leaders and communities • Resettlement obligations • Society, NGO's expectations as information scrutiny increases **POTENTIAL IMPACTS** • Reduced levels of trust between mine and communities • Community over-reliance on mines for economic benefits • Potential human rights impacts on communities during protests • Loss of production and possible damage to assets • Negative reputational consequences **MITIGATION** • Implementing social strategy: collaborative regional development approach, social risk and impact management, increased community and employee ownership, community participation model • Compliance to the Anglo American social way • Strategic stakeholder engagement with communities, local government, traditional leaders, NGOs and broader society • Effective grievance mechanisms • Initiate and implement remediation plans for previously resettled communities at Ga-Sekhaolelo Ga-Puka, Ga-Pila and Magobading • Empower municipalities, traditional leaders and interfaith leaders **RISK APPETITE** • Currently within risk appetite but potential to exceed it **RISK TOLERANCE** • Within tolerance **PILLARS OF VALUE** SOCIO-POLITICAL PRODUCTION FINANCIAL	Strategies and plans in place to further empower communities around us, eg Anglo American Zimele's youth development programme that aims to address the youth unemployment crisis in South Africa. We have local government initiatives in place, established joint community and operating decision-making frameworks, and improved NGO/religious leaders' cooperation which all have the potential to grow our business and standing with our host communities.

	DESCRIPTION OF RISK AND ITS CONTEXT	OPPORTUNITIES

7

INFRA-STRUCTURE (POWER)

Risk Increased (2017:12)

DESCRIPTION OF RISK AND ITS CONTEXT

The current financial state and ability of Eskom to sustainably supply power poses a risk to Amplats.

ROOT CAUSE
- Dependency on Eskom
- Eskom requires funding for generation
- Poor management of Eskom business and significant management changes
- Eskom coal supply contracts (security of coal supply concern).

POTENTIAL IMPACTS
- Unplanned and short notice electricity supply outages leading to loss of production
- Safety implications particularly for underground mines and process activities
- Higher than inflation rate future costs increase placing business viability at risk

MITIGATION
- Load curtailment process
- Participation at the Energy User Group
- Detailed emergency plans in place with regards to short-notice electricity supply outages
- Continuous improvement of efficiencies.

RISK APPETITE
- Currently within appetite, requires close monitoring

RISK TOLERANCE
- Within tolerance

PILLARS OF VALUE

FINANCIAL | SAFETY AND HEALTH | PRODUCTION | COST

OPPORTUNITIES

Seek alternatives such as independent power producer's options or renewables to offset reliance on Eskom.

OUR APPROACH TO RISK AND OPPORTUNITY MANAGEMENT CONTINUED

	DESCRIPTION OF RISK AND ITS CONTEXT	OPPORTUNITIES

8 INFORMATION SECURITY

No change in risk rating from prior year

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

ROOT CAUSE
- Improved capabilities of hackers/attackers
- Industrial espionage
- Rise in cyber breaches (eg phishing, spoofing and hacking attempts)

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

MITIGATION
- Technical controls and existing capabilities are being extended to include monitoring high-risk assets and advanced network monitoring technologies
- Implementing augmented detection capabilities
- Security campaigns to create awareness

RISK APPETITE
- Within risk appetite.

RISK TOLERANCE
- Within tolerance.

PILLARS OF VALUE

SAFETY AND HEALTH | PRODUCTION | COST | FINANCIAL

OPPORTUNITIES

Implementing our digital transformation strategy will enable IT architecture and interfaces as well as digital technologies that drive and support improvements.

9 FAILING TO DELIVER THE FULL POTENTIAL OF OPERATING ASSETS

No change in risk rating from prior year

Failing to deliver the full potential of operating assets due to non-delivery of productivity targets, and delays in implementing operating model at operations.

ROOT CAUSE
- Not meeting productivity targets
- Delays in implementing operating model
- Delays in technology adoption
- Failing to make Amandelbult investable again and Modikwa alternatives
- Failure to maintain critical plant, machinery and infrastructure

POTENTIAL IMPACTS
- Loss of production and revenue
- Inability to deliver required cash flow, profitability targets.

MITIGATION
- Deliver value by rolling out operating model at Mogalakwena and Amandelbult
- Continue debottlenecking downstream process capacity
- Continue research and development on cutting technology, XLP and ULP
- Continue with organisational development and transformation
- All optimisation initiatives tracked and reported

RISK APPETITE
- Within risk appetite, high consequence rating requires close monitoring.

RISK TOLERANCE
- Within tolerance

PILLARS OF VALUE

FINANCIAL | PRODUCTION | COST

OPPORTUNITIES

Amplats is committed to digitally transform mining through the pervasive adoption of technologies, new ways of working and developing people's technology skills.

Delivering value by unlocking processing constraints.

Our digital transformation strategy aims to increase operational efficiencies in the workplace.

	DESCRIPTION OF RISK AND ITS CONTEXT	OPPORTUNITIES
10 **FAILING TO INVEST TO SECURE AND GROW OUR LEADERSHIP POSITION** No change in risk rating from prior year	*Ensuring efficient investments and effectively executing value-accretive projects on time and within budget.* **ROOT CAUSE** • Worsening economic environment impacting projects • Long-term strategic inconsistency (group/business unit) • Studies not progressing as planned • Inability to transform into a modernised organisation • Lack of fit-for-purpose design and standards (cost, time, competitiveness) • Capital allocation • Uncertainty of PGM demand fundamentals • Lack of enabling infrastructure to support expansion **POTENTIAL IMPACTS** • Fall behind competitors and lose competitive advantage or positioning • Negative cost curve impact due to projects not coming online • Loss of potential revenue in the profit pool • Loss of mining rights **MITIGATION** • Focus remains on advancing low-capex, fast-payback projects and completing project studies to retain flexibility on project delivery • Portfolio management strategy revised and optimised • Rigorous selection processes applied to capital allocation, including stay-in-business capital **RISK APPETITE** • Within risk appetite, high consequence rating requires close monitoring **RISK TOLERANCE** • Within tolerance **PILLARS OF VALUE** FINANCIAL PRODUCTION COST	Acquiring our partner's interest in Mototolo helps unlock the potential of the Der Brochen resource. In the short term, we have a unique opportunity to improve cash flow generation and returns by increased processing of higher-margin mined production from Mogalakwena and/or Der Brochen expansion.

CHAIRMAN'S LETTER

SEVERAL NOTABLE MILESTONES IN 2018 DEMONSTRATE THE SOLID FOUNDATIONS WE HAVE PUT IN PLACE OVER THE PAST SIX YEARS TO BUILD A MODERNISED MINING COMPANY AND UNLOCK OUR FULL POTENTIAL

Tragically, we lost two colleagues during the year. This is simply not acceptable and we will not rest until we reach our goal of zero harm.

Our progress against strategic objectives for the year to 31 December 2018 is detailed by the chief executive (page 35) or finance director (page 40), but to summarise the milestones:
- Significantly improved safety performance
- Strong PGM production from all managed mines, but refined production affected by scheduled smelter rebuilds and other process interruptions
- Improved efficiencies through modernisation and mechanisation evident. Together with improved metal prices and ongoing portfolio optimisation (including the sale of BRPM and acquisition of Mototolo), key financial metrics have improved substantially
- Material regulatory developments, discussed below, have provided a measure of clarity for the industry on both policy and compliance.

The gratifying improvement in our safety performance reflects a revised, board-approved strategy and turnaround plan implemented in 2018. The strategy was co-designed by employees, unions, officials and management to bring the next step-change in performance needed for a modernised mining company to achieve zero harm. The benefits of joint responsibility are reflected in year-on-year improvements in fatalities, down from six to two, and the total recordable case frequency rate, which improved 34% to 3.00 – both indications that we are on the right track.

I again reassure our stakeholders, particularly our employees and their families, that the board continues to provide the governance oversight required to ensure safe production, so that every employee can go home unharmed at the end of every shift. Although we understand that changing human behaviour takes time, we will not rest until we reach and sustain zero fatalities and, ultimately, zero harm.

IMPROVED POLICY ENVIRONMENT

Mining is a long-term business, where it can take over a decade from the point of prospecting to first production. Equally, significant capital is needed to start each project and it is often more than 10 years before that capital investment is recouped. As such, investors require a stable, conducive and competitive regulatory environment to justify investing.

This had not been the case in South Africa for a number of years, with amendments to our principal legislation (the Mineral and Petroleum Resources Development Act or MPRDA) in the pipeline for six years, and the third version of our principal compliance vehicle, the mining charter, gazetted in 2017 and then withdrawn by the former minister of mineral resources. This was an extremely costly bureaucratic misstep for the industry, in terms of market capitalisation, management time and the legal cost of compelling the withdrawal of this unfeasible legislation.

It is therefore heartening to report on policy progress in 2018. Reflecting more focused leadership by South Africa's new president, Cyril Ramaphosa, and the new Department of Mineral Resources minister, Gwede Mantashe, the MPRDA amendment bill was withdrawn and a much-improved mining charter gazetted.

In terms of the MPRDA, withdrawing proposed amendments allows the mining industry to be governed by the Act in its present form and removes a level of uncertainty for our sector.

In September, the minister gazetted the mining charter of 2018 and published implementation guidelines in December. This is a major improvement on the version gazetted under the prior administration in 2017 and a further enhancement on the June 2018 draft.

We believe outstanding issues should be resolved through dialogue and negotiation so that the regulatory regime addresses the interests of key stakeholders. Although there is likely to be much political manoeuvering ahead of national elections in May 2019, I remain hopeful that there is a way back to the negotiating table to address remaining concerns. We are very encouraged by comments from both the president and minister that urgent action is needed to restore investor confidence in the mining industry, which will be good for Amplats, the broader sector and, most of all, the people of South Africa.

SOUND GOVERNANCE UNDERPINS SUSTAINABILITY

As a board, one of our key responsibilities is to ensure that our corporate governance programme and practices align with best practice.

In the prior year, we rolled out a revised code of conduct that informs ethical decision-making in the Amplats business and in all dealings with stakeholders. Most management levels have now received training against the requirements of the new code and are fully conversant on the associated obligations.

We keenly understand that our social licence to operate depends on engaging with host communities – pivotal stakeholders in the longevity of our mines. We have listened to community voices and implemented programmes focused on employment in our host communities 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 community trusts we have developed over the years so that they can distribute funds more effectively to implement community-initiated development projects.

Communities around our operations understandably have high expectations of Amplats – from job opportunities and local procurement to infrastructure projects – often asking us to perform the role of government. While unrealistic expectations cannot be met, nor can we take on the role of government, we have again this year meaningfully supported community wellbeing, contributing 6% of net profit after tax (some R609 million) to regulatory social and labour plans, and voluntary corporate social investment projects.

LOOKING AT THE PLATINUM GROUP METALS MARKET

In a mixed pricing environment for PGMs in 2018, the average platinum price declined while other PGM prices strengthened significantly. Palladium reached a high of USD1,277 in December while rhodium set an eight-year record of USD2,600, both driven by strong automotive demand. Ruthenium and iridium prices also reached multi-year highs.

We firmly believe long-term supply and demand fundamentals for PGMs remain attractive, despite fluctuating price levels. Demand from existing applications, new demand from applications being developed, and stimulatory measures to develop the PGM market will support sustainable demand and, in time, foster growth.

Developing the market for our products is an ongoing strategic focus. In addition to our work with Platinum Guild International (focused on jewellery demand) and the World Platinum Investment Council (focused on investment demand), in July 2018 we launched AP Ventures.

As cornerstone investors, Amplats and South Africa's Public Investment Corporation have committed USD200 million (R2.6 billion) to AP Ventures to invest globally in companies that support the development of innovative and competitive technological uses of PGMs, in addition to supporting our existing investments. This is detailed by the CEO.

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

- Improving air quality and lowering emissions through autocatalysts
- Decarbonisation and electrification through fuel cell technology
- Carbon dioxide capture and storage
- Enabling storage of renewable energy
- Advances in medical technology to aid wellness – from biomedical equipment to cancer treatments
- Improving everyday life by preserving food and treating water, among many others.

THE NEXT PHASE OF OUR STRATEGY

In response to structural changes in the PGM market, we have fundamentally transformed Amplats over the last five years from a loss-making deep-level, labour-intensive mining business to focus on cash-generative, high-margin, open-pit and shallow mechanised operations. From the board's perspective, this has been a challenging and sometimes painful process, but the benefits are now clear. We commend the operational and executive management teams for their steady commitment to achieving our strategic goals and their discipline in the face of challenges often outside their control. The Amplats of today is better positioned for a sustainable future, as its sterling results for 2018 demonstrate – PGM production up 4%, productivity up 15% and profitability up 21%.

For the next five years, by embracing our purpose (see page 20) and driving our updated strategy, we will enhance Amplats' value and earnings by taking operational performance to new best-in-class levels, investing in portfolio growth options and developing the market for PGMs.

Please refer to the chief executive officer and finance director's reviews for detailed discussions on strategy and performance.

DIVIDEND POSITION

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

CHAIRMAN'S LETTER CONTINUED

A second-half cash dividend of R2.0 billion or R7.51 per share has been declared to our shareholders. The dividend applies to all shareholders on the register on 8 March 2019 and is payable on 11 March 2019. This brings the aggregate 2018 dividend to R3.0 billion or R11.25 per share, equivalent to a 40% pay-out on full-year 2018 headline earnings.

BOARD AND MANAGEMENT

As announced on 23 October 2018, Mr Andile Sangqu, executive head of Anglo American South Africa Limited, stepped down as a non-executive director of Amplats. The board appointed Mr Norman Mbazima as a non-executive director of the company with effect from 23 October 2018.

Mr Ian Botha, the finance director (FD), has tendered his resignation and will step down from the board on 28 February 2019. Mr Craig Miller, currently the Anglo American plc financial controller, will assume the role of finance director on 1 April 2019.

After six years chairing the Amplats board, I will step down at the annual general meeting in April. Norman Mbazima has been appointed chairman and Peter Mageza as lead independent director. I wish them well in their new roles as Amplats enters this new and exciting phase of its strategic growth.

I thank my fellow directors for their thoughtful input and ongoing diligence in fulfilling their duties.

I also thank our CEO, Chris Griffith, the executive and management team and all employees for their contribution and commitment to the company in 2018. Together, we are re-imagining mining to improve people's lives.

Valli

Valli Moosa
Chairman

Johannesburg

14 February 2019

Mining responsibly and sustainably to produce PGMs which improve peoples lives

Producing ~ 5 million ounces PGMs per annum to enable:

- AIR QUALITY AND LOWER EMISSIONS
- DECARBONISATION – FUEL CELLS
- CO_2 CAPTURE/STORAGE
- ENERGY STORAGE
- MEDICAL TECHNOLOGY ADVANCES
- FOOD PRESERVATION... AND MORE

CHIEF EXECUTIVE OFFICER'S REVIEW

OUR 2018 RESULTS ARE THE CULMINATION OF FOCUSED REPOSITIONING OVER THE PAST SIX YEARS TO COUNTER FUNDAMENTAL SHIFTS IN OUR MARKETS AND OUR INDUSTRY

PGM production
rose 4%

TRCFR improved
34% to 3.00

Launch of AP Ventures Fund
with USD200 million

Disciplined strategic execution has transformed Amplats from a loss-making business in 2012 to generating positive EBITDA of R14.5 billion (up 21% year on year), free cash flows in 2018 of R5.6 billion and return on capital employed (ROCE) of 24%. On a total shareholder return basis, Amplats was the best-performing company on the JSE in 2018.

Importantly, throughout this financial and operational transformation, we continued to ensure that the way in which we do business minimises harm to the environment as well as our people, and supports surrounding communities – mining responsibly and sustainably:

- Since 2013, we have had zero significant environmental incidents, lowered our carbon emissions by 27% and reduced waste to landfill by 64%. A R2.5 billion investment is under way to reduce sulphur dioxide emissions to global best practice
- In the last five years, we have more than halved our total recordable case frequency rate (TRCFR). While our collaborative focus on safety is producing results, the tragic loss of two colleagues in 2018 has re-emphasised how critical it is for us to eliminate fatalities across our business – we must create a safe working environment by changing processes and, more importantly, behaviour by changing the culture of our organisation
- We create value for our host communities and make a positive impact on society. In 2018 alone, we spent R609 million on social investment – spread across community development, social and labour plans as well as payments and dividends to community trusts.

In my last report, I noted that the foundations of a solid operational performance, repositioned portfolio, healthy balance sheet and restored dividend were set, positioning Amplats strongly for a sustainable future.

We now have a differentiated PGM business – the undisputed leader in its industry – and we move on to the next phase of our strategy (detailed on page 20) to unlock the full potential of our operations through our people and innovation to redefine industry-best performance in a safe and socially responsible way.

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

COMMITTED TO ZERO HARM

Our safety performance in 2018 was a marked improvement on the prior year, but does not yet meet the standards we set for ourselves or those that society and our employees deserve. On behalf of the group, I extend our heartfelt condolences to the families, friends and colleagues of the two employees (2017: six) who died in work-related incidents. Mr Johannes Maimela was fatally injured on 12 February 2018 after being attacked by a swarm of bees at Amandelbult Mine; and Mr Emmanuel Segale died in a fall-of-ground at Amandelbult's Dishaba Mine on 18 October 2018.

Pleasingly, the revised safety strategy and framework for a comprehensive safety turnaround plan that we instituted last year is delivering results. The TRCFR, our key leading indicator, improved 34% to 3.00 – slightly better than our target of 3.01 for 2018.

We also made encouraging progress in improving employee health in the review period. Our tuberculosis (TB) incidence rate is now 325 per 100,000 (2017: 582 against a national average of 781) and the number of employee TB deaths was maintained at a low five due to our active wellness programmes. With our HIV/Aids programmes, aligned to the UNAIDS goal of 90:90:90 by 2020 (90% know their status, 90% of those infected are on antiretroviral treatment and 90% viral load suppression), 98% of our employees have been counselled, 88% were tested and 90% of those who are HIV-positive are on antiretroviral treatment.

On the environmental side, construction is under way on the SO_2 abatement plant at Polokwane smelter to reduce emissions by over 90% to well under regulated limits. We achieved our energy and water efficiency targets for the year and we have recorded no major environmental incidents (categorised as level 3 to 5) since 2013.

UNLOCKING THE FULL POTENTIAL OF OUR OPERATIONS

We recorded another strong operational performance in 2018, reflecting our ongoing focus on efficiency improvements across the portfolio. With all mines outperforming the prior year, total PGM production rose 4% to 5,186,500 ounces, comprising:

- Platinum at 2,484,700 (2017: 2,397,500) ounces
- Palladium at 1,610,800 (2017: 1,557,300) ounces.

The portfolio of mines we own and manage changed in the review period. Effective 1 November 2018, Mototolo Platinum Mine became a wholly owned operation after we bought out minority shareholders, Glencore and Kagiso Platinum Ventures, with an upfront payment of R1.3 billion (and deferred payments detailed in the finance director's review). Mototolo is a mechanised, low-cost, high-quality resource, creating another major PGM hub for Amplats by unlocking significant optionality in our adjacent Der Brochen resource, and increasing life-of-mine to over 30 years. Mototolo's production is included in the owned and managed portfolio for two months of the review period, with a marginal effect on comparable data.

Mogalakwena had another record year by producing 1,170,000 PGM ounces, up 7%. Due to an optimised mine plan, implemented at the beginning of 2018, the pit walls of the central pit were steepened. This, together with improved truck-and-shovel performance, allowed us to move more waste tonnes in the period and expose ore tonnes, in turn enabling more consistent mining of ore tonnes over the short to medium term and reducing the need to drawdown on ore stockpiles from 2021.

Total PGM production at Amandelbult rose 1% to 868,800 ounces, due to increased underground production delivered to the concentrator, primarily from Dishaba. Dishaba Mine development led to a 7% increase in immediately available ore reserves compared with the prior year, highlighting the progress made in developing Dishaba Lower at a low capital cost of R0.5 million. Production was significantly impacted in the final quarter by lower underground production delivered to the concentrator primarily due to the section 54 stoppage after the fatality in October 2018 and subsequent extensive retraining of employees, as well as some impact from Eskom load shedding, and persistent high absenteeism in the final quarter.

Unki Mine in Zimbabwe produced a record 192,800 PGM ounces, up 16%. This reflects an increase in tonnes milled, up 10% on improved underground productivity, while the 4E built-up head grade rose to 3.51g/t (2017: 3.47g/t) due to improved mining reef cut and reducing waste tonnes mined. The Unki smelter was completed in 2018, on schedule and on budget (capital investment of R0.7 billion), and commissioning began in the third quarter.

Mototolo recorded an improved performance in 2018, increasing production by 56% to 287,700 PGM ounces (2017: 184,800 ounces). Mine production achieved returned to normal levels after the four-month concentrator shutdown in 2017 for remedial work to restore the Helena tailings storage facility. Additional production was toll treated at Bokoni Mine (20,800 PGM ounces against 11,900 in 2017) from ore stockpiled during the concentrator plant shutdown. The acquisition of Glencore and Kagiso's share of the Mototolo joint venture (JV) was completed on 1 November 2018. From this date, production was treated as own-mine production (previously treated as 50% JV mined production and 50% purchase of concentrate).

Joint venture production is based on 50% of mined production. Kroondal achieved record PGM production, up 7% to 312,200 PGM ounces on improved underground efficiencies and concentrator recoveries. Modikwa marginally increased production (1%) to 164,700 PGM ounces, benefiting from ore purchases from Mototolo which contributed 12,300 PGM ounces compared to 9,700 in 2017. The underlying mine performance was impacted by a slow start to the year, due to community unrest that affected work attendance in March and a bus-arson incident in April which tragically resulted in the deaths of six Modikwa employees.

Total PGM purchase of concentrate, including 50% of JV production, increased 13% to 2,291,900 ounces. The increase is primarily due to including concentrate from Union following its sale to Siyanda on 1 February 2018, partially offset by the removal of unprofitable ounces from Bokoni being placed on care and maintenance in 2017 (which contributed 117,000 PGM ounces in 2017). From 1 January 2019, some 900,000 PGM ounces from Sibanye-Stillwater will be under a tolling contract and therefore will not be categorised under purchase of concentrate from third parties.

Refined PGM production decreased 6% to 4,784,900 ounces. This was primarily attributable to the planned rebuilds of Mortimer and Polokwane smelters, commissioning of the Unki smelter, and maintenance work on other processing assets, all of which resulted in a build-up of work-in-progress inventory. In addition, there was a particularly strong refined production performance in 2017 due to the stock-count gain (106,000 PGM ounces) and backlog of material after the Waterval smelter run-out in 2016 (together totalling 236,000 PGM ounces). Refined production and sales volumes should increase in 2019 as the backlog of work-in-progress inventory from 2018 is processed in full.

PGM sales volumes (excluding marketing activities) decreased 3% to 5,224,900 ounces on lower refined production, compensated in part by a drawdown in refined inventory levels. Platinum and palladium work-in-progress inventory has risen from around 467,000 ounces and 379,000 ounces respectively at the end of 2017 to 548,000 ounces and 447,000 ounces respectively at the end of 2018. Work-in-progress stock levels are expected to normalise in 2019.

PEOPLE ARE KEY TO REACHING OUR GOALS

Our people – their skills, their passion and commitment – are fundamental to our goals. In return, we are committed to their development and wellbeing in a work environment where they can thrive and unlock their own potential.

Our workforce increased by some 1,600 with the acquisition of Mototolo to 24,789 at year end, although lower than the 28,692 employees at the start of the year due to the sale of Union Mine. Given our ongoing shift to modernisation and automation, it is important to recruit appropriate skills for our mines in addition to continued development and training of our workforce. In 2018, we spent 6.28% of total payroll on training and development, while recruiting the best mining skills to augment our talent pool. Although the repositioning process over recent years has more than halved our staff complement, Amplats now benefits from a smaller, more skilled workforce which ensures we work more efficiently, as reflected in productivity in the review period improving by 15%.

We also continue to make progress with transformation – a key compliance element in the South African mining industry. In 2018, the representation of designated groups at senior management level decreased from 51% in the prior year to 50%, middle management rose from 67% to 69%, junior management from 80% to 82%, and women from 16% to 18%.

Employee share ownership is another important element of transformation and we concluded an employee share-ownership plan agreement in 2018 with unions and employees. In terms of the agreement, employees received R9,000 in cash in 2018, in 2019 they will receive R8,000 – split into R4,000 cash and R4,000 in shares, and in 2020 they will receive R8,000 (again split as R4,000 cash and R4,000 in shares). The vesting period for the share portion is over two years, ie 2021 and 2022.

In line with our values, we work hard to ensure our company offers meaningful employee benefits. In recent years, hundreds of our people have benefited from a range of housing schemes, in addition to the thousands who live in company accommodation. All our people have access to decent healthcare programmes. In the review period we extended our financial wellness programme, Nkululeko, to include a broader range of financial issues. To date, this has reached around 12,000 employees via individual consultations on financial matters, particularly debt-relief solutions.

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

BUILDING SUSTAINABILITY THROUGH SOCIALLY RESPONSIBLE OPERATIONS

We are concentrating on addressing the significant legacy of underdevelopment and high unemployment around our operations as both a business and moral imperative. We continue to improve the quality of our engagement with communities, as they ultimately grant us our social licence to operate and are key stakeholders in the longevity of our mines.

In 2018, Amplats lost no production days to community protests around our managed operations, although the number of protests in the industry escalated. Key issues included lack of employment and procurement opportunities, and the ongoing lack of municipal service delivery. We continued to engage with these communities, local government officials and the police (SAPS) in an attempt to limit the impact of these disruptions.

We are committed to honouring our 2016 to 2020 social and labour plans (SLPs). Stakeholders are engaged and more involved in the delivery of each SLP and each project is monitored and evaluated to gauge its impact. Overall, our flagship projects have created over 1,000 jobs. More than 8,000 learners benefited from our education support programme – from early childhood development to grade 12 levels. The SLPs, regional socio-economic development or SED, Alchemy (community shareholding trust) and Zimele (an Anglo American initiative) strategy all form part of a broader SED strategy aimed at delivering lasting benefits for host communities around our sites. In 2018, R609 million was spent on community development (R467 million on SLPs, social investments and payments to community trusts, as well as R142 million in community dividends.

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

CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

Our focus on local supplier development ensures our host communities benefit from mining. In 2018, 74% of our discretionary spend was with black-owned and black-empowered suppliers. We awarded 62 new contracts to host community SMMEs with an estimated value of R1,2 billion.

REGULATORY DEVELOPMENTS

During the year, and as noted by the chairman, the minister of mineral resources, Gwede Mantashe, withdrew proposed amendments to the MPRDA, allowing the mining industry to be governed by the Act as is and removing a level of uncertainty.

In September, the minister gazetted the third mining charter (known as MC18) for implementation. MC18 is a major improvement on earlier versions and brings welcome clarity on some highly contentious issues. The chairman has noted our remaining concerns with the charter.

In the year ahead, we will complete our implementation plan (by 1 September 2019) to comply with the requirements of the new charter.

Market conditions see PGMs collectively in a deficit

Stronger palladium, rhodium and ruthenium prices drove the US dollar basket price up 13% to USD2,219/ounce. A constant rand:dollar exchange rate in 2018 resulted in the rand basket price also increasing by 13% year on year. The platinum price ended the year down 15% at USD794 per ounce, averaging USD880 (2017: USD950) on slightly lower demand from the automotive sector, limited support from the gold price and macro-economic pressures from US/China trade-tariff concerns.

The other PGMs had a more impressive year. Contributing factors and movements in the PGM market are detailed in our supplementary report and summarised by the chairman.

Overall, we view the medium-term demand outlook as positive across the metals we produce:

- Mixed outlook for PGM markets, with platinum set to underperform (despite strong growth in industrial demand offset by stabilising jewellery demand) and palladium to remain in deficit, driven by strong automotive demand
- Demand for palladium and rhodium, dominated by the gasoline autocatalyst sector, is rising on higher sales and tighter emissions rules in many countries
- Further out, credible progress in developing the hydrogen economy and fuel cells could create a new sizeable demand segment for platinum.

In addition to managing our mines cost-effectively and profitably, we continue to focus on developing the market for platinum. A highlight of the year was the launch of AP Ventures, with matching USD100 million commitments (equivalent to R1.3 billion) from Amplats and the Public Investment Corporation. AP Ventures will support the growth of PGM technologies and increase demand for these metals by facilitating the application of cutting-edge technological advances and broad innovative thinking to address society's major challenges. As an independent structure, AP Ventures will be better positioned to attract outside investment to scale its activities. It is also a clear example of using collaborative partnerships to connect people for the betterment of the industry.

Other market-development initiatives are detailed in our supplementary report.

Strategy update

With the first phase of our strategy successfully delivered (page 20), evolve to the next phase. Amplats now has a differentiated value proposition through:

- The quality of our long-life assets from which we continually strive to extract full value
- Proven capital discipline, resulting in balance sheet strength and the flexibility to respond to opportunities through the cycle
- Ensuring the sustainability of our business by spearheading market development to grow demand for PGMs, advancing prioritised project studies to maintain optionality, and modernising our organisation.

We will achieve our value proposition through the next phase of value delivery, divided into three pillars:

- Extracting the full potential from our operations, through our people and innovation
- Investing in our core portfolio that delivers industry-leading cash flow and returns
- Investing in the development of the market for PGMs to increase demand.

Repositioning the portfolio in recent years has enabled us to focus on our most competitive assets, 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. The detail on key M&A activities in 2018 appears in the financial review, but in summary:

- On 1 February 2018, the sale of our 85% interest in Union Mine to Siyanda Resources became effective. The upfront disposal proceeds of R400 million was received on 1 February and management control was handed over. Other key commercial terms of the agreement included a deferred consideration based on 35% of cumulative positive distributable free cash flow to be paid annually as an earn-out for a period of 10 years from the effective date. The maximum cap on the deferred consideration is R6 billion.

As detailed from page 58, our core operations will benefit from focused strategies, dedicated management attention and technical expertise, as well as disciplined capital allocation.

Solid financial results

Amplats delivered a strong financial performance in 2018, detailed in the finance director's report on page 40. Salient features include:

- EBITDA of R14.5 billion, 21% above 2017 largely due to higher revenue, driven by higher prices
- Return on capital employed (ROCE) of 24% and headline earnings of R7.6 billion (R28.93 per share) up 95% on 2017
- Project and stay-in-business capital expenditure of R4.7 billion (net of insurance receipts) was within market guidance. Capitalised waste stripping of R1.5 billion was higher than the prior year and budget due to the revised mining strategy at Mogalakwena
- Underlying unit costs were up 5% year on year, with the benefits of increased mined production, being more than offset by input

cost inflation of 6.6%, which was almost 2% above CPI. This was due to above-inflation increases for labour, diesel, explosives and coal. The unit costs increase was 8% when including accounting movements in Mogalakwena's ore and waste capitalisation

- Net cash of R2.9 billion, compared to net debt of R1.8 billion at 31 December 2017. Excluding the customer prepayment, net debt is R3.2 billion, and net debt:EBITDA is 0.2
- Against a higher dividend pay-out ratio policy (now 40%), the board declared an increased second-half cash dividend to take the aggregate 2018 dividend to R3.0 billion or R11.25 per share.

OUTLOOK

Market outlook

The three major PGMs – platinum, palladium and rhodium – should again be in combined deficit in 2019. Primary mine supply should remain flat, while tightening emissions regulations are likely to boost demand for palladium and rhodium in the light duty and platinum in the heavy-duty sectors.

- **Platinum** – is expected to be in a modest surplus in 2019. The outlook for gross global automotive demand is more positive in 2019, with some growth possible. While the diesel engine's share of the European light vehicle market is expected to decline further, additional demand from the heavy-duty sector in China and India, due to stricter emission regulations, could limit the combined automotive demand reduction. Industrial demand is likely to remain strong and the jewellery demand outlook remains mixed. There are some positive signs in China that jewellers could drive higher platinum sales, but 2019 could still see a modest decline in demand before the market finally stabilises. In contrast, Indian demand should increase further, and a robust performance in other key jewellery markets is expected. Investment demand depends on price movements and volatility, and is expected to be positive, aided by continuing market development work from the World Platinum Investment Council
- **Palladium** – is likely to be in a material deficit in 2019. Automotive demand is likely to increase, even with little or no growth in vehicle sales, as the average vehicle size increases and emission rules tighten. Although palladium is trading at a substantial premium to platinum, there is little evidence of intensive efforts to replace palladium with platinum in any gasoline catalytic converters. Even if this R&D process were to start in earnest in 2019, gross automotive palladium demand would be likely to rise over the coming year. Mine production should be relatively flat year on year, while more palladium will be recovered from recycling
- **Rhodium** – demand is likely to be steady in 2019. Although vehicle sales are unlikely to grow during the year, tighter emission rules and rising vehicle sizes should add incremental automotive demand. Industrial demand could fall back due to some price sensitivity in the glass sector. Primary supplies are expected to remain flat, while the volume of metal recycled should climb in 2019, with rhodium likely to remain in a small fundamental surplus.

Operational outlook

- **PGM production guidance (M&C)** is 4.2 to 4.5Moz of PGMs in 2019, including a platinum outlook of 2.0 to 2.1Moz and palladium outlook of 1.3 to 1.4Moz. The reduction against 2018 reflects Sibanye-Stillwater material changing to a tolling contract from 1 January 2019
- **Refined production** will be higher at 4.6 to 4.9Moz of PGMs for 2019, including platinum of 2.2 to 2.3Moz and palladium of 1.4 to 1.5Moz. Refined production is higher than M&C production due to refining work-in-progress inventory that built up after maintenance on Mortimer and Polokwane smelters in 2018
- **Sales volumes** will be in line with refined production.

Financial outlook

- Unit cost guidance is between R21,000 and R22,000/Pt oz (M&C)
- Total capital expenditure guidance for 2019 (excluding capitalised waste stripping) is between R5.7 billion and R6.3 billion. Capitalised waste stripping guidance is R2.0 billion to R2.2 billion.

I thank my executive team and all our people for their hard work in producing a set of results we can be proud of. In particular, I thank our finance director, Ian Botha, who resigned in September 2018 and stayed on to finalise these results. Our executive head of projects and SHE, Indresen Pillay, resigned in August, while Vishnu Pillay – executive head of joint ventures – retired in August. Given our smaller JV portfolio, this executive position falls away, and remaining JV operations will report to the executive head of mining. Mr Prakashim Moodliar has been appointed by the executive committee as the executive head: projects and will start on 1 March 2019.

As announced on 23 October, Mr Andile Sangqu, executive head of Anglo American South Africa Limited stepped down as non-executive director and Mr Norman Mbazima was appointed as a non-executive director.

The chairman, Mr Valli Moosa, who has served as a director for the past 10 years, will retire from the board at the AGM on 17 April 2019. Mr Norman Mbazima will take over as chairman.

Craig Miller, currently the Anglo American plc financial controller, will assume the role of finance director on 1 April 2019.

Mr Peter Mageza, who has been a member of the board for the past five years, has been appointed as the lead independent director.

In closing, I assure our stakeholders we are well on the path to unlocking our full potential and a sustainable future.

Chris Griffith
Chief executive officer

Johannesburg

14 February 2018

FINANCIAL REVIEW

DELIVERING VALUE, WHILE OPERATIONS PERFORMED STRONGLY

Headline earnings of R7.6 billion
rose 95% from 2017

Net cash of R2.9 billion
from net debt of R1.8 billion in 2017

Dividend payout ratio increased to 40%
R3.0 billion or R11.25 per share for 2018

ROCE of 24%

Amplats financial performance against strategy

DEVELOPING THE MARKET FOR PGMS

- Anglo Platinum Marketing Limited committed to invest USD100 million (R1.3 billion) in two PGM market development funds

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

- Net sales revenue up 14% to R74.6 billion
- Headline earnings of R7.6 billion, up 95%
- Strong balance sheet – net cash of R2.9 billion (R4.7 billion improvement on 2017)
- 2018 dividend declared of R11.25 per share, or R3.0 billion

INVESTING IN OUR CORE PORTFOLIO

- Acquired remaining interests in Mototolo Mine joint venture (JV)
- Sale of Union Mine to Siyanda Resources
- Sale of equity in Royal Bafokeng Platinum Limited (RB Plat)
- Sale of 33% interest in Bafokeng Rasimone Platinum Mine joint venture (BRPM JV) to Royal Bafokeng Platinum Limited

OVERVIEW

Amplats delivered another strong financial performance in 2018, further strengthening its balance sheet to end the year with net cash of R2.9 billion. Work on upgrading the portfolio continued and is delivering value, while operational performance improved and increased underlying cash flow in 2018.

Further progress has been made on delivering the 'value not volume' strategy and repositioning our portfolio, including:

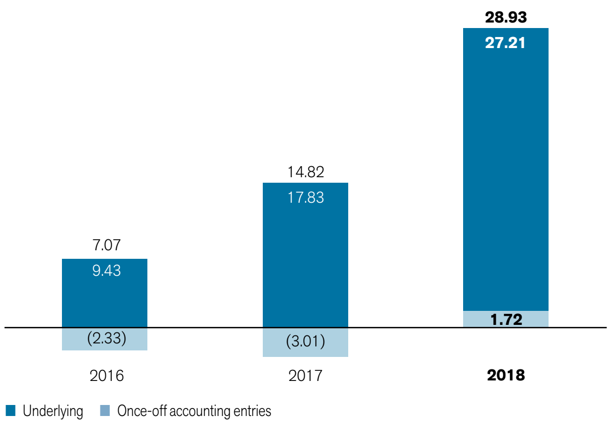
- Sale of Union Mine to Siyanda Resources on 1 February 2018 for upfront cash of R0.4 billion, deferred cash of 35% of net cumulative positive free cash flow for 10 years and the purchase-of-concentrate agreement for seven years, with a toll arrangement from year 8
- Disposal of our 11.7% shareholding in RB Plat for R0.5 billion
- Sale of our 33% interest in the BRPM JV to RB Plat effective on 1 December 2018 (for accounting purposes) for a total of R1.9 billion (R0.3 billion upfront and R1.6 billion deferred, to be settled in three equal tranches after 1.5 years, 2.5 years and 3.5 years from completion date), together with a R0.3 billion repayment of funding to BRPM from signature date to effective date. The sale allows Amplats to focus its capital allocation on own-managed mines and projects. Amplats will retain its right to purchase 50% of the BRPM JV's concentrate for the life-of-mine
- Acquisition of Glencore's 40.2% and Kagiso's 9.8% shareholding in the Mototolo JV. The upfront consideration to Glencore was R1.0 billion and a deferred consideration to be settled monthly over six years based on rand PGM prices over the Mototolo JV life-of-mine to 2024 (with a fair value of R0.9 billion). A total purchase consideration of R0.3 billion was paid to Kagiso, with no further sums payable. The transaction unlocks significant optionality for the company in its adjacent wholly owned Der Brochen resource, and will increase the life-of-mine to over 30 years, creating material value for Amplats.

Amplats strengthened its balance sheet and ended the year with net cash of R2.9 billion, a R4.7 billion improvement from net debt of R1.8 billion at 31 December 2017. This was after a cash dividend to shareholders of R1.9 billion and reflected enhanced operating free cash flow of R5.6 billion and net proceeds on asset sales of R0.1 billion. The customer prepayment increased by R1.5 billion due to a weaker rand at the end of 2018 compared to December 2017 as well as higher palladium and rhodium prices, bringing the total customer prepayment at 31 December 2018 to R6.1 billion.

Headline earnings rose 95% to R7.6 billion (2017: R3.9 billion), with headline earnings per share (HEPS) of 2,893 cents (2017: 1,482 cents). The higher earnings reflect a higher dollar basket price and improved operational performance. Headline earnings includes a post-tax attributable net gain of R0.5 billion, which includes the remeasurement of deferred consideration relating to the disposal of Rustenburg. We recorded attributable post-tax net losses of R1.5 billion impacting basic earnings.

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 2018 at www.angloamericanplatinum.com.

Headline earnings per share (R/s)



FINANCIAL PERFORMANCE

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

R million	2018	2017	% change
Net sales revenue	**74,582**	65,670	14
Cost of sales	**63,286**	56,578	12
EBITDA	**14,503**	11,985	21
EBIT	**10,335**	7,892	31
Headline earnings	**7,588**	3,886	95
Cash generated from operations	**17,345**	15,942	9
Capital expenditure excluding capitalised waste stripping and interest	**4,711**	3,960	19

Revenue

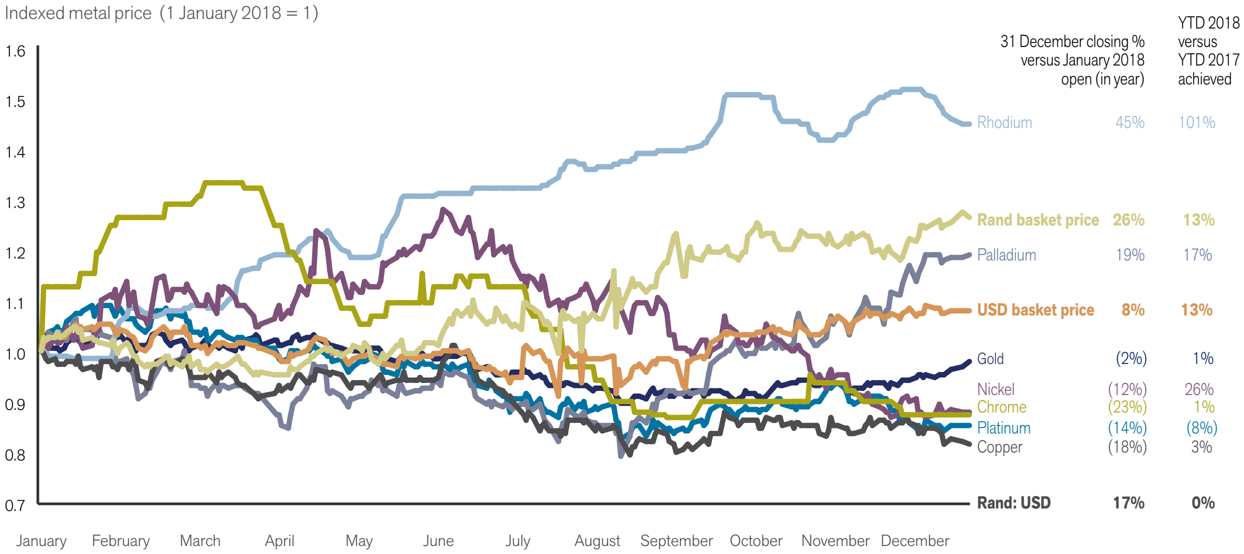
Net sales revenue rose 14% to R74.6 billion from R65.7 billion in 2017, on the back of a 13% higher US dollar basket price of USD2,219 per platinum ounce sold (compared to USD1,966 in 2017), partly offset by lower volumes sold. The achieved average exchange rate of R13.33 was flat against the prior year. The average US dollar sales price achieved on all metals improved, except for platinum which was USD871 per ounce compared to USD947 in 2017. Palladium was up 17%, rhodium up 101% and nickel up 26%. The rand basket price improved by 13% to R29,601 per platinum ounce sold (2017: R26,213).

FINANCIAL REVIEW CONTINUED

R million	2018	2017	% change
Gross sales revenue by metal	**74,582**	65,688	14
Platinum	**28,108**	31,590	(11)
Palladium	**20,934**	18,421	14
Rhodium	**9,401**	4,242	122
PGM (5E+AU)	**64,201**	58,343	10
Nickel	**4,172**	3,566	17
Chrome	**1,855**	2,157	(14)
Other	**1,561**	1,622	(4)
Trading	**2,793**	–	100
Commission paid	**–**	(18)	(100)
Net sales revenue	**74,582**	65,670	14

Metal price movements (1 January 2018 to 31 December 2018)

Indexed metal price (1 January 2018 = 1)



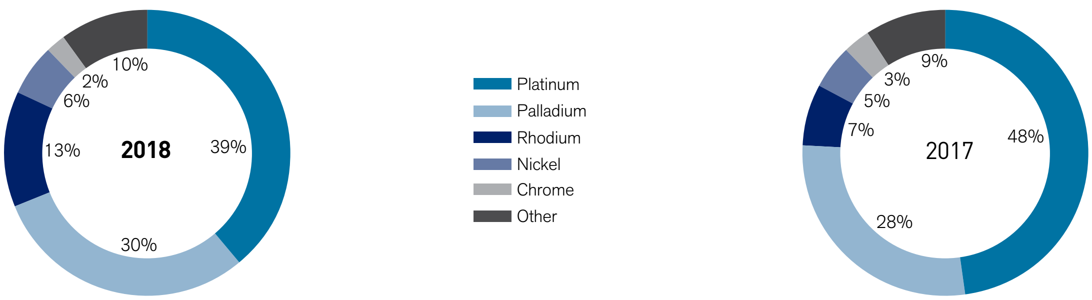
Sales of refined PGMs, excluding third-party purchases of refined metals, declined 3% to 5,224,900 ounces, platinum declined 3% to 2,424,200 ounces and palladium decreased 4% to 1,513,100 ounces, due to lower refined production after the Mortimer smelter rebuild, Polokwane smelter ring repair and other process maintenance in 2018. The prior year also had the benefit of additional sales volumes, due to the stock-count gain and additional refined material following the build-up of work-in-progress inventory after the Waterval smelter run-out in 2016. Rhodium sales increased 9% to 317,400 ounces while sales of chrome declined by 10% on disposal of the Masa chrome recovery plant as part of the Union Mine disposal.

PGM sales from third-party purchased metal added 223,100 ounces (94,000 platinum ounces, 124,500 palladium ounces and 4,600 gold ounces).

R million		**2018**	2017	% change
Total metal sold*				
Platinum	000 oz	**2,424**	2,505	(3)
Palladium	000 oz	**1,513**	1,572	(4)
Rhodium	000 oz	**317**	290	9
PGM (5E+AU)	000 oz	**5,225**	5,382	(3)
Nickel sold	t	**23,943**	25,411	(6)
Chrome sold	t	**834,682**	927,732	(10)
Average market price achieved				
Platinum	USD/oz	**871**	947	(8)
Palladium	USD/oz	**1,029**	876	17
Rhodium	USD/oz	**2,204**	1,094	101
PGM (5E+AU)	USD/oz	**921**	813	13
Nickel	USD/t	**12,972**	10,314	26
Chrome	USD/t	**178**	177	1
Total revenue per platinum oz sold	USD/oz	**2,219**	1,966	13
Average exchange rate	R/USD	**13.33**	13.33	–
Total revenue per platinum oz sold	R/oz	**29,601**	26,213	13
Total revenue per PGM (5E+AU) oz sold	R/oz	**13,734**	12,198	13

** Excludes sales from the purchase of refined metal.*

Revenue per metal



Costs

Cost of sales rose 12% from R56.6 billion in 2017 to R63.3 billion due to increased production volumes, lower ore stockpile capitalisation and input cost inflation. Following the sale of the Union operations in February 2018 to Siyanda, Amplats has higher purchase-of-concentrate costs and lower on-mine costs due to purchasing concentrate from Siyanda.

On-mine costs (mines and concentrators) reduced by R0.8 billion to R26.1 billion due to the exit of Union, partly offset by input cost inflation and increased volumes at retained operations.

Processing costs rose by 10% in 2018 on higher input costs, such as diesel, electricity and coal as well as commissioning the Unki smelter.

Costs associated with the purchase of concentrate increased to R29.2 billion from R20.8 billion in 2017 due to production purchased from Siyanda in respect of Union Mine, increased output from BRPM, purchases of third-party refined metal, as well as a 13% higher rand basket price than 2017. This was partly offset by lower purchases from Bokoni Mine after it was placed on care and maintenance in the second half of 2017 and lower output from the Sibanye Rustenburg Mine.

Inventory movements increased due to work-in-progress build-up during process operations maintenance, and the ore stockpile capitalised was lower than prior year.

Improved truck-and-shovel performance at Mogalakwena enabled us to move more waste, creating the potential to expose more ore in future periods. Improved concentrator performance resulted in us building up lower ore stockpiles than expected. The ore stockpile capitalised was R0.5 billion, which was below previous guidance of R1.2 billion.

FINANCIAL REVIEW CONTINUED

Other costs increased 2% from R3.4 billion in 2017. This was primarily due to higher transport-of-metal costs, given higher costs for transporting chrome and an increase in royalties due to higher revenue.

COST OF SALES ANALYSIS

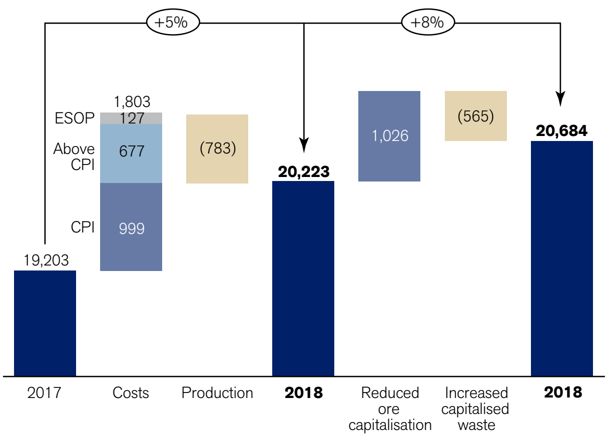
R million	2018	2017	% change
On-mine	**26,149**	26,932	(3)
Processing	**8,541**	7,784	10
Smelting	**4,261**	3,914	9
Treatment and refining	**4,280**	3,870	11
Movement in metals and consumables	**(3,591)**	(515)	597
Movement in ore stockpiles	**(466)**	(1,761)	(74)
Purchase of concentrate	**26 362**	20 921	26
Trading activities	**2,850**	(158)	(1,904)
Other costs	**3,441**	3,375	2
Cost of sales	**63,286**	56,578	12

The unit cost of R20,684/Pt oz was up 8% on 2017. Excluding the impact of lower ore stockpiles capitalised and increased capitalised waste, unit cost increased 5% year on year, mainly due to input cost inflation of 6.6% (2% above CPI), environmental rehabilitation cost credits in 2017 not recurring in 2018 and the employee share scheme payment which began in 2018, partly offset by higher mined production.

The all-in sustaining unit cost for 2018 was USD756 per platinum ounce against an achieved price of USD871 per ounce.

The focus for 2019 remains on unit cost control. Unit cost guidance for 2019 is R21,000 to 22,000, up 1-6% on 2018.

Unit cost (Rand per platinum ounce produced)

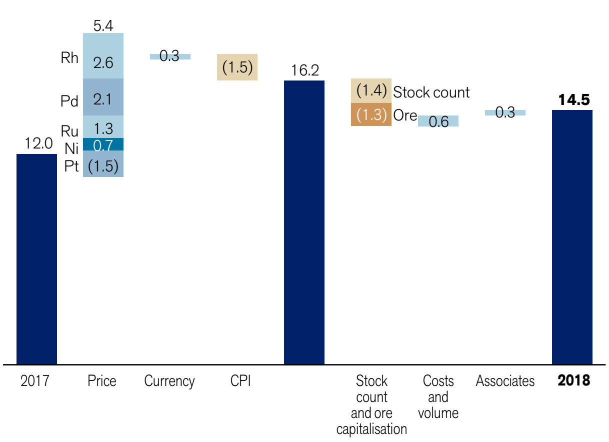


Earnings before interest, taxation, depreciation and amortisation (EBITDA)

EBITDA rose 21% from R12.0 billion in 2017 to R14.5 billion. Uncontrollable items increased comprising CPI, US dollar metal prices and the ZAR/USD exchange rate increased earnings by a net R4.2 billion, with foreign exchange gains (compared to losses in 2017) contributing R0.3 billion and stronger metal prices contributing R5.4 billion, partially offset by CPI of R1.5 billion.

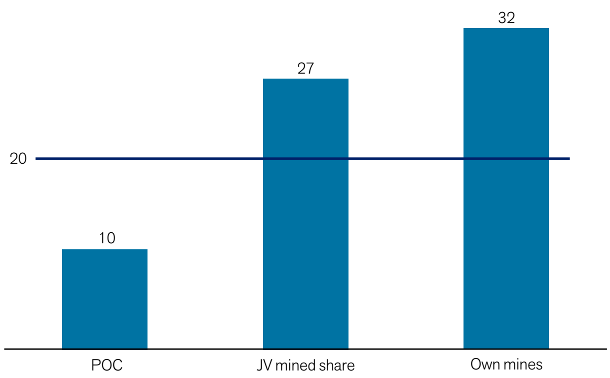
Earnings were reduced by a lower increase in the measured value of ore stockpiles (R1.3 billion) and the stock-count loss in 2018 of R0.5 billion compared to the stock-count gain in 2017 of R0.9 billion (net impact of a decrease of R1.4 billion). This was partially offset by improved costs, which increased earnings by R0.6 billion, as well as the benefit of Bokoni being on care and maintenance, resulting in lower losses incurred for associates (R0.3 billion).

EBITDA (Rbn)



The EBITDA margin achieved was 20% (2017: 18%), made up of own mining operations of 32% (2017: 32%), JV operations of 27% (2017: 20%) and purchase of concentrate of 10% (2017: 9%).

EBITDA margin (%)



Capital expenditure

Disciplined capital expenditure remains a priority, aimed at maintaining asset integrity and adding value, not volume.

Capital expenditure for 2018, excluding capitalised interest and capitalised waste stripping, increased 18% to R4.7 billion (net of insurance receipts) from R4.0 billion in 2017.

Stay-in-business (SIB) capex was flat on 2017 at R3.3 billion. The SIB governance process remains rigorous, ensuring that SIB capital is sustainable and focused on safety, enhancing business continuity and regulatory compliance. SIB capital is expected to be R3.4 billion to R3.7 billion in 2019.

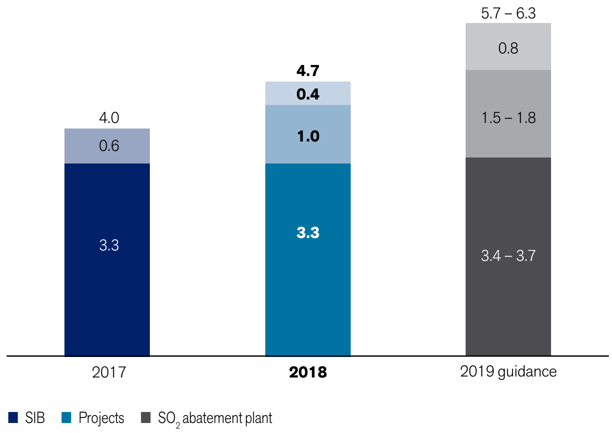
As previously guided, the SO_2 abatement plant for Polokwane smelter began in 2018 (R0.4 billion) and this will continue in 2019 and 2020. Mortimer SO_2 abatement project will begin in 2021.

Our focus is to invest in low-capex, fast-payback, value-accretive projects. Project capital was at R1.0 billion in 2018 and related to Amandelbult chrome plant modules 3 and 4, Unki smelter and closing out the Mogalakwena North concentrator optimisation.

Project capital in 2019 is estimated to be R1.5 billion to R1.8 billion for low-capital, fast-payback projects (such as Tumela 15E, the copper leach circuit at the BMR, debottlenecking at Unki and Mototolo and chrome projects at Amandelbult, Modikwa and Mototolo) and on projects (such as technology enhancements and digitisation) to achieve and then exceed operating benchmark performance.

Waste tonnes mined increased from 69Mt in 2017 to 71Mt in 2018 and the cost of mining 36Mt was capitalised against a capitalisation of 20Mt in 2017. Capitalised waste stripping was marginally above guidance at R1.5 billion as improved truck-and-shovel performance at Mogalakwena is allowing us to move more waste, creating the potential to expose more ore in future periods. 2019 capitalised waste stripping guidance is R2.0 billion – R2.2 billion.

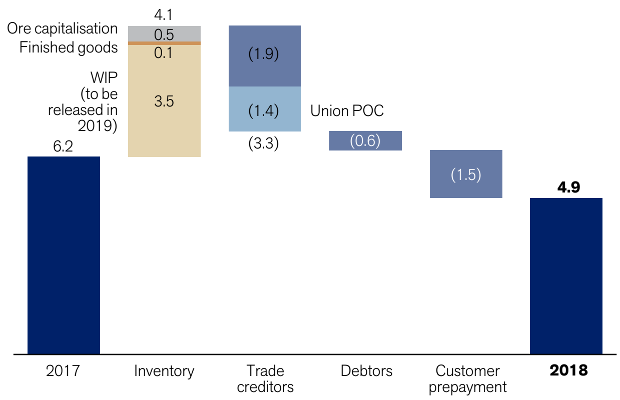
Capital expenditure (Rbn)



Working capital

We continue to focus on optimising working capital levels. Trade working capital at 31 December 2018 was R4.9 billion (equivalent to 15 days) compared to R6.2 billion at 31 December 2017 (26 days). The decrease reflects higher trade creditors (R3.3 billion) due to higher payables for the purchase of concentrate (on higher volumes, including production purchased from Siyanda, as well as higher rand metal prices), an increase in the customer prepayment of R1.5 billion (due to a weaker closing exchange rate than 2017 and higher prices) and lower trade debtors of R0.6 billion (two days in 2018 compared to five days in 2017). This was partially offset by a temporary build-up in work-in-progress metal inventories totalling R3.5 billion because of planned maintenance at our processing assets, and measured ore stockpiles increasing R0.5 billion.

Working capital (Rm)



FINANCIAL REVIEW CONTINUED

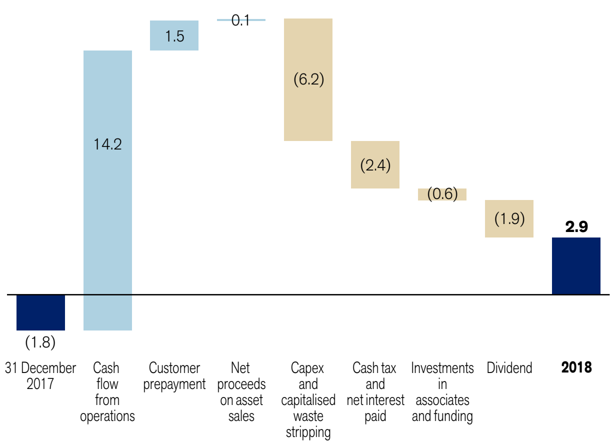
	2018 Rm	Days	2017 Rm	Days
Metals and consumables	**20,381**	89	16,729	83
Ore stockpiles	**2,256**	12	1,761	11
Trade debtors	**554**	2	1,188	5
Trade creditors	**(12,108)**	(59)	(8,837)	(50)
Customer prepayment	**(6,127)**	(29)	(4,623)	(23)
Total trade working capital	**4,957**	15	6,217	26

Platinum and palladium work-in-progress inventory has risen from around 467,000oz and 379,000oz respectively at the end of 2017 to 548,000oz and 447,000oz respectively at the end of 2018. Work-in-progress stock levels are expected to normalise in 2019. In 2018, Amplats had a stock-count loss of R0.5 billion (2017: stock-count gain of R0.9 billion), with the benefit of a 26,000 oz platinum stock-count gain, valued at R0.2 billion, being offset by stock-count losses of 16,000 palladium oz, 19,000 rhodium oz and 3,000 tonnes of nickel, valued at R0.7 billion.

Cash flows and net debt

We have a strong balance sheet. We moved from net debt of R1.8 billion at the start of the year to net cash of R2.9 billion. This was supported by operations generating cash of R14.2 billion, R1.5 billion from the customer prepayment, and net proceeds of R0.1 billion from asset disposals and acquisitions. These cash flows were used to fund capital expenditure and capitalised waste stripping of R6.2 billion; return R1.9 billion to shareholders as dividends; pay taxation of R1.8 billion; settle interest of R0.6 billion to our debt providers; and contribute R0.6 billion to funding our joint venture and associate operations, of which R0.2 billion was for Bokoni.

Net debt (Rbn)



Excluding the customer prepayment of R6.1 billion (which will be settled with metal), net debt is R3.2 billion and net debt to EBITDA is a strong 0.2. Liquidity headroom is at R23.4 billion, comprising both undrawn committed facilities of R14.2 billion and cash of R9.2 billion. This is comfortably within our debt covenants.

Investor relations activity and share price

Investor relations engage with the market to enhance corporate value through effective communication. Engaging with the market includes key stakeholders including buy-side and sell-side analysts, institutional investors and potential investors. Interaction and communication with the market has been key to establish a track record of delivery of the restructuring and repositioning of the portfolio and effective execution of the strategy.

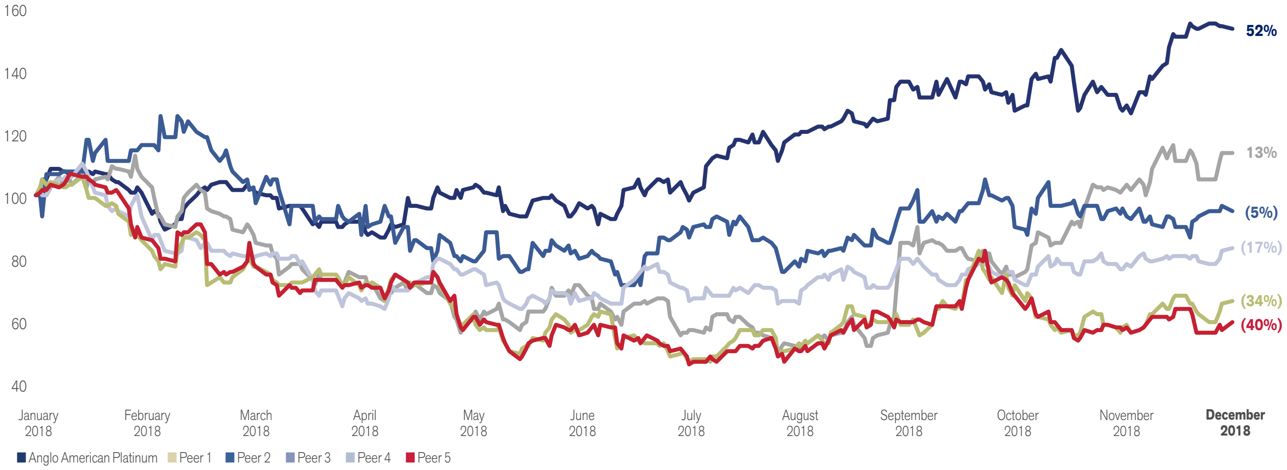
Investor and analyst sentiment towards Amplats has been positive, with the company's differentiated value proposition attracting new institutional and long only investors. The strong balance sheet, return to a cash dividend paying position and value-accretive growth optionality at Mogalakwena have resulted in a rerating of the share price. Amplats was the top-performing share price on the JSE in 2018, up 52%, outperforming peers, the JSE Platinum index and the JSE All Share index. The share price increased from R353/share to R537/share on 31 December 2018.

In addition to the focus on a greater understanding of the Amplats strategy, the investor relations team sought to increase the awareness of areas of demand for platinum in China by facilitating a trip for analysts and investors. The trip intended to highlight both the trends in the Chinese jewellery market, but also the government and private sectors' ambition to grow the technology and infrastructure of fuel cell electric vehicles. The impact was a positive shift in sentiment from the market, which had previously believed fuel cell electric vehicles were likely to only be a long-dated source of demand.

Investor relations manage communication through specific reporting periods, such as annual and interim results presentations, as well as production updates, disposal and acquisition announcements, trading updates and any material information on the company through JSE SENS announcements. Roadshows and attendance at opportunistic conferences allow for further engagement with key stakeholders, and these focus on both emerging market and resource specialists.

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

Share price versus peers (last 12 months)



Dividends

Given the board's confidence in the underlying operational cash generation, and importantly the company's ability to pursue both increased dividends to shareholders and growth (in particular at Mogalakwena), the board has increased the dividend pay-out ratio policy from 30% to 40% of headline earnings.

We have declared a second-half cash dividend of R2.0 billion or R7.51 per share to our shareholders. The dividend applies to all shareholders on the register on 8 March 2019 and is payable on 11 March 2019. This brings the aggregate 2018 dividend to R3.0 billion or R11.25 per share, equivalent to a 40% pay-out on full-year 2018 headline earnings.

SIGNIFICANT ACCOUNTING MATTERS

Completed sale of Union Mine

On 1 February 2018, the sale of our 85% interest in Union Mine to Siyanda Resources became effective. Amplats realised an attributable, after-tax loss on disposal of R0.8 billion which, together with prior impairments recognised, brings the total attributable, after-tax loss on divesting from this operation to R1.8 billion. This is excluded from headline earnings. Amplats expects to extract value in future from the continuing purchase of concentrate/toll refining contracts with Siyanda, utilising capacity in the group's processing operations.

Sale of investment in RB Plat

On 24 April 2018, Amplats disposed of a 9.2% shareholding (17.3 million shares) in RB Plat for R0.4 billion. The sale of the company's residual 2.5% shareholding was completed on 7 August 2018, realising net proceeds of R0.1 billion. The disposal resulted in a total loss of R53 million. There was no earnings impact as the investment was classified at fair value through other comprehensive income.

Completed sale of investment in BRPM

On 4 July 2018, Amplats entered into a binding sale-and-purchase agreement with RB Plat for our 33% interest in the BRPM JV. The sale was effective from 1 December 2018.

The total consideration comprises an upfront amount received of R0.6 billion (made up of R0.3 billion cash proceeds and R0.3 billion repayment of funding provided to BRPM from signature to effective date) and R1.6 billion deferred consideration, which will be settled in three equal tranches after 1.5 years, 2.5 years and 3.5 years as escalated over the settlement period. The deferred consideration may be settled in cash or in an equivalent value of RB Plats shares.

The sale has given rise to a post-tax impairment loss of R0.9 billion, excluded from headline earnings.

Acquisition of Mototolo

On 1 November 2018, the company acquired Glencore's 40.2% and Kagiso's 9.8% interests in the Mototolo JV. The consideration comprises an upfront payment of R1.3 billion and deferred payments of R12.6 million per month from November 2018 to Glencore for 72 months. Top-up payments (depending on the PGM price) and additional tax gross-up payments will be paid in January each year until 2024, with a final top-up payment in November 2024. The deferred consideration is carried at fair value of R0.9 billion. The fair value of Mototolo was based on the existing footprint, excluding synergies/improvements arising from the utilisation of the acquired Mototolo infrastructure on the Der Brochen Triangle. This fair value is therefore provisional and will be finalised in 2019.

Investment in AP Ventures

On 17 July 2018, we announced that Anglo Platinum Marketing Limited had subscribed for interests in two UK-based venture capital funds, with a total aggregate commitment of USD100 million. Our commitment to the funds is matched by a USD100 million commitment from South Africa's Public Investment Corporation (PIC). Amplats and the PIC comprise the limited partners with 49.5% each, and 1% held by general partners. In December 2018, Mitsubishi Corporation became the third Limited Partner of AP ventures, further endorsing the funds' mandate.

FINANCIAL REVIEW CONTINUED

Sale of other investments

The investments in Altergy Systems, Hydrogenious Technologies, Food Freshness Technology, Greyrock Energy, United Hydrogen and HyET Holding with a carrying amount of R0.4 billion were sold to AP Ventures on 20 September 2018. The total fair value of the investments at the date of sale was R0.7 billion. A post-tax profit of R0.2 billion was recognised on disposing of the equity-accounted investment in Hydrogenious Technologies, which is excluded from headline earnings. The remaining difference between the proceeds and carrying amounts of the investments at fair value (R2 million loss) was recognised directly in other comprehensive income. The cumulative fair value gains of R52 million were transferred to retained earnings.

Change in estimate of quantities of inventory

In the current period, 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, the results of previous counts and outputs. As in-process inventories are contained in weirs, pipes and other vessels, physical counts only take place once a year, except in the Precious Metals Refinery, where the physical count is usually conducted every three years. This change in estimate had the effect of decreasing the value of inventory disclosed in the financial statements by R0.5 billion (31 December 2017: increase of R0.9 billion). This results in recognising an after-tax loss of R0.3 billion (31 December 2017: after-tax gain of R0.7 billion).

Change in estimate of Rustenburg deferred consideration

The group's sale of Rustenburg Mine was completed on 1 November 2016. The present value of the deferred consideration was recognised as a level 3 financial asset at fair value through profit or loss. Remeasurements arising from changes in estimates of cash flows, as well as unwinding of the discount, are included in interest income and expense. The estimated deferred consideration cash flows were updated in December 2018 after considering the cash flow estimates of the Rustenburg operations. This has given rise to a post-tax increase of R0.7 billion (31 December 2018) in the present value of the deferred consideration, and the recognition of a gain in profit or loss, included in headline earnings. This adjustment is largely a consequence of the company no longer expected to have to make capital contributions to Sibanye-Stillwater for the years ended 31 December 2017 and 2018.

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 (equity accounted as an associate). On 21 July 2017, Atlatsa announced that it would place Bokoni Mine on care and maintenance. Amplats indicated that it would fund, via a loan account to Bokoni, all once-off costs of 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.

Equity-accounted losses of R81 million were recognised in the current year on Bokoni owing to the capitalisation of loan funding to the investment. This is included in headline earnings.

Amplats had further provided funding to Atlatsa to fund care-and-maintenance expenditure. A further related impairment of R110 million was recognised in the current year, and is included in headline earnings.

Key factors that will affect future financial results

Inflation and cost escalation

We recorded input cost inflation of 6.6% in 2018, which will remain a challenge in 2019. While some costs have been mitigated by restructuring the company and implementing various initiatives, inflationary pressures from wage increases (on average 6.7% in most recent three-year wage agreement) 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 R21,000 and R22,000 in the year ahead, up 1% to 6% on 2018.

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, remove loss-making ounces, implement strict cost control and focus on operational efficiencies should enhance margins and generate sustainable cash flow. Capital discipline will continue, with capital expenditure projected at R5.7 billion to R6.3 billion, of which R3.4 billion to R3.7 billion will be on sustaining capex to maintain asset integrity and meet compliance requirements.

The company expects to produce 4.2 million to 4.5 million PGM ounces in 2019 and sell 4.6 million to 4.9 million PGM ounces.

My sincere gratitude and appreciation to the Amplats finance team for their ongoing support and diligence over yet another busy year. After almost four years as finance director, and with a strengthened balance sheet, structurally lower working capital and major business restructuring successfully executed, I have resigned and will be relocating with my family abroad. My tenure at Amplats has been very rewarding professionally and I had the privilege of working with an exceptional board and management team.

Ian Botha
Finance director

Johannesburg

14 February 2019

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

	2018 Rm	2017 Rm
ASSETS		
Non-current assets	**54,150**	48,938
Property, plant and equipment	**40,003**	36,597
Capital work in progress	**7,780**	5,361
Investment in associates and joint ventures	**407**	2,464
Investments held by environmental trusts	**1,183**	970
Other financial assets	**4,109**	3,507
Inventories	**650**	–
Other non-current assets	**18**	39
Current assets	**35,138**	31,318
Inventories	**21,988**	18,489
Trade and other receivables	**1,607**	2,097
Other assets	**1,347**	1,075
Other financial assets	**276**	73
Taxation	**379**	469
Cash and cash equivalents	**9,541**	9,115
Non-current assets held for sale	**–**	558
Total assets	**89,288**	80,814
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	**27**	27
Share premium	**22,746**	22,673
Foreign currency translation reserve	**2,644**	1,764
Remeasurements of equity investments irrevocably designated at FVTOCI	**216**	429
Retained earnings	**21,478**	16,634
Non-controlling interests	**231**	(526)
Shareholders' equity	**47,342**	41,001
Non-current liabilities	**17,062**	18,864
Interest-bearing borrowings	**6,038**	9,362
Obligations due under finance leases	**100**	98
Environmental obligations	**1,925**	1,693
Employee benefits	**15**	17
Other financial liabilities	**762**	239
Deferred taxation	**8,222**	7,455
Current liabilities	**24,884**	20,374
Interest-bearing borrowings	**129**	1,713
Obligations due under finance leases within one year	**17**	17
Trade and other payables	**15,647**	11,316
Other liabilities	**8,423**	6,691
Other financial liabilities	**639**	616
Share-based payment provision	**29**	21
Liabilities associated with non-current assets held for sale	**–**	575
Total equity and liabilities	**89,288**	80,814

OPERATIONS

- Anglo Platinum Marketing Limited committed to invest USD100 million (equivalent to some R1.3 billion) in two PGM market development funds
- Concluded acquisition of minority interests in Mototolo Mine
- Concluded the sale of Union Mine to Siyanda Resources
- Concluded the sell-down of equity in Royal Bafokeng Platinum Limited (RB Plat)
- Concluded the disposal of 33% interest in BRPM JV to RB Plat.

OPERATIONS

- Trade working capital at 31 December 2018 was R4.9 billion (equivalent to 15 days) compared to R6.2 billion at 31 December 2017 (26 days). The decrease is mainly due to lower trade receivables of R0.6 billion, an increase in trade creditors of R3.3 billion and higher customer prepayment of R1.5 billion, partly offset by a build-up in work-in-progress of R3.5 billion.

ENVIRONMENTAL

- PPE includes expenditure on the SO_2 abatement plant for Polokwane smelter in 2018 of R0.4 billion, with a further R2.0 billion to be spent over the next five years
- Total rehabilitation and decommissioning provision of Amplats was R1.9 billion at the end of 2018 (2017: R1.7 billion).

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2018

	2018 Rm	2017 Rm
Gross sales revenue	**74,582**	65,688
Commissions paid	**–**	(18)
Net sales revenue	**74,582**	65,670
Cost of sales	**(63,286)**	(56,578)
Gross profit on metal sales	**11,296**	9,092
Other net income/(expenditure)	**342**	(6)
Loss on impairment and scrapping of property, plant and equipment	**(21)**	(1,699)
Market development and promotional expenditure	**(796)**	(813)
Operating profit	**10,821**	6,574
Impairment of investment in associate Bokoni Holdco	**–**	(235)
Impairment of non-current financial assets	**(234)**	(777)
Impairment of investment in associate Bafokeng Rasimone Platinum Mine (BRPM)	**(1,133)**	(1,910)
Profit on disposal of long-dated resources	**–**	1,066
Loss on disposal of Union Mine and Masa Chrome	**(850)**	–
Profit on disposal of associates	**15**	135
Impairment of Richtrau 123 Proprietary Limited	**(5)**	–
Gain on step acquisition of Mototolo business	**336**	–
Profit on disposal of Platinum Group Metals Investment Programme (PGMIP)	**249**	–
Interest expensed	**(738)**	(1,219)
Interest received	**265**	222
Dividends received from Rand Mutual Assurance	**42**	–
Fair value measurements of other financial assets	**931**	46
Losses from associates (net of taxation)	**(15)**	(362)
Losses from joint ventures (net of taxation)	**(25)**	–
Profit before taxation	**9,659**	3,540
Taxation	**(2,666)**	(1,616)
Profit for the year	**6,993**	1,924
Total other comprehensive income/(loss), post-tax	**650**	(416)
Items that will be reclassified subsequently to profit or loss	**880**	(553)
Deferred foreign exchange translation gains/(losses)	**880**	(553)
Items that will not be reclassified subsequently to profit or loss	**(230)**	137
Net (losses)/gains on equity investments at fair value through other comprehensive income (FVTOCI)	**(261)**	137
Tax effects	**31**	–
Total comprehensive income for the year	**7,643**	1,508
Profit attributed to:		
Owners of the company	**6,817**	1,944
Non-controlling interests	**176**	(20)
	6,993	1,924
Total comprehensive income attributed to:		
Owners of the company	**7,467**	1,528
Non-controlling interests	**176**	(20)
	7,643	1,508
EARNINGS PER SHARE		
Earnings per ordinary share (cents)		
– Basic	**2,599**	741
– Diluted	**2,589**	739
Headline earnings	**7,588**	3,886

FINANCIAL

- Net sales revenue rose 14% to R74.6 billion from R65.7 billion in 2017, due to a 13% higher US dollar basket price of USD2,219 per platinum ounce sold
- Amplats' EBITDA margin of 20%, supported by strong mine-to-market margins
- Headline earnings of R7.6 billion, up 95%.

COST

- Cost of sales rose 12%. Following the sale of Union operations in February 2018 to Siyanda, Amplats has higher purchase-of-concentrate costs and lower on-mine costs due to purchasing concentrate from Siyanda
- Unit cost up 5% year on year before impact of change in Mogalakwena Mine plan. Unit cost benefited from increased mined production, offset by cost increases above inflation
- The change in mine plan at Mogalakwena (more waste mined and improved concentrator performance) resulted in lower ore stockpile capitalisation compared to 2017, offset by increased capitalised waste stripping at Mogalakwena, adding R461/Pt oz
- The all-in sustaining unit cost for 2018 was USD756 per Pt oz versus an achieved price of USD871.

PEOPLE

- Total labour makes up 33% of costs.

SOCIO-POLITICAL

- Social investment, community development and empowerment spend of R0.6 billion in 2018.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Share capital Rm	Share premium Rm	Foreign currency translation reserve (FCTR) Rm	Re-measurements of equity investments irrevocably designated at FVTOCI Rm	Retained earnings Rm	Non-controlling interests Rm	Total Rm
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
Total comprehensive income/(loss) for the year			**880**	**(261)**	**6,817**	**176**	**7,612**
Deferred taxation charged directly to equity				**31**	**6**		**37**
Transfer of reserve upon disposal of investments				**17**	**(17)**		**–**
Dividends paid**					**(1,922)**		**(1,922)**
Disposal of business						**779**	**779**
Retirement benefit					**5**		**5**
Cash distributions to minorities						**(198)**	**(198)**
Shares acquired in terms of the BSP – treated as treasury shares	**(–)***	**(141)**					**(141)**
Shares vested in terms of the BSP	**– ***	**214**			**(214)**		**–**
Equity-settled share-based compensation					**180**		**180**
Shares forfeited to cover tax expense on vesting					**(11)**		**(11)**
Balance at 31 December 2018	**27**	**22,746**	**2,644**	**216**	**21,478**	**231**	**47,342**

	Per share (R)	Rm
** Less than R500,000.*		
*** Dividends paid*		
Interim 2018	*3.74*	*1,000*
Final 2017	*3.49*	*922*
		1,922

FINANCIAL CAPITAL

- Total shares in issue were 269,681,886 (2017: 269,681,886) and treasury shares held were 978,316 (2017: 1,162,514). All treasury shares are held as conditional awards under the Amplats bonus share plan.

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2018

	2018 Rm	2017 Rm
Cash flows from operating activities		
Cash receipts from customers	**75,184**	65,993
Cash paid to suppliers and employees	**(57,224)**	(50,126)
Cash generated from operations	**17,960**	15,867
Interest paid (net of interest capitalised)	**(609)**	(1,004)
Taxation paid	**(1,771)**	(1,742)
Net cash from operating activities	**15,580**	13,121
Cash flows used in investing activities		
Purchase of property, plant and equipment (includes interest capitalised)	**(6,964)**	(4,969)
Proceeds from sale of plant and equipment	**24**	17
Purchases of financial assets investments	**(39)**	(68)
Net proceeds on disposal of Union Mine and Masa Chrome	**414**	–
Purchase of concentrate pipeline	**(974)**	(1,529)
Receipt of deferred consideration	**101**	–
Proceeds on disposal of long-dated resources	**–**	1,066
Net proceeds on disposal of RB Plat shares	**510**	–
Acquisition of Mototolo JV	**(1,278)**	–
Proceeds on disposal of investment in BRPM	**555**	144
Shareholder funding capitalised to investment in associates	**(869)**	(1,156)
Acquisition of equity investment in Hydrogenious	**(48)**	(13)
Proceeds from disposal of Hydrogenious	**353**	–
Acquisition of convertible notes in United Hydrogen	**(15)**	(4)
Proceeds from disposal of PGMIP investments	**310**	–
Investment in joint ventures (AP Ventures)	**(382)**	–
Redemption of preference shares in Baphalane Siyanda Chrome Company	**–**	86
Advances made to Plateau Resources Proprietary Limited	**(133)**	(708)
Interest received	**260**	143
Growth in environmental trusts	**6**	8
Other advances	**(45)**	(135)
Net cash used in investing activities	**(8,214)**	(7,118)
Cash flows used in financing activities		
Purchase of treasury shares for the bonus share plan (BSP)	**(141)**	(155)
Repayment of interest-bearing borrowings	**(4,889)**	(1,659)
Repayment of finance lease obligation	**(18)**	(17)
Cash distributions to non-controlling interests	**(198)**	(272)
Dividends paid	**(1,922)**	–
Net cash used in financing activities	**(7,168)**	(2,103)
Net increase in cash and cash equivalents	**198**	3,900
Cash and cash equivalents at beginning of year	**9,357**	5,457
Foreign exchange differences on Unki cash and cash equivalents	**(14)**	–
Cash and cash equivalents at end of year	**9,541**	9,357
Movement in net cash		
Net debt at beginning of year	**(1,833)**	(7,319)
Net cash from operating activities	**15,580**	13,121
Net cash used in investing activities	**(8,214)**	(7,118)
Net cash used in financing activities other than debt repayment	**(2,628)**	(517)
Foreign exchange differences on Unki cash and cash equivalents	**(14)**	–
Net cash/(debt) at end of year	**2,891**	(1,833)
Made up as follows:		
Cash and cash equivalents	**9,541**	9,115
Less: Restricted cash	**(366)**	–
Cash and cash equivalents classified as held for sale	**–**	242
Non-current interest-bearing borrowings	**(6,038)**	(9,362)
Obligations due under finance leases within one year	**(17)**	(17)
Current interest-bearing borrowings	**(129)**	(1,713)
Obligations due under finance leases	**(100)**	(98)
	2,891	(1,833)

FINANCIAL

- Net cash of R2.9 billion at year end. Excluding customer prepayment of R6.1 billion, net debt is R3.2 billion
- Free cash flow from operations of R5.6 billion, up 60%
- Liquidity headroom of R23.4 billion
- Dividends paid of R1.9 billion in 2018 and a final dividend declared of R7.51 per share, or R2.0 billion.

TAX CONTRIBUTION THROUGH THE LIFECYCLE OF A MINE

A key component of creating value to our host countries and stakeholders is the paying of taxes.

Mining is a long-life, high-risk business with very significant initial capital investment required long before any return on investment is realised (see illustration on page 54). We therefore support the design of fiscal regimes that consider the relative long-term contribution from the mining industry and which are not focused narrowly on short-term outcomes.

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

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

APPROACH TO RISK MANAGEMENT AND GOVERNANCE ARRANGEMENTS

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

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

Tax governance

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

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

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

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

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

Approach to tax management

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

This strategy includes a number of key points:

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

Approach to dealing with tax authorities

We act responsibly on all tax compliance matters, respecting the laws of each country in which we operate.

We seek to maintain a long-term, open, constructive relationship with tax authorities and governments on tax matters.

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

OUR ECONOMIC CONTRIBUTION IN SOUTH AFRICA

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

TOTAL TAX AND ECONOMIC CONTRIBUTION

R41,862m

CAPITAL INVESTMENT

R6,636.9m

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

TOTAL PROCUREMENT

R21,060.6m

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

LOCAL PROCUREMENT

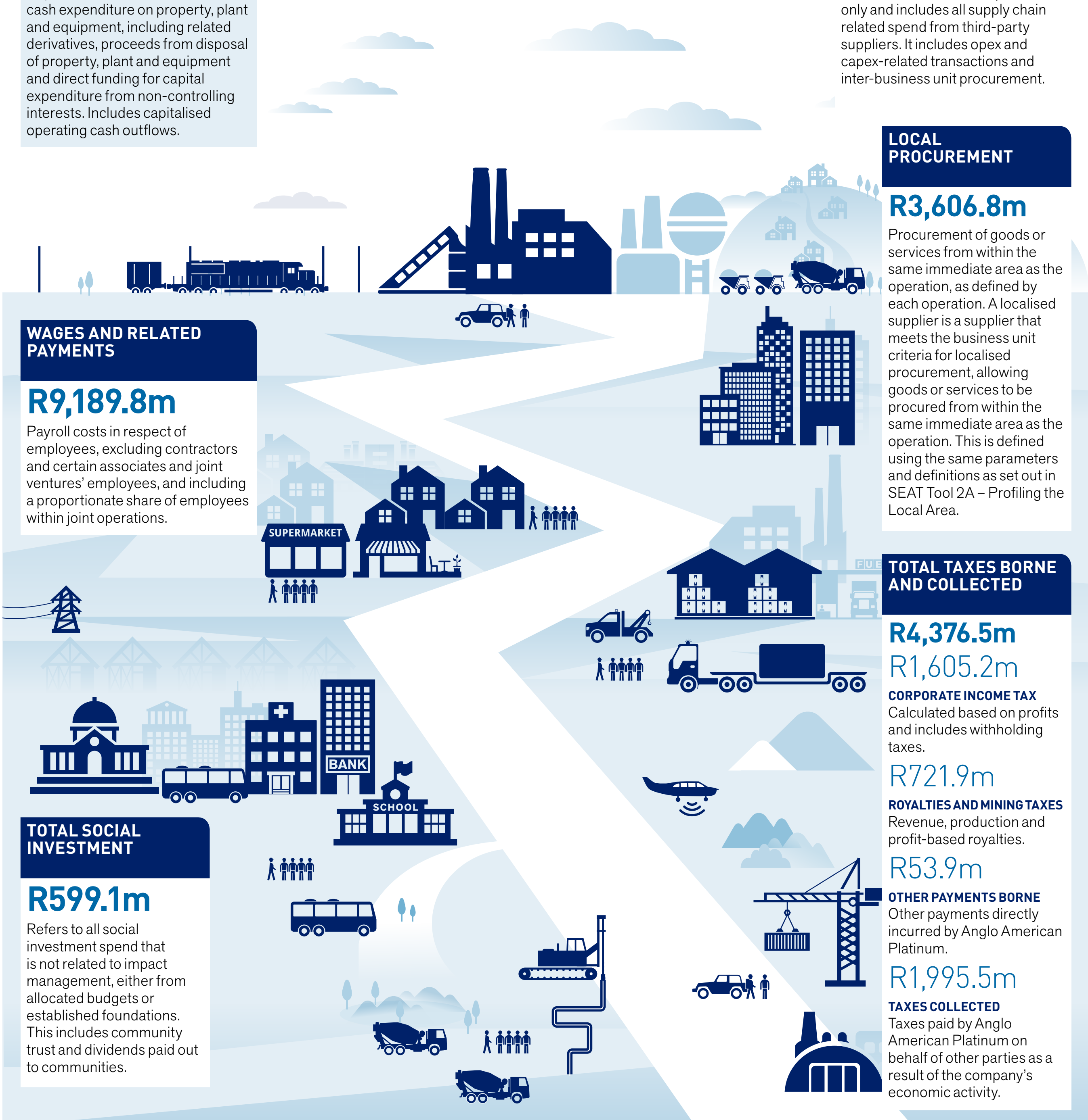
R3,606.8m

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

WAGES AND RELATED PAYMENTS

R9,189.8m

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



TOTAL TAXES BORNE AND COLLECTED

R4,376.5m

R1,605.2m

CORPORATE INCOME TAX

Calculated based on profits and includes withholding taxes.

R721.9m

ROYALTIES AND MINING TAXES

Revenue, production and profit-based royalties.

R53.9m

OTHER PAYMENTS BORNE

Other payments directly incurred by Anglo American Platinum.

R1,995.5m

TAXES COLLECTED

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

TOTAL SOCIAL INVESTMENT

R599.1m

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

OUR ECONOMIC CONTRIBUTION IN ZIMBABWE

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

TOTAL TAX AND ECONOMIC CONTRIBUTION

R2,554.3m

TOTAL PROCUREMENT

R1,344.9m

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

CAPITAL INVESTMENT

R518.1m

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

LOCAL PROCUREMENT

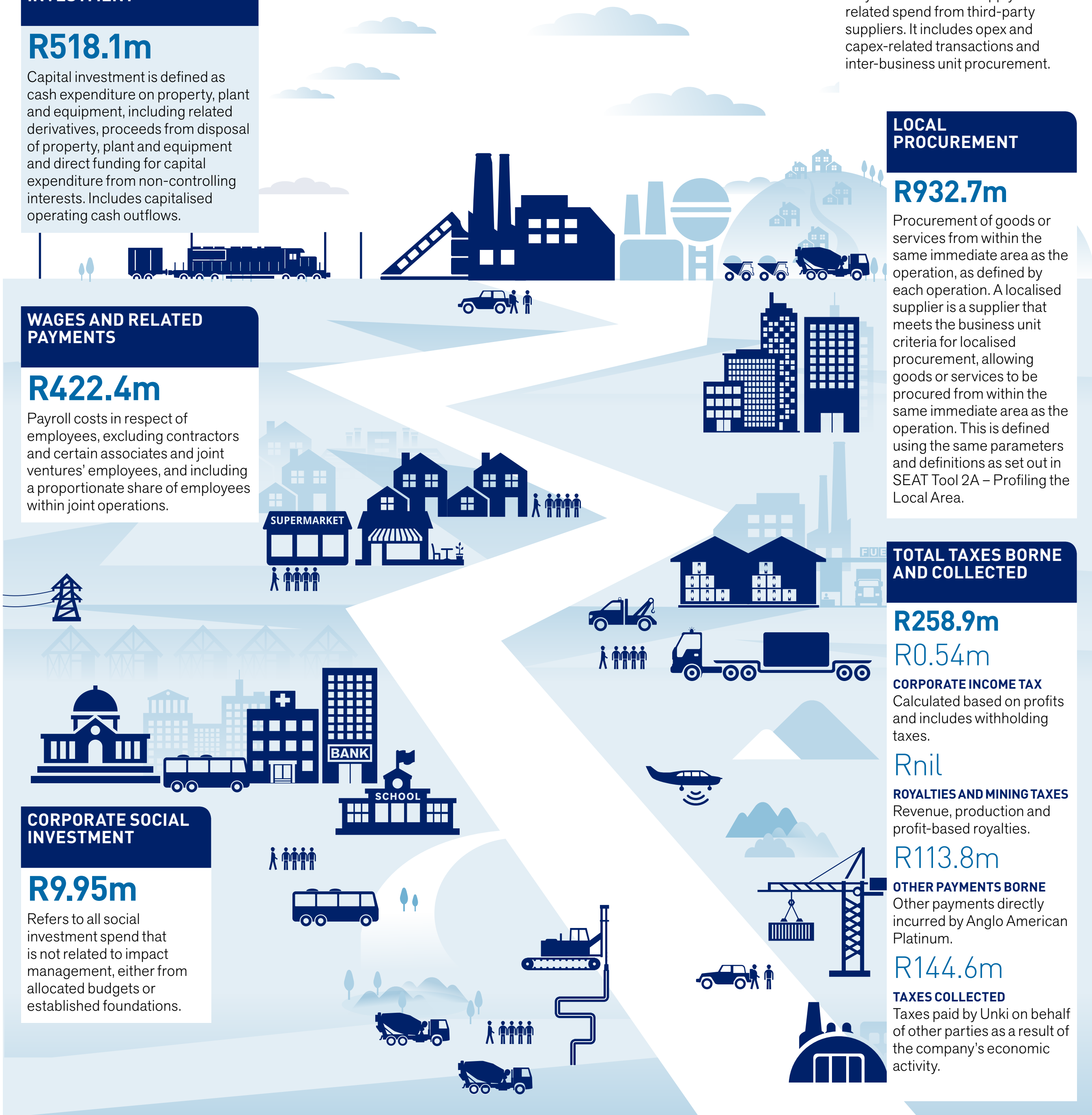
R932.7m

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

WAGES AND RELATED PAYMENTS

R422.4m

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



TOTAL TAXES BORNE AND COLLECTED

R258.9m

R0.54m

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

Rnil

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

R113.8m

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

R144.6m

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

CORPORATE SOCIAL INVESTMENT

R9.95m

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

OPERATIONS OVERVIEW

WHOLLY OWNED MINES

We own and manage four mining complexes – Mogalakwena, Amandelbult, Unki and Mototolo. These stretch 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. We purchased the remaining 39% interest in the Mototolo joint venture from Glencore, effective 1 November 2018. We also have a number of projects, largely on the Eastern Limb of the Bushveld complex. The Twickenham project was placed on care and maintenance in July 2016 and is currently being used to test new mining technology.

Intellectual capital

At Mogalakwena, we recorded a 35% operational improvement after implementing our new operating model – working smarter to deliver benchmark performance.

Strategy

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

The next phase of the strategy focuses on driving further value from the operations in three key areas:

RESTRUCTURING AND REPOSITIONING OUR ASSETS INTO A VALUE-OPTIMISED PORTFOLIO

- Rationalise the portfolio in line with our strategy. Mototolo was acquired on 1 November 2018, and enables significant synergies with the adjacent Der Brochen resource; life-of-mine goes from around five years to 30 years

EXTRACTING THE FULL POTENTIAL FROM OUR OPERATIONS THROUGH OUR PEOPLE

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

INVESTING IN OUR CORE ASSETS TO DELIVER INDUSTRY-LEADING CASH FLOWS AND RETURNS

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

KEY FEATURES

Solid operational performance across the

own mines portfolio

24% improvement

in total recordable case frequency rate (TRCFR)

Fatality free:

Mogalakwena (over six years) and Unki (seven years)

Two fatalities at

Amandelbult

9% increase

increase in total PGM production

11% increase

in attributable economic free cash flow

Mototolo acquisition

completed 1 November 2018

OPERATIONS OVERVIEW CONTINUED

MANAGED MINES – MOGALAKWENA

Mogalakwena Mine is 30km north-west of the town of Mokopane in Limpopo province, and operates under a mining right covering 137km^2. Current infrastructure comprises five open pits (Sandsloot, Zwartfontein, Mogalakwena South, Central and North). The mining method is truck-and-shovel, and current operating pit depths vary from 45m to 245m. Ore is milled at the on-mine North and South concentrators as well as Messina Mine Baobab concentrator.

Mogalakwena strategy

OPERATIONAL EXCELLENCE

- Improving **operational efficiencies** and productivity. Engineering performance for trucks, shovels and drills improved by minimising downtime and optimising equipment effective time as well as uptime
- **35% improvement post operating model** at concentrators
- **North concentrator:** plant capacity increased 20% and grade recovery performance shifted by optimising process flow and flotation kinetics
- **South concentrator:** improved reliability and efficiency of concentrate pumps and better stability and control of flotation cells.

EXCEEDING BENCHMARK PERFORMANCE AND INNOVATION

- **Mining performance:** improving drilling and blast performance; pit equipment scheduling and production practices
- **Concentrator performance:** increasing runtime of North concentrator by 5%. Maintaining North concentrator recoveries (but targeting increased PGM and base metal recovery) while reducing mass pull
- **Innovation and technology:** bulk-sorting approach that rejects coarse liberated gangue using sensor technology and screens. Primary benefit is a 10% increase in feed grade.

INVESTING IN GROWTH

- **Robust palladium demand + processing capacity = growth opportunity**
- Palladium supply deficits expected
- Exiting Rustenburg concentrate creates downstream capacity
- Third concentrator investment – study being advanced.

KEY FEATURES

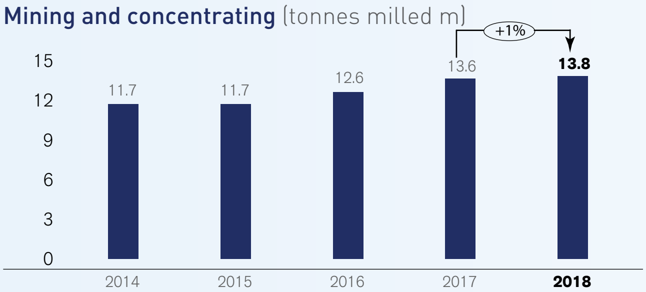
8.7 million Fatality-free shifts (six and half years)	Record PGM and platinum production, both up **7%**	TRCFR improved by **29%**	Increased EBITDA by **7%**

MANAGED – 100% OWNED		2018	2017
Safety			
Fatalities	Number	–	–
TRCFR	Rate/ million hrs	**0.95**	1.33
Total PGM production	000 oz	**1,170.0**	1,098.5
Net sales revenue	R million	**18,106**	16,118
EBITDA	R million	**8,249**	7,700
EBITDA margin	%	**45.6**	47.8
ROCE	%	**30.8**	31.8
Economic free cash flow	R million	**4,039**	3,977
Net cash flow	R million	**3,916**	3,756
Cash on-mine cost/tonne milled	R/tonne	**456**	351
Cash operating cost/ PGM oz produced	R/PGM oz	**7,838**	6,628
Cash operating cost/ Pt oz produced	R/Pt oz	**18,522**	15,696
AISC produced	USD/Pt oz	**222**	347
AISC sold	USD/Pt oz	**286**	340
MINERAL RESOURCES INCLUSIVE OF ORE RESERVES			
Platreef	**3,683.5 Mt ⇨ 293.3 (4E) Moz**		

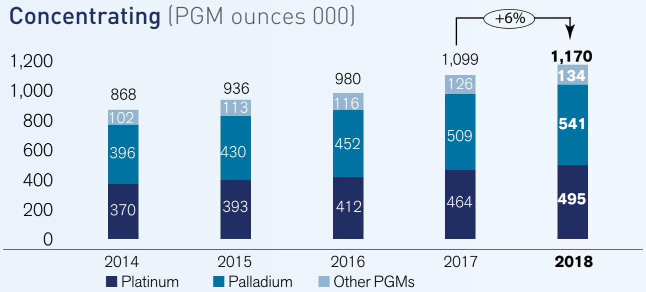
SAFETY

Mogalakwena has been fatality free for over six years and TRCFR improved 29% to 0.95 in 2018. This reflects implementation of the revised safety, health and environment strategy, and focus on reporting and learning from high-potential incidents.

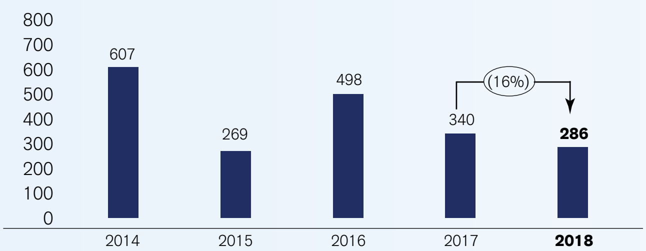
Mining and concentrating (tonnes milled m)



Concentrating (PGM ounces 000)



Value enhancing (AISC USD/Pt oz)



Mogalakwena produced another record year of production of 1,170,000 PGM ounces, up 7%. Production increased through mining a targeted higher-grade area in the North pit in the first half of the year, and due to optimisation of the primary mill at North concentrator plant leading to improved throughput and metal recovery.

Due to an optimised mine plan, which was implemented at the beginning of 2018, the pit walls of the central pit were steepened. This, together with improved truck and shovel performance, enabled an opportunity to move more waste tonnes in the period. By mining additional waste tonnes this period, more ore tonnes were exposed, allowing for more consistent mining of ore tonnes over the short to medium term, reducing the need to drawdown on ore stockpiles from 2021. In addition, improvements in concentrator performance allowed more ore to be processed and, as a result, less ore was stockpiled

The consequent impact on Mogalakwena's unit cost was an 18% increase to R18,522 per platinum ounce. Excluding the impact of the lower ore capitalisation and increased waste stripping, unit cost increases 9%, benefiting from higher production but offset by above-inflationary cost increases eg diesel and labour. Cash operating costs per PGM ounce (metal in concentrate) was R7,838 against R6,628 per ounce in 2017.

Mogalakwena delivered R4.0 billion of economic free cash flow (defined as operating free cash flow from consolidated activities less/add economic interest in the asset). The mine had an EBITDA margin of 46% and ROCE of 31%.

All-in sustaining costs (AISC) (includes operating costs as defined above, all sustaining capital expenditure, capitalised waste stripping and allocated marketing and market development costs net of by product revenue) per platinum ounce sold was USD286 per ounce, down from USD340 in the previous year mainly due to the benefit of increased by-product revenue. AISC, if all produced metal was sold would have been USD222 per platinum ounce sold.

CAPITAL EXPENDITURE

Total capital expenditure (excluding capitalised waste stripping and after allocating off-mine smelting and refining capital) rose 16% to R1.9 billion in 2018. Stay-in-business capital expenditure was R1.8 billion (R1.4 billion in 2017) and project capital expenditure decreased to R0.1 billion (R0.2 billion in 2017).

Capitalised waste stripping rose from R0.8 billion in 2017 to R1.5 billion in 2018. This is expected to be around R2.0 billion to R2.2 billion in 2019.

OUTLOOK

In 2019, Mogalakwena is expected to produce 1,217,600 PGM ounces, including around 511,300 platinum ounces.

OPERATIONS OVERVIEW CONTINUED

MANAGED MINES – AMANDELBULT

The Amandelbult Mine complex is in Limpopo, between the towns of Northam and Thabazimbi, on the north-western Limb of the Bushveld complex. The mine operates under a mining right covering 141km².

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

Amandelbult strategy

MODERNISATION
- Dishaba UG2 ramp-up – developing 'mine within a mine' (mining UG2 from existing Merensky infrastructure)
- Productivity and efficiency improvement from cycle mining
- Embedding operating model
- Modernisation roll-out.

LOW CAPITAL DEBOTTLENECK OF CONCENTRATOR
- Unlock potential at 15E mechanised extension
- Deepening 50E shaft.

EXTRACTING THE VALUE OF ALL METALS MINED – CHROME
- Chrome plant optimised for extraction from ore milled in Merensky concentrator
- Yield efficiency improvement
- Fine chrome recovery increasing chrome to 2Mt by 2023.

KEY FEATURES

2 recordable fatalities

1% increase in PGM ounces, including 442,700 platinum ounces

Improved TRCFR and LTIFR of **3.77** and **2.92** respectively, the lowest since inception

Production from the chrome plant rose **27%**, yielding 831,900 tonnes of chrome concentrate

Good cash flow from new chrome plant.

MANAGED – 100% OWNED		2018	2017
Safety			
Fatalities	Number	**2**	3
TRCFR	Rate/ million hrs	**3.77**	4.65
Total PGM production	000 oz	**868.8**	858.0
Net sales revenue	R million	**13,192**	11,423
EBITDA	R million	**2,031**	1,173
EBITDA margin	%	**15.4**	10.3
ROCE	%	**16.6**	5.7
Economic free cash flow	R million	**603**	91
Net cash flow	R million	**254**	73
Cash on-mine cost/tonne milled	R/tonne	**1,300**	1,197
Cash operating cost/ PGM oz produced	R/PGM oz	**11,592**	10,846
Cash operating cost/ Pt oz produced	R/Pt oz	**22,752**	21,246
AISC produced	USD/Pt oz	**840**	1,026
AISC sold	USD/Pt oz	**794**	955

MINERAL RESOURCES INCLUSIVE OF ORE RESERVES	
Merensky	**161.1 Mt ⇨ 35.7 (4E) Moz**
UG2	**379.2 Mt ⇨ 66.6 (4E) Moz**

SAFETY

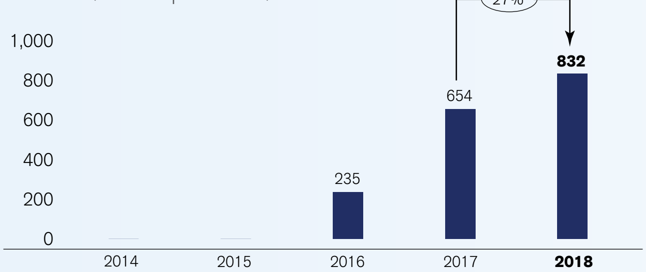
Tragically, there were two work-related fatalities in 2018, both at Dishaba (detailed on page 25 of supplementary report).

Management has committed to maintaining safe operations and this focus is producing results. TRCFR is the lowest on record, down 19% to 3.77 (2017: 4.65) after implementing the revised safety, health and environment strategy and the emphasis on reporting and learning from high-potential incidents.

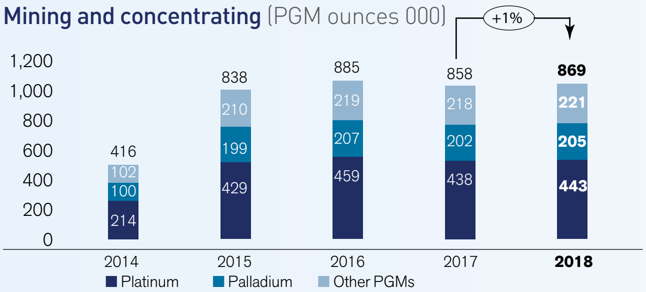
Despite the fatalities, Amandelbult reached several safety milestones during the year:
- Tumela Mine – 3 million fatality-free shifts; 2.7 million fall-of-ground fatality-free shifts and 660 fatality-free days to date
- Dishaba Mine – 5.8 million fall-of-ground fatality-free shifts and 1,497 fall-of-ground fatality-free days (before fatality in October 2018, five years after the last fall-of-ground fatality in 2014)
- Amandelbult central services – 3 million fatality-free shifts to date

- Amandelbult concentrator: 6.1 million fatal-free shifts
- Amandelbult chrome plant: 931 LTI-free days (no LTIs since commencement); 650 all injury-free days since start-up.

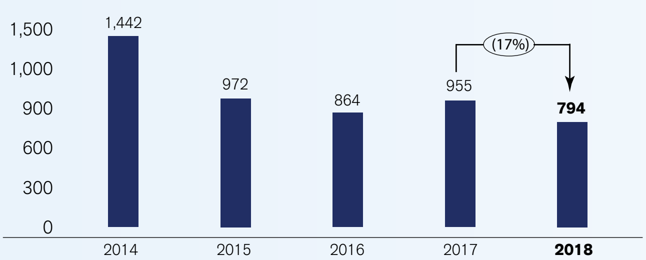
Chrome (tonnes produced)



Mining and concentrating (PGM ounces 000)



Value enhancing (AISC USD/Pt oz)



Total PGM production at Amandelbult increased by 1% to 868,800 ounces, due to increased underground production delivered to the concentrator, primarily from Dishaba. Dishaba Mine development led to a 7% increase in immediately available ore reserves compared with the prior year, highlighting the progress made in developing Dishaba Lower at a low capital cost of R0.5 billion. This was against previous thinking that a new shaft at much higher capital investment was the only replacement option. As part of the overall improvement plan, Dishaba No 2. Vertical shaft has been successfully upgraded from 160ktpm to 230ktpm hoisting capacity by the end of 2018.

However, production was significantly impacted in the final quarter, with lower underground production delivered to the concentrator primarily due to the section 54 stoppage following the fatal incident on 18 October 2018 and subsequent extensive retraining of employees, some impact from Eskom load shedding, and persistent high absenteeism in the final quarter.

Chrome production at Amandelbult increased 27% to 831,900 tonnes (on a 100% basis) from 654,400 tonnes in 2017. A chrome interstage project was implemented in Q3 2018 at a capital cost of R10 million which increased the yield from 13.5% to 16.6%.

Amandelbult is moving towards being primarily a UG2 mine. Chrome-recovery capacity is being extended to the Merensky concentrator by constructing two additional modules at a cost of R450 million, which will be commissioned in July 2019 and add 360,000 tonnes of chrome production per annum.

Amandelbult delivered economic free cash flow of R0.6 billion and the mine had an EBITDA margin of 15% and ROCE of 17%.

AISC per platinum ounce sold was USD794 per ounce, down from USD955 in the previous year due to improvements in the rand basket price, including a greater contribution from chrome. AISC, if all produced metal was sold, would be USD840 per platinum ounce sold.

CAPITAL EXPENDITURE

Total capital expenditure (after allocating off-mine smelting and refining capital) rose to R1.2 billion in 2018 (R581 million in 2017) due to modernisation, mechanising the mine and chrome expansion. Stay-in-business capital expenditure was R750 million and project capital was R450 million (2017: R563 million and R18 million respectively) to construct additional modules for the chrome plant.

OUTLOOK

Total production from Amandelbult in 2019 is expected to rise to around 958,800 PGM ounces, with some 490,200 platinum ounces. Further low-capital options to improve profitability are being studied. Two projects under consideration (deepening 50E shaft and unlocking potential at 15E mechanised extension) will enable Amandelbult to sustain production output at around 600,000 platinum ounces for some 10 years. These require low investment with quick build-up, delivering around 90,000 platinum ounces at steady state. Fine chrome recoveries are planned from 2022, depending on technology and innovation, which will increase chrome production to 2 million tonnes by 2023.

OPERATIONS OVERVIEW CONTINUED

MANAGED MINES – UNKI PLATINUM MINE – ZIMBABWE

Unki Mine Private Limited's operations are on the Great Dyke in Zimbabwe, 60km south-east of the town of Gweru. The mine is a mechanised, trackless, bord-and-pillar underground operation. A twin-decline shaft system provides access to underground workings for men and material, as well as ore conveyance. Both shafts are now 2,267m from the portal on surface. Twenty-one mining sections have been established so far, 16 of which are fully equipped and have strikes belts for transferring ore directly to the main incline shaft conveyor. Run-of-mine ore is processed at the 120,000tpm concentrator plant on site. Since commissioning the concentrator plant at the beginning of 2011, ongoing debottlenecking has enabled it to treat up to 170,000tpm.

Unki strategy

MODERNISATION

- Concentrator plant capacity increased to 170,000tpm – mining production to be delivered through improved efficiency of existing equipment and labour
- Improving concentrator recoveries while reducing mass pull, reducing volume to be smelted.

LOW CAPITAL DEBOTTLENECK OF CONCENTRATOR

- Capital investment to increase concentrator capacity to 210,000tpm being studied.

EXTRACTING THE VALUE OF ALL METALS MINED – CHROME

- Ore Reserves 5.6 4E Moz (24-year life)
- Mineral Resource inclusive of Ore Reserves 30.2 4E Moz.

KEY FEATURES

Fatality-free for **7 years**

16% increase in PGM ounces, including 85,900 platinum ounces

TRCFR of **1.45** is the lowest since inception

Unki smelter commissioning began in Q3 2018 with a **16-month** ramp-up

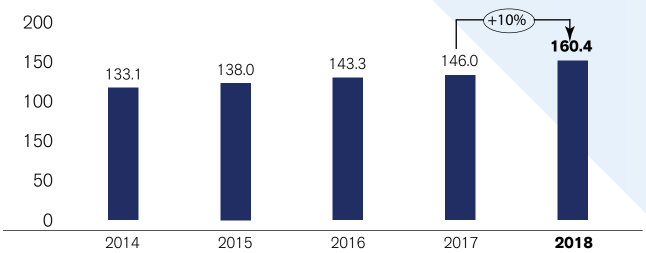
MANAGED – 100% OWNED		2018	2017
Safety			
Fatalities	Number	**–**	–
TRCFR	Rate/ million hrs	**1.45**	2.76
Total PGM production	000 oz	**192.8**	165.9
Net sales revenue	R million	**2,884**	2,489
EBITDA	R million	**835**	823
EBITDA margin	%	**28.9**	33.1
ROCE	%	**9.3**	9.5
Economic free cash flow	R million	**525**	614
Net cash flow	R million	**155**	296
Cash on-mine cost/tonne milled	R/tonne	**863**	811
Cash operating cost/ PGM oz produced	R/PGM oz	**10,784**	10,519
Cash operating cost/Pt oz produced	R/Pt oz	**24,180**	23,387
AISC produced	USD/Pt oz	**449**	694
AISC sold	USD/Pt oz	**616**	612

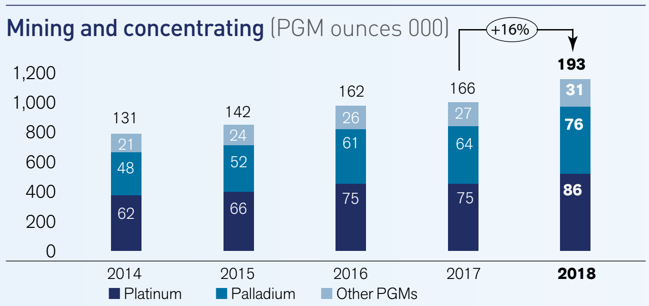
MINERAL RESOURCES INCLUSIVE OF ORE RESERVES	
MSZ	**224.9 Mt ⇨ 30.2 (4E) Moz**

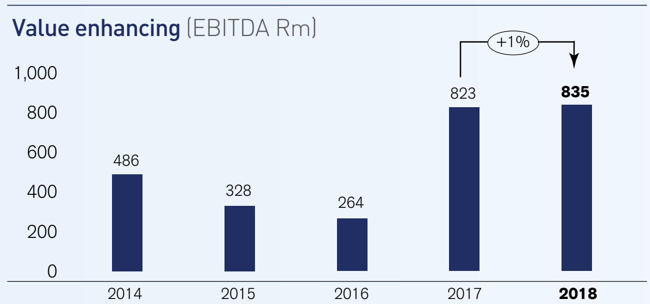
SAFETY

Unki has been fatality-free for seven years and TRCFR improved 47% to 1.45 after launching the stop-and-fix campaign. LTIFR also improved to 1.04 (2017: 1.51).

Mining and concentrating (tonnes milled average 000tpm)







Unki Mine in Zimbabwe produced a record 192,800 PGM ounces, an increase of 16%. Production increased due to an increase in tonnes milled, up 10% due to improved underground productivity, while the 4E built-up head grade increased to 3.51g/t (2017: 3.47g/t) due to improved mining reef cut and reducing waste tonnes mined.

Unki delivered R0.5 billion of economic free cash flow and an EBITDA margin of 29% and ROCE of 9%. If adjusted for the sale of treasury bills and real time gross settlement (RTGS) forex loss, the EBITDA margin would be 27% and ROCE would be 8%.

AISC (excluding the receipts of treasury bills) per platinum ounce sold was USD616 per ounce, marginally up from USD612, due to the benefit from increased by-product revenue offset by the RTGS forex loss. The equivalent AISC would be USD449 if all material produced had been sold. Excluding the impact of the RTGS forex loss the AISC was USD472 per ounce and USD311 per ounce if all material produced had been sold.

CAPITAL EXPENDITURE

Total capital expenditure (after allowing for off-mine smelting and refining capital) rose to R598 million from R498 million in 2017. Stay-in-business capital expenditure was R228 million, while project capital expenditure was R370 million (2017: R181 million and R318 million respectively).

The Unki smelter was completed in 2018, on schedule and on budget (capital investment of R672 million), and commissioned in Q3 2018.

OUTLOOK

Total PGM production from Unki in 2019 is expected to be around 184,800 PGM ounces, including some 83,200 platinum ounces. Unki is debottlecking the mine and concentrator, and increasing concentrator plant capacity to 170,000tpm.

OPERATIONS OVERVIEW CONTINUED

MANAGED MINES – MOTOTOLO

INTELLECTUAL CAPITAL

At Mototolo/Der Brochen, we are building a new PGM hub on the Eastern Limb – working for the future by ensuring replacement and growth optionality.

MINE OVERVIEW

Mototolo is a 50:50 JV between Glencore Kagiso Platinum Venture and Rustenburg Platinum Mines. Glencore manages the mine, while Amplats manages the concentrator. Situated in Limpopo, Mototolo is 30km west of the town of Burgersfort. It forms part of the Eastern Limb of the Bushveld complex and operates under a mining right covering 9km^2. Current mine infrastructure consists of two decline shafts, Lebowa and Borwa, and a concentrator. Mototolo is fully mechanised and extracts the UG2 horizon some 450m below surface using bord-and-pillar mining.

In July 2018, Amplats announced that its wholly owned subsidiary, Rustenburg Platinum Mines Limited (RPM) had signed an agreement with Glencore Operations South Africa Proprietary Limited to purchase the latter's participation interest in the Mototolo JV. The effective date of transfer of Mototolo Mine operations to RPM was 1 November 2018.

Unki strategy

INTEGRATE AND EMBED

- Amplats to acquire Glencore/KTH's 50% interest in Mototolo JV
- Integration as wholly owned business under way.

OPERATIONAL EXCELLENCE

- Accessing Der Brochen triangle and Two Rivers Platinum ground through existing shaft infrastructure
- Expedited debottlenecking of concentrator to 240ktpm
- Chrome interstage (increasing yield from 6% to 12%).

INVESTING IN DER BROCHEN

- PGM hub on the Eastern Limb (30+ years life of mine) with replacement and growth optionally
- 240ktpm replacement project
- Capex USD262 million, IRR 44%, NPV USD258 million
- Option to expand to 320ktpm.

KEY FEATURES

- Acquired Glencore's 40.2% and Kagisos 9.8% interests in the Mototolo JV
- Mototolo concentrator achieved 1,000 injury-free days on 9 October 2018
- Mototolo reached 4 million fatality-free shifts and Borwa shaft achieved 543 injury-free days at end December 2018
- Mototolo Borwa shaft was awarded the best-improved platinum shaft at MineSAFE 2018
- Mototolo's TRCFR improved 48% to 1.95
- Record milled tonnes and PGM production.

(100% owned operation from 1 November 2018)		2018	2017
Safety			
Fatalities	Number	**–**	–
TRCFR	Rate/ million hrs	**1.95**	3.72
Total PGM production	000 oz	**288**	185
Net sales revenue	R million	**3,323**	2,403
EBITDA	R million	**819**	330
EBITDA margin	%	**24.7**	13.7
ROCE	%	**34.4**	37.0
Economic free cash flow	R million	**113**	90
Net cash flow	R million	**113**	90
Cash on-mine cost/tonne milled	R/tonne	**463**	393
Cash operating cost/ PGM oz produced	R/PGM oz	**9,767**	10,127
Cash operating cost/ Pt oz produced	R/Pt oz	**21,217**	21,934

All statistics inclusive of mine and purchase of concentrate.

MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

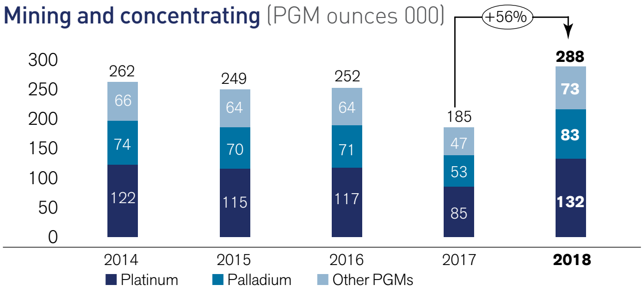
UG2 **21.2 Mt ⇨ 2.9 (4E) Moz**

JV PARTNER

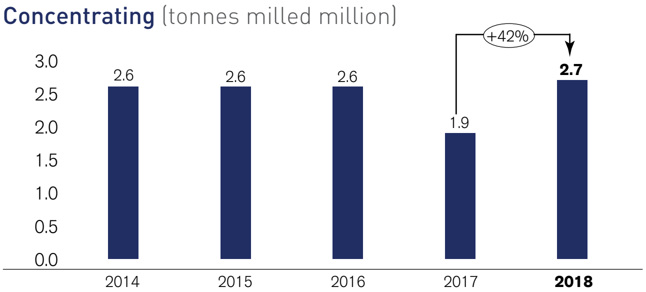
Glencore Kagiso Platinum Venture **50%**

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

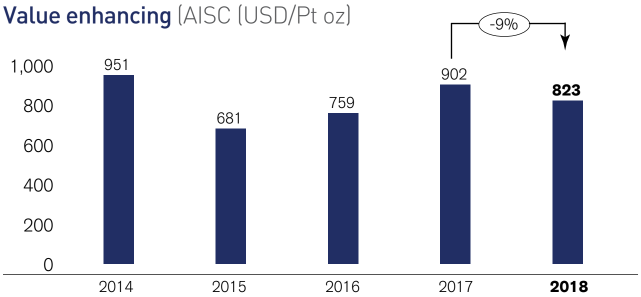
Mining and concentrating (PGM ounces 000)



Concentrating (tonnes milled million)



Value enhancing (AISC (USD/Pt oz)



SAFETY

Mototolo has been fatality-free since 2011 and achieved a TRCFR of 1.95 in 2018, a 48% improvement from 2017. The Mototolo concentrator achieved 1,000 injury-free days on 9 October 2018, while the mine recorded 4 million fatality-free shifts and Borwa shaft reached 543 injury-free days at end December 2018.

OPERATIONAL REVIEW

Mototolo had an improved performance in 2018 increasing production by 56% to 287,700 PGM ounces (2017: 184,800 ounces). The mine returned to normal production levels in 2018, prior to the impact of the four-month concentrator shutdown in 2017 for remedial work to restore the Helena tailings storage facility. Additional production of 20,800 PGM ounces was toll treated at Bokoni Mine (2017: 11,900 PGM ounces) from ore stockpiled during the concentrator plant shutdown.

Mototolo delivered economic free cash flow of R0.1 billion, due to the loss of cash flow for four months following the concentrator disruptions at the end of 2017. This will normalise in 2019. The mine had an EBITDA margin of 25% and ROCE of 34% based on the mine as a wholly owned mine.

CAPITAL EXPENDITURE

Our attributable share of capital expenditure at R407 million was higher than 2017, mainly due to construction of the new Mareesburg tailings dam.

TWICKENHAM PROJECT (MANAGED – 100% OWNED)

The Twickenham project potentially offers long-term prospects for shallow mechanised mining on both the UG2 reef and Merensky reef horizons. In the current commodity price environment, we have delayed all expansionary project decisions to after 2019. Twickenham was placed on care and maintenance in 2016, and some of the mining footprint is being used to research new mining technology, including small-scale mining activity.

OPERATIONS OVERVIEW CONTINUED

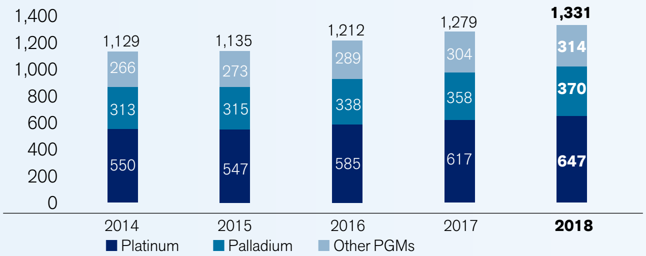
JOINT VENTURES AND ASSOCIATES

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

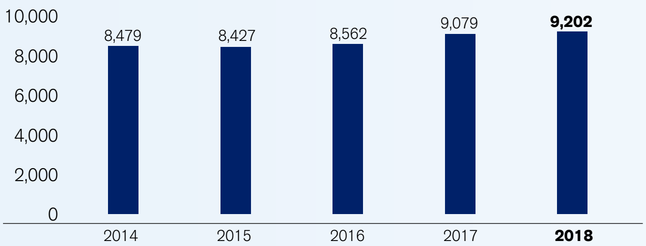
Joint venture and associates' operations		2018	2017
Fatalities	Number	**3**	2
TRCFR	Rate/ million hrs	**7.73**	8.34
Platinum produced (000 oz)	000 oz	**647**	671
Total PGM production	000 oz	**1,331**	1,395
Joint-venture operations*			
Net sales revenue	R million	**5,971**	5,050
EBITDA	R million	**1,618**	1,006
EBITDA margin	%	**27.1**	19.9
ROCE	%	**37.2**	10.3
Economic free cash flow	R million	**1,138**	405
Net cash flow	R million	**1,100**	373
Cash on-mine cost/ tonne milled	R/tonne	**1,055**	1,061
Cash operating cost/ PGM oz produced	R/PGM oz	**9,202**	9,079
Cash operating cost/ Pt oz produced	R/Pt oz	**20,582**	20,416

** Data excludes Mototolo as a 100%-owned operation in 2017 and 2018 for comparative reasons.*

Total PGM production (M&C) (000 oz)



Cash operating cost/PGM ounce produced



KEY FEATURES

- Solid operational performance across the joint venture portfolio
- Union disposal finalised 31 January 2018
- BRPM disposal completed – 30 November 2018
- Three fatalities at joint ventures.

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

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

- 2012: Marikana placed on care and maintenance
- 2016: Our 42.5% share of Pandora sold to Lonmin
- 2017: Bokoni placed on care and maintenance
- 2018: Union Mine sold to Siyanda Resources
  Sold our 33% share of BRPM to Royal Bafokeng Platinum.

SAFETY

In collaboration with our JV partners, we strive to create a zero-harm environment in our operations to enable a sustainable business. The TRCFR improved 7% to 7.73 in 2018 (8.34 in 2017). The JV operations regrettably recorded three fatalities in 2018, one at Kroondal and two at BRPM (two in 2017).

Safety achievements during the year included:

- Modikwa achieved 1 million fatality-free shifts in June 2018.

OPERATIONAL REVIEW

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

We thank our managing JV partners for their contributions in 2018, despite another tough operating and financial environment. The portfolio remains focused on its strategic objectives:

- Rebuild operations to match installed capacity
- Secure future sustainability and profitability
- Rationalise the portfolio in line with Amplats' strategy.

PGM production from the JVs and associates (including mined and purchased production) was 5% below 2017 at 1,331,300 ounces, mainly due to placing Bokoni on care and maintenance (116,900 ounces in 2017), and selling our share of BRPM from 30 November resulting in the exclusion of 31,800 ounces from BRPM. Increased production at Kroondal (+7%) and Modikwa (+1%) for the year. Year on year, platinum production dropped 4% to 646,700 ounces, rhodium dropped 4% to 100,800 ounces and palladium dropped 7% to 370,100 ounces. Collectively, our JVs and associates maintained their contribution to total concentrate ounces in 2018 at 26% (28% in 2017).

Our attributable JV cash on-mine costs (mining and concentrating) rose 5% to R4.1 billion, mainly due to higher production as well as the purchase of Mototolo ore at Modikwa. Attributable cash operating cost per PGM ounce increased 1% to R9,202 (R9,079 in 2017) and cost per platinum ounce increased 1% to R20,582 (R20,416 in 2017).

Attributable capital expenditure for the JV mines in 2018 was R247 million (R358 million in 2017), of which R38 million was for replacement projects and the balance for stay-in-business projects.

OPERATIONS OVERVIEW CONTINUED

JOINT VENTURES AND ASSOCIATES CONTINUED

MODIKWA PLATINUM MINE

(Non-managed – 50% owned)		2018	2017
Safety			
Fatalities	Number	–	1
TRCFR	Rate/ million hrs	**6.46**	5.36
Total PGM production	000 oz	**330**	326
Net sales revenue	R million	**2,138**	1,817
EBITDA	R million	**566**	361
EBITDA margin	%	**26.4**	19.9
ROCE	%	**23.2**	12.1
Economic free cash flow	R million	**381**	166
Net cash flow	R million	**343**	89
Cash on-mine cost/ tonne milled	R/tonne	**1,220**	1,252
Cash operating cost/ PGM oz produced	R/PGM oz	**9,814**	9,259
Cash operating cost/ Pt oz produced	R/Pt oz	**24,883**	23,792

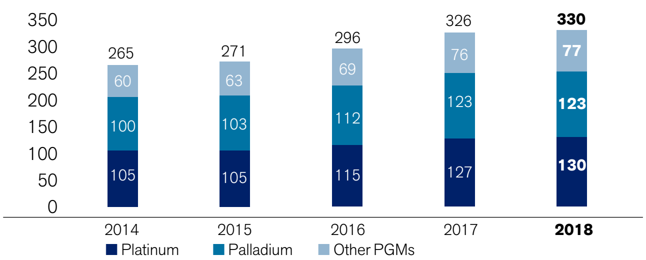
MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

Merensky	**106.4 Mt ⇨ 9.2 (4E) Moz**
UG2	**133.3 Mt ⇨ 25.8 (4E) Moz**

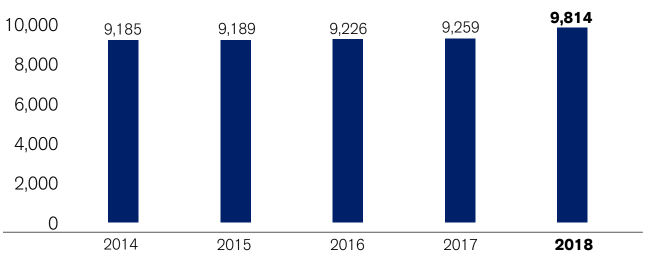
JV PARTNER

ARM Mining Consortium Limited	**50%**

Total PGM production (M&C) (000 oz)



Cash operating cost/PGM ounce produced



KEY FEATURES

- Modikwa achieved 1 million fatality-free shifts in June 2018
- Continued growth in ounces since South 2 shaft came online in 2016.

MINE OVERVIEW

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

SAFETY

Modikwa remained fatality-free in 2018 and achieved 1 million fatality-free shifts in June 2018. TRCFR however regressed by 20%. Actions initiated to address safety regression include the following:

- Workplace audits, which provide for visible 'felt' leadership and PTOs culminating in 'stop and fix' of substandard workplaces is embedded
- Extensive housekeeping programme, which includes upgrading the mine water reticulation system is in progress
- Upskilling of mining crews on early entry examination practices is being conducted
- Management systems, with roles and responsibilities, to change safety behaviour culture has been implemented.

OPERATIONAL REVIEW

Attributable PGM production, including 164,800 ounces purchased from the JV partner, rose 1% to 329,700 ounces. Platinum production was up 3% at 130,040 ounces. Despite a slow start to the year, due to community unrest that affected work attendance in March and a bus-arson incident in April, Modikwa improved its performance through underground efficiencies as well as the purchase of Mototolo ore of 12,300 PGM ounces (9,700 ounces in 2017).

Productivity of 71.2 PGM ounces was up 5% on the prior year. Cash operating cost per PGM ounce was up 6% to R9,814 and up 5% per platinum ounce to R24,883, mainly due to the purchase of Mototolo ore included as an on-mine cost.

CAPITAL EXPENDITURE

Our attributable share of capital expenditure for the year was R103 million, down 35% on 2017. Activities associated with the ongoing UG2 North 1 shaft phase 2 project (developing and equipping 9-level) resumed in the first quarter of 2017, with forecast completion in 2019. The South 2 phase 1 project was concluded in the first quarter of 2018.

KROONDAL PLATINUM MINE

(Non-managed – 50% owned)		2018	2017
Safety			
Fatalities	Number	**1**	–
TRCFR	Rate/ million hrs	**7.40**	9.41
Total PGM production	000 oz	**624**	586
Net sales revenue	R million	**3,833**	3,233
EBITDA	R million	**1,052**	646
EBITDA margin	%	**27.4**	20.0
ROCE	%	**54.4**	8.3
Economic free cash flow	R million	**757**	284
Net cash flow	R million	**757**	284
Cash on-mine cost/tonne milled	R/tonne	**979**	977
Cash operating cost/ PGM oz produced	R/PGM oz	**8,878**	8,979
Cash operating cost/ Pt oz produced	R/Pt oz	**18,696**	18,881

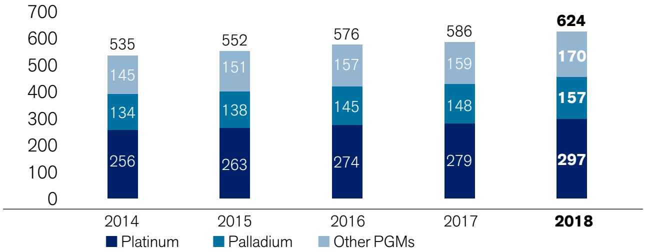
MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

UG2 **10.3 Mt ⇨ 1.0 (4E) Moz**

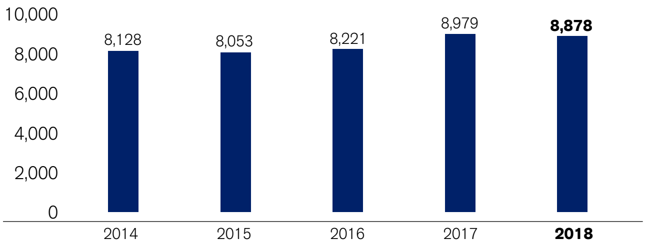
JV PARTNER

Sibanye Platinum **50%**

Total PGM production (M&C) 000 oz



Cash operating cost/PGM ounce produced



KEY FEATURES

- One fatality on 28 February 2018
- TRCFR of 7.40 improved 21%
- Record hoisted tonnes and PGM production.

MINE OVERVIEW

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

SAFETY

Kroondal recorded a fatality in 2018, detailed in our supplementary report. Overall safety performance improved, with a TRCFR of 7.40 down by 21%.

OPERATIONAL REVIEW

PGM production attributable to Amplats, including 312,200 ounces purchased from our JV partner, rose 7% to 624,400 ounces. Platinum produced rose 6% to 296,500 ounces, supported by record delivered tonnes. Improved production mainly reflects improved underground efficiencies and improved concentrator recoveries. Productivity at 81.2 PGM ounces improved 6% on the prior year on higher production. Cash operating cost per PGM and platinum ounce was down 1% to R8,878 and R18,696 respectively.

CAPITAL EXPENDITURE

Our attributable share of capital expenditure at R144 million decreased by 28% from 2017.

OPERATIONS OVERVIEW CONTINUED

JOINT VENTURES AND ASSOCIATES CONTINUED

BAFOKENG RASIMONE PLATINUM MINE (BRPM)

(Non-managed – 33% owned)		2018	2017
Safety			
Fatalities	Number	**2**	–
TRCFR	Rate/ million hrs	**9.51**	10.17
Financial			
Amplats' attributable profit/ (loss) before tax	R million	**112**	134
Net cash distributions/ (cash calls)	R million	**(582)**	(444)

MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

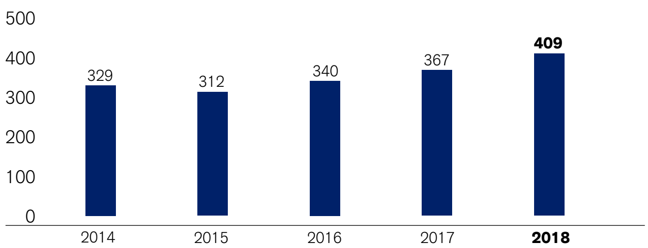
Merensky	**49.6 Mt ⇨ 11.9 (4E) Moz**
UG2	**65.2 Mt ⇨ 10.7 (4E) Moz**

JV PARTNER

Royal Bafokeng Platinum Limited	**67%**

** Sale completed on 30 November 2018, BRPM is represented as an associate till date of sale and as a third party from 1 December 2018.*

Total PGM production (M&C) (000 oz)



KEY FEATURES

- BRPM disposal completed – 30 November 2018
- Regrettably two fatalities in 2018
- Record hoisted tonnes, milled tonnes and PGM production.

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 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 87km². Current infrastructure comprises two decline shafts, North and South, a vertical shaft, Styldrift 1 shaft, a 250,000tpm concentrator and the recently acquired 110,000tpm Maseve concentrator. The Styldrift 1 main and service shafts are operational, with 600-level currently hosting 12 trackless production crews building up reef production to 150,000tpm. 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. Acquisition of the Maseve plant has increased concentrating capacity to 360,000tpm.

On 5 July 2018, Rustenburg Platinum Mines Limited accepted an offer from Royal Bafokeng to buy its 33% interest in BRPM. The transaction was effective on 30 November 2018.

SAFETY

BRPM recorded two fatalities in 2018, detailed in our supplementary report.

OPERATIONAL REVIEW

Attributable PGM production, including third-party purchase in December, rose 11% to 409,000 ounces, and platinum production was up 13% to 239,000 ounces. The mine achieved its highest PGM production and record delivered and milled tonnages. Additional ounces delivered reflect higher production from both North and South shafts and the ramp-up at Styldrift shaft. Net cash calls for the period were R582 million (2017: R444 million) to support Styldrift capex requirements.

MARIKANA PLATINUM MINE

(Non-managed – 50% owned)	2018	2017

MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

UG2	**20.8 Mt ⇨ 2.2 (4E) Moz**

JV PARTNER

Sibanye Platinum	**50%**

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 North West province, 12km outside the town of Rustenburg. It forms part of the South-western Limb of the Bushveld complex and operates under a mining right of 33km². Mine infrastructure, comprising four decline shafts and a concentrator, was placed on care and maintenance in 2012 on depletion of mineable ore reserves, high operating costs and a decreasing commodity price. The open pit was mined out and closed in 2011.

BOKONI PLATINUM MINE

(Non-managed – 49% owned)	2018	2017

MINERAL RESOURCES INCLUSIVE OF ORE RESERVES

Merensky	**169.7 Mt ⇨ 27.0 (4E) Moz**
UG2	**228.1 Mt ⇨ 48.1 (4E) Moz**

JV PARTNER

Atlatsa Resources	**51%**

MINE OVERVIEW

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

PROCESS REVIEW

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

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

Intellectual capital

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

PROCESS REVIEW CONTINUED

KEY FEATURES

Zero
fatalities

15%
improvement in TRCFR

Unki
smelter commissioned in Q3 2018

ACP phase A
returned to service in Q3 2018

End-of-campaign rebuild of
Mortimer smelter
and side and end-wall replacements at Polokwane smelter completed

PMR
Refined platinum production largely unchanged at 2.36 million oz pt.

SAFETY

We continue to record improved safety performance by implementing our SHE strategy as well as reporting and learning from high-potential Incidents, which have informed our strategy and approach to managing our operations. The TRCFR of 3.12 is a 15% improvement on 2017, consistent with the increased focus on key risks and safe behaviour on the journey to zero harm.

OPERATIONAL REVIEW

With an unusually high number of planned maintenance activities in 2018 (detailed under smelters), operations ran close to design limits to deliver the required throughputs. A highlight for the year was the successful construction and commissioning of the new Unki smelter in September 2018.

Rustenburg Base Metal Refinery (RBMR) and Precious Metals Refinery (PMR) refined the required volumes in line with their inputs. Continuing improvement at RBMR allowed nickel quality to reach 90% at LME (London Metals Exchange) grade.

Total cash operating cost increases were contained to 13% by disciplined cost management to mitigate higher chemical and energy prices, as well as increased maintenance activities to secure improved asset integrity. Internal cost-management and business-improvement initiatives continued to deliver value during the year, with the focus on energy efficiency and working capital management.

CAPITAL EXPENDITURE

Capital expenditure rose 63% to R1.7 billion, with 79% allocated to projects in our smelting operations (detailed above) and 13% for Base Metals Refinery (BMR) projects.

SMELTERS

		2018	2017
Safety			
Fatalities		**0**	1
TRCFR		**4.00**	5.55
Tonnes smelted excluding tolling	Mt	**1.38**	1.45
Cash costs/tonne new concentrate smelted excluding tolling	R/tonne	**2,684**	2,197

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

SAFETY

Two of the four smelting operations recorded zero injuries for the year – Polokwane, which has now achieved four years without a lost-time injury, and Unki. The combined TRCFR for all smelting operations improved by 28% to 4.00 in 2018 from 5.55 in 2017. Despite these achievements, the overall safety performance at the smelters was below expectations.

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

PRODUCTION

Smelted volumes decreased 5% year on year. This was largely due to extensive scheduled maintenance during the year, including a full end-of-campaign rebuild of Mortimer furnace, complete side and end-wall replacement at Polokwane furnace, and scheduled maintenance of the slag-cleaning furnace at Rustenburg.

The Unki smelter in Zimbabwe was successfully commissioned in the third quarter. The ramp-up has progressed well, and the furnace is currently treating all concentrate produced at Unki Mine.

The ACP A converter unit, damaged in a steam explosion in 2017, was successfully returned to service in the third quarter, after successful completion of repair work and the switch in operation from ACP phase B.

COSTS

Total cash operating costs rose 16% to R3.7 billion. The unit cash cost per tonne of concentrate smelted was 22% higher at R2,684 (2017: R2,197) due to lower volumes smelted, and higher stores cost from the increased focus on maintenance.

CAPITAL EXPENDITURE

Capital expenditure was up 88% to R1.3 billion.

Construction of the SO_2 abatement plant at Polokwane smelter began in August 2018. Expenditure on this project, which is scheduled for completion in 2020, totalled R370 million in 2018. Stay-in-business capital was invested in repairs to ACP phase A (R331 million), Mortimer furnace rebuild (R156 million), Polokwane furnace side and end-wall replacement (R123 million) and long-lead item procurement for the 2019 side and end-wall replacement at Waterval (R55 million).

OUTLOOK

The journey to zero harm will continue in 2019, with emphasis on eliminating low-frequency, high-impact incidents. The primary smelting furnaces at Waterval, EF1 and EF2 are scheduled for end-wall, and side and end-wall replacements in H1 2019 respectively. The side-wall refractory of Unki furnace will also be replaced in 2019 as per the planned maintenance strategy.

RUSTENBURG BASE METAL REFINERY (RBMR)

		2018	2017
Safety			
Fatalities		**0**	0
TRCFR		**2.84**	2.57
Base metal production	kt	**33.6**	37.2
Cash costs/base metal tonne	R/tonne	**67,220**	49,882

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

SAFETY

Safety performance at RBMR deteriorated slightly year on year, with TRCFR increasing from 2.57 in 2017 to 2.84 in 2018. The MC plant achieved two years injury-free in 2018.

PRODUCTION

The RBMR complex operated stably throughout 2018. Annual base metal production was affected by lower converter matte receipts and production was therefore down 10% to 33,600 tonnes. The operation continued to make progress on improving efficiencies, debottlenecking capacity and other continuous improvement activities. Full-year nickel production was 10% lower than 2017, but quality improved to over 90%, passing LME grade.

COSTS

Cash operating costs increased to R2.2 billion in 2018. The 22% increase in absolute costs was mainly due to higher chemical and energy prices as well as the normalisation of environmental rehabilitation costs. Cash operating cost/base metal tonne for 2018 rose 35% from R49,882 in 2017 to R67,220 in 2018 on lower inputs and additional above-inflation costs in the review period.

CAPITAL EXPENDITURE

Stay-in-business capital expenditure was 6% higher at R213 million. Capital spend is focused on replacing critical plant equipment to secure operational stability.

OUTLOOK

RBMR has improved operational excellence and alignment with the Amplats strategy by successfully rolling out the Anglo American operating model to unlock additional operational efficiency improvements.

PRECIOUS METALS REFINERY (PMR)

		2018	2017
Safety			
Fatalities		**0**	1
TRCFR		**2.13**	2.32
Platinum production	Moz	**2.36**	2.35
Cash costs/Pt oz	R/oz	**400**	335

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

SAFETY AND HEALTH

TRCFR improved 8% to 2.13 in 2018, reflecting the operation's intensified focus on its comprehensive safety improvement plan.

Platinum salt sensitivity (PSS) and rhodium salt sensitivity (RSS) remain the major health risks at PMR. These risks are being mitigated by implementing world-class occupational and environmental exposure-control standards which characterise the workplace in terms of PSS and RSS, and by ensuring regular measurements to monitor changes in the work environment and the personnel working at PMR. No PSS or RSS cases were recorded in 2018.

PRODUCTION

The refinery operated steadily throughout the year and met all customer requirements. Refined platinum production rose 1% to 2,360,900 ounces (2017: 2,347,700 ounces). PGM production decreased by 2% to 4,418,000 ounces (2017: 4,521,900 ounces) in line with the relevant ratios in the feed received.

PRODUCT QUALITY

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

COSTS

PMR's cash operating costs for 2018 rose 19% to R945 million, largely associated with above-inflationary increases in key input commodities and an increase in allocated centralised costs.

CAPITAL EXPENDITURE

Capital expenditure was 11% higher at R130 million. All capital was invested in stay-in-business projects to ensure the ongoing integrity of the asset and future business continuity.

OUTLOOK

PMR is expected to continue operating stably and well within its nameplate refining capacity. No major maintenance work is anticipated for 2019. Opportunities to improve raw material efficiencies and reduce operating costs through enhanced operating and asset maintenance strategies will be explored in the coming year.

PILLARS OF VALUE

In line with our purpose to re-imagine mining to improve people's lives, we closely monitor how the value we create is shared with all stakeholders. Our approach to the sustainability (non-financial) aspects of our business is summarised below and detailed in our supplementary report. This approach aligns closely with the IIRC six-capitals framework (see table on page 2), although Amplats has elected to report against its pillars of value as key performance indicators for each pillar are integral to our performance-based remuneration structure.

Intellectual capital

By combining the intellectual capabilities of our people with the benefits of technology and innovation, we are developing solutions that create value for all our stakeholders

SOCIO-POLITICAL

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

Granting, rejecting or withdrawing a social licence to operate is a stakeholder group's response to the extent of that social capital (positive or negative), which in turn supports our legitimacy, credibility and trust.

NEW 2018 SOCIAL STRATEGY

In 2018, our social strategy was redesigned to adapt to the changing needs of our business and better meet the needs of our stakeholders. It clearly defines our objective to enable a sustainable business by enhancing our social licence to operate through engaged and empowered stakeholders, and enshrines three value levers (or pillars):

- Socio-economic development
- Stakeholder engagement and communication
- Sustainable development.

Each value lever has strategic focus areas that aim to deliver positive social impacts and enhance social capital (detailed in our supplementary report).

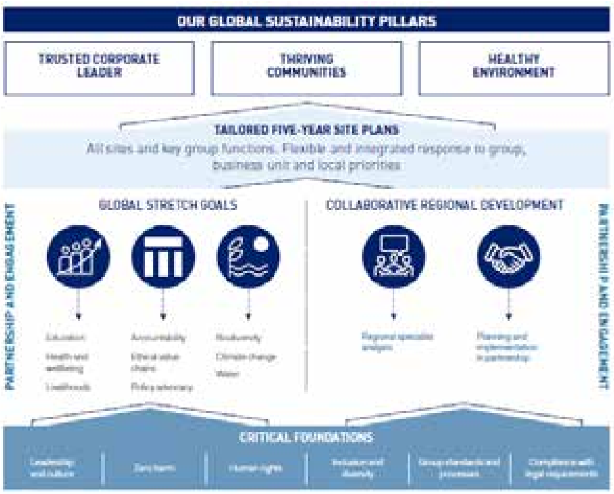
At the same time, we remain focused on meeting our commitments in our 2016-2020 social and labour plans (SLPs). Our stakeholders are more involved in the delivery of SLPs and we continue to monitor and evaluate the impact of each project.

Stakeholder engagement was an important focus in 2018, with Amplats responding to the needs of diverse stakeholders, and enhancing inclusivity through stronger and more effective relationships. We built the foundations of effective engagement by setting up community forums and concentrated on stabilising our relationships with government and communities. We are working with interfaith groups as a trusted and credible stakeholder in the community and ensuring faith leaders have input in rebuilding communities. Although some issues persisted, we remained committed to effective engagement processes.

AMPLATS' SUSTAINABILITY NARRATIVE

The Anglo American sustainability strategy, launched in March 2018, focuses on three global sustainability pillars: being a trusted corporate leader, creating thriving communities and creating a healthy environment. Each has global stretch goals to be accomplished by 2030. The collaborative regional development programme (stimulating regional socio-economic development opportunities through collaborative partnerships) is part of this strategy.

It is underpinned by critical foundations or business-as-usual practices.



In 2018, Amplats began the extensive process of integrating and embedding its parent's sustainability strategy into existing business processes. This led to developing a sustainability narrative – an overview of how we are embedding sustainability in our organisation, and guided by an implementation framework. The culmination of these processes will be five-year site, social and sustainability plans detailing how the ambitious goals of the Anglo American sustainability strategy will be achieved.

MAPPING OUR CONTRIBUTIONS TO UN SUSTAINABLE DEVELOPMENT GOALS

At the heart of the 2030 agenda for sustainable development are 17 sustainable development goals (SDGs), which are a global call to action to end poverty, protect the planet and ensure peace and prosperity for all people.

The UN's SDGs are a key determinant to the way in which our parent's sustainability strategy is being implemented at Amplats. As part of the process, we mapped the company's financial contributions to SDGs in 2018. The baseline assessment revealed that 77% of our 2017 financial contributions went to 12 of the 17 SDGs. The most significant contributions are for SDG 8 (decent work and economic growth) at 20.4%, SDG 1 (no poverty) at 11.6% and SDG 9 (industry innovation and infrastructure) at 7.4%. These findings are congruent with our focus on job creation and infrastructure development. Our executive committee provided guidance on the SDG baseline, and made recommendations for improvement. Work will continue in 2019 on the SDG mapping initiative, focusing on impacts rather than financial inputs.

PILLARS OF VALUE CONTINUED

SAFETY AND HEALTH

Our goal is zero harm, and based on being the leader in safe and sustainable mining, respected and trusted by partners and communities. To achieve this strategic objective, we have defined focus areas for safety and health:

Safety – creating a leadership approach and culture conducive to innovation and improving safety performance; eliminating fatalities; building a safety culture; moving the hierarchy of controls through modernisation, innovation and engineering capability

Health – workplace health risk management (occupational hygiene) by eliminating exposures to harmful substances; integrated health programme (occupational medicine) including HIV and TB prevention and community health.

PEOPLE

Our strategy for our people rests on key pillars and desired outcomes:

We have a dual approach protecting and enhancing our human capital:
- Enabling modernisation and mechanisation through digital talent and learning capability
- Transforming the workplace to reflect the diversity of South Africa's population.

ENABLING MODERNISATION

Introducing new mining technologies and methods gives us a significant opportunity to improve performance efficiency and safety, but these require new and different skill sets. This is an employee who is both technical expert and machine operator, with in-depth technical knowledge of the machinery as well as the cognitive and visio-spatial abilities to manage underground equipment safely and effectively via a remote-control unit in a very confined underground space.

The traditional approach to talent identification, assessment and development is therefore not an option for this large-scale, broad-based transformation.

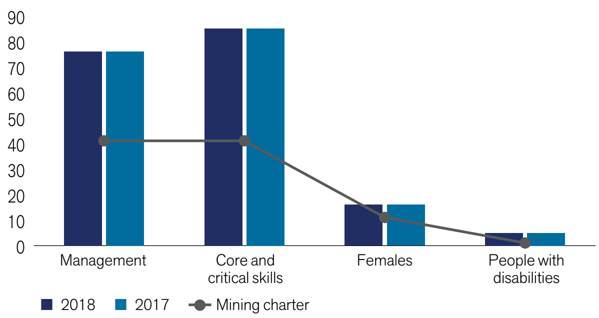
We are implementing a strategy to build a digital talent and learning capability to rapidly convert large groups of current employees from conventional to modernised equipment. Our employees of the future will be appropriately skilled to work with:
- Immediate, remote expert assistance and real-time guidance
- In-depth technical knowledge of machinery
- Data-rich analysis and interpretation
- Cognitive and visio-spatial abilities
- Ability to apply more complex skills by monitoring equipment and problem solving
- Advanced technology design, engineering and maintenance
- Strong analytical and technological skills.

TRANSFORMING THE WORKPLACE

Transforming the workplace to reflect the diversity of South Africa's population and comply with mining charter requirements is a key business imperative.

We continue to successfully diversify our workforce through targeted recruitment and development campaigns for designated groups, while acknowledging the national challenge of meeting representative targets for skills at managerial level. Our progress against mining charter requirements is summarised below:

Transforming our workplace (%)



ENVIRONMENT

In the transition to a low-carbon economy, PGMs are critical to enable associated technologies. In delivering these products, we are committed to dramatically reducing our environmental footprint over the next decade. This will require a fundamental change in the makeup of our mining operations and processes.

Many of the environmental impacts of mining are borne by communities around our operations, while other activities contribute to global challenges such as climate change. By implementing best-practice standards, we aim to achieve and surpass basic legal compliance.

We have set ambitious goals for 2030 on water, climate change and biodiversity performance, detailed in our supplementary report. Many of the technological innovations we will apply to achieve the desired step-change in our water and energy performance are at various stages of development. This is underpinned by best practice policies, performance standards and business processes; investing in internal capacity, capability and technological innovation; as well as partnerships and collaboration with stakeholders.

INTELLECTUAL CAPITAL

Our intellectual capital embodies the combined skills of our people and ongoing innovation across our business – from inputs to outcomes – that will underpin our sustainability as a relevant, responsible organisation for the long term. As our industry continues its fundamental transformation, we believe intellectual capital will be the key differentiator.

As Amplats continues to mechanise and modernise, innovation is driving the way we think about decades-old processes and practices to achieve our aim of world-class standards. This is encapsulated in our purpose to re-imagine mining.

To date, innovative thinking has delivered significant benefits:

- By implementing a new operating model, Mogalakwena has recorded an operational improvement of 35%
- Amandelbult introduced innovative roof support and lighting as part of embedding the operating model and a new conventional mining system
- Unki improved concentrator recoveries while reducing mass pull, decreasing the volume to be smelted
- We acquired our partner's interest in Mototolo to unlock the potential of our adjacent Der Brochen project and capitalise on its +30–year life of mine.

SUSTAINABILITY COMMITMENTS

for the year ended 31 December 2018

Objective areas	2018 target	2018 performance year end
Safety and health	Zero fatalities	Two fatalities
	TRCFR (per million hours) lower than 3.01 (15% BU improvement target)	3.00 TRCFR per million hours worked Includes Union Mining Complex (divested 31 January 2018)
	LTIFR (per million hours) lower than 2.07 (15% BU improvement target) *Note: No longer a targeted metric for Anglo American Platinum*	2.10 LTIFR per million hours worked Includes Union Mining Complex (divested 31 January 2018)
	HIV management: 90% of at risk population knowing their status	88% of employees know their HIV status
	HIV management: 90% of HIV-positive undergoing treatment (on ART)	90% of known HIV-positive employees are on ART
	TB incidence rate of below 600 per 100,000	Average annualised TB incidence rate of 325 per 100,000 employees
	Medical surveillance: 100% annual medical surveillance of persons potentially at risk of exposure to airborne pollutants (Cat A)	100% medical surveillance of Cat A employees (excludes Unki)
Mineral policy and legislative compliance	26% ownership of Reserves and Resources by historically disadvantaged South Africans (HDSAs)	43% of the business transferred to HDSAs (using 2017 production units and taking into account the disposal of Union in 2018)
	HDSA procurement expenditure: Capital goods (40%) Services (70%) Consumables (50%)	 73% 79% 70%
	HDSA in: Top management (board) level: 40% Senior management (including exco): 40% Middle management: 40% Junior management: 40% Core skills: 40% Women in mining: HDSAs in management: 40%	 33% 50% 69% 82% 87% 18% 78%
	Maintain ISO 14001 certification: 100% renewal of certificates for RBMR and PMR	Rustenburg Base Metals Refinery (RMBR) and Precious Metals Refinery (PMR), which are responsible for product delivery and compliance to external requirements, have environmental management systems certified against the new ISO 14001:2015 standard
	Zero environmental legal non-compliance directives	On target – no directives received

Objective areas	2018 target	2018 performance year end	
Labour relations and our performance	Target of 106 PGM ounces produced per employee	Achieved – 108.1 PGM ounces produced per employee	●
	Labour unavailability to be below 18.5%	The total absence rate for 2018 is 20% including annual leave of 8.3% (year-on-year increase in annual leave of 0.45% due to enhanced leave smoothing processes). Several long-term initiatives are under way aiming at improved productivity.	●
Community development	Implementation of second generation SLP	In progress – The approval of SLP 2 for Amandelbult and Der Brochen are still pending	●
	1% after-tax profit to be spent on community development	Total social investment was R609 million which is 9% of NOPAT (excluding Unki).	●
Access to and allocation of natural resources	3% reduction target for energy consumption to be achieved for the period 2016 to 2020, driving a 1% reduction per annum: • 2018 absolute consumption target of 19.3 million GJ • 2018 energy intensity target of 0.83GJ per tonne milled	• Energy consumption of 20.01 million GJ • Energy intensity of 0.79GJ per tonne milled	● ●
	5% reduction in CO_2 emissions per unit of production for the period 2016 to 2020, equating to a 1% reduction per annum. *Note: Not a 2018 targeted metric for Anglo American Platinum*	CO_2 equivalent emissions of 4.1Mt CO_2e or 0.16t CO_2e per tonne milled (Scope 1 and 2 only)	●
	9.5% reduction in water consumption (2.7Mm^3) against the 2020 BAU projected demand (28.5Mm^3). • 2018 total new water abstraction or withdrawal target of 27.8Mm^3 • 2018 potable water abstraction target of 9.5Mm^3 • 2018 total new water withdrawal intensity target of 1.08m^3 per tonne milled	• Total water withdrawal of 24.43Mm^3 • Potable water withdrawal of 6.14Mm^3 • Total water withdrawal intensity of 0.96m^3 per tonne milled	● ● ●

● *Achieved/on target*
● *Not achieved/below target*
● *In progress*

KEY STATISTICS

for the year ended 31 December 2018

SAFETY

Operations	Number of fatalities 2018	2017	2016	2015	2014	Fatal-injury frequency rate (FIFR)[1] 2018	2017	2016	2015	2014
Tumela Mine	**–**	1	2	–	–	**–**	0.056	0.110	–	–
Dishaba Mine	**2**	2	–	–	1	**0.144**	0.135	–	–	0.143
Union Mine[2]	**–**	1	1	–	–	**–**	0.103	0.101	–	–
Mogalakwena Mine	**–**	–	–	–	–	**–**	–	–	–	–
Unki Platinum Mine	**–**	–	–	–	–	**–**	–	–	–	–
Amandelbult concentrators	**–**	–	–	–	–	**–**	–	–	–	–
Union concentrators[2]	**–**	–	–	–	–	**–**	–	–	–	–
Mogalakwena concentrators	**–**	–	–	–	–	**–**	–	–	–	–
Unki concentrator	**–**	–	–	–	–	**–**	–	–	–	–
Mototolo concentrator	**–**	–	–	–	–	**–**	–	–	–	–
Mototolo Lebowa and Borwa shafts[3]	**–**					**–**				
ACP	**–**	–	–	–	–	**–**	–	–	–	–
Waterval smelter	**–**	1	–	–	1	**–**	0.664	–	–	0.554
Mortimer smelter	**–**	–	–	–	–	**–**	–	–	–	–
Polokwane smelter	**–**	–	–	–	–	**–**	–	–	–	–
Unki smelter[4]	**–**					**–**				
Rustenburg Base Metal Refiners	**–**	–	–	–	–	**–**	–	–	–	–
Precious Metals Refinery	**–**	1	–	–	–	**–**	0.579	–	–	–
Greenfield projects[5]	**–**	–	–	1	–	**–**	–	–	0.144	–
Total/aggregate[6]	**2[RA]**	6	7	2	3	**0.027[RA]**	0.073	0.067	0.017	0.031

Operations	Lost-time injury frequency rate (LTIFR)[7] 2018	2017	2016	2015	2014	Total recordable case frequency rate (TRCFR)[8] 2018	2017	2016	2015	2014
Tumela Mine (Amandelbult)	**3.11**	4.05	2.92	5.14	4.19	**3.61**	4.78	4.57	7.02	5.27
Dishaba Mine (Amandelbult)	**3.38**	2.69	3.14	4.66	4.29	**4.53**	4.44	4.76	9.13	8.01
Union Mine[2]	**6.70**	9.14	7.61	9.61	5.33	**9.38**	12.02	10.24	13.94	8.11
Mogalakwena Mine	**0.45**	0.68	0.85	1.08	0.58	**0.79**	1.35	2.26	6.27	5.02
Unki Platinum Mine	**1.17**	1.68	0.95	0.91	0.59	**1.40**	2.80	4.13	2.72	4.46
Amandelbult concentrators	**0.82**	4.05	1.51	1.24	–	**2.45**	6.30	3.03	4.14	1.84
Union concentrators[2]	**–**	1.55	1.31	1.63	–	**–**	7.74	2.63	1.63	–
Mogalakwena concentrators	**1.18**	0.81	0.78	0.53	1.86	**1.18**	1.29	2.34	4.54	5.57
Unki concentrator	**–**	–	–	2.27	2.28	**–**	–	–	6.82	4.57
Mototolo concentrator	**–**	–	2.60	–	–	**–**	–	2.60	–	–
Mototolo Lebowa and Borwa shafts[3]	**–**					**–**				
ACP	**4.14**	3.05	1.06	1.95	2.96	**6.90**	3.05	1.06	1.95	4.94
Waterval smelter	**1.96**	3.32	2.60	–	5.54	**2.61**	7.30	3.25	1.06	7.20
Mortimer smelter	**7.51**	5.09	1.89	–	–	**7.51**	6.78	5.67	3.71	3.71
Polokwane smelter	**–**	–	–	–	1.94	**–**	4.53	2.28	2.11	5.82
Unki smelter[4]	**–**					**–**				
Rustenburg Base Metal Refiners	**0.85**	1.43	2.44	4.18	1.98	**2.84**	2.57	6.41	7.76	4.82
Precious Metals Refinery	**2.13**	1.16	6.03	2.62	1.31	**2.13**	2.32	7.23	5.90	5.88
Greenfield projects[5]	**1.07**	0.94	0.82	2.59	3.20	**4.73**	1.57	1.37	5.75	7.00
Total/aggregate[6]	**2.10**	3.17	3.65	4.92	3.46	**3.00[RA]**	4.52	5.28	7.59	6.09

1 *FIFR – fatal injury frequency rate (calculated) is a measure of the rate of all fatal injuries per million hours worked.*
2 *Union Mine and concentrators sold on 31 January 2018.*
3 *Mototolo, Lebowa and Borwa shafts acquired from 1 November 2018.*
4 *Unki smelter operational from September 2018.*
5 *Greenfield projects 2018: Twickenham Mine, Amandelbult chrome recovery plant (module 3 and 4), Der Brochen exploration, infrastructure and prefeasibility projects, Eastern and Western Limb greenfields exploration (Eastern to end August), Unki housing infrastructure project, Unki smelter project, Mareesburg tailings facilities and SO_2 abatement plant at Polokwane (from September 2018).*
6 *Rustenburg divested operations included to date of sale – 31 October 2016.*
7 *LTIFR – lost-time injury-frequency rate (calculated) is a measure of the rate of all lost-time injuries per million hours worked.*
8 *TRCFR – total recordable case frequency rate (calculated) is a measure of the rate of all injuries requiring treatment above first aid per million hours worked.*
RA *Reasonable assurance provided by PwC. Refer to page 106 of supplementary report for the independent assurance report.*

HEALTH

	2018	2017	2016	2015	2014
New cases of noise-induced hearing loss	**2**[RA]	6	23	36	34
Employees who know their HIV status	**17,955**	20,173	22,222	32,375	41,822

New cases of occupational disease	2018	2017	2016	2015	2014
Noise-induced hearing loss	**2**	6	23	36	34
Chronic obstructive airways disease	**–**	–	–	–	2
Occupational tuberculosis	**–**	–	–	–	–
Occupational asthma	**1**	3	1	2	–
Occupational dermatitis	**1**	3	1	1	–
Occupational cancers	**–**	–	–	–	–
Platinosis (platinum salt sensitivity)	**–**	–	2	–	–

Employees potentially exposed to hazards[1]	2018	2017
Total number of workers	**34,462**	37,946
Inhalable hazards and carcinogens		
Workers potentially exposed to inhalable hazards above the exposure limit	**555**[LA]	546
Workers potentially exposed to carcinogens above the exposure limit	**527**[LA]	518
Noise		
Total number of workers at risk of exposure to noise[2]	**29,593**	32,813
Workers potentially exposed to noise above 85dB(A)	**18,639**	21,468

1 *Exposure is above the occupational exposure limit 'A' classification band (without taking PPE into account).*

2 *All workers, including long-term contractors, potentially exposed above the A, B, C and D exposure limit classification bands (without taking PPE into account).*

LA *Limited assurance provided by PwC. Refer to page 106 of the supplementary report for the independent assurance report.*

RA *Reasonable assurance provided by PwC. Refer to page 106 of supplementary report for the independent assurance report.*

HUMAN RESOURCES

EMPLOYMENT STATISTICS

	2018	2017	2016	2015	2014
Breakdown of South African workforce					
Gauteng	**213**	**255**	278	330	377
Limpopo	**16,177**	**22,010**	21,692	23,259	24,822
North West	**2,894**	**2,878**	2,860	17,991	20,323
Mpumalanga	**1,502**	**177**	136	136	140
Total own employees	**20,786**	**25,320**	24,966	41,716	45,662
Contracting staff					
Labour hire	**28**	**37**	98	401	435
Contractors	**1,916**	**2,201**	2,090	2,171	2,422
Total contracting staff	**1,944**	**2,238**	2,188	2,572	2,857
Employment creation in provinces, numbers					
Gauteng	**14**	**25**	(52)	(47)	(40)
Limpopo	**259**	**651**	(1,567)	(1,563)	245
North West	**195**	**144**	(15,131)	(2,332)	(439)
Mpumalanga	**37**	**18**	0	(4)	12
Total own employees	**585**		(16,750)	(3,946)	(222)
Labour turnover in South Africa, % (including voluntary separation packages)					
Gauteng	**0.11**	**0.25**	0.15	0.20	0.06
Limpopo	**4.24**	**4.77**	5.13	4.54	1.61
North West	**0.56**	**0.69**	2.56	4.73	1.4
Mpumalanga	**0.08**	**0.03**	0.01	0.02	0.01
Labour turnover in Zimbabwe	**0.21**	**0.19**	0.14	0.12	0.15

EMPLOYMENT EQUITY PER OCCUPATIONAL LEVEL
(2018 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	1	5	2	0	0	0	0	0	8
Senior management	39	3	11	71	8		8	5	5	0	150
Professionally qualified and experienced specialist and mid-management	555	18	21	395	192	8	18	130	33	5	1,375
Skilled technical and academically qualified workers, junior management, supervisors	2,295	34	6	584	751	12	2	162	141	3	3,987
Semi-skilled and discretionary decision-making	10,811	6	0	74	2,010	2	1	12	1,180	1	14,097
Unskilled and defined decision-making	783	2	0	4	346	1	0	0	30	0	1,166
Total permanent employees	**14,483**	**63**	**39**	**1,130**	**3,309**	**23**	**29**	**309**	**1,389**	**9**	**20,783**
Temporary employees	596	1	0	62	122	1	3	14	65	0	864
Grand total	**15,079**	**64**	**39**	**1,192**	**3,431**	**24**	**32**	**323**	**1,454**	**9**	**21,647**

Note: All numbers are for the year ended 31 December 2017.

HUMAN RESOURCES continued

EMPLOYMENT EQUITY AS PER MINING CHARTER

Description	Measure	2018 progress against target	Compliance target
Diversification of the workplace to reflect the country's demographics and remain competitive	Top management (board) level	**33%**[RA]	40%
	Senior management (including exco)	**50%**[RA]	40%
	Middle management	**69%**[RA]	40%
	Junior management	**82%**[RA]	40%
	Core skills	**87%**[RA]	40%

TURNOVER PER REGION

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

[RA] *Reasonable assurance provided by PwC. Refer to page 106 of supplementary report for the independent assurance report.*

TRAINING IN 2018

Type of training	Black		Coloured		Asian		White		Total HDSA trained	Total trained
	Male	Female	Male	Female	Male	Female	Male	Female		
Graduates	**53**	**29**	**1**	**0**	**2**	**1**	**16**	**8**	**94**	**110**
Bursaries	**35**	**26**	**0**	**0**	**6**	**2**	**20**	**9**	**78**	**98**
Leaderships (engineering)	**183**	**86**	**4**	**0**	**1**	**0**	**14**	**1**	**275**	**289**

MEMBERSHIP OF RECOGNISED UNIONS AND ASSOCIATIONS

	2018	2017	2016	2015	2014
Association of Mineworkers and Construction Union (AMCU)	**9,886**	13,691	24,382	24,815	26,916
National Union of Mineworkers (NUM)	**5,670**	6,378	8,200	9,463	9,560
United Association of South Africa (UASA)	**2,157**	2,630	5,827	6,518	5,077
National Union of Metalworkers of South Africa (NUMSA)	**50**	270	347	359	465
GIWUSA	**917**				
Total	**18,680**	22,969	38,756	41,155	42,018
Total percentage of workforce represented, excluding management* (%)	**94.8***	92	94	91	94
** Unki operations headcount excluded in denominator. Comparative figures (%)*		*95.74*	*96.88*	*96.67*	*93.73*

for the year ended 31 December 2018

HUMAN RESOURCES continued

AVERAGE TRAINING HOURS IN 2018

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

SOCIAL

R million	2018	2017	2016	2015	2014
Total Social Investment**	609				
CSI spend#	264,16*RA	301.1	546	236	286

RA *Reasonable assurance provided by PwC. Refer page 106 of supplementary report for the independent assurance report.*
* *Excludes overhead costs.*
** *Total Social Investment- CSI spend including contributions paid to community trusts and dividends paid to communities. Payments to trusts and dividends paid to communities occurred in 2018.*
\# *Including Unki*

ENVIRONMENTAL INDICATORS

	2018	2017	2016	2015	2014
MATERIALS – kilotonnes					
Rock broken – managed operations (100%)	97,369	98,340	112,433	152,414	143,219
Ore milled – managed operations (100%)	25,378	26,066	37,165	36,305	29,593
Accumulated low-grade stockpiles	59,909	55,710	49,060	41,811	37,586
Coal	133.96	142.27	132.58	137.02	134.2
Liquid petroleum gas (LPG)	5.68	4.62	4.84	4.17	4.65
Grease	0.29	0.34	0.37	0.37	0.33
FUELS – megalitres	79.55	74.88	75.68	70.8	67.46
Lubricating and hydraulic oils	2.83	7.66	53.14	15.97	8.31
ENERGY – terajoules					
Energy from electricity purchased	13,402	14,889	18,112	18,751	16,376
Energy from processes and fossil fuels	6,609	6,608	6,516	6,428	6,257
Total energy consumed	20,011 RA	21,497	24,628	25,178	22,633
WATER – megalitres					
Total water withdrawals#	24,433	26,533	32,687	33,197	27,137
Potable water from an external source	6,142	9,433	12,327	14,408	13,581
Non-potable water from an external source†	6,189	5,595	10,021	4,961	7,618
Surface water used	1,418	1,396	4,521	9,343	2,590
Groundwater used	10,684	10,110	5,826	4,695	3,369
Water recycled in processes†††	25, 783	28,791	54,631	60,170	51,462
LAND – hectares					
Land under company charge for current mining activities	98,374	109,299	108,202	117,266	116,792
Land under management control	41,594	43,240	42,142	46,644	53,042
Land used for current mining and related activities	7,539	8,600	7,903	10,321	8,612
Total tailings dam area	1,316	1,564	1,593	2,326	2,326
Total waste rock dump area	1,134	928	947	1,097	1,043
All land owned	13,685	13,685	13,685	21,154	33,543

\# *Total water withdrawals or abstractions (total water inflows).*
Water reporting requirements changed in 2017 to align with ICMM. Water use for primary and non-primary activities are no longer reported.
† *Non-potable water from external sources includes waste or second-class water (prior years).*
††† *Lower recycled water reported in 2017 is mainly due to sale of Rustenburg concentrator which accounted for over 40% of measured recycled streams in 2016.*
RA *Reasonable assurance provided by PwC. Refer to page 106 of supplementary report for the independent assurance report.*

ENVIRONMENTAL INDICATORS continued

	2018	2017	2016	2015	2014
EMISSIONS – kilotonnes					
GHG emissions, CO_2e (scope 1 and 2 only)	**4,118**	4,612	5,579	5,878	5,363
From electricity purchased (scope 2 GHG emissions)	**3,560**[RA]	4,049	5,034	5,316	4,817
Internally generated – from fossil fuels (scope 1 GHG emissions)	**558**[RA]	563	545	561	547
Nitrous oxides	**NM**	0,937	1,395	NM	NM
Sulphur dioxide**	**NM**	14.78	23.97	19.66	15.46
Particulates (point sources)	**0.03**	0.04	0.18	0.16	0.15
DISCHARGE – megalitres					
Discharge to surface water	**352**	769	913	278	557
QUALITY					
Surface water quality monitored at all operations	**Yes**	Yes	Yes	Yes	Yes
Surface water quality deterioration off-site	**Yes**	Yes	Yes	Yes	Yes
Adverse surface water impact on humans	**No**	No	No	No	No
Groundwater quality monitored at all operations	**Yes**	Yes	Yes	Yes	Yes
Groundwater quality deterioration	**Yes**	Yes	Yes	Yes	Yes
Adverse groundwater impact on humans	**No**	No	No	No	No

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

	2018	2017	2016	2015	2014
WASTE – kilotonnes					
Mineral waste accumulated in:					
Tailings dams (active and inactive)*	**400,059**	467,072	439,118	841,963	830,176
Rock dumps	**1,488,359**	1,184,522	1,115,410	1,053,785	972,125
Slag dumps	**6,340**	5,820	5,218	4,728	4,257
Non-mineral waste generated					
Hazardous to landfill	**5.60**[LA]	9.22	15.51	9.01	9.85
Hazardous incinerated	**0.09**	0	0	0.02	0.01
Non-hazardous to landfill	**2.30**[LA]	3.58	5.82	9.76	8.27
Non-hazardous incinerated	**–**	–	–	–	–
ENVIRONMENTAL INCIDENTS AND COMPLAINTS					
Level 1	**209**	381	603	453	525
Level 2	**12**	10	28	18	37
Level 3	**0**[RA]	0	0	0	0
Level 4 and 5	**0**[RA]	0	0	0	0
Formal complaints	**8**	9	23	2	9
Substandard acts and conditions	**1,536**	1,480	1,786	2,135	1,957
PRODUCTS – ounces					
Total refined PGMs and gold	**4,507,335**	4,621,211	4,641,604	4,766,736	3,626,867

[RA] *Reasonable assurance provided by PwC. Refer to page 106 of supplementary report for the independent assurance report.*
[LA] *Limited assurance provided by PwC. Refer to page 106 of supplementary report for the independent assurance report.*

ORE RESERVES AND MINERAL RESOURCES REVIEW

THE COMBINED SOUTH AFRICAN AND ZIMBABWEAN ORE RESERVES HAVE DECREASED BY 8.7% FROM 166.2 4E MOZ

Mogalakwena

Platreef Ore Reserves decreased by 8.5 4E Moz

At Tumela Mine

0.6 4E Moz increase in Ore Reserves

At Unki Mine

0.5 4E Moz increase in Ore Reserves

GENERAL STATEMENT

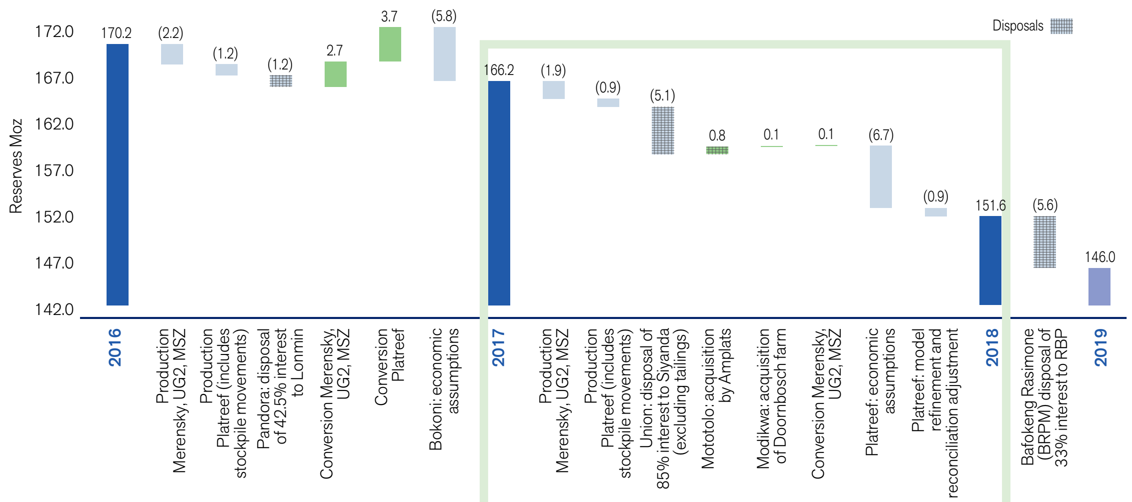
The Anglo American Platinum Limited (Amplats) method of reporting Ore Reserves and Mineral Resources is in accordance to the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code). The reporting of Mineral Resources and Ore Reserves for 2018 is aligned to changes prescribed in the SAMREC Code published in 2016. The estimates (tonnes and content) quoted in the report are on an attributable interest basis and the attributable interest is noted in the tabulations. The Anglo American plc Ore Reserves and Mineral Resources Report quotes the reported estimates on a 100% basis. Ore Reserve and Mineral Resource estimates are quoted as at 31 December 2018.

ORE RESERVES

The combined South African and Zimbabwean Ore Reserves have decreased by 8.7% from 166.2 4E Moz to 151.6 4E Moz in the review period. The reduction was primarily due to economic assumptions at Mogalakwena Mine, the disposal of the interest in Union Mine to Siyanda Resources Proprietary Limited and production. The reduction of Ore Reserves has been partially offset by an increase in Ore Reserves at Tumela, Unki and Modikwa Mines due to 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 2018 (Amplats attributable)



At Mogalakwena Mine, pit shell optimisation and downgrading of some lower grade material to Mineralisation as a result of economic assumptions combined with model refinement and production movements, resulted in the Mogalakwena Platreef Ore Reserves decreasing by 8.5 4E Moz from 126.6 4E Moz in 2017 to 118.0 4E Moz in 2018 (−6.7 4E Moz due to economic assumptions, −0.5 4E Moz due to model refinement and -0.9 4E Moz due to production and stockpile movements). 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 anticipated mining inflation, increasing mining depth and haul distance.

At Tumela Mine, 0.6 4E Moz were converted to Ore Reserves from the exclusive Mineral Resources. At Unki Mine, 0.5 4E Moz were added to the Ore Reserves due to planned mining area boundary changes. For Modikwa Mine, the acquisition of additional ground obtained from Samancor Chrome (Doornbosch) together with conversion from Mineral Resource to Ore Reserves resulted in an additional 0.3 4E Moz.

MINERAL RESOURCES

The combined South African and Zimbabwean Mineral Resources, inclusive of Ore Reserves, decreased by 5.1% from 801.1 4E Moz to 760.5 4E Moz in the review period. This was primarily the result of the disposal of the interest in Union Mine to Siyanda (−39.2 4E Moz for Merensky and UG2 Reef and −0.6 4E Moz for the tailings dams).

IMPACT OF PORTFOLIO REPOSITIONING STRATEGY

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

The restructuring component has resulted in:

- The disposal of the Rustenburg mining and concentrating operations to Sibanye-Stillwater
- Twickenham Mine project placed on care and maintenance
- Operations ceasing at Bokoni Mine following a decision by Atlatsa to place it under care and maintenance
- Interests in the Pandora Mine have been sold to Lonmin and the sale of a portion of Tumela Mine to Northam
- Interests in the Union Mine have been sold to Siyanda at the end of February 2018
- Interests in the Mototolo Mine have been acquired from Glencore and minority shareholder(s) at the end of October 2018
- The 33% stake in Bafokeng Rasimone Platinum Mine Joint Venture has been sold to Royal Bafokeng Platinum (RB Plat) in December 2018 and a section 11 application has been submitted to the Department of Mineral Resources. The effective date of transfer of the mining right is expected in June 2019 following the approval process for government. As a consequence, Amplats will still report the relevant attributable percentage (33%)
- Ongoing engagements on interests in the Kroondal joint ventures.

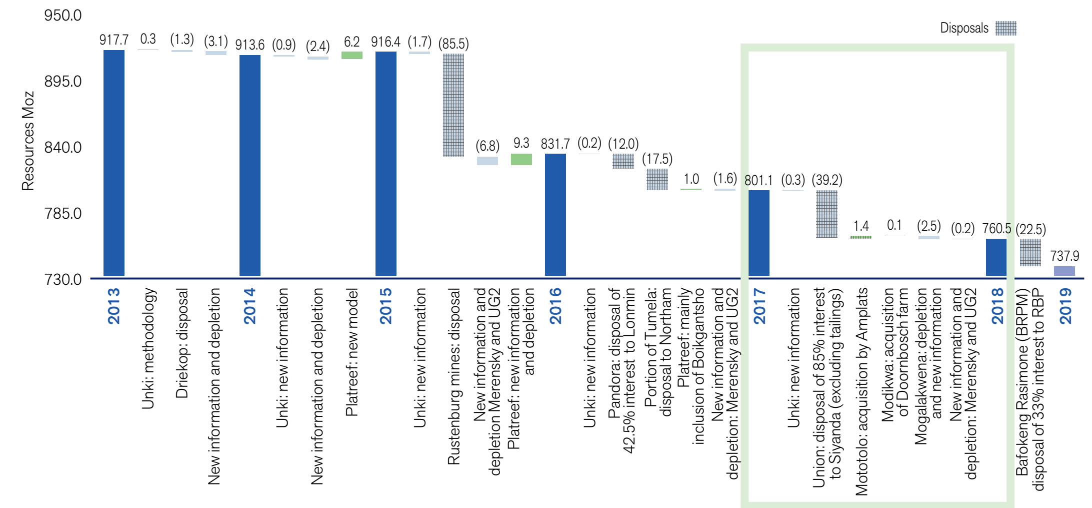
ORE RESERVES AND MINERAL RESOURCES REVIEW CONTINUED

To date the net impact of this strategy is a reduction of Mineral Resource, inclusive of Ore Reserves of 39.9 4E Moz from 801.1 4E Moz to 760.5 4E Moz for the 2018 reporting period (39.2 4E Moz for the Union Merensky and UG2 reefs and 0.6 4E Moz for the Union tailings). A further 22.5 4E Moz reduction following closure of the Bafokeng Rasimone Platinum Mine transaction in 2019 will occur.

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

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)



DISPOSAL OF THE INTEREST OF UNION MINE TO SIYANDA RESOURCES PROPRIETARY LIMITED – 2018

Mineral Resources inclusive of Ore Reserves

As part of the portfolio repositioning strategy, interest in the Union Mine were sold to Siyanda end of February 2018, resulting in:

- −14.7 4E Moz of Merensky Reef (85% attributable)
- −24.5 4E Moz of UG2 Reef (85% attributable)
- −0.6 4E Moz of tailings dams (85% attributable).

ACQUISITION OF MOTOTOLO MINE FROM GLENCORE ALLOYS – PLATINUM DIVISION AND OTHER MINORITY SHAREHOLDER(S) – 2018

Mineral Resources inclusive of Ore Reserves

As part of the portfolio repositioning strategy, Amplats increased its stake in the Mototolo Mine from 50% to 100%. The 40% transfer from Glencore to Amplats was completed end of October 2018. The remaining 10% from minority shareholder(s) has subsequently been acquired, resulting in:

- +1.4 4E Moz of UG2 Reef (transfer from 50% to 100%).

DISPOSAL OF BAFOKENG RASIMONE MINE – 2019

Mineral Resources inclusive of Ore Reserves

During December 2018 the 33% stake in Bafokeng Rasimone Platinum Mine Joint Venture was sold to Royal Bafokeng Platinum and a section 11 application has been submitted to the Department of Mineral Resources. The effective date of transfer of the mining right is expected in June 2019 following the approval process for government. Finalisation of this transaction would decrease the combined South African and Zimbabwean Mineral Resource inclusive of Ore Reserves by 3.0% from 760.5 4E Moz to 737.9 4E Moz (−22.5 4E Moz) based on the 2018 declaration.

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

Ore Reserves

Finalisation of the disposal of Amplats' share of Ore Reserves at Bafokeng Rasimone Mine would decrease the combined South African and Zimbabwean Ore Reserves by 3.7% from 151.6 4E Moz to 146.0 4E Moz (−5.6 4E Moz) based on the 2018 declaration (see waterfall chart on page 87).

- −3.6 4E Moz Merensky Reef (33% attributable)
- −2.0 4E Moz UG2 Reef (33% 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 the UG2 Reef production and is recovered as a by-product during processing. Currently a chrome recovery plant is in operation, with a community partner, at Amandelbult. Chromite recoveries are between 12% and 16% from every tonne of UG2 ore processed (overall yield factor) when the Cr_2O_3 content in the UG2 ore is greater than 20%. The 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 the Mineral Resources and Ore Reserves.

Information communicated

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

Resource and Reserve management database

- Digital data capture of all relevant Mineral Resource and Ore Reserve information
- Integration with the 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 estimates audits.

To comply with the three-year external review and audit schedule, The Mineral Corporation was contracted to conduct the following:

- A detailed numerical audit in 2018 of the data gathering, data transformation and reporting of Mineral Resources and Ore Reserves for Unki Mine.

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

COMPETENCE AND RESPONSIBILITY

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

The lead Competent Person with overall responsibility for the compilation of the 2018 Mineral Resources and Mineral Reserves 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.

ORE RESERVES AND MINERAL RESOURCES REVIEW CONTINUED

Dr Smith obtained the following qualifications from the University of the Witwatersrand: BSc (mining engineering), MSc in engineering, MBA and PhD. He has 40 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 in the activity for which they have taken responsibility. Details of Amplats' Competent Persons are published on page 50 of the Ore Reserves and Mineral Resources report and available from the company secretary on written request.

RISK

The geosciences and integrated planning departments follow risk management processes in order 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)
Engineering Council of South Africa (930124)
Executive head: technical

Anglo American Platinum
55 Marshall Street
Johannesburg, South Africa

14 February 2019

CHANGES IN THE ORE RESERVES AND MINERAL RESOURCES FOR 2018

Summary of Ore Reserve and Mineral Resource estimates

The figures in the table below represent Amplats' attributable interests:

Classification	2018 Million tonnes (Mt)	2018 Contained metal 4E Moz	2017 Million tonnes (Mt)	2017 Contained metal 4E Moz
Ore Reserves[1] – South Africa	**1,409.7**	**146.1**	1,652.9	160.9
Ore Reserves[1] – Zimbabwe (Unki)	**52.5**	**5.6**	47.4	5.2
Ore Reserves[1] – South Africa and Zimbabwe	**1,462.2**	**151.6**	1,700.3	166.2
Mineral Resources exclusive of Ore Reserves[2,4] – South Africa	**4,784.2**	**564.7**	4,989.1	595.4
Mineral Resources exclusive of Ore Reserves[2,4] – Zimbabwe (Unki)	**169.7**	**23.2**	176.5	23.8
Mineral Resources exclusive of Ore Reserves[2] – South Africa and Zimbabwe	**4,953.9**	**587.9**	5,165.6	619.2
Mineral Resources inclusive of Ore Reserves[2,5] – South Africa	**6,275.8**	**730.3**	6,589.6	770.6
Mineral Resources inclusive of Ore Reserves[2,5] – Zimbabwe (Unki)	**224.9**	**30.2**	226.7	30.5
Mineral Resources inclusive of Ore Reserves[2] – South Africa and Zimbabwe	**6,500.7**	**760.5**	6,816.3	801.1
Ore Reserves[1] – South Africa tailings			0.7	0.0
Mineral Resources exclusive of Ore Reserves[2,4] – South Africa tailings	**72.3**	**1.9**	86.6	2.5
Mineral Resources inclusive of Ore Reserves[2,5] – South Africa tailings	**72.3**	**1.9**	87.3	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 exclude 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:

Classification	2018 Million tonnes (Mt)	2018 Contained metal 3E Moz	2017 Million tonnes (Mt)	2017 Contained metal 3E Moz
Mineral Resources inclusive of Ore Reserves[2] – South Africa (Sheba's Ridge project)[3]			211.9	6.4

[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] Uncertainty surrounding Mineral Rights, paired with a review of the reasonable prospects for eventual economic extraction criteria, led to a downgrade of Mineral Resources to Mineralisation.
[4] Exclusive Resources: Mineral Resources exclusive of the portion converted to Ore Reserves.
[5] Inclusive Resources: Mineral Resources inclusive of the portion converted to Ore Reserves.

OUR BOARD

Independent non-executive chairman

VALLI MOOSA (61)

BSc (mathematics)

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

Appointed chairman in April 2013

Non-executive director

MARK CUTIFANI (59)

BEng (mining)

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)

Appointed a director in April 2013

Chief executive officer

CHRIS GRIFFITH (54)

BEng (mining) (hons), PrEng

Member of the Anglo American plc group management committee and director of Anglo American South Africa Limited. Prior to his current appointment, he was CEO of Kumba Iron Ore from July 2008 and has been with Anglo American for 27 years. He joined Amplats in 1990, progressing rapidly from supervisor to one of the youngest general managers in the company, overseeing Amandelbult and Bafokeng Rasimone Platinum mines, before heading the joint venture operations.

Appointed CEO in September 2012

Independent non-executive director

NOMBULELO MOHOLI (57)

BSc (engineering)

Nombulelo 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

Appointed a director in July 2013

Finance director

IAN BOTHA (47)

BCom, CA(SA)

Previously group financial controller of Anglo American plc and chief financial officer of Anglo American's coal division and its ferrous metals and industrial division. Ian resigned in September 2018 and left Amplats after FY18 results were finalised.

Appointed finance director in May 2015

Resigned in February 2019

Independent non-executive director

PETER MAGEZA (64)

FCCA (UK)

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

Appointed a director in July 2013

** Craig Miller was appointed to the board as the new finance director with effect from 1 April 2019.*

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

Non-executive director

NORMAN MBAZIMA (60)

BCom, CA(SA)

Norman has served as deputy chairman of Anglo American South Africa since June 2015. From 2012 to 2016, he was CEO of Kumba Iron Ore. Norman joined Anglo American in 2001 at Konkola Copper Mines plc and was subsequently appointed global chief financial officer of Anglo American Coal. He became finance director of Amplats in 2006 and later stepped in as joint acting CEO. Norman was CEO of Scaw Metals from 2008 and CEO of Thermal Coal from 2009 to 2012. Norman joins Amplats again as non-executive director.

External directorships: Anglo American South Africa Limited

Appointed a director in October 2018

Independent non-executive director

JOHN VICE (66)

BCom, CA(SA)

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

Appointed a director in November 2012

Independent non-executive director

DAISY NAIDOO (46)

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

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

Appointed a director in July 2013

** Andile Sangqu resigned as a director in October 2018.*

Independent non-executive director

RICHARD DUNNE (70)

CA(SA)

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

External directorships: Standard Bank Group Limited

Appointed a director in July 2006

Non-executive director

STEPHEN PEARCE (55)

BA Business (accounting)

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

Appointed non-executive director in January 2018

Non-executive director

TONY O'NEILL (60)

BEng, MBA

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

Appointed a director in October 2013

OUR EXECUTIVE COMMITTEE

Chief executive officer

CHRIS GRIFFITH (54)

BEng (mining) (hons), PrEng

Member of the Anglo American plc group management committee and director of Anglo American South Africa Limited. Prior to his current appointment, he was CEO of Kumba Iron Ore from July 2008 and has been with Anglo American for 27 years. He joined Amplats in 1990, progressing rapidly from supervisor to one of the youngest general managers in the company, overseeing Amandelbult and Bafokeng Rasimone Platinum mines, before heading the joint venture operations.

Appointed CEO in September 2012

Finance director

IAN BOTHA (47)

BCom, CA(SA)

Previously group financial controller of Anglo American plc and chief financial officer of Anglo American's coal division and its ferrous metals and industrial division. Ian resigned in September 2018 and left Amplats after FY18 results were finalised.

Appointed finance director in May 2015

Executive head: mining operations

DEAN PELSER (51)

BSc Eng (mining) (hons)

Prior to his current appointment, Dean was executive head: safety, health and environment for over four years, and a director of Rustenburg Platinum Mines since 1999. He has an extensive background in the gold, coal and PGM mining industries spanning 30 years. Prior roles include general manager at Mogalakwena Mine, divisional director: Eastern Limb operations (mining, concentrating, smelting and JVs), general programme manager: Eastern Limb development and head of infrastructure and sustainable development. In addition to his operational experience in management, strategic planning and large-scale project delivery, he also served as chairman of Lebalelo Water User Association, Joint Water Forum and a decade on the board of Lepelle Northern Water.

Appointed in December 2015

Finance director

CRAIG MILLER (45)

BCompt (hons), CA(SA)

Craig joins Amplats from Anglo American plc where he has served for 19 years. Previously he served as Anglo American's group financial controller since June 2015; prior to this, he held various financial roles including chief financial officer of Anglo American Iron Ore Brazil and chief financial officer of Anglo Thermal Coal.

Appointed finance director in April 2019

Executive head: corporate affairs

SEARA MACHELI-MKHABELA (47)

BA (law), LLB, MBA

A lawyer by profession, with a specific interest and training in protection of intellectual property, Seara has 20 years' experience at executive corporate level which includes working for multinational companies. Her primary focus is on increasing community benefit from mining while minimising and managing associated risks. She drives the company's social strategy, premised on the principle of partnerships with stakeholders.

Appointed in July 2014

Executive head: technical and SHE

GORDON SMITH (60)

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

Gordon has 39 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.

Appointed in September 2013

Executive head: human resources

LORATO MOGAKI (49)

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

Lorato joined Amplats in 2005 as group manager: people development and was later appointed head of human resources development and transformation. Prior to that, she was a training and development general manager in the post and telecommunications sector. She is a board member of the Mining Qualifications Authority (MQA), the regulating body for all mining-related qualifications. She also serves on the Zenzele board, which champions community development projects on behalf of Amplats.

Appointed in June 2013

Executive head of projects

PRAKASHIM MOODLIAR (51)

BSc (Chemical Engineering)
Executive Development Programme

Prakashim is a project management professional with more than 25 years' experience in defense, power generation and the fast-moving consumer goods manufacturing sectors. Most recently, he worked at ABInBev Africa as the Africa Zone projects manager, responsible for leading a large, multi-disciplinary team which focused on project development and execution in Africa, with a USD650 million portfolio. Prior to that he worked for companies such as SABMiller, Eskom and Armscor, where he strategically led and successfully delivered large-scale projects, both locally and internationally.

Appointed in March 2019

Executive head: processing

GARY HUMPHRIES (55)

PrEng, BSc Eng (chem), BCom, MBA

Gary joined Amplats in 2001 as manager: concentrator optimisation. He has held numerous technical and operational roles in the company, most recently head: process control and concentrator technology. Prior to joining Amplats, he was a senior consultant at SRI Consulting (Zurich), and worked at Fleming Martin Securities and AECI.

Appointed in January 2017

Company secretary

ELIZNA VILJOEN (43)

BCom, FCIS

With over 20 years' experience in the company secretarial field in consulting and in-house positions, Elizna has been exposed to various corporate transactions across the industrial, mining, information technology and telecommunications sectors. She joined Anglo Operations Proprietary Limited in May 2013 where she is responsible for running the company secretarial teams at Amplats and Anglo American South Africa, serving their boards and board committees, and ensuring appropriate compliance with JSE Listings Requirements, the Companies Act and governance best practice.

Appointed in May 2013

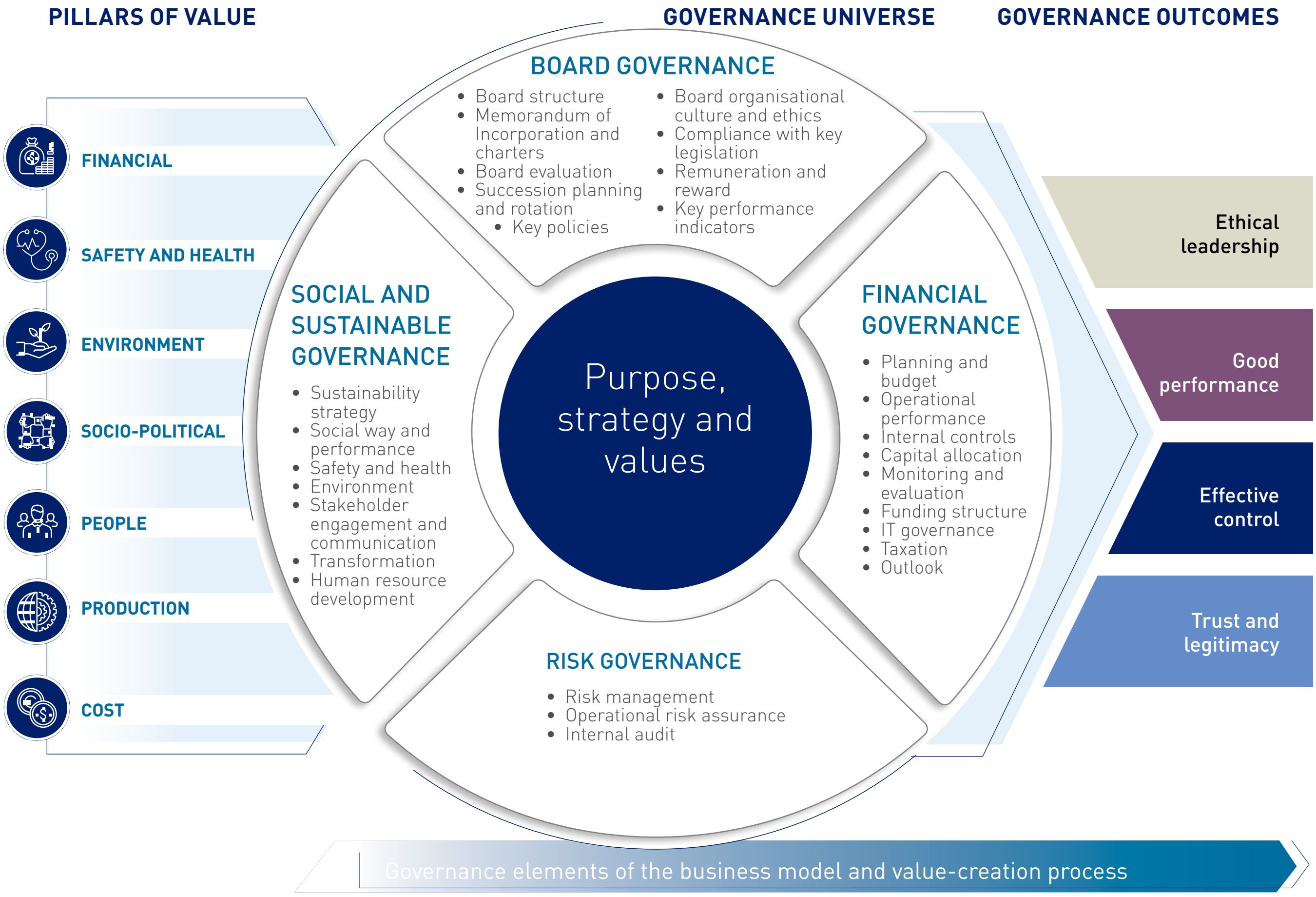
Indresen Pillay resigned in August 2018.
Vishnu Pillay retired in December 2018.

CORPORATE GOVERNANCE

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

BOARD GOVERNANCE

The board is ultimately accountable for the governance universe and provides independent monitoring, guidance and oversight of the segments.



Amplats has adopted the principles and recommended practices in the King Report on Governance for South Africa 2016 (King IV). The board reviews its governance practices annually and is satisfied that all aspects of King IV were applied in 2018.

Our King IV application register is available on our website.

KEY GOVERNANCE ISSUES

In 2018, the board discussed several key issues in detail:

1 Corporate transactions – received updates on corporate transactions aligned to the portfolio repositioning.

Refer to chairman's letter, chief executive officer review and financial review

2 SO_2 abatement project – approved implementation of the SO_2 abatement facility at Polokwane metallurgical smelter complex totalling R1.5 billion to ensure compliance with South African emission standards by mid-2020.

Refer to page 99 of the supplementary report

3 Strategic priorities – agreed strategic priorities after the strategy workshop in March 2018 and approved the revised Amplats purpose (refer below).

4 Mining charter – reviewed a gap assessment of the company's compliance with the mining charter 2018.

Refer to pages 75 and 76 of the supplementary report

5 Strategic board renewal – outcome of strategic board renewal process (refer to page 101)

6 Bench Marks Foundation – considered and addressed the concerns raised in its critical analysis of Amplats' sustainability reporting

Refer to page 6 of the supplementary report

LEADERSHIP STRUCTURE

The board comprises two executive directors and 10 non-executive directors (half of whom are independent non-executive directors). The roles of the chief executive officer and chairman are separate, and governed by the board charter. The company supports the principles of gender and race diversity at board level. At present, female representation is 17% while HDP representation is 42%. Race and gender diversity targets are aligned to the new mining charter (MC18).

As announced on 23 October, Mr Andile Sangqu, executive head of Anglo American South Africa Limited stepped down as non-executive director and Mr Norman Mbazima was appointed as a non-executive director.

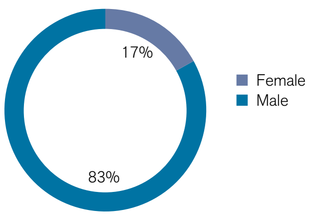
Mr Ian Botha, the finance director has tendered his resignation and will therefore step down from the board on 28 February 2019. Mr Craig Miller, who is currently the Anglo American plc financial controller, will assume the role of finance director on 1 April 2019.

The chairman, Mr Valli Moosa, who has served as a director for the past 10 years, will retire from the board at the AGM to be held on 17 April 2019. Mr Norman Mbazima will assume the role as chairman going forward.

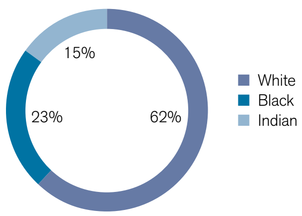
Mr Peter Mageza, who has been a member of the board for the past five years, has been appointed as the lead independent director.

Composition of the board

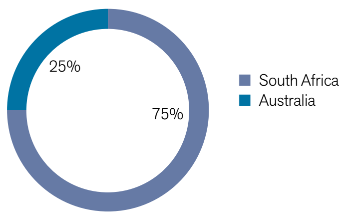
Gender diversity



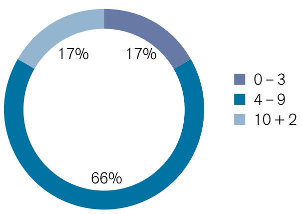
Demographic diversity



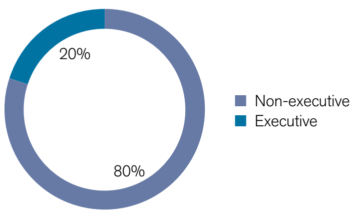
Geographical diversity



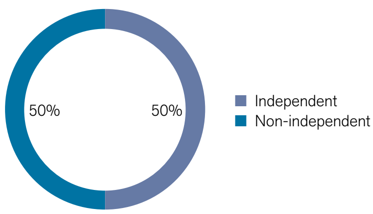
Tenure



Non-executive/executive

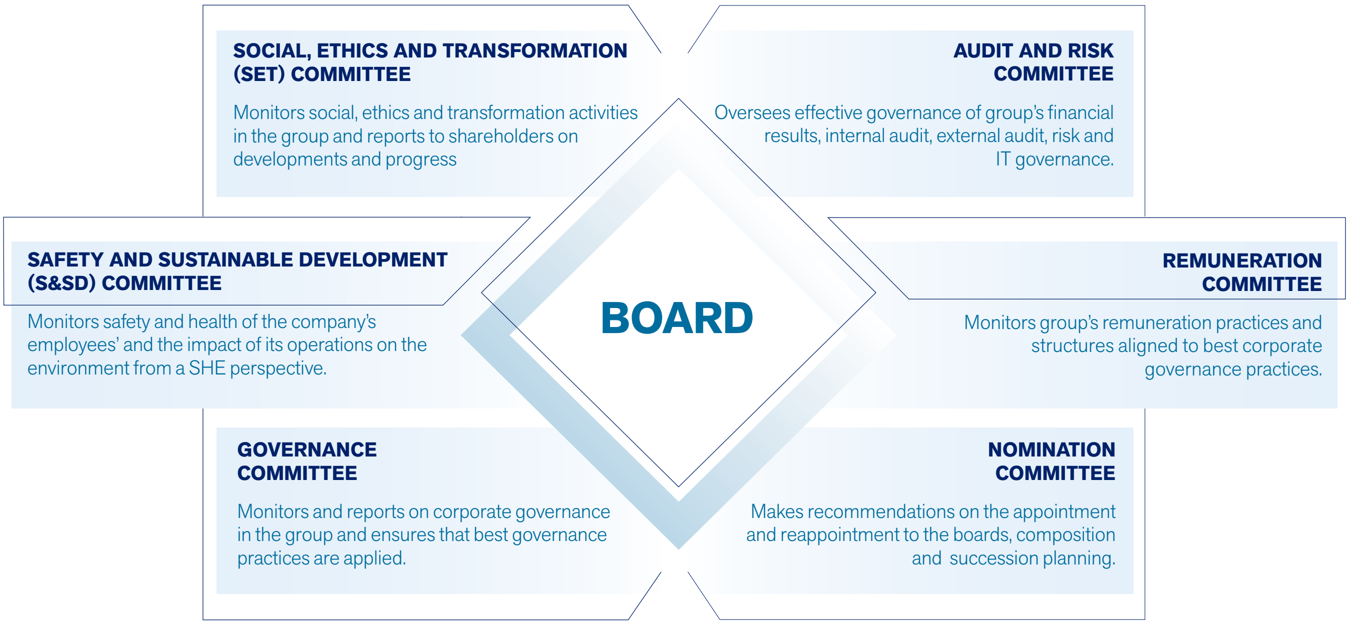


Independence



BOARD GOVERNANCE STRUCTURE

The board is supported by the following committees:



Each committee has terms of reference delegating specific responsibilities and authority on behalf of the board. The chairmen of these committees report on their activities at each quarterly board meeting. The respective terms of reference as well as the board charter were reviewed and updated in October 2018.

The committees are inter-related and provide feedback to each other on salient matters as they apply to the remit of the committee. The S&SD committee monitors the company's endeavours to conduct its operations in a responsible manner and achieves a sustainable balance between economic, social and environmental development in regard to the safety and health of employees and impact of its operations on the environment from a SHE perspective and by referral to the SET committee, the communities surrounding company operations. The S&SD provides a report to the SET committee and the audit and risk committee after each meeting on salient matters discussed as they relate to social, ethics, transformation and risk.

Attendance at meetings

	Board meeting	Board strategy session	Risk workshop
Valli Moosa (chairman)	5/5	1/1	1/1
Chris Griffith (chief executive officer)	5/5	1/1	1/1
Ian Botha (outgoing finance director)	5/5	1/1	1/1
Mark Cutifani	5/5	1/1	1/1
Richard Dunne	4/5	1/1	1/1
Peter Mageza	5/5	1/1	1/1
Norman Mbazima	1/1	n/a	n/a
Nombulelo Moholi	5/5	1/1	1/1
Daisy Naidoo	5/5	1/1	1/1
Tony O'Neill	4/5	1/1	1/1
Andile Sangqu	4/4	1/1	1/1
John Vice	5/5	1/1	1/1

Please see the committee reports for attendance at those meetings.

BOARD ORGANISATIONAL CULTURE AND ETHICS

The board subscribes to the ethical standards detailed in the Amplats code of conduct and business integrity policy and believes that "the tone is set from the top". It seeks to lead by example in engaging with all stakeholders, in its deliberations and decisions, and by monitoring the ethical culture and compliance in the group.

Through the SET committee, the board oversees the organisational culture transformation journey that focuses on embedding a new culture at Amplats, one which places significance over success and is shaped as a 'journey' towards an organisation that will be known as an employer of choice fostering high-performance teams and individuals. For more on our organisational culture transformation journey, refer to page 52 in the supplementary report.

The chairman promotes a culture of cohesive support by providing ethical and effective leadership to the board, without limiting the principle of collective responsibility for its decisions. 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, through the SET committee, monitors the ethics programme. The business integrity programme manages bribery and corruption risks and the code of conduct sets guidance on standards of behaviour expected of employees.

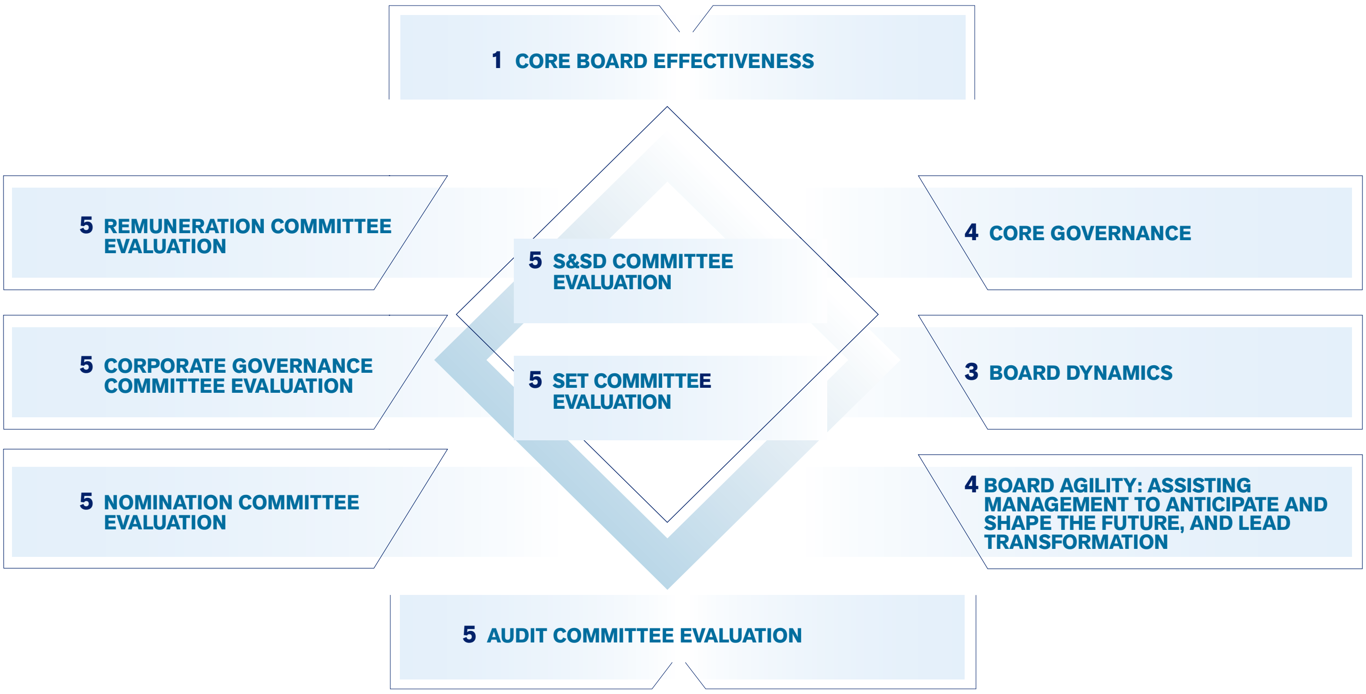
The integrity committee, chaired by the finance director and attended by relevant executives, monitors implementation of the ethics programmes. The governance manager reports on matters pertaining to the ethics programmes, to the executive and SET, committees.

BOARD EVALUATION

An external effectiveness review involving the full board was undertaken. This full review process, with external assistance included software provision, analysis and report-writing provided by an independent international provider:

- The aim was to review the overall performance of the board, identify strengths and improvement needs for future board work through an online questionnaire
- Review strengths and weaknesses of the board, with identified areas for improvement.

The areas of evaluation are shown below:



The results were presented in report format at a subsequent board meeting:

- Overall effectiveness of the board and its committees
- Strengths and development areas of the board
- Identified areas for improvement.

The board drafted a blueprint for implementing recommendations, allowing it and its committees to further improve their overall effectiveness.

Areas of focus for the future include:
- CEO, CFO and senior executive succession
- Board succession
- Further improving discussions on longer-term strategy.

DIRECTOR APPOINTMENT AND ROTATION

The board follows a formal and transparent process in appointing new directors. Any appointments are considered by the full board, on the recommendations of the nomination committee. This committee evaluates the skills, knowledge and experience required to implement group strategy, which are assessed against defined competencies in the skills matrix to address any gaps, together with race and gender diversity targets.

In terms of the company's memorandum of incorporation (MoI), a third of directors retire by rotation each year and are eligible for re-election by shareholders at the annual general meeting (AGM).

In addition, any director who has served for more than nine years is obliged to retire at each AGM, as per the MoI, and offer themselves for re-election.

The nomination committee has reviewed the directors up for re-election. The assessment considers:
- Independence
- Tenure
- Knowledge, skills and experience
- Performance.

Richard Dunne has served as a director for over nine years since his first appointment and will retire at the next AGM. After assessing his independence (below), he has offered himself for re-election.

Assessment of independence

The nomination committee assesses the independence of directors annually and considers the independence criteria proposed by King IV.

For Richard Dunne, the committee made special consideration and concluded that he was independent as he had no interest, position, association or relationship with the company or management which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making. A number of factors influenced this decision, particularly board, management and structural company changes during his tenure.

GOVERNANCE IN ACTION

Strategic board renewal

Following its evaluation process in April 2018, the board prioritised succession and initiated a strategic board-renewal process. Often the drivers for board renewal relate to imminent departures, rather than a long-term view of the composition requirements of the board.

The strategic board-renewal process included building a blueprint of the future, using strategic indicators and the current composition profile. The steps followed in building the blueprint can be summarised as:

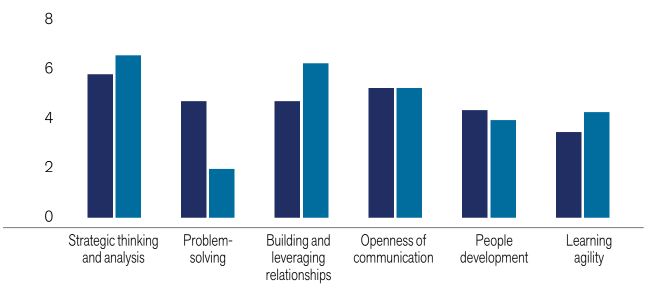
- Developing a picture of the company in five years based on successful strategic implementation
- Obtaining input from board members on the renewal process and imperatives through an online questionnaire
- Considering the strategy and strategic outcomes to describe the ideal board for the company in future which included size, skills set, committee structures, leadership profiles and diversity balance
- Determining the skills set and competencies of the current board through competence-based interviews with each director, detailed individual CVs, peer review and self-indication from each director, and then
- Together with the chairman, build a competence matrix for the board with all critical skills and the ideal board coverage for the future company.

The blueprint of current and future critical competencies will be used to map incumbent competencies and develop a board-renewal plan over the next five years.

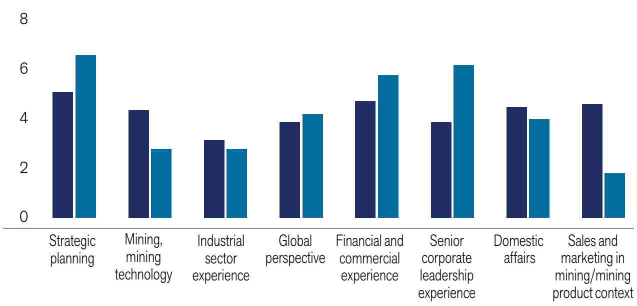
Amplats has evolved from a pure mining player to a more diverse company with impact and demands from other areas, such as industrial processes, markets, products and applications. This requires a broader scope of attention and technical competence by the board, as well as a growing range of softer skills that are becoming increasingly important at board level, namely innovation, problem-solving, strategic thinking and relationship building. These leadership skills, combined with the message from board members, indicated that future board appointments should focus more on profiles with these leadership skills, and strong technical skills in mining and mining technology, industrial processes and sales and marketing/market development.

The current versus ideal skills representation on the board is shown below for both leadership and technical skills. The ideal representation is the board's view of the ideal percentage of each identified skill that should be represented on the board. The strategic renewal programme is therefore focused on achieving the ideal representation.

Leadership skills: Current representation on the board versus ideal



Technical skills: Current representation on the board versus ideal



■ Current representation ■ Ideal

STRATEGY AND RISK

The strategic process

The tough economic environment in which the company has operated over recent years has demanded much attention of both the board and management, at the cost of longer-term strategy. On operational aspects, the focus of the board has become oversight of balancing the portfolio, ensuring optimal capital allocation, dealing with the complexities of the portfolio, and the roll-out of new technologies.

On social, ethics and sustainability, the focus of the board has become zero tolerance in terms of safety, managing the development and introduction of MC18, societal impact and transformation.

The strategic debate has shifted from primarily cost optimisation and applying savings to safeguarding Amplats against future disruption. This is being achieved by executing the three strategic priorities agreed at the annual two-day strategic workshop:

- Developing the market for PGMs to increase demand and ensure long-term sustainability of the business
- Extracting the full potential from operations through our people and innovation
- Investing in our core portfolio to deliver industry-leading cash flow and returns, and growing the demand we create.

Regular feedback on progress in implementing these strategic priorities is provided through the CEO report at quarterly board meetings and a focused feedback session at an appropriate board meeting.

The board will continue the structured approach to balancing long-term strategy while taking care of short-term performance through restructuring discussions to focus on the future, while taking care of accountabilities.

Risk management

A board risk workshop is held annually. At this session, the risk process, company's top risks against external views on risks facing the business, risk appetite and tolerance status for top risks are considered. For a summary of the top 10 risks, refer to page 25.

The audit and risk committee oversees the risk management process and regularly reviews significant risks and mitigating strategies, and reports to the board on material changes in the group's risk profile each quarter.

COMPLIANCE WITH KEY LEGISLATION

The board, through the governance committee, receives regular updates on the status of compliance with key legislation.

In terms of the compliance programme, 1,500 pieces of legislation have been assessed and 593 deemed applicable to the group. Business-critical legislation has been prioritised based on the impact on the company's licence to operate. During the year, 18 pieces of business-critical legislation were assessed, and no significant issues of non-compliance identified.

The compliance programme will assess further pieces of legislation in the coming year as prioritised. In 2019, we will continue to build on the programme to identify gaps in regulatory compliance and implement action plans, monitor safety, health and environment compliance activities, consider compliance to regulations such as the JSE Listings Requirements and consider any new legislation impacting the company.

A compliance plan is compiled annually and presented to the executive committee for consideration and the governance committee each February for approval.

Regular progress reports will be provided to the executive committee in 2019, with a full compliance report presented to the governance committee in October 2019.

GOVERNANCE IN ACTION

Mining charter (MC18)

On 27 September 2018, the minister published in the *Government Gazette* the final version of the mining charter for implementation. A detailed gap assessment was conducted and then considered by the board. This measured the company's current position against MC18 targets, using a binary scoring system.

The assessment indicated that Amplats is currently compliant with a score of 54%, equivalent to the Department of Trade and Industry (dti) code's level 5. Refer to detailed disclosure on page 76 of the supplementary report.

Mining charter elements

	Weighting as per MC18	Current score
Ownership	Y/N (ringfenced element)	Y
Mine community development	Y/N (ringfenced element)	Y
Housing and living conditions	Y/N (ringfenced element)	Y
Employment equity	30%	16%
Procurement supplier and enterprise development	40%	15%
Human resources development	30%	23%
Total	**100%**	**54%**

The board also considered the impact of procurement targets on Amplats and recognised the risk of non-compliance in 2023 on achieving 70% of locally procured goods and manufactured mining goods with a 60% local content within five years. It noted that compliance would require extensive effort and additional cost. (Reference to integrated supply chain strategy in the supplementary report.)

REMUNERATION AND REWARD

Through its remuneration committee, the board ensures group strategy translates to measurable key performance areas and targets are clearly articulated. See remuneration report for further detail. Refer to page 118.

KEY PERFORMANCE INDICATORS

Key performance indicators are derived from strategic objectives annually. The remuneration committee considers and approves short and long-term incentives and key performance contracts and performance outcomes for the chief executive officer, finance director and prescribed officers. See remuneration report as well as group performance, strategy – how we reward success.

KEY POLICIES

Delegation of authority

Amplats has a detailed authority manual, which is reviewed annually. The objective is to delegate transactional and contractual authority from the board to designated staff members at various levels. This provides effective and practical directives and guidelines for minimising or eliminating the company's possible exposure to risk. It also ensures staff members fully understand demarcated authorisation limits and strictly adhere to these. The governance committee provides oversight to this document and recommends its approval to the board annually.

Code of conduct and business integrity policy

Amplats has adopted the group-wide Anglo American plc code of conduct and business integrity policy. The code of conduct covers 23 areas such as bribery, competition, compliance, money laundering, alcohol and drug abuse, and data privacy.

Incidents of alleged fraud and corruption are reported through various channels, monitored continually and reported to the SET committee. In 2018, 36 cases of alleged fraud, corruption and dishonesty were investigated, involving 15 employees and 14 contractors. To date, 18 cases have been finalised, resulting in four dismissals and the services of seven contractors terminated.

Conflicts of interest

Each quarter, the company obtains details from directors on external shareholdings and directorships that may create conflicts of interest while serving as directors on our board. The declarations are closely scrutinised by the chairman and company secretary, and tabled at each quarterly board meeting. Where a conflict arises, directors must recuse themselves from discussions. As far as possible, the company requires that directors avoid potential conflicts of interest.

Share dealings

The company has a policy regulating dealings in its shares by directors and relevant employees. No group director or employee may deal, directly or indirectly, in the company's shares based on unpublished, price-sensitive information and in closed periods. These include the periods between the company's interim and financial year ends and the dates on which those results are published, and any time when the company is trading under a cautionary announcement. Directors and employees classified as insiders are also prohibited from trading during the closed period of the holding company.

Race and gender diversity policy

The company commitment to race and gender diversity is outlined in this policy. Female representation on the board is currently 17% while HDP representation is 42%. The gender diversity target is aligned to MC18.

COMPANY SECRETARY

The board is supported by the company secretary, Elizna Viljoen. The board conducted its annual review of her performance as per 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.

AUDIT AND RISK COMMITTEE REPORT

FINANCIAL AND RISK GOVERNANCE SUPPORTING STRATEGIC PRIORITIES

We are pleased to present the audit and risk committee report for the year ended 31 December 2018. The committee continues to ensure the integrity and transparency of corporate reporting, that external audit remains independent and it evaluates the robustness of internal controls and risk management processes.

COMPOSITION AND GOVERNANCE

The committee is governed by terms of reference reviewed annually by the board. It executes its duties and responsibilities in line with these terms of reference for the group's accounting, financial reporting practices and finance function, external audit, internal audit and internal control, integrated reporting, risk management and IT (information and technology) governance.

This is a statutory committee, duly constituted under section 94 of the Companies Act 71 2008, as amended. Its members satisfy the requirements to serve and have the adequate knowledge and experience to carry out their duties. Membership and attendance are set out below:

Members

	Committee member since	Board status	Meeting attendance
RMW Dunne (chairman)	1 July 2006	Independent non-executive director	5/5
PN Mageza	1 July 2013	Independent non-executive director	5/5
D Naidoo	1 July 2013	Independent non-executive director	5/5
J Vice	30 November 2012	Independent non-executive director	5/5

There were no membership changes in the review period.

The chairman of the board, chief executive, finance director, company secretary, head: risk and assurance, financial controller and external auditors attend by invitation to provide a coordinated approach to all assurance activities. The internal and external auditors have unrestricted access to the committee, and they meet with committee members without management being present.

The performance of the committee is reviewed annually as part of the board and committee evaluation process.

KEY AUDIT MATTERS

The committee notes key audit matters set out in the report of the independent auditors (pages 4 to 5 of the annual financial statements), namely:

- Physical quantities of inventory as related to sampling (excluding ore stockpiles) and measurement of inventory
- Mototolo Mine acquisition accounting.

The committee has deliberated on these and is comfortable they are correctly represented.

	Adding value in 2018	2019 and beyond
Annual financial statements (AFS) and integrated reporting process	• Ensured appropriate financial reporting procedures are established and operating • Reviewed and discussed the AFS and related disclosures, considered the accounting treatment, significant or unusual transactions, and accounting estimates and judgements, confirmed AFS had been prepared on a going concern basis and recommended AFS to the board for approval • Considered the impact of IFRS 16 *Leases* implementation • 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 2019, recommended the integrated report for the year ended 31 December 2018 for approval by the board	• Ongoing focus on continuous improvement of group's financial systems, processes and controls • Monitoring regulatory reporting requirements and ensuring compliance therewith
External audit	• Nominated Deloitte & Touche and G Berry as the external auditor and designated auditor respectively to shareholders for appointment as auditor for the financial year ended 31 December 2018, and ensured the appointment complied with all applicable legal and regulatory requirements. Prior to making its nomination, the committee considered all information in terms of the JSE Listings Requirements in assessing the auditor and designated auditor's suitability for reappointment • Considered requirements arising from mandatory audit firm rotation and initiated a process to rotate Deloitte & Touche off as external auditor in 2020 and appoint a new audit firm and designated auditor • Considered the auditor's annual plan and scope of work, monitored the effectiveness of external auditor for audit quality, expertise and independence • Considered key audit matters noted in the integrated report • Determined the nature and extent of all non-audit services provided by the external auditor and pre-approved these • Received necessary representations from the auditor confirming its independence	• Finalise tender process initiated in 2018 to appoint a new audit firm for financial year 2020
Internal audit and control	• Ensured that internal audit performed an independent assurance function. Monitored the effectiveness of the internal audit function in terms of its assurance scope, plan execution, independence, and overall performance of the function and its head • 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 and business risk management and maintaining effective material control systems	• Embed the use and reporting of data analytic techniques • Standardise internal quality assurance processes over internal audit work • Finalise a technology review to ensure systems used are industry best practice

AUDIT AND RISK COMMITTEE REPORT CONTINUED

	Adding value in 2018	2019 and beyond
IT governance	• Reviewed IT risks and control environment • Received management reports on results of disaster recovery tests and security management • Considered the impact of cyber-crime and reviewed information security capability in the organisation • Reviewed reports on the effectiveness of IT risk management as part of group risk management	• Review the internal control environment for information management
Risk management	• Reviewed group policies on risk assessment and risk management for financial reporting and the going concern assessment, and found them appropriate • Held a board workshop to review and consider significant risks facing the company • Received a written assessment of the effectiveness of the company's system of internal controls and risk management from the business assurance services department of Anglo Operations Proprietary Limited	• Enhance risk reporting to include links between strategy and risk management • Greater alignment of integrated risk management process across the group
Sustainability	• Considered PwC assurance scope and schedule of key material issues for the 2018 integrated report that was approved by the S&SD committee • Received necessary assurances through this process that material disclosures are reliable and do not conflict with financial information	• Review audit scope for material issues
Legal	• 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, dated 20 February 2018 on proactive monitoring of the financial statements	• Monitor developments from changes in legislation
Combined assurance	• Reviewed the combined assurance framework that categorises each provider of assurance into different lines of defence in the organisation: management, internal and external assurance providers • Reviewed the level of assurance provided by combined assurance framework and concluded this was appropriate for identified business risks and exposures • Reviewed plans and work outputs of external and internal auditors and concluded these were adequate to address all significant financial risks facing the business	• Continue alignment of internal and external assurance providers to ensure the combined assurance framework is efficient and effective

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. Ian Botha has tendered his resignation effective 28 February 2019. Mr Craig Miller who is currently the Anglo American plc financial controller, will assume the role of finance director on 1 April 2019.

Based on the processes and assurances obtained, we believe the company and group's accounting practices are effective.

GOVERNANCE IN ACTION

Mandatory firm rotation

In June 2017, the Independent Regulatory Board for Auditors (IRBA) of South Africa published the rule on mandatory audit firm rotation for auditors of all public interest entities. The provisions are effective for financial years from 1 April 2023. As Amplats' auditor since October 1997, Deloitte would therefore be due for rotation. As the current Anglo American plc audit partner is due for rotation at the end of 2019, we decided to coincide our audit firm rotation with that of our holding company given the efficiencies to be gained from a single group audit firm. Deloitte & Touche will be rotated off as auditor at the end of 2019.

An extensive tender process is being conducted, with the following leading processes already under way with the prospective auditors:

- Site visits
- Submission of significant accounting judgements, policies and procedures, and team structure to auditors
- Presentations and engagement with prospective firms
- Request for proposal approved by audit and risk committee.

The audit and risk committee will consider and approve the appointment of an external auditor once the tender process is completed.

CONCLUSION

The audit and risk committee is satisfied that it has considered and discharged its responsibilities in line with its terms of reference during the review period.

On behalf of the committee

Richard Dunne
Chairman

Johannesburg
14 February 2019

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

MAINTAINING GOOD CORPORATE CITIZENSHIP, COMMUNITY DEVELOPMENT AND ENGAGEMENT

We are pleased to present the social, ethics and transformation (SET) committee report for the year ended 31 December 2018. 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.

COMPOSITION AND GOVERNANCE

The composition of the committee is in line with regulation 43(4) of the Act and comprises a mix of independent non-executive and executive directors. These include the executive head: human resources (HR), corporate Affairs and adviser to the CEO of Anglo American plc. Members in 2018 were: Nombulelo Moholi (chairman), Richard Dunne, Dorian Emmett, Andile Sangqu, Lorato Mogaki, Seara Mkhabela and Valli Moosa. There were no changes to the committee during 2018.

Invitees include the chief executive, legal counsel and company secretary as well as departmental heads of sustainable development, social performance, risk assurance, HR development and transformation. Attendance is as set out alongside.

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	4/4
DTG Emmett	23 April 2012	Independent committee member	4/4
S Mkhabela	20 July 2017	Executive director	3/4
L Mogaki	24 April 2013	Executive director	4/4
MV Moosa	23 April 2012	Independent non-executive director	3/4
AH Sangqu	27 October 2015	Independent non-executive director	3/4

OUR PURPOSE

The committee monitored the company's activities and practices, having regard to relevant legislation and prevailing codes of best practice, on social and ethical matters and that Amplats displays good corporate citizenship.

Adding value in 2018	Adding value in 2019
• The committee received regular reports from the safety and sustainable development (S&SD) committee for assurance on progress against board-approved objectives	• Continue to monitor the impact of initiatives focused on the safety of employees and their health, as well as the environment
• Reviewed progress reports on project Alchemy (establishing a broad-based system for economic community empowerment and ownership)	• Promote accelerated project execution and impact to benefit communities
• Assured the board on the integrity of the company's supplementary report and sustainability sections of the integrated report. Provided recommendations on material issues the board should consider in maintaining the integrity of this report	• Oversee sustainability disclosures
• Reviewed the community strategy, key performance indicators and objectives, and agreed the annual community investment budget	• Annually review and agree community strategy against key indicators
• Reviewed all community investment, strategic sponsorships, donations and charitable contributions	• Continue to monitor the impact of these contributions in host communities
• Monitored infringements of the company's corruption and business integrity policy to ensure robust controls remained in force	• Ensure corporate ethics programme is enforced
• Reviewed the company's ethics policies and processes, and considered their effectiveness	• Monitor good governance and business integrity
• Monitored the company's activities in terms of labour and employment. Monitored the correct balance in transformation activities to ensure adequate skills and maintain stability in the company	• Monitor that the workforce is adequately equipped and skilled to drive business objectives
• Attended the combined S&SD site visits	• Continue to visit various operations

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT CONTINUED

GOVERNANCE IN ACTION

For organisational culture transformation

Building on good progress in 2017 to embed organisational cultural transformation through the focus areas of leadership, engagement and values, Amplats has continued with an array of activities to enable the desired behaviour shift, using a simultaneous top-down and bottom-up approach.

For enabling safe behaviour in the workplace

Over time, Amplats' safety record has improved across various indicators. Noting that the trajectory of improvement was flattening in 2017, we reviewed the safety approach, looking beyond compliance to include the safety culture. This approach integrated the outcome of the 2018 CEO safety summit and various initiatives from, among others, human resources into a safety culture model.

To understand the Amplats safety culture, information from various assessments and surveys around safety was analysed. Based on the feedback from all surveys, *Making safety personal* was identified as the compelling message to drive personal accountability and a sense of belonging. In line with this message, various initiatives were identified and implementation has started focused on improving the culture of safety.

For modernisation and mechanisation

With the introduction of new mining technologies in Amplats, new and different skill sets are required by our people. We need people who are both technical experts and machine operators, with in-depth technical knowledge of machinery and the cognitive and visio-spatial abilities to manage underground equipment safely and effectively via a remote-control unit in a very confined underground space.

Accordingly, it has become critical that the future of work and the employee of the future be looked at holistically, but also with the Amplats lens.

In response, Amplats has developed a strategy to build a digital talent and learning capability. This will assist in rapidly converting large groups of current employees from conventional to modernised equipment and then reusing some of the digital platforms and technology investment to enable further technology transitions in mechanisation and automation.

For talent and development

Amplats has an integrated approach to developing talent and building a strong leadership pipeline that aims to equip the workforce and leaders with adequate skills and capabilities to drive business objectives.

The strength of the leadership pipeline is assessed through several key factors:

- Diversity (historically disadvantaged and female representation)
- Bench strength (number of senior managers and middle managers identified as talent)
- Capability (number of senior managers and middle managers capable in their roles).

To ensure the company has suitably qualified and diversified talent, support is provided through various talent and leadership development programmes.

For Nkululeko financial wellness programme: The programme we initiated in 2015 has been very successful in reducing employee indebtedness (refer to pages 4 and 46 of the supplementary report). While it continues to assist employees with debt-relief solutions, its focus has shifted towards empowering our workforce to take ownership of their broader financial wellness.

For mining charter

Amplats is committed to creating and maintaining an environment that provides equal opportunities to all its employees, particularly historically disadvantaged groups.

The broad-based socio-economic empowerment charter for the mining and minerals industry (mining charter 2018) was gazetted and became effective on 27 September 2018. In addition to its applicability (mining rights, licences and permits), the charter introduces new definitions and terms, and aims to align with the BBBEE Act and dti codes.

After gazetting the new charter, the Department of Mineral Resources consulted with stakeholders to develop associated guidelines for implementation. These were published late in December 2018.

For project Alchemy

All the Alchemy trusts and the non-profit company (NPC) continued to have intensive, robust, grassroots stakeholder engagements via diverse development forums over the last 18 months. Engagement and communication strategies include extensive consultations around the trusts/NPC's individual strategies, strategic partnerships and mandates, as well as local development priorities, projects, community trustee selections and annual general meetings. This is an ongoing, meticulous, sensitive and critical process in building trust and synergy between communities and the Alchemy structures as development facilitators.

The trusts and the NPC have revised and embedded their strategies into executing their mandates toward the Alchemy vision of *Sustainable and thriving communities, through and beyond mining*. Additional development levers have been identified and embedded into the daily execution of the trusts/NPC, including strategic social investment, resource mobilisation, lobbying and advocacy. This aligns well with strategic partners and frameworks, and collaboration is under way at programme and project levels, including the Anglo American sustainability strategy (specifically the thriving communities pillar of education, health and livelihood), UN Sustainable Development Goals, national development plan, government line ministries and local government's integrated development plans as far as possible.

A tangible, positive and 'lived-experience' impact in communities is imperative and, in 2019, the trusts and NPC will embed social return on investment/innovation as both a decision-influencing and assessment tool to enhance the 'impact focus' across their activities.

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 (our stakeholders) page 74
	• Labour	SR (safety and health of employees and communities) page 23
	• Environment	IR (S&SD report) page 114
	• Anti-corruption	SR (our stakeholders) page 74
	Employment equity performance	SR pages 45, 76
	Broad-based black economic empowerment	SR page 78
Good corporate citizenship and community	Business integrity policy	IR pages 99, 103
	Community development policy, strategy and performance	IR page 74
Environment, health and safety	Safety policy, strategy and performance	SR pages 25 to 28
	Health policy, strategy and performance	IR (S&SD report) pages 115 to 117
	Environmental policy, strategy and performance	SR page – 83, and IR (S&SD report) pages 115 to 117
Stakeholder management	Addressing stakeholder expectations and maximising community benefit	SR (our stakeholders) pages 74 to 80, IR pages 10 to 15
Labour and employment	Employment and labour practices policy and performance	SR (our people) page 40

CONCLUSION

The committee is satisfied it has discharged its responsibilities for the financial year in line with its terms of reference, King IV and the Act.

On behalf of the committee

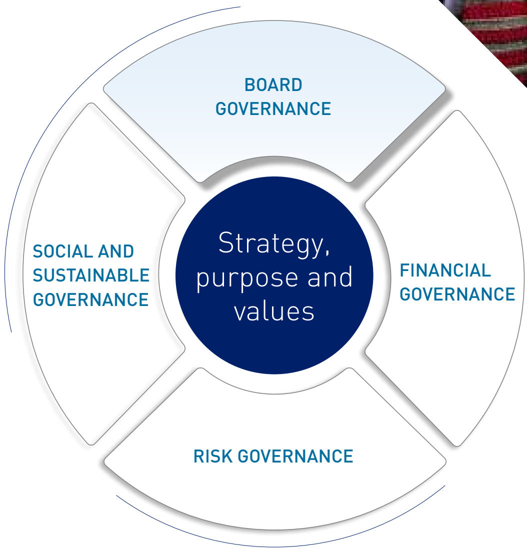
Nombulelo Moholi
Chairman

Johannesburg
14 February 2019

NOMINATION COMMITTEE REPORT

ENSURING THE BOARD'S EVOLVING COMPOSITION

The committee is pleased to present its report for the year ended 31 December 2018. Its key focus areas during the year included external evaluation of board, committee and individual director performance and strategic board renewal – ensuring the board's evolving composition is best suited to guide the strategic imperatives of the company.



COMPOSITION AND GOVERNANCE

Members

	Committee member since	Board status	Meeting attendance
MV Moosa (chairman)	26 April 2013	Independent non-executive director	3/3
M Cutifani	26 April 2013	Non-executive director	3/3
RMW Dunne	1 July 2006	Independent non-executive director	3/3

The committee executes its duties and responsibilities in line with terms of reference reviewed annually by the board, and summarised below:
- Evaluating the structure, size and composition (including skills, knowledge, experience, race and diversity) of the board
- Considering succession planning for directors and senior executives, taking into account challenges and opportunities facing the company, and the skills and expertise needed on the board in future
- Identifying and nominating candidates for the approval of the board to fill board vacancies as they arise
- Recommendations to the board on the continued service or retirement of any director who has reached the age of 70
- Considering the performance of directors and taking steps to remove those who do not make an appropriate contribution.

The committee has executed its duties and responsibilities during the year as follows:

	Adding value in 2018	2019 and beyond
Retirement by rotation	• Considered directors proposed to retire at the annual general meeting and concluded on their eligibility for re-election in terms of their independence, performance and contribution to the company and board.	• Review and consider eligibility for re-election of directors retiring by rotation in terms of independence, performance and strategic board renewal priorities
Board structure, size and composition	• Initiated a process to identify a black female representative for appointment to the board to enhance its gender and race representation • Considered candidates for appointment to the board with specific industry experience, particularly technical and mechanised mining experience • Considered board committee structure and representation on the respective committees. No changes were deemed necessary • Initiated a process to identify a suitable successor to the finance director who resigned • Assessed the suitability of the company secretary in line with JSE Listings Requirements.	• Nominate to the board the appointment of an identified successor to Ian Botha, the outgoing finance director • Compile a board profile fit for the future to ensure critical skills are retained and identified future skills are recruited as appropriate • Consider the board committee structure and composition in line with the future board profile to support the company's strategic priorities • Assess the suitability of the company secretary
Performance review	• Conducted an external evaluation of board and committee effectiveness, performance of individual directors and how results affect the functioning of the board structure.	• Review board performance as well as individual directors' performance towards the end of 2019
Succession	• Review and consider the talent management process in the company for a view of the talent pipeline for future leaders • Conducted a strategic board renewal process that included an independent review of the composition of the board of Amplats, as well as requirements for composition, skills and competency evolution into the future given the strategic imperatives of the company.	• Continue strategic board renewal work to ensure the board comprises the appropriate balance of knowledge, skills, experience, diversity and independence to meet the company's strategic objectives, including its governance role and responsibilities, objectively and effectively

CONCLUSION

The nomination committee is satisfied it has considered and discharged its responsibilities in line with its terms of reference in the review period.

On behalf of the committee

Valli Moosa
Chairman

Johannesburg
14 February 2019

SAFETY AND SUSTAINABLE DEVELOPMENT COMMITTEE REPORT

DRIVING A CULTURE OF ZERO HARM

On behalf of the safety and sustainable development (S&SD) committee, I am pleased to present its report for the year ended 31 December 2018. The committee's key objective is to ensure that Amplats operates responsibly and drives leadership in the areas of safety, health and environmental stewardship. In addition, responsibility for overseeing social, ethics and transformation activities in the group lies with this committee.

COMPOSITION AND GOVERNANCE

The committee comprises four independent non-executive directors, the chief executive and executive head: safety, health and environment (SHE) and projects and, more recently, the executive head: technical and SHE. The executive head: SHE and projects resigned in the second half of 2018, with accountability for the these functions handed to the executive head: technical for the remainder of the year.

I am honoured to chair the committee. I was previously global head of safety and sustainable development at Anglo American and am currently adviser to its chief executive. Collectively, committee members have the necessary expertise and knowledge to enable it to perform its functions effectively.

The executive heads of joint ventures, corporate affairs, process, human resources and own mines attend committee meetings as permanent invitees. Other executive heads attend by invitation as required.

The committee met four times during the year. Attendance at these meetings is shown below.

Members

	Committee member since	Board status	Meeting attendance
DTG Emmett	21 July 2006	Chairman of the committee	4/4
RMW Dunne	4 May 2010	Independent non-executive director	4/4
CI Griffith	29 October 2012	Chief executive officer	4/4
MV Moosa	1 February 2011	Independent non-executive director	3/4
NT Moholi	30 October 2013	Independent non-executive director	4/4
J Vice	10 February 2017	Independent non-executive director	4/4
I Pillay	13 October 2016	Executive head	3/3
G Smith	1 October 2018	Executive head	1/1

** Attended by invitation.*

OUR PURPOSE

In fulfilling its mandate, the committee's duties and responsibilities include to:

- Oversee, on behalf of the board, material management policies, processes and strategies designed to manage SHE-related risks and achieve compliance with SHE responsibilities and commitments
- Review, assess and monitor SHE performance and compliance with company standards and applicable legal and regulatory requirements
- Review the causes of any fatal and significant SHE-related incidents and receive assurance that learnings are shared across the group
- Commission SHE audits carried out in terms of legal and company requirements and to review the outcomes and management response
- Consider material regulatory and technical developments that may be relevant to the group's SHE activities
- Draw material matters in the committee's mandate to the attention of the board as required
- Review the group's external SHE reporting and regulatory disclosures, and findings of external auditors.

The committee reports quarterly to the social, ethics and transformation (SET) committee and audit and risk committee on salient matters in their terms of reference, and directly to the board.

The committee has an annual work plan, developed against its terms of reference. It conducts two site visits annually to areas of strategic importance and/or key risk areas impacting the business.

The performance of the committee is reviewed annually as part of the board and committee evaluation process.

COMMITTEE DISCUSSIONS IN 2018

We summarised salient matters reviewed and discussed at committee meetings in 2018:

	Safeguarding value for our stakeholders in 2018	Focus for 2019 and beyond
Governance, regulatory and reporting	• Considered reports from management, and internal and external auditors, on compliance with legal and regulatory requirements • Considered and approved the appointment of PwC as the assurance provider for 2017 to 2019 • Received necessary assurances from external auditors that selected data in the 2018 integrated report and supplementary (sustainability) report are reliable • Reviewed outcomes of the materiality assessment process for 2018 integrated and sustainability reporting	• Maintain governance practices in line with best practice • Monitor regulatory reporting requirements and ensure compliance
Strategic direction and business objectives	• Reviewed SHE elements of the company's strategic and business plan, and validated proposed 2019 SHE objectives and targets at business and operational level • Ratified the Amplats sustainability strategy, developed in line with the Anglo American sustainability strategy • Set the committee's strategic goals for 2019 and agreed on its annual work plan	• Oversee implementation of the Amplats sustainability strategy

SAFETY AND SUSTAINABLE DEVELOPMENT COMMITTEE REPORT CONTINUED

	Safeguarding value for our stakeholders in 2018	Focus for 2019 and beyond
Management systems and processes	• Reviewed the Anglo American SHE way management system plan for 2018 to 2020 • Approved the development and roll out across Amplats of a mobile application management tool to provide better visibility of business-continuity management elements and requirements • Monitored the steady progress in developing mobility applications and distributing enabling devices to operations • Conducted site visits to Twickenham Mine – focusing on modernisation developments, Mareesburg tailings dam and Der Brochen project	• Oversee progress in ensuring that all operations are certified against ISO 14001:2015 and ISO 45001 by 2020 • Committee site visits scheduled in 2019: Amandelbult – Tumela Mine modernisation project/chrome plant and Polokwane metallurgical complex
Risk management	• Monitored progress with integrating SHE risk management into operational risk management (ORM) and the operating model • Reviewed results from operational risk assurance (ORA) and verification reviews, with focus on progress in addressing weaknesses identified in internal controls; approved the proposed ORA audit plan for 2019 • Coordinated the committee's risk management work with the audit and risk committee, and SET committee	• Monitor progress with expanding and refining risk-based management and control processes • ORM: monitor operations that are not meeting targets across all KPIs
SHE performance	• Received and discussed SHE performance reports (see performance review on page 117) • Examined in detail the causes of two fatalities at our operations in 2018 at the committee meeting following each occurrence • Reviewed all serious SHE-related incidents and received assurance that learnings were shared • Safety focus initiatives reviewed included: – Status of fatality close-out actions for 2017 and 2018 – Progress report from industry expert Raphael Vermeir who is assisting Amplats with its safety maturity and operational culture – CEO Safety Summit, reinforcing leadership commitment to 2019 strategic priorities – Activities of the Anglo American elimination of fatalities taskforce and its priorities – Roll out of the Anglo American group-wide annual Global Safety Day campaign, which was built around the theme *We are all safety leaders* – Participation across all Amplats operations in the Minerals Council's Industry Safety Day in August 2018 • Health focus initiatives reviewed included the progressive implementation and impact of our real-time data analytics platform and management of critical controls aimed at reducing exposures to airborne hazards at our process operations • Environmental focus areas included performance against water, energy and waste targets; insights on waste management; sulphur dioxide abatement initiatives at Polokwane and Mortimer smelters; buttressing to reinforce stability at the Helena tailings storage facility; and Amplats' upstream mineral residue facilities' vulnerability to static liquefaction failure	• Avoiding fatalities remains the key priority • Continue to focus on building a culture of zero harm • Oversee Amplats' commitment to collaborative stakeholder efforts to make our industry safer • Continue to assess opportunities to drive best and innovative practices in SHE performance
Legal matters	• Remained informed about material legal matters, including the ongoing legal engagement process on emission standards applicable to Mortimer and Polokwane smelters, and progress at Der Brochen on relocating graves from the Mareesburg farm	• Monitor developments with material legal matters, providing guidance where applicable

SHE PERFORMANCE REVIEW

We provide an overview of key performance issues brought to the attention of the committee, as well as the group's SHE performance at the end of 2018.

Safety

Tragically, two colleagues died at our operations in 2018. Any loss of life is unacceptable and we are committed to eliminating fatalities, injuries and any adverse effects on human health.

We are encouraged by the significant decrease in the number and severity of injuries at our operations and improved performance across all safety elements and metrics. For example, our total recordable case frequency rate (TRCFR) improved by 34% year on year to 3.00 (including Union Mine). Despite this progress, much still needs to be done and we are taking decisive steps to cultivate our desired safety culture.

We maintain a focus on strengthening leadership and accountability. In driving our desired safety culture, we launched and rolled out our updated life-saving golden rules to help us achieve our goal of zero harm.

Site-specific safety performance turnaround plans have been successfully implemented at our more challenging operations, Amandelbult and the smelters. Enhancing supervisory competencies is a key focus in supporting safe production.

Identifying and addressing high-potential hazards before they become incidents has received greater focus and has continued to improve, with the timely stopping and remediation of unsafe work and conditions becoming a priority.

Health

In managing health risks, in and beyond the workplace, we have maintained a strong performance.

In 2018, we recorded four new cases of occupational disease: two cases of noise-induced hearing loss shift of over 10%, one case of occupational dermatitis and one case of occupational asthma. Any illness caused by or associated with our work or working environment must receive priority attention.

We have made significant progress over the last three years in mitigating the risk of exposure to excessive noise levels, primarily driven by engineering solutions for haul-truck cabins and rock drills. This has driven a steady decrease in the proportion of employees working in higher-risk categories. Unki and Mogalakwena mines continue to work with original equipment manufacturers to implement muffling/silencing strategies for equipment still exceeding the 107 decibel threshold.

Reducing levels of exposure to diesel particulate matter is a particular focus, and mitigation measures have been successfully implemented at Twickenham and Unki. At our smelters, we are implementing plans to address fugitive emission risks.

Established employee wellness initiatives across our operations are supported by related campaigns. We continue to focus on identifying and managing patients with chronic conditions (particularly hypertension, HIV and diabetes), and strive to positively influence our employees' wellbeing and lifestyles. Our medical surveillance programme incorporates screening for common lifestyle health-risk factors, non-communicable and communicable diseases.

Over the last five years, we have achieved a step-change in managing TB and HIV in our workforce. In 2018, we concentrated on ensuring improvements at Amandelbult, where HIV and TB prevalence is highest. This included visible-felt leadership support; intensified well-planned wellness campaigns; innovative, incentivised voluntary testing and counselling; and proactive follow-up on all employees who do not know their status. We have made good progress towards meeting the UNAIDS 90/90/90 targets for 2020: 90% of our permanent employees should know their HIV status, 90% of identified seropositives should be on antiretroviral therapy (ART), and 90% of those should have undetectable viral loads. At the end of 2018, 88% of our workforce knew their status. The uptake of ART by HIV-positive employees increased to 90%, of which more than 80% have undetectable viral loads. The annualised rate of TB incidence declined to 325 per 100,000 and remains well below the South African national rate of 781 per 100,000 (2015 Department of Health data). The uptake of TB preventative therapy (isoniazid prophylaxis) in 2018 was 77%.

Environment

Our environmental strategy aligns with the Anglo American sustainability strategy in articulating our commitment to demonstrate leadership in environmental stewardship.

The implementation of best practice water-treatment/recovery technologies continues to drive progress in improving our water use volumes and intensities. Amplats' total water withdrawals or abstractions decreased by 8%, potable water use decreased by 35%, and our potable water-use intensity from external resources improved by 33%, compared to 2017.

We used 7% less energy in 2018 compared to 2017, resulting in an 11% reduction in scope 1 and 2 greenhouse gas emissions of CO_2 equivalents.

Our vision is to achieve and sustain zero hazardous and general waste to landfill by the end of 2020. Since 2016, we have achieved a steady reduction in volumes of both hazardous and non-hazardous waste to landfill, recording a 38% year-on-year decrease in total waste in 2018.

In 2018, we started constructing a sulphur dioxide (SO_2) abatement plant at Polokwane smelter. By using innovative technology, we anticipate ultimately reducing SO_2 emissions by 96% to comply with more stringent minimum emission limits from 2020 and achieve global best practice.

We have not recorded any level 3 to 5 incidents since 2013, and achieved an encouraging decline in the number of level 1 and 2 incidents.

More detailed information on Amplats' SHE performance appears in the 2018 supplementary report on page 22.

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
14 February 2019

REMUNERATION REPORT

ACTING RESPONSIBLY, FAIRLY AND TRANSPARENTLY

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 2018. As a remuneration committee (Remco) we are focused on ensuring that the reward our executive directors and prescribed officers receive reflects the performance of the company and remains proportionate to the overall employee base and to the returns received by shareholders. We remain mindful of the external focus on executive pay and the need to act responsibly, fairly and transparently.

This report is divided into three parts: Part one: The background statement (part one) which provides an introduction and a summary of our activities and performance. Part two: An overview of our company-wide remuneration policy with an in-depth focus on the policy for executive management and its link to our strategy. Part three: How our policy was implemented during the year and outcomes for our executive directors and prescribed officers.

THE REMUNERATION COMMITTEE AND ITS ROLE

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 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			
Nombulelo Moholi (chairperson) Profile on page 92	**Richard Dunne** Profile on page 93	**Valli Moosa** Profile on page 92	**Daisy Naidoo** Profile on page 93
Independent non-executive director	Independent non-executive director	Independent non-executive board chairman	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 business-unit multiplier for short-term incentive payments to the balance of employees (excluding bargaining unit employees) • Approve 2018 share incentive plan awards as well as performance conditions and vesting of 2015 share awards to executive directors and prescribed officers • Review executive shareholding • Review committee's effectiveness (collective and individual) • Approve the adoption of a share dilution policy
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 • Approve new minimum shareholding requirements • Review extension on executive contract of employment
July	• Review and approve any proposed changes to existing reward framework (remuneration policy, short-term incentives, long-term incentives) • Review remuneration benchmarking, comparator grouping for executive directors and prescribed officers
October	• Annual salary review for executive directors and prescribed officers • Annual salary adjustments for all employees not in bargaining units • Approve peer group for benchmarking executive remuneration and non-executive director fees • Review annual remuneration report framework • Review and approve share scheme rule amendments
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 2018, the committee received advice from Anglo American plc's human resource department and PwC South Africa, as independent advisers.

The company's auditors, Deloitte & Touché, have not provided advice to the committee. However, as in 2017 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

KEY CHANGES TO THE POLICY DURING 2018

The remuneration committee is pleased to report that further enhancements were made to the policy to ensure continued and improved alignment with shareholders and other stakeholders. Certain changes were also implemented to ensure alignment in the wider Anglo American group. Main changes included:

- The committee is cognisant of the fact that we should focus on creating value for both stakeholders and the community at large, rather than a narrow focus on financial success. Accordingly, granting performance awards under the long-term incentive plan (LTIP) will, in addition to financial measures, also be subject to safety and sustainability measures, with a 10% overall weighting
- Bonus share plan (BSP) and long term incentive plan (LTIP) share awards are capped on awarding to avoid the possibility of windfall gains from granting awards when the share price is low, in circumstances where a substantial share price increase follows
- All incentives will be subject to a malus condition. This implies unvested incentives (BSPs and LTIPs) can be reduced or cancelled on certain trigger events
- Our minimum shareholding requirements for executives were further refined and executives are expected to hold a percentage of their vested shares awards
- To ensure closer alignment with the wider Anglo American group, the total shareholder return (TSR) performance measure used in the LTIP was refined. The committee has aligned Amplats' TSR performance conditions thresholds to those of its parent.

OUR PERFORMANCE AND REMUNERATION IN CONTEXT

The table below reflects the total spend on employee remuneration and benefits in 2018 and 2017 compared to headline earnings and dividends payable in those years.

Distribution statement		2018	2017
Headline earnings	Rm	**7,588**	3,886
	% change	**95**	108
Dividends paid in 2018[1]	Rm	**1,922**	–
	% change	**100**	–
Dividends payable for the year (total)[2]	Rm	**2,027**	
	% Change	**100**	
Payroll costs for all employees	Rm	**11,729**	11,863
	% change	**(1)**	(22)
Employee numbers		**24,789**	28,692
	% change	**(14)**	2
Community engagement development spend	Rm	**330**	295
	% change	**3**	(12)
Taxation paid	Rm	**1,771**	1,742
	% change	**2**	55

[1] *Dividends paid in 2018 included R928 million for 2H 2017 performance and R994 million for 1H 2018, which equated to a 30% pay-out ratio of headline earnings.*

[2] *The board has declared a final cash dividend of R7.51 per share, equivalent to a 40% HEPS pay-out ratio. This dividend paid will be reflected in the 2019 financial year and will include qualifying employees from Amplats and Unki Mine.*

The company delivered strong performance in the 2018 financial year. As a result, bonus shares to the value of R198,115,833 were awarded and LTIP awards granted in 2016 vested at 94.45%. The key result area outcomes are summarised for the company, CEO and prescribed officers on page 22.

WIDER WORKFORCE CONSIDERATIONS AND OUR APPROACH TO FAIRNESS

The company continues the practice of fair, responsible and equitable remuneration. As such, the remuneration committee regularly reviews the company's internal wage gap. In addition, lower increases are granted to executive management compared to other employees. The committee also seeks to find a balance between the interests of executives and shareholders to ensure fair and responsible outcomes. For this reason, a significant portion of the pay of our senior employees is at risk and subject to stretching performance conditions.

IN CONCLUSION

We trust this remuneration report provides an accurate overview of the company-wide remuneration policy and its implementation, and specifically an in-depth view on executive remuneration in the past year as the business is managed for a low-price environment in the protracted commodity downturn.

The remuneration committee is satisfied that we have the right remuneration policy in place to support the implementation of our strategy and to allow us to bring sustainable growth to our shareholders within the parameters of corporate governance best practice. The shareholder voting outcomes in recent year of 99.2% suggest that you are supportive with our policy and our approach. I would like to take the opportunity to thank shareholders for their support and we look forward to continued dialogue going forward.

Nombulelo Moholi
Chairperson

14 February 2019

PART 2: REMUNERATION PHILOSOPHY AND POLICY

REMUNERATION PHILOSOPHY

Our remuneration philosophy aims to attract, retain and incentivise high-calibre individuals to develop and implement the company's business strategy, thus creating optimal long-term shareholder value.

REMUNERATION POLICY

The remuneration policy subscribes to King IV™ recommendations and is based on the following principles:

- Remuneration practices are aligned with the company strategy
- Total rewards are set at competitive levels in the relevant market to ensure we attract, motivate and reward the right behaviour and performance, 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.

REMUNERATION LINKED TO STRATEGY AND PERFORMANCE

We continually assess our remuneration strategy, practices and policies to ensure they remain aligned with and continue to support the strategic objectives of the company and the environment in which it operates.

EXECUTIVE DIRECTOR PACKAGE DESIGN AND TOTAL REMUNERATION OPPORTUNITY AT DIFFERENT LEVELS OF PERFORMANCE

The charts illustrate the pay mix of the CEO, finance director and prescribed officers at below on-target performance (figure 1), on-target performance (figure 2) and stretch performance (figure 3) applicable from 2019.

Figure 1: 2019 forward – below (ZAR)

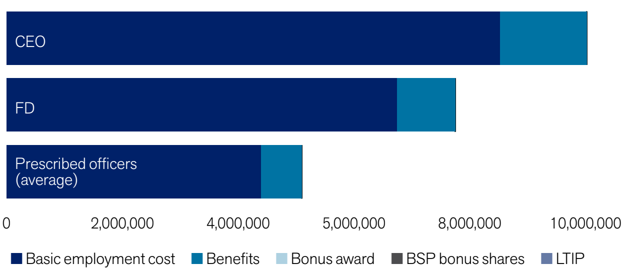


Figure 2: 2019 forward – target (ZAR)

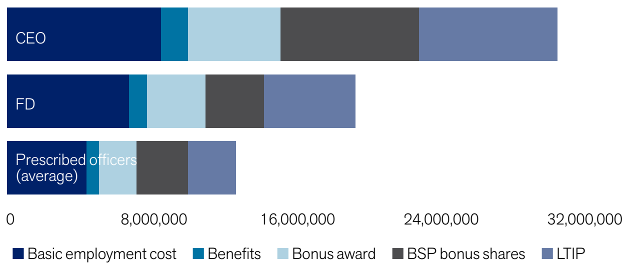
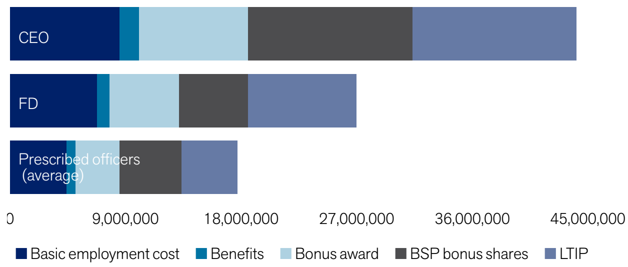


Figure 3: 2019 forward – stretch (ZAR)



2018 COMPARATOR REMUNERATION BENCHMARKING GROUP – DIRECTORS, PRESCRIBED OFFICERS AND NON-EXECUTIVE DIRECTORS

The committee's key task is to preserve the relevance, integrity and consistency of benchmarking. Benchmark data is used to provide trend lines and compare practices only.

The committee is comfortable that the comparative group (below) is representative of our business model, product range and market capitalisation.

AngloGold Ashanti Limited
Sasol Limited
Sibanye Gold Limited
Impala Platinum Holdings Limited
Northam Platinum Limited
Exxaro Resources Limited
Gold Fields Limited
Kumba Iron Ore limited
South32 Limited
Lonmin plc

Note: Sasol Limited, which has a much higher market capitalisation, will be excluded from future benchmarks.

REMUNERATION REPORT CONTINUED

ELEMENTS OF REMUNERATION

The key elements of total remuneration in 2018 are outlined below.

GUARANTEED SALARY

Non-union affiliated employees

Guaranteed salary is reviewed annually and positioned competitively against comparable peers by 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 outside the tolerance pay range are adjusted closer 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.

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 provide 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 each fund.

Death benefits cater for the high-risk environment in which our employees work. In the event of a fatality (or an injury-on-duty), 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 funeral.

INCENTIVE REWARDS

Amplats administers incentive schemes to encourage and reward achieving 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 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. 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. Performance target weightings are shown on page 126. For the CEO, performance measures are weighted 70% for company performance and 30% for individual performance. For the finance director, the business and individual weighting is 55% and 45% respectively. The award for the remaining participants (excluding union-affiliated employees) is based on company and individual performance.

Value of annual cash incentive:	**CEO:** The maximum cash incentive is 100% of base salary *Annual cash incentive = [(company performance score [70]) + (IPA score [30])] × maximum cash incentive (100%) x base salary* **Finance director:** The maximum cash incentive is 80% of base salary *Annual cash incentive = [(company performance score [55]) + (IPA score [45])] × maximum cash incentive (100%) x base salary* **Prescribed officers, management and corporate employees:** A target bonus of 20 – 25% is used 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.*
Proposed changes for 2019:	Employees who separate from the company as 'good leavers' in the financial year will be eligible to receive BSP shares or a cash award in lieu of BSP shares for that financial year, pro-rated. This cash award will vest immediately. The definition of a 'good leaver' is an employee whose services are terminated for the following reasons: death, retirement, ill-health or retrenchment. To measure financial targets for the annual STI on the basis of 50% using actual foreign exchange rates and prices, and 50% using fixed (budgeted) foreign exchange rates and prices. Adopting this proposal will help smooth potential volatility and make annual STI pay-outs a fairer reflection of actual performance. Introduction of a safety modifier to the KRA (key result area) 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 four stretching performance conditions. The 2018 LTIP performance conditions were: • TSR of 70% • Return on capital employed (ROCE) reduced to 10% • Cumulative attributable free cash flow at 10% • Safety and sustainable development at 10%
Performance period:	Performance conditions are measured over a three-year period, commensurate with the financial years of the company.

REMUNERATION REPORT CONTINUED

Long-term incentive plan (LTIP) continued	
Changes in 2018:	With approval by the board, Amplats has implemented the following changes to share incentives for executive directors and prescribed officers, effective from 2018 LTIP vesting in 2021: • The introduction 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 awards to a dilution percentage limit of 0.75% of issued share capital. This is meant to reduce the possibility of windfall gains from granting share awards when the share price is low, in circumstances where a substantial share price increase follows. • The Amplats TSR model diverges considerably from that of Anglo American plc. The committee adopted the alignment of the Amplats TSR performance conditions thresholds to those of Anglo American plc. • Introducing a minimum shareholding requirement (MSR) to further align the interests of executives to those of shareholders, for reasons of good governance and to maximise alignment between Amplats executives and Anglo American plc executives, effective from the 2019 financial year.
Proposed changes for 2019:	See proposed changes under STI section above which cover BSPs.
Company and individual limits:	Despite the fact that the aggregate limit for the BSP and LTIP is 269,681,886 shares, representing around 10% of the issued capital, the company does not issue new shares in settlement of the plans 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 2018 was 545,398, representing 0.2% 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)

Purpose and background:	We are proud to have embarked on an ownership journey with our employees in the form of ESOP. The company recognised the importance of allowing all employees to share in the success of the business. The previous share scheme, Kotula, ended in May 2015 and we were keen for employees to align their interests with those of shareholders in growing the company's value. The scheme incentivises and empowers those employees who do not otherwise participate in the company's share incentive plans to acquire shares in Amplats, subject to the provisions in the ESOP agreement and rules.
Operation:	The ESOP scheme was implemented on 1 August 2018. The mechanics of the scheme spans a five-year period, as depicted below The total quantum of the scheme is R25,000 per employee, payable as follows: • R9,000 cash paid in 2018 • R4,000 cash to be paid, R4,000 forfeitable shares to be allocated in 2019 • R4,000 cash to be paid, R4,000 forfeitable shares to be allocated in 2020 Vesting occurs in years 4 and 5, ie 2021 and 2022.

MINIMUM SHAREHOLDING TARGETS FOR EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

Executive directors and prescribed officers are required to accumulate and hold a predetermined and market-aligned minimum shareholding. The minimum shareholding requirement (MSR) must be accumulated from LTIP and BSP awards on an elective pre-tax basis, where executive directors and prescribed officers will choose the quantum of shares to hold, prior to the vesting of any award.

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.

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.

TERMINATION POLICY

In the event of a termination, the company has the discretion to allow the director, prescribed officers and senior management to either work out their notice or to pay the guaranteed pay for the stipulated notice period in lieu of notice.

Guaranteed pay includes base salary and benefits.

No performance bonus payment is made if a director, prescribed officer and senior management's reason for termination is resignation or dismissal.

Remco has the discretion to award a payment in cases where specific agreed deliverables have been met.

Performance bonuses are paid to 'good leavers' on a pro rata basis.

Unvested BSP awards are accelerated to termination date and paid in full if the reason for separation is retirement, death or ill-health retirement. For resignation or dismissal, all unvested BSP shares will lapse.

Unvested LTIP awards will continue to vest three years from grant date. Payments will be pro-rated if an employee's reason for termination is retirement, death or ill-health retirement. Unvested LTIP awards will lapse if an employee resigns or is dismissed.

Where an employee resigns from the company after the BSP and LTIP performance periods have been completed, but before the vesting date, Remco can in terms of the rules apply discretion to approve payment.

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, 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 (AGM) of shareholders after their appointment and then at three-year intervals.

Fees reflect the directors' role and committee memberships. A fee applies for any additional special meetings outside board and committee meetings. Fees are reviewed by the committee annually and require approval from shareholders at the AGM. 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 2018 are tabulated in part 3 of this remuneration report.

SHAREHOLDER ENGAGEMENT

We value our continued engagement with various stakeholders, and we endeavour to maintain our relationships with all in the hope that we will continue to receive their valued input.

NON-BINDING ADVISORY VOTE

At the AGM on 12 April 2018, our 2017 remuneration report was endorsed by 99.2% 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.

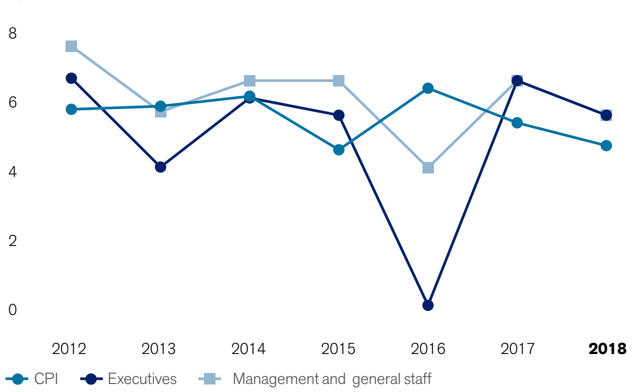
REMUNERATION REPORT CONTINUED

PART 3: IMPLEMENTATION OF POLICIES FOR THE FINANCIAL YEAR

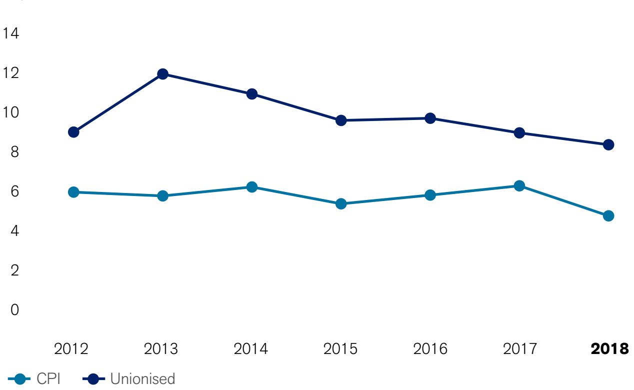
BASE SALARY ADJUSTMENTS

The committee approved a 5.5% increase on the guaranteed packages for senior management and base salary for executive directors and prescribed officers for 2018 to align more closely with industry peers and to retain executive talent. This compares with an average base salary increase of 8.13% for union-affiliated staff (8.73% in 2017). The charts below reflect executive and management increases and increases of union-affiliated staff against CPI (figures 4 and 5).

Increases for executives and management against CPI (Figure 4)



Increases for union-affiliated employees against CPI (Figure 5)



2018 STI performance outcomes (cash and BSPs)

Chief executive officer measures	Weighting	Below threshold	Threshold	Target	Above target	Maximum
Company performance measures	**70**					
Safety and health[2]	10		•			
Production[4]	20				•	
Cost/margin[5]	10			•		
Financial/returns	30			•		
Personal performance	**30**			•		
Overall performance	**100**					
Fatalities[1]	(5)			•		
Environment[3]	(3)				•	

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 usage, water use and environmental incidents.

[4] This includes equivalent refined production, sales volumes and operational improvement targets.

[5] This includes measures of commercial savings, operating profit and achieving EPS targets for both Anglo American Platinum and Anglo American plc.

Finance director measures	Weighting	Below threshold	Threshold	Target	Above target	Maximum
Company performance measures	**55**					
Safety, health and environment	3			•		
Production[1]	12			•		
People[2]	6			•		
Financial	22			•		
Cost and capex[3]	8		•			
Socio-political	4			•		
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 Anglo American Platinum.*

The key result area outcomes are summarised for the company, CEO and prescribed officers on page 22.

The annual cash incentive and BSP award for the CEO, finance director and other prescribed officers are set out below.

2018 annual cash incentive payments and BSPs to be awarded in 2019 relating to performance in 2018

Name	Annual cash incentive R	Percentage of base salary %	BSPs awarded R	Percentage of base salary %
Executive directors				
CI Griffith	**7,156,435**	**84.00**	**10,734,652**	**126.00**
I Botha	**4,692,039**	**69.60**	**4,692,039**	**69.60**
Prescribed officers				
DW Pelser	**2,200,878**	**46.62**	**3,081,229**	**65.27**
GA Humphries	**2,024,333**	**46.62**	**2,834,066**	**65.27**
GL Smith[1]	**2,183,408**	**49.95**	**3,056,770**	**69.93**
VP Pillay[3]	**2,067,583**	**43.29**	**4,197,294**	**87.88**
LN Mogaki	**2,021,005**	**46.62**	**2,829,407**	**65.27**
S Macheli-Mkhabela	**1,770,424**	**43.29**	**2,478,594**	**60.61**
Former employee				
I Pillay[2]	**–**	**0.00**	**–**	**0.00**
Grand total	**24,116,105**		**33,904,051**	

[1] *GL Smith is within one year of retirement and will receive the cash value equivalent in line with policy as described on page 124.*
[2] *I Pillay resigned effective 31 August 2018, therefore no payments are reflected.*
[3] *VP Pillay retired on 31 December 2018 and will receive a cash value equivalent in lieu of a BSP award.*

2018 LTIP OUTCOMES AND AWARDS

The annual share awards for 2018 and performance outcomes for the 2016 share awards (which performance period ended on 31 December 2018) for the CEO, finance director and prescribed officers are set out on the following page.

REMUNERATION REPORT CONTINUED

LTIP awards made in 2018

Name	Number of LTIP awards	Market face value[1] R	% of base salary
Executive directors			
CI Griffith	**39,283**	**12,622,806**	**150.00**
I Botha	**26,225**	**8,426,879**	**125.00**
Prescribed officers			
DW Pelser	**14,570**	**4,681,778**	**100.00**
VP Pillay	**14,864**	**4,776,249**	**100.00**
GL Smith	**13,491**	**4,335,063**	**100.00**
LN Mogaki	**13,491**	**4,335,063**	**100.00**
S Macheli-Mkhabela	**12,727**	**4,089,567**	**100.00**
GA Humphries	**13,402**	**4,306,465**	**100.00**
Former employee			
I Pillay[2]	**12,727**	**4,089,567**	**100.00**
Total	**160,780**	**51,663,437**	

[1] *Market face value is based on the price at grant of R321.33.*
[2] *I Pillay resigned effective 31 August 2018.*

LTIP grant date was 20 April 2018.

LTIP performance metrics for 2018

The vesting of LTIP awards is based on achieving four stretching performance conditions measured over a three-year period. The table below summarises performance conditions applying to conditional share awards granted under the LTIP in 2018:

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 this performance condition is on a sliding scale if the company achieved: • TSR equal to the index: 25% vests • TSR 6% above the index: 100% vests. Linear vesting occurs between these points.	1 January 2018 to 31 December 2020
Return on capital employed (ROCE) (10%)	Vesting for this performance condition is on a sliding scale if the company achieved: • ROCE equal to 15%: 25% vests • ROCE equal to 25%: 100% vests Linear vesting occurs between these points.	1 January 2018 to 31 December 2020
Cumulative attributable free cash flow (10%)	Vesting for this performance condition is on a sliding scale if the company achieved: • Threshold of R4.3 billion: 25% vests • Maximum attributable free cash flow of R4.9 billion: 100% vests Linear vesting occurs between these points.	1 January 2018 to 31 December 2020
Safety and sustainable development (10%)	Vesting is split as: • 5% being achieved through a ≥3% reduction in CO_2 emissions measured against 2016 actuals • 5% being achieved by 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 2018 to 31 December 2020

Vesting of LTIP awards (2016 – performance period ended 31 December 2018)

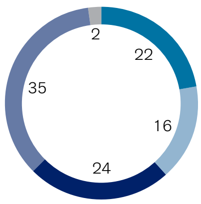
The extent to which performance measures for the 2016 award were met is detailed below. These awards will vest on 26 April 2019 after a three-year vesting period has lapsed.

LTIP measures	Below	Threshold	Target	Above	Weighting	Achieved
TSR (50%)				•	50%	100.00%
ROCE (50%)			•		50%	88.90%
Resulting vesting LTIP award			94.45%			

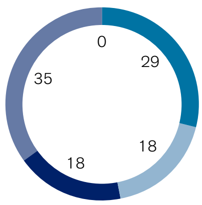
TOTAL REMUNERATION OUTCOMES

Total remuneration outcomes and mix between fixed and variable pay in 2018 for the CEO, finance director and prescribed officers are shown below.

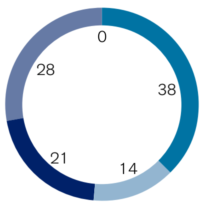
Chief executive officer (%)



Finance director (%)



Prescribed officers (%)



Guaranteed pay (including benefits) | Cash incentive | BSP bonus shares | LTIP | Other benefits

EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

Total remuneration and detail on outstanding and settled long-term incentives of executive directors and prescribed officers for 2017 and 2018 are reflected below. The format is aligned to the King IV recommended disclosure of a single total figure 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]	2018	8,519,565	1,495,610	7,156,435	10,734,652	15,832,366	1,076,719	**44,815,347**
	2017	8,094,849	1,420,502	6,840,147	10,260,221	5,195,474	1,076,719	**32,887,912**
I Botha	2018	6,741,436	1,006,819	4,692,039	4,692,039	9,569,119	165,112	**26,866,564**
	2017	6,390,000	951,735	4,447,440	4,447,440	–	–	**16,236,615**
Prescribed officers								
DW Pelser	2018	4,720,887	770,096	2,200,878	3,081,229	5,316,477	–	**16,089,567**
	2017	4,437,792	721,250	2,143,454	3,000,835	1,727,039	–	**12,030,369**
GA Humphries	2018	4,342,198	697,159	2,024,333	2,834,066	–	–	**9,897,756**
	2017	4,081,776	653,430	1,971,498	2,760,097	–	–	**9,466,800**
GL Smith[11]	2018	4,371,187	684,511	2,183,408	3,056,770	4,922,664	–	**15,218,540**
	2017	4,109,064	642,029	2,126,441	2,977,017	1,727,039	–	**11,581,589**
VP Pillay[9, 10]	2018	4,776,120	767,681	2,067,583	4,197,294	5,423,292	–	**17,231,971**
	2017	4,527,132	724,667	2,030,419	4,071,529	1,902,651	–	**13,256,398**
LN Mogaki	2018	4,335,060	696,127	2,021,005	2,829,407	4,922,664	–	**14,804,263**
	2017	4,109,064	657,159	2,126,441	2,977,017	1,727,039	–	**11,596,719**
S Macheli-Mkhabela	2018	4,089,684	660,425	1,770,424	2,478,594	4,643,758	–	**13,642,885**
	2017	3,876,480	623,317	1,738,601	2,434,042	1,629,108	–	**10,301,549**
Former employees								
J Ndlovu[13]	2018	–	–	–	–	5,739,421	–	**5,739,421**
	2017	–	–	–	–	2,013,462	–	**2,013,462**
I Pillay[12]	2018	2,726,456	464,975	–	–	–	1,222,815	**4,414,246**
	2017	3,876,480	652,200	2,006,078	2,808,510	1,629,108	–	**10,972,376**

Notes

1 *Base salary is the aggregate of basic salary plus an optional car allowance and provision towards a 13th cheque.*
2 *Benefits are reported as the sum of retirement and medical aid contributions.*
3 *The value of the 2017 BSP shares awarded on the basis of performance for the 2017 financial year is reflected in the 2017 single figure of remuneration.*
4 *The value of the 2018 BSP shares to be awarded on the basis of performance for the 2018 financial year is reflected in the 2018 single figure of remuneration.*
5 *The value of the 2015 LTIP 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.*
6 *The value of the 2016 LTIP with a performance period ending on 31 December 2018 is reflected in the 2018 single figure of remuneration at a 90-day VWAP of R539.47 per share.*
7 *Refers to the value of the use of a company vehicle for CI Griffith.*
8 *CI Griffith has an offshore GBP component to their 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 124. 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 124 LTIP and BSP are awarded as cash payments, conditional on remaining in service until the effective retirement date.*
12 *I Pillay resigned effective 31 August 2018. He received a cash payment for performance deliverables met.*
13 *J Ndlovu was transferred to Anglo American Thermal Coal on 1 September 2016.*

REMUNERATION REPORT CONTINUED

Unvested long-term incentive awards and cash value of settled awards

Incentive scheme	Award year	Opening number on 1 Jan 2017	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting
CI Griffith					
LTIP	2014	22,600	–	15,090	7,510
LTIP	2015	40,529	–	–	–
LTIP	2016	31,072	–	–	–
LTIP	2017	–	33,436	–	–
LTIP	2018	–	–	–	–
BSP	2014	8,026	–	–	8,026
BSP	2015	17,531	–	–	–
BSP	2016	12,533	–	–	–
BSP	2017	–	18,732	–	–
BSP	2018	–	–	–	–
Total		132,291	52,168	15,090	15,536
I Botha					
LTIP	2014	–	–	–	–
LTIP	2015	–	–	–	–
LTIP	2016	18,780	–	–	–
LTIP	2017	22,119	–	–	–
LTIP	2018	–	–	–	–
BSP	2014	–	–	–	–
BSP	2015	–	–	–	–
BSP	2016	6,511	–	–	–
BSP	2017	–	11,035	–	–
BSP	2018	–	–	–	–
Total		47,410	11,035	–	–
DW Pelser					
LTIP	2014	9,373	–	6,258	3,115
LTIP	2015	13,472	–	–	–
LTIP	2016	10,434	–	–	–
LTIP	2017	–	12,289	–	–
LTIP	2018	–	–	–	–
BSP	2014	3,595	–	–	3,595
BSP	2015	8,891	–	–	–
BSP	2016	5,450	–	–	–
BSP	2017	–	8,176	–	–
BSP	2018	–	–	–	–
Total		51,214	20,465	6,258	6,710

Closing number on 31 Dec 2017	Cash value on settlement during 2017 R	Closing fair value at 31 Dec 2017 R	Granted during 2018	Forfeited in respect of 2018 vesting	Settled in respect of 2018 vesting	Closing number on 31 Dec 2018	Cash value on settlement during 2018 R	Closing fair value at 31 Dec 2018 R
–	2,733,633	–	**–**	**–**	**–**	**–**	**–**	**–**
40,529	–	14,921,117	**–**	**26,417**	**14,112**	**–**	**4,304,220**	**–**
31,072	–	11,439,437	**–**	**–**	**–**	**31,072**	**–**	**10,057,447**
33,436	–	12,309,765	**–**	**–**	**–**	**33,436**	**–**	**10,822,631**
–	–	–	**39,283**	**–**	**–**	**39,283**	**–**	**12,715,200**
–	2,927,243	–	**–**	**–**	**–**	**–**	**–**	**–**
17,531	–	6,454,196	**–**	**–**	**17,531**	**–**	**5,359,051**	**–**
12,533	–	4,614,137	**–**	**–**	**–**	**12,533**	**–**	**6,761,178**
18,732	–	6,896,355	**–**	**–**	**–**	**18,732**	**–**	**10,105,352**
–	–	–	**28,178**	**–**	**–**	**28,178**	**–**	**15,201,186**
153,833	5,660,875	56,635,005	**67,461**	**26,417**	**31,643**	**163,234**	**9,663,272**	**65,662,994**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
18,780	–	2,407,464	**–**	**–**	**–**	**18,780**	**–**	**6,078,748**
22,119	–	2,835,500	**–**	**–**	**–**	**22,119**	**–**	**7,159,522**
–	–	–	**26,225**	**–**	**–**	**26,225**	**–**	**8,488,560**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
6,511	–	834,664	**–**	**–**	**–**	**6,511**	**–**	**3,512,489**
11,035	–	1,414,609	**–**	**–**	**–**	**11,035**	**–**	**5,953,051**
–	–	–	**12,214**	**–**	**–**	**12,214**	**–**	**6,589,087**
58,445	–	7,492,238	**38,439**	**–**	**–**	**96,884**	**–**	**37,781,458**
–	1,133,732	–	**–**	**–**	**–**	**–**	**–**	**–**
13,472	–	4,959,838	**–**	**8,781**	**4,691**	**–**	**1,430,740**	**–**
10,434	–	3,841,371	**–**	**–**	**–**	**10,434**	**–**	**3,377,298**
12,289	–	4,524,306	**–**	**–**	**–**	**12,289**	**–**	**3,977,728**
–	–	–	**8,241**	**–**	**–**	**8,241**	**–**	**2,667,463**
–	1,312,627	–	**–**	**–**	**–**	**–**	**–**	**–**
8,891	–	3,273,302	**–**	**–**	**8,891**	**–**	**2,717,890**	**–**
5,450	–	2,006,467	**–**	**–**	**–**	**5,450**	**–**	**2,940,112**
8,176	–	3,010,068	**–**	**–**	**–**	**8,176**	**–**	**4,410,707**
–	–	–	**14,570**	**–**	**–**	**14,570**	**–**	**7,860,078**
58,712	2,446,359	21,615,352	**22,811**	**8,781**	**13,582**	**59,160**	**4,148,630**	**25,233,386**

REMUNERATION REPORT CONTINUED

Incentive scheme	Award year	Opening number on 1 Jan 2017	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting
VP Pillay					
LTIP	2014	10,326	–	6,895	3,431
LTIP	2015	14,842	–	–	–
LTIP	2016	10,644	–	–	–
LTIP	2017	–	12,536	–	–
LTIP	2018	–	–	–	–
BSP	2014	6,129	–	–	6,129
BSP	2015	13,221	–	–	–
BSP	2016	–	–	–	–
BSP	2017	–	–	–	–
BSP	2018	–	–	–	–
Total		55,162	12,536	6,895	9,560
GL Smith					
LTIP	2014	9,373	–	6,258	3,115
LTIP	2015	13,472	–	–	–
LTIP	2016	9,661	–	–	–
LTIP	2017	–	11,379	–	–
LTIP	2018	–	–	–	–
BSP	2014	2,661	–	–	2,661
BSP	2015	7,224	–	–	–
BSP	2016	5,801	–	–	–
BSP	2017	–	–	–	–
BSP	2018	–	–	–	–
Total		48,192	11,379	6,258	5,776
I Pillay					
LTIP	2014	8,842	–	5,904	2,938
LTIP	2015	12,709	–	–	–
LTIP	2016	9,114	–	–	–
LTIP	2017	–	10,735	–	–
LTIP	2018	–	–	–	–
BSP	2014	3,171	–	–	3,171
BSP	2015	5,679	–	–	–
BSP	2016	4,743	–	–	–
BSP	2017	–	7,618	–	–
BSP	2018	–	–	–	–
Total		44,258	18,353	5,904	6,109

Closing number on 31 Dec 2017	Cash value on settlement during 2017 R	Closing fair value at 31 Dec 2017 R	Granted during 2018	Forfeited in respect of 2018 vesting	Settled in respect of 2018 vesting	Closing number on 31 Dec 2018	Cash value on settlement during 2018 R	Closing fair value at 31 Dec 2018 R
–	1,249,004	–	**–**	**–**	**–**	**–**	**–**	**–**
14,842	–	5,464,216	**–**	**9,674**	**5,168**	**–**	**1,576,235**	**–**
10,644	–	3,918,685	**–**	**–**	**–**	**10,644**	**–**	**3,445,271**
12,536	–	4,615,241	**–**	**–**	**–**	**12,536**	**–**	**4,057,678**
–	–	–	**14,864**	**–**	**–**	**14,864**	**–**	**4,811,209**
–	2,235,369	–	**–**	**–**	**–**	**–**	**–**	**–**
13,221	–	4,867,430	**–**	**–**	**13,221**	**–**	**4,041,527**	**–**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
51,243	3,484,373	18,865,572	**14,864**	**9,674**	**18,389**	**38,044**	**5,617,763**	**12,314,158**
–	1,133,732	–	**–**	**–**	**–**	**–**	**–**	**–**
13,472	–	4,959,838	**–**	**8,781**	**4,691**	**–**	**1,430,740**	**–**
9,661	–	3,556,784	**–**	**–**	**–**	**9,661**	**–**	**3,127,092**
11,379	–	4,189,281	**–**	**–**	**–**	**11,379**	**–**	**3,683,177**
–	–	–	**13,491**	**–**	**–**	**13,491**	**–**	**4,366,794**
–	970,520	–	**–**	**–**	**–**	**–**	**–**	**–**
7,224	–	2,659,581	**–**	**–**	**7,224**	**–**	**2,208,305**	**–**
5,801	–	2,135,690	**–**	**–**	**–**	**5,801**	**–**	**3,129,465**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
–	–	–	**–**	**–**	**–**	**–**	**–**	**–**
47,537	2,104,252	17,501,175	**13,491**	**8,781**	**11,915**	**40,332**	**3,639,044**	**14,306,529**
–	1,069,504	–	**–**	**–**	**–**	**–**	**–**	**–**
12,709	–	4,678,933	**–**	**8,284**	**4,425**	**–**	**1,349,709**	**–**
9,114	–	3,355,401	**–**	**9,114**	**–**	**–**	**–**	**–**
10,735	–	3,952,187	**–**	**10,735**	**–**	**–**	**–**	**–**
–	–	–	**12,727**	**12,727**	**–**	**–**	**–**	**–**
–	1,156,527	–	**–**	**–**	**–**	**–**	**–**	**–**
5,679	–	2,090,775	**–**	**–**	**5,679**	**–**	**1,736,014**	**–**
4,743	–	1,746,178	**–**	**4,743**	**–**	**–**	**–**	**–**
7,618	–	2,804,635	**–**	**7,618**	**–**	**–**	**–**	**–**
–	–	–	**7,713**	**7,713**	**–**	**–**	**–**	**–**
50,598	2,226,031	18,628,110	**20,440**	**60,934**	**10,104**	**–**	**3,085,722**	**–**

REMUNERATION REPORT CONTINUED

Incentive scheme	Award year	Opening number on 1 Jan 2017	Granted during 2017	Forfeited in respect of 2017 vesting	Settled in respect of 2017 vesting
LN Mogaki					
LTIP	2014	9,373	–	6,258	3,115
LTIP	2015	13,472	–	–	–
LTIP	2016	9,661	–	–	–
LTIP	2017	–	11,379	–	–
LTIP	2018	–	–	–	–
BSP	2014	2,811	–	–	2,811
BSP	2015	6,669	–	–	–
BSP	2016	5,414	–	–	–
BSP	2017	–	6,561	–	–
BSP	2018	–	–	–	–
Total		47,400	17,940	6,258	5,926
S Macheli-Mhkabela					
LTIP	2014	–	–	–	–
LTIP	2015	12,709	–	–	–
LTIP	2016	9,114	–	–	–
LTIP	2017	–	10,735	–	–
LTIP	2018	–	–	–	–
BSP	2014	–	–	–	–
BSP	2015	3,146	–	–	–
BSP	2016	4,743	–	–	–
BSP	2017	–	5,237	–	–
BSP	2018	–	–	–	–
Total		29,712	15,972	–	–
GA Humphries					
LTIP	2014	–	–	–	–
LTIP	2015	–	–	–	–
LTIP	2016	–	–	–	–
LTIP	2017	–	11,303	–	–
LTIP	2018	–	–	–	–
BSP	2014	1,791	–	–	1,791
BSP	2015	3,436	–	–	–
BSP	2016	2,466	–	–	–
BSP	2017	–	3,415	–	–
BSP	2018	–	–	–	–
Total		7,693	14,718	–	1,791

[1] *The 2014 LTIP and BSP awarded on: 2014/04/16 at R491.35 per share , which vests on 2017/04/16 with LTIP vesting of 33.23% at R364.00 and BSP at R364.72 per share.*
[2] *The 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 2017 was 60% and in 2018 the LTIP will vest at 34.82%.*
[3] *The 2016 LTIP and BSP awarded on: 2016/04/13 at R399.00 per share , which vests on 2019/04/13. The estimated vesting for LTIP in 2017 was 60% and in 2018 LTIP vesting was estimated at 60%.*
[4] *The 2017 LTIP and BSP awarded on: 2017/04/13 at R367.15 per share , which vests on 2020/04/13. The estimated vesting for LTIP in 2017 was 60% and in 2018 LTIP vesting was estimated at 60%.*

Closing number on 31 Dec 2017	Cash value on settlement during 2017 R	Closing fair value at 31 Dec 2017 R	Granted during 2018	Forfeited in respect of 2018 vesting	Settled in respect of 2018 vesting	Closing number on 31 Dec 2018	Cash value on settlement during 2018 R	Closing fair value at 31 Dec 2018 R
–	1,133,732	–	–	–	–	–	–	–
13,472	–	4,959,838	–	8,781	4,691	–	1,430,740	–
9,661	–	3,556,784	–	–	–	9,661	–	3,127,092
11,379	–	4,189,281	–	–	–	11,379	–	3,683,177
–	–	–	13,491	–	–	13,491	–	4,366,794
–	1,025,228	–	–	–	–	–	–	–
6,669	–	2,455,252	–	–	6,669	–	2,038,647	–
5,414	–	1,993,213	–	–	–	5,414	–	2,920,691
6,561	–	2,415,491	–	–	–	6,561	–	3,539,463
–	–	–	8,176	–	–	8,176	–	4,410,707
53,156	2,158,960	19,569,860	21,667	8,781	11,360	54,682	3,469,386	22,047,923
–	–	–	–	–	–	–	–	–
12,709	–	4,678,933	–	8,284	4,425	–	1,349,709	–
9,114	–	3,355,401	–	–	–	9,114	–	2,950,038
10,735	–	3,952,187	–	–	–	10,735	–	3,474,726
–	–	–	12,727	–	–	12,727	–	4,119,501
–	–	–	–	–	–	–	–	–
3,146	–	1,158,228	–	–	3,146	–	961,701	–
4,743	–	1,746,178	–	–	–	4,743	–	2,558,706
5,237	–	1,928,049	–	–	–	5,237	–	2,825,204
–	–	–	6,685	–	–	6,685	–	3,606,357
45,684	–	16,818,976	19,412	8,284	7,571	49,241	2,311,409	19,534,532
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
11,303	–	1,448,965	–	–	–	11,303	–	3,658,578
–	–	–	13,402	–	–	13,402	–	4,337,986
–	653,214	–	–	–	–	–	–	–
3,436	–	1,264,994	–	–	3,436	–	1,050,351	–
2,466	–	907,880	–	–	–	2,466	–	1,330,333
3,415	–	1,257,263	–	–	–	3,415	–	1,842,290
–	–	–	7,580	–	–	7,580	–	4,089,183
20,620	653,214	4,879,103	20,982	–	3,436	38,166	1,050,351	15,258,369

[5] *The 2018 LTIP and BSP awarded on: 2018/04/20 at R321.33 per share , which vests on 2021/04/20. The estimated vesting for LTIP in 2017 was 60% and in 2018 LTIP vesting was estimated at 60%.*
[6] *The 90-day volume-weighted average price (VWAP), for determining the fair value of unvested awards at 31 December 2017 is R368.16 per share.*
[7] *The 90-day VWAP, for determining the fair value of unvested awards at 31 December 2018 is R539.47 per share.*
[8] *The 2015 LTIP and BSP were settled at R305.00 and R305.69 per share, respectively.*
[9] *The value of the 2016 LTIP and BSP is estimated at a 90-day VWAP price of R539.47 per share, as date of transaction only occurs in April 2019.*

REMUNERATION REPORT CONTINUED

NON-EXECUTIVE DIRECTORS' FEES

Increase in non-executive director fees

Fees payable to non-executive directors are annually benchmarked to industry and size-based comparators. There is a significant disparity between non-executive director fees and competing industry rates, resulting in non-executive director fees significantly lagging the market median for each committee of the board. As communicated to shareholders at the 2016 AGM, the committee has incorporated a three-year catch-up strategy to align current fees to market levels. For 2018, 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 1 in the notice for the proposed adjustments to be approved by shareholders at the 2019 AGM.

The tables below reflect non-executive directors' fees for 2017 and 2018.

Non-executive directors' fees

Current	Financial year R	Directors' fees R	Ad hoc committee meeting R	Committee fees R	Total remuneration R
M Cutifani[3,8]	**2018**	**353,859**	**23,000**	**110,404**	**487,263**
	2017	292,635	–	100,449	393,084
RMW Dunne[1,2,3,4,5,6]	**2018**	**353,859**	**69,000**	**805,462**	**1,228,321**
	2017	292,635	18,880	718,064	1,029,579
V Moosa[2,3,4,5,6]	**2018**	**1,591,244**	**46,000**	**704,213**	**2,341,457**
	2017	1,444,944	18,880	641,943	2,105,767
NP Mageza[1,4]	**2018**	**353,859**	**69,000**	**257,517**	**680,376**
	2017	292,635	–	231,574	524,209
NT Moholi[2,4,5,6]	**2018**	**353,859**	**46,000**	**612,674**	**1,012,533**
	2017	292,635	18,880	551,074	862,589
D Naidoo[1,2,4]	**2018**	**353,859**	**69,000**	**368,396**	**791,255**
	2017	292,635	18,880	336,238	647,753
A O'Neill[8]	**2018**	**353,859**	**–**	**–**	**353,859**
	2017	292,635	18,880	–	311,515
AH Sangqu[5,7,11]	**2018**	**353,859**	**23,000**	**107,483**	**484,342**
	2017	292,635	18,880	98,376	409,891
JM Vice[1,4,6]	**2018**	**353,859**	**69,000**	**369,614**	**792,473**
	2017	292,635	18,880	331,331	642,846
S Pearce[8]	**2018**	**353,859**	**23,000**	**–**	**376,859**
R Medori[8,10]	2017	292,635	–	–	292,635
D Emmett[5,6]	**2018**	**–**	**–**	**298,693**	**298,693**
	2017	–	–	267,948	267,948
Total	**2018**	**4,775,975**	**437,000**	**3,634,456**	**8,847,431**

[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, 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] *D Emmett is not a director but a committee member only.*
[10] *R Medori resigned effective 31 December 2017.*
[11] *AH Sangqu resigned effective 23 October 2018.*

NON-BINDING ADVISORY VOTE

Shareholders are requested to cast a non-binding advisory vote on part 3 of this remuneration report.

APPROVAL

This remuneration report was approved by the board of directors of the company on 14 February 2019.

Nombulelo Moholi
Chairperson

Johannesburg
14 February 2019

ANALYSIS OF SHAREHOLDERS

An analysis of the share register at year end showed the following:

Ordinary shares

	2018		2017	
	Number of shareholders	**% of issued capital**	Number of shareholders	% of issued capital
Size of shareholding				
1 – 1,000	**10,026**	**0.48**	10,708	0.55
1,001 – 10,000	**1,014**	**1.26**	1,039	1.20
10,001 – 100,000	**303**	**3.67**	297	3.58
100,001 – 1,000,000	**85**	**7.27**	75	8.08
1,000,001 and over	**11**	**87.32**	10	86.59
	11,439	**100.00**	12,129	100.00
Category of shareholder				
Companies	**256**	**77.73**	259	77.75
Individuals	**9,009**	**0.74**	9,600	0.83
Pension and provident funds	**282**	**4.62**	357	5.50
Insurance companies	**59**	**0.71**	76	0.60
Bank, nominee and finance companies	**399**	**10.24**	358	8.85
Trust funds and investment companies	**1,320**	**5.82**	1,340	6.37
Other corporate bodies	**114**	**0.14**	139	0.10
	11,439	**100.00**	12,129	100.00
Shareholder spread				
Public shareholders	**11,436**	**22.42**	12,126	22.38
Non-public shareholders				
Directors and associates	**2**	**0.01**	2	–*
Persons interested, directly or indirectly, in 10% or more	**1**	**77.57**	1	77.62
	11,439	**100.00**	12,129	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	**%**	Number of shares	%
Anglo American South Africa Investments Proprietary Limited	**208,417,151**	**77.56**	208,417,151	77.62

Geographical analysis of shareholders

Resident shareholders held 240,491,873 shares (89.5%) (2017: 244,492,531: 91.05%) and non-resident shareholders held 28,211,697 shares (10.5%) (2017: 24,026,872: 8.95%) of the company's issued ordinary share capital of 268,703,570 shares at 31 December 2018 (2017: 268,519,403).

The treasury shares of 978,316 (2017: 1,162,483), 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	17 April 2019 at 10:00
REPORTS	
Announcement of interim results	23 July 2019
Integrated report for the full year to 31 December	March
Suite of annual reports	March
DIVIDENDS	
Dividend for 2018 declared	18 February 2019
Last date to trade for 2018 dividend	5 March 2019
Share trading ex-dividend from	6 March 2019
Record date	8 March 2019
Payment date	11 March 2019

ADMINISTRATION

DIRECTORS

Executive directors

C Griffith (chief executive officer)
I Botha (finance director)

Independent non-executive directors

RMW Dunne (British)
NP Mageza
NT Moholi
D Naidoo
JM Vice

Non-executive directors

M Cutifani (Australian)
S Pearce (Australian)
AM O'Neill (British)
N Mbazima

Alternate directors

PG Whitcutt (alternate director to S Pearce)

COMPANY SECRETARY

Elizna Viljoen
elizna.viljoen@angloamerican.com

Telephone +27 (0) 11 638 3425
Facsimile +27 (0) 11 373 5111

FINANCIAL, ADMINISTRATIVE, TECHNICAL ADVISERS

Anglo Operations Proprietary Limited

CORPORATE AND DIVISIONAL OFFICE, REGISTERED OFFICE AND BUSINESS AND POSTAL ADDRESSES OF THE COMPANY SECRETARY AND ADMINISTRATIVE ADVISERS

55 Marshall Street, Johannesburg, 2001
PO Box 62179, Marshalltown, 2107

Telephone +27 (0) 11 373 6111
Facsimile +27 (0) 11 373 5111
+27 (0) 11 834 2379

SPONSOR

Merrill Lynch South Africa Proprietary Limited
The Place, 1 Sandton Drive, Sandton, 2196
PO Box 651987, Benmore 2010

Telephone +27 (0) 11 305 5822
thembeka.mgoduso@baml.com

REGISTRAR

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Rosebank Towers, 15 Biermann Avenue
Rosebank
2196
PO Box 61051
Marshalltown, 2107

Telephone +27 (0) 11 370 5000
Facsimile +27 (0) 11 688 5200

AUDITOR

Deloitte & Touche
Buildings 1 and 2, Deloitte Place
The Woodlands, Woodlands Drive
Woodmead
Sandton
2196

INVESTOR RELATIONS

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LEAD COMPETENT PERSON

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FRAUD LINE – SPEAKUP

Anonymous whistleblower facility
0800 230 570 (South Africa)
angloplat@anglospeakup.com

HUMAN RESOURCES-RELATED QUERIES

Job opportunities: www.angloamericanplatinum.com/careers/job-opportunities

Bursaries, email: bursaries@angloplat.com

Career information: www.angloamericanplatinum.com/careers/working-at-anglo-american-platinum

Anglo American Platinum Limited
Incorporated in the Republic of South Africa
Date of incorporation: 13 July 1946
Registration number: 1946/022452/06
JSE code: AMS – ISIN: ZAE000013181

www.angloamericanplatinum.com

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