

4 June 2025

South African Anglo American Shareholders' South African tax implications on Demerger

1. With reference to the demerger of Valterra Platinum Limited (formerly named Anglo American Platinum Limited) ("**Amplats**") by Anglo American plc ("**Anglo American**") to Anglo American shareholders on 31 May 2025 (the "**Demerger**"), Anglo American hereby communicates to South African Anglo American Shareholders (the "**Shareholders**") a summary of certain information necessary for the Shareholders' compliance with the South African Income Tax Act, 1962 (the "**Act**").
2. The Demerger consists of two steps:
 - 2.1 Anglo American distributes a dividend consisting of a receivable *in specie*, which receivable it holds against Anglo American International Limited ("**AA International**") to its shareholders (the "**Demerger Distribution**"). The market value of the Demerger Distribution shall equal the closing price of the Amplats shares as quoted on the Johannesburg Stock Exchange on close of trade on 30 May 2025 (the "**Demerger Distribution Value**") in South African Rand; and
 - 2.2 the Demerger Distribution is settled in full and finally by the transfer of the Amplats shares (the "**Demerger Shares**") held by AA International directly to the Anglo American shareholders. The market value of the Demerger Shares transferred in settlement of the Demerger Distribution shall equal the Demerger Distribution Value (the "**Demerger Share Value**").
3. It is likely that as part of the settlement of the Demerger Distribution shareholders may receive entitlements to fractions of Amplats shares ("**Fractional Entitlements**"). Where an individual shareholder has such a Fractional Entitlement, the Amplats shares comprising the Fractional Entitlements will be aggregated with those from other shareholders, sold in the open market on behalf of such affected shareholders as soon as practicable and at the best price reasonably obtainable, and the net proceeds (following the deduction of any sale or currency exchange costs or commissions being deducted) will be paid to each relevant shareholder (or nominee, as the case may be) in cash according to their individual Fractional Entitlement.
4. In connection with the Demerger, Anglo American intends to consolidate its existing share capital to reduce the total number of shares in issue, with the intention of maintaining broad comparability

between Anglo American's share price before and after the Demerger (the "**Share Consolidation**").

5. In terms of the Share Consolidation:

- 5.1 shareholders should receive new Anglo American shares in exchange for their existing Anglo American shares;
- 5.2 shareholders will receive 96 new Anglo American shares for every 109 existing shares held (the "**Share Consolidation Ratio**");
- 5.3 any holding of Anglo American shares which is not exactly divisible by the Share Consolidation Ratio will result in the number of new Anglo American shares to be received being rounded down to the nearest whole number. Any fractional entitlements to new Anglo American shares will be aggregated with those from other shareholders, sold in the open market as soon as practicable and at the best price reasonably obtainable, and the net proceeds (following the deduction of any sale or currency exchange costs or commissions being deducted) will be paid to each relevant shareholder (or nominee, as the case may be) according to their individual fractional entitlement.

6. **Receipt of the Demerger Distribution**

- 6.1 The Demerger Distribution constitutes a foreign dividend *in specie* in the hands of the Shareholders for South African normal tax on income purposes. Shareholders are subject to normal tax on income at a maximum effective rate of 20% of the Demerger Distribution Value.
- 6.2 Shareholders who are South African corporate shareholders or tax-exempt institutions may be exempt from paying income tax on receipt of the Demerger Distribution.
- 6.3 The Shareholders shall establish base cost for capital gains tax purposes ("**CGT Base Cost**") in the Demerger Distribution equal to the Demerger Distribution Value.

7. **Receipt of the Demerger Shares and Fractional Entitlements in settlement of the Demerger Distribution**

- 7.1 The receipt of the Demerger Shares and Fractional Entitlements in settlement of the Demerger Distribution constitutes a disposal event for South African tax purposes, which may be subject to CGT or income tax.

7.2 Generally, Shareholders holding shares on capital account should not recognise a capital gain or loss on the basis that the CGT Base Cost of the Demerger Distribution should equal the Demerger Share Value. Such Shareholders shall establish CGT Base Cost in the Demerger Shares and Fractional Entitlements equal to the Demerger Share Value.

7.3 In respect of the sale of a Shareholder's Fractional Entitlements, a capital gain may arise in the hands of the affected Shareholders to the extent that any cash proceeds received on the sale of these Fractional Entitlements exceed the CGT Base Cost of such Fractional Entitlements. The resulting capital gain must be included in the relevant Shareholder's income at the relevant inclusion rate. Conversely, a capital loss may arise in the hands of the affected Shareholders to the extent that any cash proceeds received on the sale of the Fractional Entitlements is less than the CGT Base Cost of such Fractional Entitlements. The resulting capital loss must be noted for tax purposes and can be offset against capital gains realised in the same year of assessment or future capital gains.

8. **Share Consolidation**

8.1 The Share Consolidation should be a tax neutral transaction for the Shareholders. Generally, for Shareholders holding shares on capital account, the Share Consolidation should not constitute a CGT disposal event and accordingly, the Shareholders should not realise a capital gain or loss.

8.2 In respect of the sale of any fractional entitlements to new Anglo American shares, a capital gain or loss may arise in the hands of those affected Shareholders who hold fractional entitlements. The cash proceeds received by the affected Shareholders in respect of the sale of the fractional entitlements to the new Anglo American shares will be reduced by the CGT Base Cost of such fractional entitlements. The resulting capital gain (if any) must be included in that Shareholder's taxable income at the relevant inclusion rate.]

9. The example below illustrates the principles set out above to the extent that a Shareholder is not a South African corporate or tax-exempt institution:

ASSUMPTIONS:

Total Anglo American shares in issue immediately prior to the Demerger	1,337,577,913
Number of Anglo American shares held by Shareholder	5,000,000
Shareholder's percentage shareholding in Anglo American	0.4%
Total Amplats shares available for Demerger	136,262,382
Number of Amplats shares (including Fractional Entitlements) to be transferred to Shareholder	509,362.41
Market value per Amplats share*	R 704.72
Market value of the Demerger Shares	R 96,026,825,843.04

*Closing price on the JSE as at 30 May 2025.

PURELY ILLUSTRATIVE EXAMPLE CALCULATION
1. Receipt of Demerger Distribution

Number of Amplats shares (including Fractional Entitlements) to be transferred to Shareholder	509,362.41
Market value per Amplats share	R 704.72
Market value of Amplats shares to be transferred to Shareholder ("Demerger Distribution Value")	R 358,957,877.93
Income tax @ maximum effective rate of 20%	R 71,791,575.59
Shareholder's CGT Base Cost in the Demerger Distribution	R 358,957,877.93

2. Receipt of Demerger Shares (including Fractional Entitlements) in settlement of the Demerger Distribution

<u>Capital gain / loss on receipt of the Demerger Shares (including Fractional Entitlements)</u>	
Proceeds: Market value of Demerger Shares (including Fractional Entitlements) transferred to Shareholder	R 358,957,877.93
Less: Shareholder's CGT Base Cost in the Demerger Distribution	R 358,957,877.93
	R -
Number of Demerger Shares received	509,362
Number of Fractional Entitlements received	0.41
Shareholder's CGT Base Cost in the Demerger Shares	R 358,957,588.64
Shareholder's CGT Base Cost in Fractional Entitlements	R 289.29
<u>Capital gain / loss on disposal of Fractional Entitlements</u>	
Proceeds: Assumed cash proceeds of R300	R 300.00
Less: Shareholder's CGT Base Cost in the Fractional Entitlements	R 289.29
	R 10.71
Inclusion rate @ 40%	R 4.28
Income tax @ maximum rate of 45%	R 1.93

Please note: The above illustrative calculation does not include the effect of any annual exclusion. Individuals are entitled to an annual exclusion of R40 000 to be applied against the net taxable capital gain, which arises in that individual's hands during a particular year of assessment.

10. The material set out in the paragraphs above is intended as a general guide only and does not constitute tax advice. It is furthermore prepared on the premise that the Shareholders are not employees of the Anglo American group or Amplats group (and are not otherwise subject to a specific tax regime) and will hold the Demerger Distribution, Demerger Shares and Fractional Entitlements on capital account as the absolute beneficial owners thereof. Changes in the law (or the interpretation or application thereof) may alter the tax treatment of the Demerger, as applicable. It is recommended that Shareholders consult their own tax adviser about the consequences of the Demerger in their particular situation.

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