

4 June 2025

UK Anglo American Shareholders' UK tax implications on Demerger

1. With reference to the demerger of 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 UK Anglo American Shareholders (the "**Shareholders**") a summary of certain information relating to the UK tax treatment of the Demerger.
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 Entitlement 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) 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 AA 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 in case (or nominee, as the case may be) according to their individual fractional entitlement.

6. **Receipt of the Demerger Distribution**

- 6.1 The Demerger Distribution should constitute a dividend *in specie* in the hands of the Shareholders for UK income tax purposes. Shareholders within the scope of income tax will generally pay income tax on such receipt at a maximum effective rate of 39.35% of the Demerger Distribution Value.
- 6.2 UK Shareholders who are UK companies or tax-exempt institutions may be exempt from paying corporation tax on receipt of the Demerger Distribution.
- 6.3 UK Shareholders should obtain base cost for UK 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 should constitute a disposal event for UK tax purposes, which may be subject to UK capital gains tax.
- 7.2 Generally, UK Shareholders should not recognise a capital gain or loss on the basis that the CGT Base Cost of the Demerger Distribution should equal the consideration received,

being the Demerger Share Value. Such UK Shareholders should obtain 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 UK Shareholder's Fractional Entitlements, a UK 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, subject to any applicable exemptions or reliefs (including the application of the UK's annual exempt amount which is £3,000 for most individuals for the tax year 2025/2026). Conversely, a UK capital loss may arise in the hands of the affected UK 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.

8. Conversion rate

- 8.1 UK capital gains are required to be calculated in sterling. Where an asset is acquired, or disposed of, in a foreign currency, the gain should be calculated by comparing the sterling value at the date of sale of the sale consideration with the sterling value at the date of acquisition of the acquisition cost.

9. Share Consolidation

- 9.1 Subject to the arrangements concerning fraction entitlements to new Anglo American shares (discussed below), the Share Consolidation should be a tax neutral reorganisation for UK Shareholders. Accordingly, the Share Consolidation should not constitute a UK capital gains tax disposal event and UK Shareholders should not realise a UK capital gain or loss.
- 9.2 In respect of the sale of any fractional entitlements to new Anglo American shares, a UK capital gain or loss may arise in the hands of those affected UK Shareholders who hold fractional entitlements. Such UK gain or loss will be calculated by reference to 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 (subject to any applicable exemptions or reliefs (including the application of the UK's annual exempt amount which is £3,000 for most individuals for the tax year 2025/2026)).
10. The example below illustrates the principles set out above to the extent that a UK Shareholder is within the scope of UK income tax and capital gains tax:

ASSUMPTIONS:			
Total Anglo American shares in issue immediately prior to 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	
Rand/GBP exchange rate applicable to transaction	R	24.21	£ 1.00
*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	£ 29.11
Market value of Amplats shares to be transferred to Shareholder (" Demerger Distribution Value ")	R	358,957,877.93	£ 14,826,843.37
Income tax @ maximum effective rate of 39.35%	R	141,249,924.97	£ 5,834,362.87
Shareholder's CGT Base Cost in the Demerger Distribution	R	358,957,877.93	£ 14,826,843.37
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	£ 14,826,843.37
<u>Less: Shareholder's CGT Base Cost in the Demerger Distribution</u>	R	358,957,877.93	£ 14,826,843.37
	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	£ 14,826,831.42
Shareholder's CGT Base Cost in Fractional Entitlements	R	289.29	£ 11.95
<u>Capital gain/loss on disposal of Fractional Entitlements</u>			
Proceeds: Assumed case proceeds of R300	R	300.00	£ 12.39
<u>Less: Shareholder's CGT Base Cost in the Fractional Entitlements</u>	R	289.29	£ 11.95
	R	10.71	£ 0.44
CGT @ maximum rate of 24%	R	2.57	£ 0.11
Please note: The above illustrative calculation does not include the effect of any annual exclusion. Individuals are entitled to an annual exempt amount of £3,000 (for the tax year 2025/2026) to be applied against the net taxable capital gain, which arises in that individual's hands during a particular year of assessment.			

11. 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.