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If you sell or transfer or have sold or otherwise transferred all of your Anglo American Shares (or beneficial entitlement to such Anglo American Shares), please send this Circular and accompanying documents (but not the personalised Forms of Proxy) as soon as possible to the purchaser or transferee, or to the stockbroker, bank, CSDP or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this Circular should not be forwarded, distributed or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold part of your holding of Anglo American Shares, please retain this Circular and contact immediately the bank, stockbroker, CSDP or other agent through whom the sale or transfer was effected.

This Circular does not constitute a prospectus or prospectus equivalent document. This Circular does not constitute an offer or an invitation to any person to subscribe for or to purchase any securities in Anglo American plc or Thungela Resources Limited.



ANGLO AMERICAN PLC

Incorporated in England and Wales with registered number 03564138

LSE share code: AAL

JSE share code: AGL

ISIN: GB00B1XZS820

LEI: 549300S9XF92D1X8ME43

Recommended proposals for the Demerger of Thungela Resources Limited

Circular to Anglo American Shareholders including a scheme of arrangement under Part 26 of the UK Companies Act 2006 and Explanatory Statement under section 897 of the UK Companies Act 2006 and Notices of General Meeting and Court Meeting

The Thungela Shares have not been, and will not be, registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Thungela Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The Thungela Shares to be transferred in connection with the Demerger will be transferred in reliance on the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof. Anglo American Shareholders who are "affiliates" (within the meaning of Rule 405 of the US Securities Act) of Anglo American or Thungela as at the Demerger Effective Time will be subject to certain United States transfer restrictions relating to the Thungela Shares received in connection with the Demerger. Reference should also be made to paragraph 12 of Part IV (*Explanatory Statement*) of this Circular.

The Thungela Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or determined the adequacy or accuracy of the information contained in this Circular. Any representation to the contrary is a criminal offence in the United States.

The availability of the Thungela Shares to persons who are not resident in the UK, the United States or South Africa may be affected by the laws of the relevant jurisdiction in which they are located. The Thungela Shares have not been, and will not be, registered under the applicable securities laws of any such jurisdiction. Therefore, persons who are not resident in the UK, the United States or South Africa should inform themselves of, and observe, any applicable requirements. Accordingly, the Thungela Shares may not be offered, sold, delivered or transferred, directly or indirectly, in, into or from any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction or to or for the account or benefit of any national, resident or citizen of any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction.

This Circular should be read as a whole. In addition, this Circular should be read in conjunction with the enclosed blue and yellow Forms of Proxy. Definitions for capitalised terms used in this Circular are set out in Part XII (*Definitions and Glossary*) of this Circular. Your attention is drawn to the letter from the Chairman of Anglo American which is set out in Part I (*Letter from the Chairman of Anglo American*) of this Circular and which contains the recommendation of the Directors that you vote in favour of the Demerger Resolution to be proposed at the General Meeting and in favour of the Scheme at the Court Meeting referred to below. An Explanatory Statement explaining the Scheme and the Demerger is set out in Part IV of this Circular.

Your attention is also drawn to Part V (*Risk Factors*) of this Circular, which sets out and describes certain risks that Anglo American Shareholders should consider carefully when deciding whether or not to vote in favour of the Demerger Resolution to be proposed at the General Meeting and in favour of the Scheme at the Court Meeting.

Notices of the General Meeting and the Court Meeting are set out in Part XIII (*Notice of General Meeting*) and Part XIV (*Notice of Court Meeting*), respectively, of this Circular. Each of the General Meeting and Court Meeting are to be formally held at 20 Carlton House Terrace, London, SW1Y 5AN on Wednesday, 5 May 2021. The General Meeting will start at 5.00 p.m. (or as soon thereafter as the AGM shall have concluded or been adjourned) and the Court Meeting will start at 5.15 p.m. (or as soon thereafter as the General Meeting shall have concluded or been adjourned). Due to the current UK government restrictions in place in respect of COVID-19, the General Meeting and the Court Meeting will be held as closed physical meetings with Anglo American Shareholders requested not to attend. In line with the AGM to be held on the same day as the General Meeting and the Court Meeting, certain electronic facilities will be put in place, by way of a webcast and online question platforms to allow Anglo American Shareholders to see and hear the proceedings of the General Meeting and the Court Meeting, and to ask questions. Further, Anglo American Shareholders will be able to submit questions in advance of the General Meeting and the Court Meeting. Further details on how to access the webcast and how Anglo American Shareholders can submit their questions in advance are set out in Part II (*Actions to be taken*) of this Circular.

The actions to be taken in respect of the Meetings are set out in Part II (*Actions to be taken*) of this Circular. A blue Form of Proxy for use by Anglo American Shareholders in connection with the General Meeting and a yellow Form of Proxy for use by Anglo American Shareholders in connection with the Court Meeting are enclosed with this Circular.

In addition, CREST members may use the CREST electronic proxy appointment service. Details of the CREST electronic appointment method are found in the Notice of General Meeting set out at the end of this Circular.

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GENERAL INFORMATION

FORWARD-LOOKING STATEMENTS

This Circular may include certain forward-looking statements, beliefs or opinions, including statements with respect to the Anglo American Group's or the Thungela Group's business, financial condition and results of operations. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These statements are made by the Directors in good faith based on the information available to them at the date of this Circular and reflect the Directors' beliefs and expectations. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, developments in the global economy, changes in regulation and government policies, spending and procurement methodologies, currency fluctuations, a failure in the Anglo American Group's or the Thungela Group's health, safety or environmental policies and other factors.

No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this Circular speak only as of their respective dates, reflect the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Anglo American Group's or the Thungela Group's operations and growth strategy. You should specifically consider the factors identified in this Circular which could cause actual results to differ before making any decision in relation to the Demerger. Subject to the requirements of the FCA, the LSE, the UK Listing Rules and the UK Disclosure Guidance and Transparency Rules (and/or any regulatory requirements) or applicable law, Anglo American explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this Circular that may occur due to any change in Anglo American's expectations or to reflect events or circumstances after the date of this Circular.

No statement in this Circular is or is intended to be a profit forecast or to imply that the earnings of Anglo American or Thungela for the current or future financial years will necessarily match or exceed the historical or published earnings of Anglo American or Thungela.

Any information contained in this Circular on the price at which shares or other securities in Anglo American have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance.

PUBLICATION ON WEBSITE AND AVAILABILITY OF HARD COPIES

A copy of this Circular is and will be available for inspection on Anglo American's website at www.angloamerican.com/products/thermal-coal/demerger from the time this Circular is published until the conclusion of the Meetings.

In particular, information on or accessible through the Anglo American's website at www.angloamerican.com and through Thungela's website at www.thungela.com does not form part of and is not incorporated into this Circular, unless specifically stated otherwise.

If you have received this Circular in electronic form, you may request a hard copy of this Circular by contacting the relevant Registrars, of which details are set out below.

UK Registrar, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, or between 8:30 a.m. and 5:30 p.m., Monday to Friday (excluding English and Welsh public holidays), on 0371 384 2414 from within the UK or on +44 371 384 2414 if calling from outside the UK (calls from outside the UK will be charged at the applicable international rate), with your full name and the full address to which the hard copy may be sent (calls may be recorded and monitored for training and security purposes).

SA Transfer Secretary, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 South Africa, or between 8:00 a.m. and 4:30 p.m. (South Africa time), Monday to Friday (excluding South African public holidays), on +27 (0) 11 3705 000, with your full name and the full address to which the hard copy may be sent (calls may be recorded and monitored for training and security purposes).

PRESENTATION OF FINANCIAL INFORMATION

Percentages in tables may have been rounded and accordingly may not add up to 100 per cent. Certain financial data has been rounded and, as a result of this rounding, the totals of data presented in this Circular may vary slightly from the actual arithmetic totals of such data.

References to "£" are to the lawful currency of the United Kingdom.

References to "\$", "US dollars" or "US cents" are to the lawful currency of the United States of America.

References to "Rand" are to the lawful currency of the Republic of South Africa.

REFERENCES TO TIME

All references to time in this Circular are to London time unless otherwise stated.

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PART I
LETTER FROM THE CHAIRMAN OF ANGLO AMERICAN

(incorporated in England and Wales with registered number 03564138)

20 Carlton House Terrace, London, SW1Y 5AN

8 April 2021

To Anglo American Shareholders and, for information only, participants in the Anglo American Share Plans and persons with information rights

Dear Anglo American Shareholder

Recommended Proposals for Demerger

1 Introduction

Anglo American is a leading diversified global mining company and its products are the essential ingredients in almost every aspect of modern life. Anglo American's portfolio of world-class mining and processing operations provides many of the metals and minerals that are fundamental to the transition to a low carbon economy and enables a cleaner, greener, more sustainable world, as well as meeting the growing consumer-driven demands of developed and maturing economies. With its people at the heart of its business, Anglo American uses innovative practices and the latest technologies to mine, process, move and market its products to its customers – and to discover new resources – safely and sustainably.

For a number of years, Anglo American has been reducing its thermal coal production footprint, including through the sale of a number of its operations in South Africa and Australia between 2015 and 2018, ensuring a responsible transition that takes care to consider the needs of its employees, host communities and other stakeholders, while also continuing to nurture assets through appropriate investment.

Anglo American's thermal coal operations in South Africa (the "**SAT Coal Operations**") constitute a strong and attractive business with high quality well-located assets and with access to established export infrastructure. The SAT Coal Operations provide a wide range of economic and social benefits for host communities and for South Africa, including significant employment, tax revenues, export earnings, and the provision of many essential community services.

Given the significant scale and diversification of Anglo American and the capital allocation options it has across its global portfolio – combined with Anglo American's overall trajectory towards those products that enable a low carbon economy and that support global consumer demand – Anglo American believes that the prospects of the SAT Coal Operations will be best served under different ownership.

On 7 May 2020, Anglo American confirmed that as part of this process, it was working towards the demerger of the SAT Coal Operations as its likely preferred exit option.

The separation will be implemented by way of a transfer of the SAT Coal Operations to a new holding company, Thungela Resources Limited ("**Thungela**"), incorporated in South Africa. Thungela will subsequently be demerged to Anglo American Shareholders. Thungela is expected to have a primary listing on the Johannesburg Stock Exchange ("**JSE**") and a standard listing on the London Stock Exchange ("**LSE**").

The Anglo American Board believes that the Demerger will underpin the creation of enhanced value for Anglo American Shareholders by maximising the potential performance of both the Anglo American Group and the SAT Coal Operations, as compared to their position if they

continued to operate together within the Anglo American Group. The Demerger is expected to enhance returns for Anglo American Shareholders by enabling Anglo American to further focus its portfolio and capital allocation while enabling Thungela to continue to play an important role as a responsible miner of thermal coal, providing access to a reliable and affordable energy resource while recognising society's needs and environmental expectations and the vital role that many mines play in their local communities.

In this Circular:

- (a) full details of the Proposals to implement the Demerger and certain related steps are provided;
- (b) your support to vote in favour of the Proposals is sought; and
- (c) the reasons why Anglo American's Board unanimously supports and recommends that you vote in favour of the Proposals is explained.

Details of the specific actions you need to take to vote on the Demerger can be found in Part II (*Actions to be taken*) of this Circular.

100% of the issued share capital of Thungela will be transferred to Anglo American Shareholders through the Demerger, subject to the terms set out in Part VIII (*Shareholder Participation in the Demerger*) of this Circular.

The Demerger requires both Anglo American Shareholder approval and Court approval.

If the Demerger is approved, Anglo American Shareholders will receive one Thungela Share for every ten Anglo American Shares that they hold and will retain their existing shareholding in Anglo American.

If the number of Anglo American Shares held is not divisible by ten, an entitlement to a fraction of a Thungela Share will arise. For example, if an Anglo American Shareholder holds fifteen Anglo American Shares at the Demerger Record Time (expected to be 6.30 p.m. (London time) on Friday, 4 June 2021), the Anglo American Shareholder will receive one Thungela Share, plus an entitlement to a $\frac{1}{2}$ fraction of a Thungela Share. Where individual fractional entitlements to Thungela Shares arise on the Demerger, the relevant Anglo American Shareholder will be entitled to receive a cash equivalent to the fraction, as is more fully described in paragraph 3.1 of Part IV (*Explanatory Statement*) of this Circular.

If Anglo American Shareholders sell or otherwise transfer their Anglo American Shares before the Demerger Record Time, they will not receive any Thungela Shares.

The Anglo American Shareholder meetings to approve the Demerger (the General Meeting and the Court Meeting) will be held on Wednesday, 5 May 2021. The Court will consider the Scheme at a hearing on Wednesday, 26 May 2021. If the Demerger is approved by the Anglo American Shareholders at the General Meeting and the Court Meeting and by the Court, admission of the Thungela Shares to the JSE is expected to take place at 9.00 a.m. (South Africa time) on Monday, 7 June 2021 and to the standard segment of the LSE at 8.00 a.m. (London time) on Monday, 7 June 2021.

2 Background to and reasons for and effects of the Demerger

2.1 Background

On 7 May 2020, Anglo American confirmed that it was working towards the demerger of the SAT Coal Operations as its likely preferred exit option. The Proposals represent the next step in Anglo American's move away from thermal coal production, which involves a responsible transition that takes care to consider the Anglo American Group's employees, host communities and other stakeholders of the SAT Coal Operations.

The Anglo American Board considers that, given the scale and breadth of the Anglo American Group's business and the capital allocation options available across the Anglo American Group's global portfolio – combined with the overall trajectory of the business towards products that enable a low carbon economy and that support global consumer demand – the prospects of the SAT Coal Operations would be best served under different ownership.

2.2 **Benefits for Anglo American**

The Anglo American Board considers that the Demerger will enable the Anglo American Group to focus its capital allocation on areas of its global portfolio that support its strategic trajectory. The Anglo American Board considers that the pursuit of alternative capital allocation options for the SAT Coal Operations is in the best interests of Anglo American and Anglo American Shareholders as a whole.

Although the SAT Coal Operations are no longer considered part of the Anglo American Group's long term strategy, the Anglo American Board believes that the Anglo American Group has a crucial role to play, as a leading global mining company, to promote and abide by a responsible transition. The Anglo American Board believes that Thungela will be a responsible steward of the assets comprising the SAT Coal Operations, recognising societal needs, environmental expectations and the vital role that many mines play in their local communities. The Demerger is consequently Anglo American's preferred exit option with respect to the SAT Coal Operations, as the Proposals align with the Anglo American Group's intention relating to the ongoing responsible management of the SAT Coal Operations under different ownership.

2.3 **Benefits for the SAT Coal Operations**

The SAT Coal Operations provide a wide range of economic and social benefits for host communities and governments, including significant employment, tax revenues, export earnings, and the provision of many essential community services. As set out in the Thungela PLS / Prospectus, the Thungela Board believes that the assets comprising the SAT Coal Operations are well-positioned to continue operating and benefit from a range of potentially attractive life extension options at the sites of its existing operations, including optimising production and extending the lives of its operations by leveraging existing infrastructure and processing facilities. As such, the Thungela Board believes that Thungela will be well placed to benefit from the expected and ongoing strong demand outlook for thermal coal – in 2020, 35% of global power generation came from thermal coal.

Following the Demerger, and as part of the Anglo American Group's responsible approach to its divestment of the SAT Coal Operations, the Anglo American Group's marketing business will continue to support Thungela in the sale and marketing of its products for a three-year period (with an additional six-month transitional period) through the Offtake Agreement. This transitional arrangement ensures that customers receive a consistent service and supply of thermal coal while Thungela concentrates on enhancing the performance of its operations while continuing to receive optimal value for its products in the market. The initial three-year term, and the additional six-month roll-off period, also provide time for Thungela to build its own global marketing capabilities should it choose to do so. Anglo American has committed to provide and transfer appropriate sales and marketing knowledge and skills to the Thungela Group's sales and marketing team over a six-month period at the end of the term of the Offtake Agreement. For further information on the Offtake Agreement, please refer to paragraph 5.4 of Part IV (*Explanatory Statement*) of this Circular.

The Thungela Group's organisational structure is transitioning from operating under the structure of a listed and diversified global company, to operating as a fit-for-purpose

standalone organisation focused on efficiency and maintaining an appropriate cost structure. The Demerger will provide Thungela with autonomy to implement its own strategy and will allow the Thungela Board to focus on pursuing and allocating capital to Thungela's business strategy as an independent company. The SAT Coal Operations will further benefit from Thungela's experienced and diverse management team that has committed to: (i) establishing a robust environmental, social and governance policy; (ii) improving the productivity and optimising the cost structure of its existing operations; (iii) nurturing existing assets to ensure a pipeline of life-of-mine extending investment opportunities; and (iv) creating strong alignment with investors through a transparent capital allocation framework and dividend policy, in order to optimise value from the SAT Coal Operations for all stakeholders.

The Demerger will allow Thungela to pursue its own investment strategy without the constraint of competing for capital within the Anglo American Group, which has broader strategic priorities (as described in paragraph 2.1 above). The Demerger will allow Thungela to have independent access to shareholder capital and clearer control over its destiny. The Anglo American Board considers that a separate listing for Thungela, with the ability to independently access capital in support of its strategic objectives, is in the best interests of the SAT Coal Operations and its stakeholders, including employees, its host communities, and South Africa as a whole.

2.4 Benefits for Anglo American Shareholders

The Anglo American Board believes that implementing the Demerger provides greater clarity and focus for the Anglo American Group and the SAT Coal Operations, enabling them to concentrate on their respective strategies, which is expected to enhance the long-term prospects of both businesses for the benefit of Anglo American Shareholders, employees, host communities and other stakeholders.

The Anglo American Board also believes that Anglo American Shareholders are likely to benefit from value creation over the medium term through direct ownership of two separately listed companies as the businesses successfully deliver on their respective strategies.

The Proposals recognise the diverse range of views held by Anglo American Shareholders in relation to thermal coal and therefore provide Anglo American Shareholders, including those with specified investment criteria, with the choice to act on such views and, following the Demerger, to either retain, increase or decrease their interests in Thungela. The proposals also allow Thungela to attract new shareholders and to access new sources of capital as an independent company offering direct exposure to thermal coal.

In taking the decision to separate the SAT Coal Operations, the Anglo American Board considered the importance of the Anglo American Group's businesses to South Africa, and the Anglo American Group's longstanding clear commitment to South Africa and its development. The Anglo American Group is, and will remain following the Demerger, the largest mining company in South Africa and the largest investor in the South African mining industry. Thungela will have a primary listing on the JSE and a standard listing on the LSE.

3 Information on Thungela

3.1 General

Following the Demerger, the Thungela Group will be one of the largest pure-play producers and exporters of thermal coal in South Africa based on aggregate thermal coal reserves and marketable thermal coal production. The Thungela Group owns interests in, and produces its thermal coal predominantly from seven mining operations,

namely Goedehoop, Greenside, Isibonelo, Khwezela, AAIC (operating the Zibulo colliery), Mafube Coal Mining (operating the Mafube colliery) and Butsanani Energy (operating the Rietvlei colliery) which consist of both underground and open cast mines located in the Mpumalanga province of South Africa. The Thungela Group's operations are amongst the highest quality thermal coal mines in South Africa by calorific value.

Further information on Thungela is provided in Part VI (*Information on Thungela*) and Part VII (*Financial Information on Thungela*) of this Circular.

3.2 Dividend policy

Thungela's dividend policy is to target a dividend pay-out of a minimum of 30% of the cashflows from operating activities after funding sustaining capital expenditure. The Thungela Board is committed to delivering attractive shareholder returns, while maintaining disciplined capital allocation. Therefore, in any given financial year, Thungela might declare dividends above the targeted minimum 30% pay-out ratio, subject to the Thungela Board being satisfied that subsequent to the dividend declaration, Thungela has adequate balance sheet flexibility and sufficient funding available to withstand market and coal price volatility.

It is expected that the targeted dividend pay-out policy will be applied consistently to first half and full year results in determining the interim and final dividends respectively. Thungela's first dividend following Admission is expected to be a final dividend for the six month period ending 31 December 2021, declared at the time of Thungela's full year results in early 2022, in line with Thungela's dividend policy.

4 Details of the Demerger

4.1 Overview of the Demerger

The overall effect of the Demerger is to transfer ownership of Thungela (a South African entity incorporated specifically to act as a holding company for the SAT Coal Operations) from Anglo American to Anglo American Shareholders, and for Thungela to have a primary listing on the main board of the JSE and to be admitted to the standard listing segment of the UK Official List and admitted to trading on the LSE's main market.

This, together with certain ancillary actions, will be implemented through the separation of Thungela from Anglo American by way of a reduction of capital demerger implemented through a Court sanctioned process known as a scheme of arrangement, pursuant to which the Company will transfer the entire issued share capital of Thungela to Anglo American Shareholders on a pro rata basis. These steps will only be implemented if the requisite approvals, including approval by Anglo American Shareholders, are obtained.

In preparation for the Demerger, various internal reorganisation steps have been undertaken in order to consolidate the SAT Coal Operations under a single operating entity, SACO. The Thungela Group believes that its employees and local communities are key stakeholders in SACO and as such, they should have a direct stake in the future success of SACO. Therefore, as part of the internal reorganisation, provision has been made for both an employee partnership plan and a community partnership plan to each hold a 5% interest in the issued share capital of SACO. The final steps of the internal restructuring involves the transfer of the remaining 90% of the issued share capital of SACO to Thungela, which shall be followed by the transfer of Thungela such that it will be held directly by Anglo American (rather than another entity in the Anglo American Group), prior to the Demerger Effective Time. These final steps will only be implemented if the requisite approvals, including approval by Anglo American Shareholders, are obtained.

Following completion of the Demerger, 100% of the issued share capital of Thungela will be held by Anglo American Shareholders. Each Anglo American Shareholder will also retain their shareholding in Anglo American.

4.2 Listings and index inclusion

Thungela is incorporated in South Africa and application will be made for the Thungela Shares to have a primary listing on the main board of the JSE and to be admitted to the standard listing segment of the UK Official List and admitted to trading on the LSE's main market.

Index inclusion as a result of Admission will be determined by the index providers' specific rules. It is expected that the indices in which Thungela will be included will be announced shortly before the date of Admission and that these will likely include JSE All Share, JSE SWIX All Indices, FTSE/JSE SA Mid Cap Index, FTSE/JSE SA Resources Index and FTSE/ JSE Oil, Gas and Coal Index but there can be no certainty of this as at the date of this Circular.

4.3 Conditionality of the steps in the implementation of the Demerger

The requisite approval for the Demerger has been obtained from the Financial Surveillance Department of the South Africa Reserve Bank, on terms and subject to conditions customary to international transactions of this nature.

Full details of the conditions to Admission, the Scheme and other parts of the Proposals are set out in paragraph 4 of Part IV (*Explanatory Statement*) of this Circular.

5 Governance

5.1 Anglo American Board

It is expected that all of the Directors will remain on the Anglo American Board upon completion of the Demerger.

Further information on the composition of the Anglo American Board is set out in paragraph 1.1 of Part XI (*Additional Information*) of this Circular.

5.2 Thungela Board

The Thungela Board will comprise Sango Ntsaluba as independent Non-Executive Chair, July Ndlovu as Chief Executive Officer, Deon Smith as Chief Financial Officer, Kholeka Mzondeki as Chair of the Thungela Audit Committee, Ben Kodisang and Thero Setiloane as Independent Non-Executive Directors and Seamus French as a Non-Executive Director.

Further information on the Thungela Board is set out in paragraph 1.2 of Part XI (*Additional Information*) of this Circular.

6 Financial effects of the Demerger

The gross assets of Thungela that are the subject of the Demerger were valued at \$1,294.5 million as at 31 December 2020. For the year ended 31 December 2020, no profits were attributable to the SAT Coal Operations.

The Demerger will therefore have a dilutive effect on the Anglo American Group's assets. However, as set out in paragraphs 2.1 and 2.2 above, the Anglo American Board considers that the Demerger will enable the Anglo American Group to focus its capital allocation on supporting its strategic trajectory while enabling Thungela to achieve its optimal potential and value as an independent business.

7 Impact on Anglo American Shareholders

Following the implementation of the Demerger, Anglo American Shareholders will retain their shareholdings in Anglo American and receive one Thungela Share for every ten Anglo American Shares held, such that they will hold shares in two publicly listed companies which the Anglo American Board considers will have enhanced long-term prospects as a result of the Demerger.

Information in relation to certain tax consequences of the Demerger relevant to Anglo American Shareholders who are resident for tax purposes in the UK, the United States or South Africa is contained in Part IX (*Taxation*) of this Circular.

8 Actions to be taken by Anglo American Shareholders

The actions required from Anglo American Shareholders are set out in Part II (*Actions to be taken*) of this Circular.

9 Anglo American Shareholder and Court approvals required

In order for the Demerger to be finalised, Anglo American Shareholder approval will be sought at a general meeting of Anglo American, which will be followed by a separate meeting of Anglo American Shareholders convened pursuant to an order of the Court in respect of the Demerger. Although it is convened pursuant to an order of the Court, the Court Meeting is similar in format to any other shareholder meeting of Anglo American.

A detailed description of the Demerger is set out in Part IV (*Explanatory Statement*) of this Circular. The Demerger can only be finalised if it receives sufficient support from Anglo American Shareholders at each of the Meetings.

The General Meeting and the Court Meeting will be held on the same day as the AGM. The AGM will be held on Wednesday 5 May 2021, at 2.30 p.m. (London time). Further details on the AGM are set out in the notice available on the Anglo American website at www.angloamerican.com/investors/shareholder-information/aggm/aggm2021.

Notices convening the General Meeting and the Court Meeting at which the approvals for the implementation of the Demerger will be sought from the Anglo American Shareholders are set out in Part XIII (*Notice of General Meeting*) and Part XIV (*Notice of Court Meeting*) of this Circular. Both Meetings will be held on Wednesday, 5 May 2021, with the General Meeting beginning at 5.00 p.m. (London time) (or, if later, immediately following the conclusion or adjournment of the AGM) and the Court Meeting beginning at 5.15 p.m. (London time) (or, if later, immediately following the conclusion or adjournment of the General Meeting). Both Meetings will be formally held at 20 Carlton House Terrace, London, SW1Y 5AN. Further details on the arrangements in respect of the General Meeting and the Court Meeting, particularly in respect of the latest UK government guidance in relation to COVID-19, is set out in Part II (*Actions to be taken*) of this Circular. Unfortunately, following guidelines announced by the UK government on 22 February 2021 in respect of COVID-19, the General Meeting and the Court Meeting will be held as closed physical meetings with Anglo American Shareholders requested not to attend. As a result, physical attendance at the General Meeting and the Court Meeting will be limited to the minimum number required to form a quorum (which will be facilitated by Anglo American).

The Scheme Court Hearing, at which the Court will be asked to sanction the Scheme and confirm the reduction of capital required to effect the Demerger pursuant to the UK Companies Act, is expected to be held on Wednesday, 26 May 2021.

10 Additional information

Anglo American Shareholders should read the whole of this Circular and not rely solely on information summarised in this letter.

10.1 Risk Factors

Your attention is drawn to the risk factors set out in Part V (*Risk Factors*) of this Circular. Anglo American Shareholders should consider fully and carefully the risk factors relating to Thungela and the Thungela Shares, some of which Anglo American Shareholders are already exposed to in respect of their current shareholding in Anglo American.

10.2 Investment Companies

Epoch Investment Holdings (RF) Proprietary Limited, Epoch Two Investment Holdings (RF) Proprietary Limited and Tarl Investment Holdings (RF) Proprietary Limited (collectively, the "**Investment Companies**") are independent companies owned by charitable trusts which were established to purchase Anglo American Shares as part of Anglo American's 2006 share buyback programme. As a result, the Investment Companies own approximately 8.8% of the Anglo American Shares. The Anglo American Shares held by the Investment Companies are treated as if they were treasury shares.

The Investment Companies have waived their right to vote all of the Anglo American Shares they hold or will hold and so will not vote on the Demerger Resolution at the General Meeting. The Investment Companies will also be excluded from voting on the Scheme at the Court Meeting.

The Investment Companies will receive Thungela Shares (constituting approximately 8.8% of the issued share capital of Thungela) pursuant to the Demerger, in the same way as the other Anglo American Shareholders. Subject to market conditions, it is expected that the Investment Companies will dispose of their interest in the Thungela Shares over time and in a responsible manner – it is not intended that any such disposal will take place in the first six months following Admission. Anglo American also intends to utilise certain of the Thungela Shares received by the Investment Companies to satisfy the retention awards made to the Thungela Chief Executive Officer and Chief Financial Officer as set out in paragraph 10.3.2 below.

10.3 Share Plans

10.3.1 Treatment of awards under the Anglo American Share Plans

Information on the effect of the Demerger on the Anglo American Share Plans is set out in paragraph 9 of Part IV (*Explanatory Statement*) of this Circular.

If you are a participant in any of the Anglo American Share Plans, you will be sent a separate letter explaining the implications of the Proposals for your awards and what action, if any, you need to take.

10.3.2 Retention arrangements for the Thungela Executive Directors

In order to incentivise, reward and retain the Thungela Group's Chief Executive Officer and Chief Financial Officer in preparing for the Demerger, Anglo American has granted a retention award to the Thungela Group's Chief Executive Officer over Thungela Shares equal to 0.33% of the issued share capital of Thungela as at Admission and a retention award to the Thungela Group's Chief Financial Officer over Thungela Shares equal to 0.17% of the issued share capital of Thungela as at Admission. These retention awards are contingent on the recipient remaining in employment with the Anglo American Group until the Demerger Effective Time. Where such condition is satisfied, Anglo American will, subject to any necessary arrangements in connection with any tax liabilities that arise in connection with the awards, procure the transfer of the relevant number of Thungela Shares by the Investment

Companies to the recipient shortly following Admission. No amount is payable by the recipient pursuant to the award.

10.3.3 **New Thungela Share Plan**

It is intended that Thungela will adopt, with effect from completion of the Demerger, a long-term share incentive plan to attract, retain, incentivise and reward certain employees (the “**Thungela Share Plan**”). A summary of the Thungela Share Plan is set out at paragraph 10 of Part IV (*Explanatory Statement*) of this Circular. The proposed salient features of the Thungela Share Plan are detailed in Annexe 10 of the Thungela PLS / Prospectus.

10.4 **Taxation**

Anglo American Shareholders should read Part IX (*Taxation*) of this Circular, which provides a general description of certain tax consequences of the Demerger relevant to Anglo American Shareholders who are resident for tax purposes in the UK, South Africa and the United States. **If you are in any doubt as to your tax position, you should contact your professional adviser immediately.**

10.5 **Overseas Shareholders**

If you are a citizen, resident or national of a jurisdiction outside the UK or South Africa, your attention is drawn to paragraph 12 of Part IV (*Explanatory Statement*) of this Circular for further details concerning the Demerger.

10.6 **Explanatory Statement**

Your attention is drawn to the letter set out in Part IV (*Explanatory Statement*) of this Circular which gives further details about the Demerger, the terms of the Scheme which are set out in full in Part X (*Scheme of Arrangement*) of this Circular, the additional information set out in Part XI (*Additional Information*) of this Circular and the definitions in Part XII (*Definitions and Glossary*) of this Circular. Please note that the information contained in this letter is not a substitute for reading the remainder of this Circular.

11 **Recommendation**

The Anglo American Board unanimously considers the Demerger to be in the best interests of Anglo American and the Anglo American Shareholders as a whole and recommends that you vote in favour of the Demerger Resolution to be proposed at the General Meeting and the Scheme at the Court Meeting, as the Anglo American Board intends to do in respect of their own beneficial holdings, by completing, signing and returning the Forms of Proxy as soon as possible and, in any event, by no later than 5.00 p.m. (London time) on Friday, 30 April 2021 for the General Meeting and 5.15 p.m. (London time) on Friday, 30 April 2021 for the Court Meeting.

Yours sincerely

Stuart Chambers
Chairman

PART II ACTIONS TO BE TAKEN

What you need to do in respect of the Meetings

1 **Read this Circular in full**

You should read this Circular in full before making any decision on how to vote on the Demerger Resolution at the General Meeting or the Scheme at the Court Meeting. This Circular sets out the advantages, disadvantages and risks of the Proposals.

If you are a participant in any of the Anglo American Share Plans, you will be sent a separate letter explaining the implications of the Demerger for your awards and what action, if any, you need to take.

2 **Consider, complete and return Forms of Proxy**

Unfortunately, following guidelines announced by the UK government on 22 February 2021 in respect of COVID-19, the General Meeting and the Court Meeting will be held as closed physical meetings with Anglo American Shareholders requested not to attend. As a result, physical attendance at the General Meeting and the Court Meeting will be limited to the minimum number required to form a quorum (which will be facilitated by Anglo American).

It is important that all Anglo American Shareholders do still cast their votes in respect of the business of the Meetings. **Anglo American encourages all Anglo American Shareholders to complete and return the Forms of Proxy appointing the Chairman of the General Meeting and the Court Meeting, as proxy.** This will ensure that your vote will be counted irrespective of attendance restrictions.

Voting at the Court Meeting shall remain open for 30 minutes following the conclusion of any questions and responses raised at the Court Meeting. Anglo American Shareholders shall be able to change their proxy instruction if they so wish during this 30 minute period. Anglo American Shareholders shall be able to change their proxy instruction in respect of the Court Meeting by sending an email to the UK Registrar at proxyvotes@equiniti.com, provided that the email is received by the UK Registrar within this 30 minute period.

(a) **Certificated and CREST**

If you are an Anglo American Shareholder who holds Anglo American Shares in Certificated Form or through CREST and you have elected to receive a hard copy of documents from Anglo American, you will find enclosed:

- a blue Form of Proxy, for use in connection with the General Meeting; and
- a yellow Form of Proxy, for use in connection with the Court Meeting.

Anglo American Shareholders who are CREST members may use the CREST electronic proxy appointment service in accordance with the procedures set out in the notice for the General Meeting and the Court Meeting.

You are requested to complete and return the Forms of Proxy (blue, in connection with the General Meeting, and yellow, in connection with the Court Meeting) in accordance with the instructions printed thereon and as set out in the Notice of General Meeting in Part XIII (*Notice of General Meeting*) of this Circular and the Notice of Court Meeting in Part XIV (*Notice of Court Meeting*) of this Circular.

Completed forms should be sent:

In the case of Anglo American Shareholders who hold Anglo American Shares in Certificated Form on the UK Register:

By post to:

Equiniti Limited

Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA

By hand to:

Equiniti Limited

Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA

In the case of Anglo American Shareholders who hold Anglo American Shares in Certificated Form on the SA Register:

By post to:

Computershare Investor Services Proprietary Limited

Private Bag X9000, Saxonwold, 2132, South Africa

By hand to:

Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 South Africa

Completed Forms of Proxy sent by post are sent at the risk of the Anglo American Shareholder and Anglo American Shareholders should take note of postal delivery times so as to ensure that the Forms of Proxy are received by the SA Transfer Secretary and/or the UK Registrar (as the case may be) promptly.

If you hold your Anglo American Shares in Uncertificated Form through CREST, you may appoint a proxy using the CREST voting service in accordance with the procedures set out in the CREST Manual (please also refer to the notes for the notices of the General Meeting and the Court Meeting (as applicable) set out in Part XIII (*Notice of General Meeting*) and Part XIV (*Notice of Court Meeting*), respectively, of this Circular).

Proxy appointments, whether by Form of Proxy or through CREST (under CREST participant RA19), must be received by the UK Registrar by no later than 5.00 p.m. on Friday, 30 April 2021 in the case of the General Meeting and by no later than 5.15 p.m. on Friday, 30 April 2021 in the case of the Court Meeting (or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a business day) prior to the time and date set for the adjourned meeting).

(b) Dematerialised Anglo American Shareholders on the SA Register

Anglo American Shareholders on the SA Register who have dematerialised their Anglo American Shares must NOT complete the Forms of Proxy (blue and yellow) but instead must provide their CSDP or broker with their voting instructions. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of the mandate furnished to them by you.

(c) Dematerialised "own-name" Anglo American Shareholders on the SA Register

"Own-name" dematerialised Anglo American Shareholders are requested to complete and return the Forms of Proxy (blue, in connection with the General Meeting, and yellow, in connection with the Court Meeting) in accordance with the instructions printed thereon and as set out in the Notice of General Meeting in Part XIII (*Notice of General Meeting*) of this Circular and the Notice of Court Meeting in Part XIV (*Notice of Court Meeting*) of this Circular. The completed Forms of Proxy should be sent to the addresses under paragraph 2(a) above.

3 Further actions

Apart from completing and returning the Forms of Proxy or giving voting instructions, you need not take any further action.

The Anglo American Board unanimously recommends that you vote in favour of the Demerger Resolution and the Scheme and urges you to complete, sign and return the Forms of Proxy as soon as possible and, in any event, by no later than 5.00 p.m. on Friday, 30 April 2021 for the General Meeting and by no later than 5.15 p.m. on Friday, 30 April 2021 for the Court Meeting. Anglo American encourages all Anglo American Shareholders to complete and return the Forms of Proxy appointing the Chairman of the General Meeting and the Court Meeting, as proxy.

4 Engagement at the Meetings

Voting at the Court Meeting shall remain open for 30 minutes following the conclusion of any questions and responses raised at the Court Meeting. Anglo American Shareholders shall be able to change their proxy instruction if they so wish during this 30 minute period. Anglo American Shareholders shall be able to change their proxy instruction in respect of the Court Meeting by sending an email to the UK Registrar at proxyvotes@equiniti.com, provided that the email is received by the UK Registrar within this 30 minute period.

To support engagement with Anglo American Shareholders in these exceptional circumstances, it is Anglo American's intention to live stream the General Meeting and the Court Meeting by webcast and to enable questions relating to the resolutions proposed at the General Meeting and Court Meeting to be submitted in advance of and during the Meetings.

The webcasting arrangements will allow Anglo American Shareholders to hear from Anglo American, lodge questions and follow the business of the Meetings on their computer, tablet or smart phone from their location of choice, although this will not constitute formal attendance at the Meetings. Further details on how to access the webcast and how Anglo American Shareholders can submit their questions in advance are set out at www.angloamerican.com/products/thermal-coal/demerger.

Anglo American Shareholders are invited to submit their questions in advance of the Meetings by sending an email to Cosec.Admin@angloamerican.com by no later than 5.00 p.m. on Friday, 30 April 2021 for the General Meeting and 5.15 p.m. on Friday, 30 April 2021 for the Court Meeting.

Additionally, an online platform will be set up to enable Anglo American Shareholders to ask questions during the Meetings. Further details on how to ask a question virtually are set out at www.angloamerican.com/products/thermal-coal/demerger. Anglo American would like to respond to as many questions from Anglo American Shareholders as possible and therefore Anglo American will answer questions during the Meetings in a way that aims to best recognise the interests of all Anglo American Shareholders. To assist with this, Anglo American ask that Anglo American Shareholders help to facilitate access from as many Anglo American Shareholders as possible by limiting the number of questions and keeping questions succinct, focused on and relevant to the business of the Meetings.

In the interests of transparency for all Anglo American Shareholders, responses to questions not able to be addressed during the Meetings will be available on the Anglo American website as soon as practicable following the Meetings.

Anglo American will continue to monitor UK government guidelines and any changes to the arrangements of the General Meeting and the Court Meeting will be notified to Anglo American Shareholders via the Anglo American website (www.angloamerican.com/investors/shareholder-information).

5 *Helpline*

If you have any questions relating to this Circular or the completion and return of the Forms of Proxy, please contact the relevant Registrar using the following contact details:

- (a) UK – Equiniti Limited (as UK Registrar) on telephone number: 0371 384 2414 (if calling from the UK) or +44 371 384 2414 (from outside the UK); and
- (b) South Africa – Computershare Investor Services Proprietary Limited (as SA Transfer Secretary) on telephone number: +27 (0) 11 3705 000.

Lines are open Mondays to Fridays from 8:30 a.m. to 5:30 p.m. for the UK Registrar and from 08:00 a.m. to 4:30 p.m. (South Africa time) for the SA Transfer Secretary, except on public holidays. Please note that, for legal reasons, the Helpline cannot provide advice on the merits of the Proposals or give any legal, tax or financial advice. Calls to +44 371 384 2414 from outside the UK or to +27 (0) 11 3705 000 from outside South Africa will be charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

6 *Appointment of multiple proxies*

You are entitled to appoint a proxy in respect of some or all of your Anglo American Shares. You are also entitled to appoint more than one proxy. A space has been included in each of the Forms of Proxy to allow you to specify the number of Anglo American Shares in respect of which that proxy is appointed.

If you wish to appoint more than one proxy in respect of your Anglo American Shares, you should contact the relevant Registrar to obtain further Forms of Proxy. You may appoint more than one proxy in relation to each Meeting, provided that each proxy is appointed to exercise the rights attached to a different Anglo American Share or Anglo American Shares held. The following principles shall apply in relation to the appointment of multiple proxies:

- a) Anglo American will give effect to the intentions of Anglo American Shareholders and include votes wherever and to the fullest extent possible.
- b) Where a proxy does not state the number of Anglo American Shares to which it applies (a “**blank proxy**”), then, subject to the following principles where more than one proxy is appointed, that proxy is deemed to have been appointed, in the case of registered Anglo American Shareholders, in relation to the total number of Anglo American Shares registered in the name of the appointing Anglo American Shareholder (the “**Anglo American Shareholder’s entire holding**”). In the event of a conflict between a blank proxy and a proxy which does state the number of Anglo American Shares to which it applies, Anglo American shall deal with such conflict in a manner that it, in its absolute discretion, sees fit.
- c) Where there is more than one proxy appointed, and the total number of Anglo American Shares in respect of which proxies are appointed is no greater than the Anglo American Shareholder’s entire holding, it is assumed that proxies are appointed in relation to different Anglo American Shares, rather than that conflicting appointments have been made in relation to the same Anglo American Shares. That is, there is only assumed to be a conflict where the aggregate number of Anglo American Shares in respect of which proxies have been appointed exceeds the Anglo American Shareholder’s entire holding.
- d) Subject to paragraph (b) above, when considering conflicting proxies, later proxies will prevail over earlier proxies and a later proxy will be determined on the basis of which proxy is the last sent (or, if Anglo American is unable to determine which is the last sent, the last

received). Proxies in the same envelope will be treated as sent and received at the same time to minimise the number of conflicting proxies.

- e) If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) an Anglo American Shareholder's entire holding, none of them will be treated as valid.
- f) Where the aggregate number of Anglo American Shares (or beneficial entitlements thereto, as applicable) in respect of which proxies are appointed exceeds an Anglo American Shareholder's entire holding, and it is not possible to determine the order in which they were sent or received, Anglo American shall determine the number of votes attributed to each proxy form in its absolute discretion.
- g) Where the application of paragraph (f) above gives rise to fractions of Anglo American Shares, such fractions will be rounded down to the nearest whole Anglo American Share.
- h) In the event that an Anglo American Shareholder does not specifically revoke proxies, it will not be possible for Anglo American to determine the intentions of the Anglo American Shareholder in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.

7 Further information

Thungela has today published the Thungela PLS / Prospectus, which is available, subject to applicable securities laws, on Anglo American's website at www.angloamerican.com/products/thermal-coal/demerger or on Thungela's website at www.thungela.com. Alternatively, Anglo American Shareholders may, subject to applicable securities laws, request a copy of the Thungela PLS / Prospectus by telephoning the Helpline.

IT IS IMPORTANT THAT, FOR THE COURT MEETING IN PARTICULAR, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF ANGLO AMERICAN SHAREHOLDERS' OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY AS SOON AS POSSIBLE.

PART III
INDICATIVE TIMETABLE OF PRINCIPAL EVENTS

All dates and times are indicative only, are based on current expectations and are subject to change.

All references to time in this timetable are to London time unless otherwise stated. From the date of publication through to Admission, London time will be one hour behind South Africa time.

Principal events	Indicative time and/or date
Publication of this Circular and the Thungela PLS / Prospectus	Thursday, 8 April 2021
Last day to trade Anglo American Shares on the SA Register in order to participate in the Meetings	Monday, 26 April 2021
Latest time and date for receipt of blue Forms of Proxy for the General Meeting	5.00 p.m. on Friday, 30 April 2021
Latest time and date for appointing a proxy for the General Meeting by way of CREST Proxy Instruction	5.00 p.m. on Friday, 30 April 2021
Latest time and date for receipt of yellow Forms of Proxy for the Court Meeting	5.15 p.m. on Friday, 30 April 2021
Latest time and date for appointing a proxy for the Court Meeting by way of CREST Proxy Instruction	5.15 p.m. on Friday, 30 April 2021
Voting Record Time for Anglo American Shareholders in respect of the General Meeting and the Court Meeting	6.30 p.m. on Friday, 30 April 2021
Annual General Meeting	2.30 p.m. on Wednesday, 5 May 2021
General Meeting	5.00 p.m. ¹ on Wednesday, 5 May 2021
Court Meeting	5.15 p.m. ² on Wednesday, 5 May 2021
Scheme Court Hearing to sanction the Scheme and confirm the reduction of capital required to effect the Demerger	Wednesday, 26 May 2021
Announcement in respect of the Scheme Court Hearing	Wednesday, 26 May 2021
Last date for transfers between the Registers in order to participate in the Demerger ³	Wednesday, 2 June 2021
Last day to trade on the SA Register for Anglo American Shareholders that hold Anglo American Shares through a CSDP in order to participate in the Demerger ⁴	Friday, 4 June 2021

¹ General Meeting to commence at 5.00 p.m. or, if later, immediately after the conclusion or adjournment of the AGM.

² Court Meeting to commence at 5.15 p.m. or, if later, immediately after the conclusion or adjournment of the General Meeting.

³ This is the last date on which transfer instructions must have been received by the UK Registrar or the SA Transfer Secretary (as applicable) to process transfers between the Registers in order to participate in the Demerger. Any instructions received after this date will not be processed until transfers between the Registers re-open on Thursday, 10 June 2021.

⁴ Anglo American Shareholders who hold their Anglo American Shares on the SA Register should anticipate their holdings of Anglo American Shares at the Demerger Record Time by taking into account all unsettled trades concluded on or before the last day to trade which are due to be settled on or before the record date for JSE settlement purposes.

Demerger Record Time	6.30 p.m. on Friday, 4 June 2021
Demerger Effective Time	8.00 p.m. on Friday, 4 June 2021
Admission of the Thungela Shares to the JSE and commencement of unconditional dealings in Thungela Shares on the JSE	9.00 a.m. (South Africa time) on Monday, 7 June 2021
Admission of the Thungela Shares to the LSE and commencement of unconditional dealings in Thungela Shares on the LSE	8.00 a.m. on Monday, 7 June 2021
Crediting of Thungela DIs to CREST accounts	As soon as possible after 8.00 a.m. on Monday, 7 June 2021
SENS announcement confirming the cash proceeds payable in respect of fractional entitlements	By 11.00 a.m. (South Africa time) on Tuesday, 8 June 2021
Record date for JSE settlement purposes	Wednesday, 9 June 2021
Crediting of Thungela Shares and cash proceeds in respect of fractional entitlements to CSDP or broker accounts in the Strate System	Thursday, 10 June 2021
Crediting of cash proceeds in respect of fractional entitlements to CREST accounts	Thursday, 10 June 2021
Transfers between the Registers by Anglo American Shareholders re-opened	Thursday, 10 June 2021
Despatch of share certificates for Thungela Shares and cheques in respect of fractional entitlements (where applicable)	By Friday, 11 June 2021

PART IV EXPLANATORY STATEMENT

(Explanatory Statement in compliance with the provisions of section 897 of the UK Companies Act)

8 April 2021

To: *Anglo American Shareholders and, for information only, participants in the Anglo American Share Plans and persons with information rights*

Dear Anglo American Shareholder

Recommended Proposals for the Demerger of the SAT Coal Operations

1 Introduction

We are writing to you on behalf of Anglo American to explain the Demerger.

Your attention is drawn to the letter from the Chairman of Anglo American in Part I (*Letter from the Chairman of Anglo American*) of this Circular, which outlines the reasons for the Demerger and contains the unanimous recommendation of the Anglo American Board to vote in favour of the Demerger Resolution to be proposed at the General Meeting and the Scheme at the Court Meeting. The letter from the Chairman forms part of this Explanatory Statement. The terms of the Scheme are set out in full in Part X (*Scheme of Arrangement*) of this Circular. The Notice of General Meeting at which the Demerger Resolution will be proposed and the Notice of Court Meeting at which approval for the Scheme will be sought are set out in Part XIII (*Notice of General Meeting*) and Part XIV (*Notice of Court Meeting*), respectively, of this Circular.

The Demerger requires Anglo American Shareholder and Court approvals. If the Demerger is approved, Anglo American Shareholders will receive one Thungela Share for every ten Anglo American Shares that they hold.

If the number of Anglo American Shares held is not divisible by ten, an entitlement to a fraction of a Thungela Share will arise. For example, if an Anglo American Shareholder holds fifteen Anglo American Shares at the Demerger Record Time (expected to be 6.30 p.m. on Friday, 4 June 2021), such Anglo American Shareholder will receive one Thungela Share, plus an entitlement to a $\frac{1}{2}$ fraction of a Thungela Share. Where such individual fractional entitlements to Thungela Shares arise on the Demerger, the relevant Anglo American Shareholder will be entitled to receive a cash equivalent to the fraction, as is more fully described in paragraph 3.1 of this Part IV (*Explanatory Statement*).

If Anglo American Shareholders sell or otherwise transfer their Anglo American Shares before the Demerger Record Time, they will not receive any Thungela Shares.

The Anglo American Shareholder meetings to approve the Demerger (the General Meeting and the Court Meeting) will be held at 5.00 p.m. and 5.15 p.m., respectively (or, if later, immediately following the conclusion or adjournment of the AGM or the General Meeting, as applicable), on Wednesday, 5 May 2021. The Court will consider the Scheme at a hearing on Wednesday, 26 May 2021. If the Demerger is approved by the Anglo American Shareholders at the General Meeting and the Court Meeting and by the Court, admission of the Thungela Shares to the JSE is expected to take place at 9.00 a.m. (South Africa time) on Monday, 7 June 2021 and to the standard segment of the LSE at 8.00 a.m. on Monday, 7 June 2021.

2 Details of the Demerger

2.1 Overview of the Demerger

The overall effect of the Demerger is to transfer ownership of Thungela (a South African entity incorporated specifically to act as a holding company for the SAT Coal Operations) from Anglo American to Anglo American Shareholders, and for Thungela to have a primary listing on the main board of the JSE and to be admitted to the standard listing segment of the UK Official List and admitted to trading on the LSE's main market.

This, together with certain ancillary actions, will be implemented through the separation of Thungela from Anglo American by way of a reduction of capital demerger implemented through a Court sanctioned process known as a scheme of arrangement, pursuant to which Thungela Shares will be transferred to Anglo American Shareholders on a pro rata basis. These steps will only be implemented if the requisite approvals, including approval by Anglo American Shareholders, are obtained.

In preparation for the Demerger, various internal reorganisation steps have been undertaken in order to consolidate the SAT Coal Operations under a single operating entity, SACO. The Thungela Group believes that its employees and local communities are key stakeholders in SACO and as such, they should have a direct stake in the future success of SACO. Therefore, as part of the internal reorganisation, provision has been made for both an employee partnership plan and a community partnership plan to each hold a 5% interest in the issued share capital of SACO. The final steps of the internal restructuring involves the transfer of the remaining 90% of the issued share capital of SACO to Thungela, which shall be followed by the transfer of Thungela such that it will be held directly by Anglo American (rather than another entity in the Anglo American Group), prior to the Demerger Effective Time. These final steps will only be implemented if the requisite approvals, including approval by Anglo American Shareholders, are obtained.

Following completion of the Demerger, 100% of the issued share capital of Thungela will be held by Anglo American Shareholders. Each Anglo American Shareholder will also retain their shareholding in Anglo American.

2.2 Listings and index inclusion

Thungela is incorporated in South Africa and application will be made for the Thungela Shares to have a primary listing on the main board of the JSE and to be admitted to the standard listing segment of the UK Official List and admitted to trading on the LSE's main market.

Index inclusion as a result of Admission will be determined by the index providers' specific rules. It is expected that the indices in which Thungela will be included will be announced shortly before the date of Admission and that these will likely include JSE All Share, JSE SWIX All Indices, FTSE/JSE SA Mid Cap Index, FTSE/JSE SA Resources Index and FTSE/ JSE Oil, Gas and Coal Index, but there can be no certainty of this as at the date of this Circular.

3 Detailed terms of the Demerger

3.1 The Scheme

The Demerger will be implemented by way of a scheme of arrangement (including a reduction of capital), which is a process requiring Court approval under the UK Companies Act. Under the Scheme, Anglo American's share premium account will be reduced by \$1,800,000,000 and the Company will transfer the entire issued share capital of Thungela to Anglo American Shareholders on the basis of one Thungela Share for every ten Anglo American Shares held at the Demerger Record Time. Any excess

reserves arising from the amount of the reduction of share premium account exceeding the value of Thungela will be retained by Anglo American and available to support future distributions and for other purposes.

The Demerger will only be implemented if the conditions to implementation of the Scheme, as set out in paragraph 4 of this Part IV (*Explanatory Statement*), are satisfied.

The Thungela Shares transferred to Anglo American Shareholders pursuant to the Demerger will rank equally in all respects, including for all dividends and other distributions (if any) declared, made or paid. There will be no other Thungela Shares in issue or issued at the time of the Demerger.

If the number of Anglo American Shares held is not divisible by ten, an entitlement to a fraction of a Thungela Share will arise. Fractional entitlements will be rounded down to the nearest whole number and the aggregated excess fractions of the Thungela Shares to which an Anglo American Shareholder would otherwise be entitled will not be transferred to them but will instead be sold in the market as soon as practicable after Admission, and the relevant Anglo American Shareholder will be entitled to receive a cash equivalent to the fraction.

The Demerger Record Time is expected to be 6.30 p.m. on Friday, 4 June 2021. Anglo American Shareholders on the Register at this time will participate in the Demerger.

The Demerger Effective Time is expected to be 8.00 p.m. on Friday, 4 June 2021. At this time, Anglo American will transfer the Thungela Shares to Anglo American Shareholders as described above.

3.2 Amendment of the Anglo American Articles

At the General Meeting, Anglo American Shareholders will be asked to authorise certain amendments to the Anglo American Articles relating to the Demerger. The purpose of these amendments is to ensure that all Anglo American Shareholders on the Register at the Demerger Record Time receive Thungela Shares pursuant to the Scheme.

4 Conditions to the Demerger

The Demerger is conditional upon the following conditions having been satisfied (or, in respect of paragraph (e) below, waived):

- (a) the Demerger Resolution, as set out in the Notice of General Meeting, having been approved by 75% or more of the votes cast by Anglo American Shareholders at the General Meeting;
- (b) the Scheme having been approved by a majority in number of those Anglo American Shareholders who are present and vote, either in person or by proxy, at the Court Meeting and who represent 75% or more in value of the Anglo American Shares voted by such Anglo American Shareholders;
- (c) the Scheme having been sanctioned by the Court and the reduction of capital required to effect the Demerger having been confirmed by the Court;
- (d) (i) SARB having approved the primary listing of the Thungela Shares; (ii) JSE Limited having acknowledged to Thungela or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the Thungela Shares to trading on the main board of the JSE has been approved and the listing will be granted and become effective; (iii) JSE Limited having acknowledged to Thungela or its agent (and such acknowledgement not having been withdrawn) that the Thungela Shares will be admitted to trading on the main board of the JSE; (iv) the FCA having acknowledged to Thungela or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the Thungela Shares to listing on the standard segment

of the UK Official List has been approved and, after satisfaction of any conditions to which such approval is expressed to be subject (“**FCA listing conditions**”), will become effective as soon as a dealing notice has been issued by the FCA and any FCA listing conditions have been satisfied; and (v) the LSE having acknowledged to Thungela or its agent (and such acknowledgement not having been withdrawn) that the Thungela Shares will be admitted to trading on the LSE’s main market for listed securities;

- (e) the Transaction Agreements (as described more fully, in paragraph 5 of this Part IV (*Explanatory Statement*)) having been entered into and none of them having been terminated in accordance with their respective terms; and
- (f) a copy of the Scheme Court Order having been delivered to Companies House.

The Directors will not take the necessary steps to implement the Scheme and the Demerger unless and until the above conditions have been or will be satisfied (or, where permitted, waived) and, at the relevant time, the Directors consider that it continues to be in the best interests of the Anglo American Shareholders that the Scheme and the Demerger be implemented.

5 The Transaction Agreements

The Transaction Agreements, as described further in this paragraph 5, have been entered into on or before the date of this Circular. The Transaction Agreements, other than the Demerger Agreement, are each conditional on Admission occurring not later than 8:00 a.m. on Monday, 7 June 2021 (or such later date as may be agreed in writing between the parties to the applicable agreements) and will take effect upon Admission. Following Admission, the Transaction Agreements will govern the relationship between Thungela and Anglo American on the basis set out below.

5.1 Demerger Agreement

The Demerger Agreement was entered into between Anglo American and Thungela on 7 April 2021 to effect the Demerger and to govern the post-Demerger obligations of the Anglo American Group and the Thungela Group.

The Demerger is conditional on: (i) SACO having been transferred to Thungela; (ii) the entire issued share capital of Thungela having been transferred to Anglo American in order for Anglo American to hold Thungela directly at the Demerger Effective Time; (iii) the passing of the Demerger Resolution; (iv) the Scheme having been approved and become effective; (v) the JSE having acknowledged (and such acknowledgement not having been withdrawn) that the Thungela Shares will be admitted to trading on the main board of the JSE; (vi) the FCA having acknowledged (and such acknowledgement not having been withdrawn) that the application for admission of the Thungela Shares to listing on the standard segment of the UK Official List has been approved; and (vii) the LSE having acknowledged (and such acknowledgement not having been withdrawn) that the Thungela Shares will be admitted to trading on its main market. As a result, the Demerger will become effective, save for Admission, immediately prior to Admission.

The Demerger Agreement will terminate if the conditions set out above have not been satisfied on or before 31 December 2021 (or such other date as Anglo American and Thungela may agree).

Nothing in the Demerger Agreement restricts or restrains any party from carrying on, being engaged in, or being economically interested in, any business or undertaking of any nature.

5.2 **Group Transitional Services Agreement**

The Group Transitional Services Agreement was entered into between ACSSA (an entity in the Anglo American Group) and SACO and TOPL (entities in the Thungela Group) on or about 19 March 2021. Pursuant to the Group Transitional Services Agreement, ACSSA (or other applicable companies in the Anglo American Group) will continue to provide certain information management functions, financial, technical and other services to the Thungela Group for variable periods of up to 24 months in order to assist the Thungela Group in continuing the abovementioned services following the Demerger.

Each service under the Group Transitional Services Agreement will endure for a specific term but will be terminable by SACO on three months' written notice to ACCSA. The services shall be provided at a standard which is at least as high as the standard to which the services were provided when all entities were in the Anglo American Group prior to 1 September 2020.

The service charges for services provided under the Group Transitional Services Agreement are fixed fees and are calculated on a broadly similar basis to those currently paid for by the Thungela Group for the same or similar services.

5.3 **Indemnity Agreement**

On 18 March 2021, ACSSA and AASA (entities in the Anglo American Group) and Thungela, SACO and TOPL (entities in the Thungela Group) entered into the Indemnity Agreement. The Indemnity Agreement provides that, subject to certain limitations and exclusions: (i) any actual or contingent liability that arises in an Anglo American Group company shall remain with that company unless such liability principally relates to a business which is within the agreed perimeter of the SAT Coal Operations as carried on prior to Admission, in which case the relevant Anglo American Group company shall be indemnified by SACO or, in certain instances, Thungela; and (ii) any actual or contingent liability that arises in a Thungela Group company shall remain with that company unless such liability principally relates to a business which is not within the agreed perimeter of the SAT Coal Operations as carried on prior to Admission, in which case the relevant Thungela Group company shall be indemnified by AASA.

5.4 **Offtake Agreement**

On 6 March 2021, AAML (an entity in the Anglo American Group), Thungela and TOPL (an entity in the Thungela Group) entered into the Offtake Agreement for a three-year term, with an additional six-month transitional period thereafter, commencing on the first day of the month in which Admission takes place. Pursuant to the Offtake Agreement, AAML will purchase export thermal coal from, and provide sales and marketing services to, the Thungela Group and the Thungela Group will sell and deliver its export thermal coal to AAML. The price to be paid by AAML for the export coal supplied by the Thungela Group will be determined in accordance with an agreed formula, linked to index prices, taking into consideration the quality of the export coal supplied (including branded products) less a market related marketing fee.

After two years from the commencement of the Offtake Agreement, the Thungela Group may decide to request proposals from bona fide third parties, for the offtake of export thermal coal and/or other marketing and sales arrangements with effect from the expiry of the three-year term.

In the event that environmental, social and governance (ESG) considerations make it, in AAML's opinion, undesirable for AAML to continue to perform its obligations under the

Offtake Agreement, AAML is entitled to terminate the Offtake Agreement on 3 months' notice.

Anglo American has committed to provide and transfer the appropriate sales and marketing knowledge and skills to the Thungela Group's sales and marketing team for a transitional period of six months following the end of the term of the Offtake Agreement (nine months if the Offtake Agreement is terminated for ESG considerations).

5.5 **Capital Support Agreement**

On 6 March 2021, ASA (an entity in the Anglo American Group) and Thungela entered into the Capital Support Agreement for a term commencing on the first day of the month in which Admission takes place and terminating on 31 December 2022, save for payment obligations that accrue prior to the termination date. Pursuant to the Capital Support Agreement, if the market price of thermal coal declines below the contractual trigger level, ASA will provide capital support to Thungela. The capital support will be subject to various limitations on timing and maximum annual levels of support.

6 **Timetable**

6.1 **General Meeting**

The General Meeting has been convened for 5.00 p.m. (or, if later, immediately following the conclusion or adjournment of the AGM) on Wednesday, 5 May 2021 and will be formally held at 20 Carlton House Terrace, London, SW1Y 5AN. At the General Meeting, or at any adjournment thereof, Anglo American Shareholders will consider and, if thought fit, pass the Demerger Resolution.

6.2 **Court Meeting**

The Court Meeting has been convened pursuant to an order of the Court for 5.15 p.m. (or, if later, immediately following the conclusion or adjournment of the General Meeting) on Wednesday, 5 May 2021. At the Court Meeting, Anglo American Shareholders will consider and, if thought fit, approve the Scheme. The Court Meeting will be formally held at 20 Carlton House Terrace, London, SW1Y 5AN.

6.3 **Scheme Court Hearing**

The Scheme Court Hearing, at which the Court will be asked to sanction the Scheme and confirm the reduction of capital required to effect the Demerger pursuant to the UK Companies Act, is expected to be held on Wednesday, 26 May 2021. Anglo American Shareholders have the right to attend the Scheme Court Hearing and to appear or be represented by counsel to support or oppose the sanctioning of the Scheme and the confirmation of the reduction of capital required to effect the Demerger.

If the Scheme is sanctioned and the reduction of capital required to effect the Demerger is confirmed at the Scheme Court Hearing, and the other conditions to the Scheme (as outlined in paragraph 4 of this Part IV (*Explanatory Statement*)) have been satisfied (or waived), the Demerger Effective Time is expected to occur at 8.00 p.m. on Friday, 4 June 2021.

The Scheme will not become effective unless the Court sanctions the Scheme and confirms the reduction of capital required to effect the Demerger, and a copy of the Scheme Court Order is delivered to Companies House.

If the Scheme becomes effective, it will be binding on all Anglo American Shareholders, irrespective of whether or not they attended or voted in favour of the Demerger Resolution at the General Meeting or in favour of the Scheme at the Court Meeting.

7 The Anglo American Board and the Thungela Board

Information on the Anglo American Board and the Thungela Board is set out in paragraphs 1.1 and 1.2, respectively, of Part XI (*Additional Information*) of this Circular.

8 Directors and the effect of the Scheme and the Demerger on their interests

Details of the interests of the Directors in Anglo American Shares are set out in paragraph 2.1 of Part XI (*Additional Information*) of this Circular and details of the interests of the Directors in options and awards over Anglo American Shares are set out in paragraph 2.2 of Part XI (*Additional Information*) of this Circular. Anglo American Shares held by each of the Directors at the Demerger Record Time will be subject to the Scheme. The effect of the Demerger and Scheme on options and awards held by certain Directors, in common with other participants in the Anglo American Share Plans, is described in paragraph 9 of this Part IV (*Explanatory Statement*).

Details of the service contracts and letters of appointment of the Directors are set out in paragraph 3 of Part XI (*Additional Information*) of this Circular.

Save as set out or referenced above, the effect of the Scheme and the Demerger on the interests of the Directors does not differ from its effect on the like interest of any other Anglo American Shareholder.

9 Effects of the Demerger on the Anglo American Share Plans and incentive arrangements

Anglo American currently operates a number of employee share plans, including the annual deferred bonus plans (“**Anglo American BSP**”), the Anglo American long-term incentive plans (“**Anglo American LTIPs**”) and all-employee share plans, under which awards are granted in respect of Anglo American Shares. Awards under the Anglo American Share Plans are in the form of either conditional share awards or share options or in the form of awards pursuant to which participants have beneficial ownership of Anglo American Shares under award (including “forfeitable shares” granted under the Anglo American BSP).

The value of conditional share awards and share options is expected to be affected by the Demerger due to the distribution of Thungela Shares by Anglo American to Anglo American Shareholders. Whilst Anglo American Shareholders (including holders of awards that give rise to participants having a beneficial ownership of Anglo American Shares) would receive Thungela Shares, holders of conditional share awards or share options will not. To address this, Anglo American intends that the number of Anglo American Shares subject to conditional share awards or share options would be adjusted, or where this is not permitted by the relevant Anglo American share plan rules, other arrangements would be made, in either case, to ensure, so far as practicable, that no Anglo American share plan participants are either advantaged or disadvantaged by the Demerger.

Holders of awards that give rise to the participants having a beneficial ownership of Anglo American Shares will participate in the Demerger, and these participants, including those who are moving to Thungela, will therefore receive Thungela Shares pursuant to the implementation of the Demerger. In the case of forfeitable awards under the Anglo American BSP, such Thungela Shares will, by default but subject to any alternative treatment that is applied (which may be considered, for example, in the event of any tax liabilities in connection with the receipt of the Thungela Shares), remain subject to the terms of the forfeitable share award. The Remuneration Committee will separately consider in due course whether or not it would expect Thungela Shares received in respect of any Anglo American Shares held subject to a post-vesting holding period under any of the Anglo American Share Plans to continue to be held along with and on the same terms as those Anglo American Shares.

Subject to the above, awards under the Anglo American Share Plans held by participants remaining at Anglo American would continue to remain outstanding on their existing terms.

The Remuneration Committee will also consider whether the Demerger will have any impact on any of the targets applicable under any of the Anglo American Share Plans or other incentive arrangements, and if so will consider whether any action is required in order to ensure that such targets continue to be capable of being assessed on a consistent basis.

Any approach applied under the Anglo American Share Plans or other incentive arrangements would apply to the Anglo American executive directors in line with that applied to other participants in the same arrangements.

Participants in the Anglo American Share Plans who are moving to Thungela will, in addition to the impact on awards as a result of the Demerger as described above, be treated for the purposes of their Anglo American share plan awards as leaving employment as “good leavers” on completion of the Demerger. As such, and subject to the award terms, the Remuneration Committee has determined that all awards under the Anglo American Share Plans held by participants who are moving to Thungela will vest on completion of the Demerger. Awards under the Anglo American BSP will vest in full in accordance with their terms. Awards under the Anglo American LTIPs will vest as to a portion that reflects the time elapsed to the completion of the Demerger and an assessment, on a basis determined by the Remuneration Committee, of the extent to which the performance conditions have been or are likely to be met. The Anglo American Shares delivered to satisfy the vesting of such awards which are in the form of conditional awards will be delivered after the Demerger Effective Time and so the participant will not be eligible to participate in the Demerger by reference to the Anglo American Shares so received.

10 Remuneration arrangements for Thungela Executive Directors and Thungela Share Plan

10.1 Retention arrangements for the Thungela Executive Directors

In order to incentivise, reward and retain the Thungela Group’s Chief Executive Officer and Chief Financial Officer in preparing for the Demerger, Anglo American has granted a retention award to the Thungela Group’s Chief Executive Officer over Thungela Shares equal to 0.33% of the issued share capital of Thungela as at Admission and a retention award to the Thungela Group’s Chief Financial Officer over Thungela Shares equal to 0.17% of the issued share capital of Thungela as at Admission. These retention awards are contingent on the recipient remaining in employment with the Anglo American Group until the Demerger Effective Time. Where such condition is satisfied, Anglo American will, subject to any necessary arrangements in connection with any tax liabilities that arise in connection with the awards, procure the transfer of the relevant number of Thungela Shares by the Investment Companies to the recipient shortly following Admission. No amount is payable by the recipient pursuant to the award.

10.2 Remuneration arrangements for the Thungela Executive Directors

It is anticipated that, from Admission, the Thungela Group will adopt a remuneration philosophy designed to attract, retain and incentivise certain individuals to develop and implement the Thungela Group’s business strategy and to create optimal long-term shareholder value.

In accordance with the provisions of the JSE Listings Requirements and the King Code, the remuneration policy of the Thungela Group will be submitted to shareholders for a non-binding advisory vote at Thungela’s first annual general meeting in 2022.

10.3 Thungela Share Plan

Thungela intends to adopt the Thungela Share Plan, a long-term share incentive plan designed to attract, retain, incentivise and reward certain employees, with effect from completion of the Demerger.

The Thungela Share Plan aims to incentivise the Thungela Group's Chief Executive Officer, Chief Financial Officer, senior management and other eligible employees of the Thungela Group to meet strategic objectives that will help deliver value to Thungela Shareholders, achieve alignment between the participants' remuneration and the interests of the Thungela Shareholders and act as a retention mechanism.

The Thungela Share Plan will be a share incentive scheme as contemplated in schedule 14 to the JSE Listings Requirements, and, accordingly, will be subject to the provisions of that schedule. Shareholder approval has been obtained from Anglo American, in its capacity as shareholder of Thungela, for Thungela to issue Thungela Shares, or to utilise Thungela Shares held in treasury by subsidiaries of Thungela, to settle awards under the Thungela Share Plan.

The proposed salient features of the Thungela Share Plan are detailed in Annexe 10 of the Thungela PLS / Prospectus.

11 Authorities relating to the share capital of Thungela

Thungela has obtained various resolutions relating to its share capital, including those for the issue of Thungela Shares pursuant to the internal reorganisation and for the purposes of the Scheme as contemplated in section 41(3) of the South African Companies Act, the issue of Thungela Shares to directors, prescribed officers and other persons as contemplated in section 41(1)(a) of the South African Companies Act, as well as the following:

- 11.1 authorising, by way of a general authority contemplated in paragraph 5.72 of the JSE Listings Requirements read with section 48 of the South African Companies Act, the repurchase by the Thungela Group of shares issued by Thungela, subject to a maximum of 20% of the issued shares of Thungela and in compliance with the applicable provisions of the JSE Listings Requirements and the South African Companies Act;
- 11.2 authorising, by way of general authority contemplated in paragraph 5.52 of the JSE Listings Requirements, for the period until Thungela's annual general meeting, the issue by Thungela of Thungela Shares for cash and for such issue to comply with the applicable provisions of the JSE Listings Requirements and the South African Companies Act;
- 11.3 authorising Thungela to provide financial assistance, as contemplated by sections 44 and/or 45 of the South African Companies Act, generally; and
- 11.4 approving the Thungela Share Plan and the issue of Thungela Shares in terms of the Thungela Share Plan in accordance with Schedule 14 to the JSE Listings Requirements.

12 Overseas Shareholders

12.1 General

This document does not constitute or form part of any offer or invitation to purchase, subscribe for, sell or issue, or any solicitation of any offer to purchase, subscribe for, sell or issue, Anglo American Shares, Thungela Shares or any other securities in Anglo American or Thungela.

The distribution of this document and the Thungela PLS / Prospectus and the transfer of Thungela Shares in jurisdictions other than the United Kingdom or South Africa may be restricted by law.

No action has been taken by Anglo American or Thungela to obtain any approval, authorisation or exemption to permit the transfer of the Thungela Shares or the possession or distribution of this document and the Thungela PLS / Prospectus (or any other publicity material relating to the Thungela Shares) in any jurisdictions other than the United Kingdom or South Africa.

The implications of the finalisation of the Demerger for Overseas Shareholders may be affected by the laws of jurisdictions outside the United Kingdom or South Africa. Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements. It is the responsibility of any Overseas Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, compliance with other necessary formalities and the payment of any issue, transfer or other taxes or duties or payments due in such jurisdiction. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

This document has been prepared for the purposes of complying with English law, the rules of the LSE and the UKLA Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside England and Wales.

If, in respect of any Overseas Shareholder, Anglo American reasonably believes that the transfer of Thungela Shares would or may infringe the laws of any jurisdiction outside the United Kingdom or South Africa, or would or may require Anglo American or Thungela to comply with any governmental or other consent or any registration, filing or other formality with which Anglo American or Thungela is unable to comply or compliance with which Anglo American regards as unduly onerous, the Scheme allows Anglo American, in its sole discretion, to elect that, upon the Demerger Effective Time, the Thungela Shares to which such Overseas Shareholder is entitled shall be sold with the net proceeds of sale being remitted to such Overseas Shareholder.

12.2 The United States

The Thungela Shares to be transferred in connection with the Scheme have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The Thungela Shares are expected to be transferred in reliance upon the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10).

The Thungela Shares generally should not be treated as “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive securities in connection with the Demerger (other than “affiliates” as described in the paragraph below) may resell them without restriction under the US Securities Act.

Under the United States securities laws, persons who are deemed to be affiliates of Anglo American or Thungela as at the Demerger Effective Time may not resell the Thungela Shares received pursuant to the Demerger without registration under the US Securities Act, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Whether a person is an affiliate of a company for such purposes depends upon the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders. Anglo American Shareholders who believe they may be affiliates for the purposes of the US Securities Act should consult their own legal advisers prior to any resale of Thungela Shares received pursuant to the Demerger.

For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by section 3(a)(10), Anglo American will advise the Court through counsel that its sanctioning of the Scheme will be relied upon by Thungela as an approval of the Scheme (and the Demerger) following a hearing on its fairness to Anglo American Shareholders, at which hearing all Anglo American Shareholders are entitled to attend in person or through counsel (subject to UK government guidelines) to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all Anglo American Shareholders.

13 Taxation

Anglo American Shareholders should read Part IX (*Taxation*) of this Circular, which contains a general description of certain tax consequences of the Demerger for Anglo American Shareholders who are resident for tax purposes in the UK, South Africa or the United States, but all Anglo American Shareholders are advised to consult a professional adviser with regard to the tax consequences of the Demerger.

14 Settlement and Listings

Settlement of the transfer to which any Anglo American Shareholder is entitled under the Demerger will be effected in the manner set out in Part VIII (*Shareholder Participation in the Demerger*) of this Circular, which forms part of this Explanatory Statement. That section sets out the way in which Anglo American Shareholders will receive their Thungela Shares (or beneficial entitlement to such shares), including fractional entitlements, and the way in which such Thungela Shares will be traded and settled on the relevant stock exchange. As such, Part VIII (*Shareholder Participation in the Demerger*) of this Circular is important and requires your particular attention.

It is the responsibility of Anglo American Shareholders to satisfy themselves as to the full observance of applicable laws and regulatory requirements, including the obtaining of any governmental, exchange control or other consents that may be required in order for them, their nominee, custodian or trustee, as relevant, to receive and hold the Thungela Shares or Thungela DIs.

All documents, certificates, cheques or other communications sent by or to Anglo American Shareholders, or as such persons shall direct, will be sent at the Anglo American Shareholders' own risk and will be sent to an Anglo American Shareholder's address as set out on the Register at the Demerger Record Time (or, in the case of joint holders, to the holder whose name stands first in the Register in respect of the joint holding concerned).

15 Meetings

Implementation of the Demerger requires the passing of the Demerger Resolution by Anglo American Shareholders at the General Meeting and the approval by Anglo American Shareholders of the Scheme at the Court Meeting.

Notices of the General Meeting and the Court Meeting are set out in Part XIII (*Notice of General Meeting*) and Part XIV (*Notice of Court Meeting*), respectively, of this Circular.

Unfortunately, following guidelines announced by the UK government on 22 February 2021 in respect of COVID-19, the General Meeting and the Court Meeting will be held as closed physical meetings with Anglo American Shareholders requested not to attend. As a result, physical attendance at the General Meeting and the Court Meeting will be limited to the minimum number required to form a quorum (which will be facilitated by Anglo American).

It is important that all Anglo American Shareholders do still cast their votes in respect of the business of the Meetings. **Anglo American encourages all Anglo American Shareholders to complete and return the Forms of Proxy appointing the Chairman of the General**

Meeting and the Court Meeting, as proxy. This will ensure that your vote will be counted irrespective of attendance restrictions.

15.1 General Meeting

The General Meeting has been convened for 5.00 p.m. (or, if later, immediately following the conclusion or adjournment of the AGM) on Wednesday, 5 May 2021 to consider and, if thought fit, pass the Demerger Resolution which:

- (a) approves the reduction of the share premium account of Anglo American by \$1,800,000,000, the repayment of part of such amount, which shall be satisfied by the transfer by Anglo American of the entire issued share capital of Thungela to the Anglo American Shareholders at the Demerger Record Time on the basis of one Thungela Share for every ten Anglo American Shares held by them, and the retention of any balance to support future dividends;
- (b) authorises the directors of Anglo American to take the necessary actions to carry the Scheme into effect; and
- (c) approves amendments to the Anglo American Articles in connection with the Demerger.

The Demerger Resolution is proposed as a special resolution and requires votes in favour representing 75% or more of the votes cast by Anglo American Shareholders at the General Meeting in order to be passed.

Voting on the Demerger Resolution at the General Meeting will be by way of poll and not on a show of hands and each Anglo American Shareholder present in person (subject to UK government guidelines) or by proxy will be entitled to one vote for every Anglo American Share held. The result of the poll will be posted on Anglo American's website.

You will find the Notice of General Meeting set out in Part XIII (*Notice of General Meeting*) of this Circular. The quorum for the Notice of General Meeting will be two or more Anglo American Shareholders present in person or by proxy (to be facilitated by Anglo American). The General Meeting will be formally held at 20 Carlton House Terrace, London, SW1Y 5AN.

You are strongly urged to complete your blue Form of Proxy for use at the General Meeting or appoint a proxy electronically as soon as possible and, in any event, by no later than 5.00 p.m. on Friday, 30 April 2021 (or, in the case of an adjourned meeting, not less than 48 hours, excluding any part of a day that is not a business day, prior to the time and date set for the adjourned meeting). Anglo American encourages all Anglo American Shareholders to complete and return your blue Form of Proxy appointing the Chairman of the General Meeting, as proxy. This will ensure that your vote will be counted irrespective of any attendance restrictions. Detailed instructions on the actions to be taken are set out in Part XIII (*Notice of General Meeting*) of this Circular.

The Investment Companies have waived their right to vote all of the Anglo American Shares they hold or will hold and so will not vote on the Demerger Resolution at the General Meeting.

15.2 Court Meeting

The Court Meeting is being held pursuant to an order of the Court to seek the approval of Anglo American Shareholders for the Scheme (with or without modification). The Court Meeting has been convened for 5.15 p.m. (or, if later, immediately following the

conclusion or adjournment of the General Meeting) on Wednesday, 5 May 2021. Further information on the time and location of the Court Meeting is set out in Part XIV (*Notice of Court Meeting*) of this Circular.

At the Court Meeting, voting will be by way of poll and not on a show of hands and each Anglo American Shareholder present, either in person or by proxy (subject to UK government guidelines), will be entitled to one vote for each Anglo American Share held. The Scheme must be approved by a majority in number of those Anglo American Shareholders who are present and vote, either in person or by proxy (subject to UK government guidelines), at the Court Meeting and who represent 75% or more in value of the Anglo American Shares voted by such Anglo American Shareholders. The result of the poll will be posted on Anglo American's website.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Anglo American Shareholder opinion.

You will find the Notice of Court Meeting set out in Part XIV (*Notice of Court Meeting*) of this Circular. The quorum for the Court Meeting will be two or more Anglo American Shareholders present in person or by proxy (to be facilitated by Anglo American).

Accordingly, you are strongly urged to complete your yellow Form of Proxy for use at the Court Meeting or appoint a proxy electronically as soon as possible and, in any event, by no later than 5.15 p.m. on Friday, 30 April 2021 (or, in the case of an adjourned meeting, not less than 48 hours, excluding any part of a day that is not a business day, prior to the time and date set for the adjourned meeting). Anglo American encourages all Anglo American Shareholders to complete and return your yellow Form of Proxy appointing the Chairman of the Court Meeting, as proxy. This will ensure that your vote will be counted irrespective of any attendance restrictions. Detailed instructions on the actions to be taken are set out in Part XIV (*Notice of Court Meeting*) of this Circular.

Voting at the Court Meeting shall remain open for 30 minutes following the conclusion of any questions and responses raised at the Court Meeting. Anglo American Shareholders shall be able to change their proxy instruction if they so wish during this 30 minute period. Anglo American Shareholders shall be able to change their proxy instruction in respect of the Court Meeting by sending an email to the UK Registrar at proxyvotes@equiniti.com, provided that the email is received by the UK Registrar within this 30 minute period.

The Investment Companies will be excluded from voting on the Scheme at the Court Meeting.

16 Actions to be taken

If you have elected to receive a hard copy of documents from Anglo American, the following documents are enclosed with this Circular:

- a blue Form of Proxy for use by Anglo American Shareholders in connection with the General Meeting; and
- a yellow Form of Proxy for use by Anglo American Shareholders in connection with the Court Meeting.

As the General Meeting and the Court Meeting will be held as closed physical meetings with Anglo American Shareholders requested not to attend due to the guidelines announced by the UK government in respect of COVID-19, you are requested to complete and sign the blue and yellow Forms of Proxy and return them in accordance with the instructions printed on them and as set out in the notes to the Notice of General

Meeting in Part XIII of this Circular, and in the Notice of Court Meeting in Part XIV of this Circular.

Completed Forms of Proxy should be returned to:

- for Anglo American Shareholders who hold their Anglo American Shares on the UK Register to the UK Registrar at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or
- for Anglo American Shareholders who hold their Anglo American Shares on the SA Register to the SA Transfer Secretary at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa,

in each case as soon as possible and, in any event, so as to be received by no later than 5.00 p.m. on Friday, 30 April 2021 for the General Meeting and by no later than 5.15 p.m. on Friday, 30 April 2021 for the Court Meeting (or, in the case of an adjourned meeting, not less than 48 hours, excluding any part of a day that is not a business day, prior to the time and date set for the adjourned meeting). It is important that all Anglo American Shareholders do still cast their votes in respect of the business of the Meetings. Anglo American encourages all Anglo American Shareholders to complete and return the Forms of Proxy appointing the Chairman of the General Meeting and the Court Meeting, as proxy. This will ensure that your vote will be counted irrespective of any attendance restrictions. Completed Forms of Proxy sent by post are sent at the risk of the Anglo American Shareholder and Anglo American Shareholders should take note of postal delivery times so as to ensure that the Forms of Proxy are received by the SA Transfer Secretary and/or the UK Registrar (as the case may be) promptly.

Voting at the Court Meeting shall remain open for 30 minutes following the conclusion of any questions and responses raised at the Court Meeting. Anglo American Shareholders shall be able to change their proxy instruction if they so wish during this 30 minute period. Anglo American Shareholders shall be able to change their proxy instruction in respect of the Court Meeting by sending an email to the UK Registrar at proxyvotes@equiniti.com, provided that the email is received by the UK Registrar within this 30 minute period.

CREST electronic proxy appointments should be made as soon as possible and, in any event, so as to be received by no later than 5.00 p.m. on Friday, 30 April 2021 for the General Meeting and by no later than 5.15 p.m. on Friday, 30 April 2021 for the Court Meeting (or, in the case of an adjourned meeting, not less than 48 hours, excluding any part of a day that is not a business day, prior to the time and date set for the adjourned meeting).

Anglo American Shareholders on the SA Register who have dematerialised their Anglo American Shares must NOT complete the Forms of Proxy (blue and yellow) but instead must provide their CSDP or broker with their voting instructions. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of the mandate furnished to them by you.

Returning the blue and/or the yellow Forms of Proxy (as applicable) will enable your votes to be counted at the Meetings in your absence.

If you hold your Anglo American Shares in Uncertificated Form through CREST, you may appoint a proxy using the CREST voting service in accordance with the procedures set out in the CREST Manual (please also refer to the notes for the Notice of General Meeting and the Notice of Court Meeting (as applicable) set out in Part XIII (*Notice of General Meeting*) and Part XIV (*Notice of Court Meeting*), respectively, of this Circular). Proxy appointments through

CREST (under CREST participant RA19) must be received by the Registrar by no later than 5.00 p.m. on Friday, 30 April 2021 in the case of the General Meeting and by no later than 5.15 p.m. on Friday, 30 April 2021 in the case of the Court Meeting (or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a business day) prior to the time and date set for the adjourned meeting).

Anglo American Shareholders are entitled to appoint a proxy in respect of some or all of their Anglo American Shares. Anglo American Shareholders are also entitled to appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different Anglo American Shares. A space has been included in each of the Forms of Proxy to allow Anglo American Shareholders entitled to attend and vote at the General Meeting or the Court Meeting (as applicable) to specify the number of Anglo American Shares in relation to which that proxy is appointed.

Anglo American Shareholders who wish to appoint more than one proxy in respect of their shareholding should complete a separate Form of Proxy for each proxy appointed. Such Anglo American Shareholders should read the information regarding the appointment of multiple proxies set out in Part II (*Actions to be taken*) of this Circular and the related notes contained in the Forms of Proxy and contact the relevant Registrar via the details set out in Part II (*Actions to be taken*) of this Circular.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Anglo American Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy as soon as possible.

Notices convening the General Meeting and the Court Meeting are set out in Part XIII (*Notice of General Meeting*) and Part XIV (*Notice of Court Meeting*), respectively, of this Circular.

17 Additional Information

Your attention is drawn to the letter from the Chairman of Anglo American set out in Part I (*Letter from the Chairman of Anglo American*) of this Circular and to the terms of the Scheme which are set out in full in Part X (*Scheme of Arrangement*) of this Circular. Your attention is also drawn to the further information contained in this Circular which forms part of this Explanatory Statement. An electronic version of this Circular is available to Anglo American Shareholders, subject to applicable securities laws at www.angloamerican.com/products/thermal-coal/demerger.

Yours sincerely

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

and

South Tower, 140 West Street
Floor 10
Sandton, 2196
South Africa

***Rand Merchant Bank (a division of
FirstRand Bank Limited)***

1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
South Africa

PART V RISK FACTORS

Section A sets out risks relating to an investment in the Thungela Group and the Demerger. Section B sets out risks relating to the Thungela Shares. Anglo American Shareholders are exposed to some of these risks in respect of their current shareholding in Anglo American. The Thungela PLS / Prospectus sets out additional risks relating to the Thungela Group's business and industry and certain legal and regulatory risks applicable to the Thungela Group. The risk factors set out below have been extracted without material adjustment from the corresponding risk factors in the Thungela PLS / Prospectus. For full details of all risk factors relating to the Thungela Group please refer to the Thungela PLS / Prospectus.

You should consult a legal adviser, a duly authorised independent financial adviser or a tax adviser for legal, financial or tax advice.

SECTION A: RISKS RELATING TO AN INVESTMENT IN THE THUNGELA GROUP AND THE DEMERGER

1 Some or all of the anticipated benefits of the Demerger may not be realised

There can be no guarantee that the anticipated benefits of the Demerger will materialise in full, in part or in a timely manner, or that unforeseen adverse consequences for the Thungela Group will not emerge as a result of the Demerger. For example, the costs to finalise the Demerger may be greater than anticipated, and future regulatory changes may diminish the anticipated regulatory benefits of the Demerger. In addition, Thungela will incur some negative effects from its separation from Anglo American, including loss of access to the financial, managerial and professional resources as well as procurement synergies from which it had benefited in the past. If the benefits of the Demerger are not realised as expected and/or the Thungela Group incurs significant costs in realising them, this could have a material adverse impact on the Thungela Group's results.

2 The Thungela Group's future financial performance is uncertain and the Combined Carve-out Historical Financial Information is not necessarily indicative of the Thungela Group's future financial condition

The Combined Carve-out Historical Financial Information does not reflect what the Thungela Group's financial condition, results of operations or cash flows would have been as an independent public company during the periods presented and are not necessarily indicative of its future financial condition, future results of operations or future cash flows. This is primarily a result of the following factors:

- the Thungela Group's Combined Carve-out Historical Financial Information reflect charges for services historically provided by Anglo American, and those charges may be different from the comparable expenses the Thungela Group would have incurred as an independent company;
- the Thungela Group's working capital requirements historically have been satisfied as part of Anglo American's corporate-wide cash management programmes, and the Thungela Group's cost of debt and other capital may be different from that reflected in its Combined Carve-out Historical Financial Information;
- the Combined Carve-out Historical Financial Information may not fully reflect the increased costs associated with being an independent public company, including significant changes that will occur in the Thungela Group's cost structure, management, financing arrangements and business operations as a result of the Demerger, including all the costs related to being an independent public company; and

- the Combined Carve-out Historical Financial Information may not fully reflect the effects of certain liabilities that will be incurred or assumed by the Thungela Group and may not fully reflect the effects of certain assets that will be transferred to, and liabilities that will be assumed by, Anglo American.

3 Thungela has no history of operating as a stand-alone public company and will likely incur significant expenses to create the corporate infrastructure necessary to operate independently, and will experience increased ongoing costs in connection with being an independent public company

Thungela has historically used Anglo American's corporate infrastructure to support many of its business functions. The expenses related to establishing and maintaining this infrastructure have historically been spread among all of the Anglo American businesses. Following the Demerger, Thungela will no longer have access to Anglo American's infrastructure, and will need to establish its own. Anglo American provides certain purchasing, corporate communications, human resources and benefit management, treasury and finance, investor relations, internal audit, legal and tax advice, compliance regarding internal controls and information technology services to Thungela.

The total cost of services provided by Anglo American, including insurance charges of Rand 223 million, was Rand 802 million in Financial Year 2020. Following the Demerger, Thungela will assume responsibility for the costs of these functions. Accordingly, the Combined Carve-out Historical Financial Information is not necessarily indicative of the Thungela Group's future performance and cost and does not reflect what the Thungela Group's actual financial performance would have been had Thungela been an independent publicly traded company during the periods presented. Thungela's management expects, subject to the finalisation of Thungela's plans, that the total annual costs for the abovementioned functions will be approximately Rand 700 million in Financial Year 2021, including third party insurance charges. However, Thungela's management also expects that the Thungela Group will benefit from certain rationalisations, including the renegotiation of contracts, which should offset these incremental expenses. Following the Demerger, Anglo American will continue to provide some of these services to the Thungela Group on a transitional basis for a period expected to be up to 18 months, pursuant to the Group Transitional Services Agreement between Thungela and Anglo American signed on 20 March 2021. Thungela cannot, however, be certain that all these functions will be successfully executed by Anglo American during the transition period or that Thungela will not have to expend significant efforts or costs materially in excess of those estimated in the Transitional Services Agreement and the Group Transitional Services Agreement.

In addition, the Thungela Group has entered into the Offtake Agreement with AAML, a subsidiary of Anglo American, whereby AAML will purchase all saleable export thermal coal produced by the Thungela Group for a period of three years after which the Thungela Group will need to establish or procure its own marketing and sales operations. The Offtake Agreement provides, following the initial period of three years, for an additional six month handover period during which AAML will assist the Thungela Group with the transition to its preferred arrangements. The costs associated in connection with establishing the necessary infrastructure enabling the Thungela Group to operate as an independent public company may exceed the amounts reflected in the Combined Carve-out Historical Financial Information or that Thungela has agreed to pay Anglo American during the transition period. Any interruption in these services or arrangements could have a material adverse effect on the Thungela Group's financial condition, results of operations and/or cash flows. Further, at the end of this transition period, Thungela will need to perform these functions itself or hire third parties to perform these functions on its behalf.

4 The Thungela Group will not be able to rely on Anglo American to fund its future capital requirements and financing from other sources may not be available on favourable terms

The Thungela Group's capital needs have previously been satisfied by Anglo American, however, following the Demerger, Anglo American will no longer provide funds to finance the Thungela Group's working capital or other cash requirements. The Thungela Group's future capital and funding requirements will depend on many factors, including its revenues, which are primarily driven by the Thungela Group's production levels and its realised thermal coal price, its wages, royalties and other fees, its rate of growth, exploration efforts, infrastructure investment and its maintenance requirements. The Thungela Group may need to raise additional funds through public or private equity or debt financing. Thungela's management expects that Thungela's credit rating will not be investment grade and, as a consequence, it may not be able to obtain financing with interest rates as favourable as those that it could benefit from while a member of the Anglo American Group. Furthermore, following the Demerger, the Thungela Group's operations will be concentrated in South Africa and as noted above, certain factors beyond the Thungela Group's control may negatively influence investors' risk perceptions of South Africa or emerging markets generally, and negatively impact the Thungela Group's access to international capital markets. If the Thungela Group cannot raise funds on acceptable terms if and when needed, it may not be able to further develop its business or invest in new products and services, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements, which could have a material adverse effect on the Thungela Group's business, financial condition, results of operations and/or cash flows and impact its financing obligations.

5 Thungela faces significant costs to operate as a public company in compliance with regulatory requirements and will require management to devote substantial time to comply with public company regulations

Following the Demerger, Thungela will be directly subject to reporting and other continuing obligations under the JSE Listings Requirements, the UK Listing Rules, UK MAR and the UK Disclosure Guidance and Transparency Rules. This includes the requirement to file Thungela's annual financial reports for the financial year ending 31 December 2021. As the Thungela Group's financial results were previously included within the consolidated results of Anglo American, these reporting and other obligations will place significant incremental demands on Thungela's management as well as its administrative and operational resources, including accounting resources. To comply with these requirements, Thungela's management anticipates that Thungela will need to upgrade its systems, including information technology, implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff. Thungela's management expects to incur additional annual expenses related to these steps, and those expenses may be significant. Thungela's management cannot be certain that any necessary upgrade of its financial and management controls, reporting systems, information technology and procedures will occur as expected, or that these management controls, reporting systems, information technology or procedures ensure compliance with financial reporting requirements and other rules that apply to reporting companies under the JSE Listings Requirements, UK Listing Rules, UK MAR and the UK Disclosure Guidance and Transparency Rules. Any failure to achieve and maintain effective internal controls could have a material adverse effect on the Thungela Group's reputation, its business, financial condition, results of operations and/or cash flows.

6 The agreements entered or to be entered into by Thungela in connection with the Demerger expose the Thungela Group to counterparty risk

In anticipation of, and in connection with, the Demerger, Thungela has entered into agreements with various members of the Anglo American Group, including:

- the Demerger Agreement;
- the Transitional Services Agreement;
- the Group Transitional Services Agreement;
- the Indemnity Agreement;
- the Offtake Agreement;
- the Capital Support Agreement;
- the Intragroup Sale Agreement;
- the Option Agreement; and
- the Management Services Agreement.

If the Anglo American Group fails to meet its obligations under any of the agreements or fails to provide the services and other information in a timely manner or as required under the relevant agreement, such failure could negatively impact the Thungela Group's operations or the orderly implementation of the Demerger. This could, in turn, have a material adverse effect on the Thungela Group's business, operating results, financial condition and/or prospects.

SECTION B: RISKS RELATING TO THE THUNGELA SHARES

1 There is no existing market for the Thungela Shares and an active trading market for the Thungela Shares may not develop or be sustained

There is currently no active public trading market for the Thungela Shares. Although the Thungela Shares are expected to be listed on the JSE and the LSE following Admission, there is no guarantee that an active trading market for the Thungela Shares will develop or, if it does develop, that it will be maintained. If no active trading in the Thungela Shares develops or continues after Admission, this could have a material adverse effect on the liquidity and the market price of the Thungela Shares.

The trading price of the Thungela Shares may be subject to significant fluctuations in response to many factors, including short-term selling pressures, equity market fluctuations, general economic conditions and regulatory changes which may adversely affect the market price of the Thungela Shares, regardless of the Thungela Group's actual performance or conditions in its key markets and may therefore not reflect the fundamental values assumed by the Thungela Group and its financial advisers in determining the opening price for the Thungela Shares on Admission.

2 The market price of the Thungela Shares may be volatile and subject to fluctuations, including significant decreases, due to, amongst other factors, flowback

Following Admission, the market price of the Thungela Shares could be volatile and subject to significant fluctuations due to a variety of factors, some of which do not relate to the financial performance of the Thungela Group. These include changes in general market conditions, the general performance of the exchanges on which the Thungela Shares are listed and traded, changes in sentiment in the market regarding the Thungela Shares (or securities similar to them), potential or actual sales of the Thungela Shares in the market by Thungela Shareholders either voluntarily or in forced transactions as a result of restrictions on the types of securities

they can hold in their portfolios, regulatory changes affecting the Thungela Group's operations, variations in the Thungela Group's operating results, business developments for the Thungela Group or their competitors, the operating and share price performance of other companies in the industries and markets in which the Thungela Group operates, exchange rate fluctuations, perceptions of economic and political risk or speculation about the Thungela Group in the press, media or the investment community. The sale of shares in such circumstances is commonly known as "flowback". The price and liquidity of the Thungela Shares may also vary between the exchanges on which they are listed, including as a result of differences in the rates of applicable transfer taxes. Furthermore, the Thungela Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events or others could result in a decline in the market price of the Thungela Shares, thereby adversely affecting the market price of the Thungela Shares.

3 The market price of the Thungela Shares may not reflect the fundamental values assumed in the Thungela PLS / Prospectus, the Competent Persons' Reports and other publicly available information

The market price of the Thungela Shares is determined by a number of factors and as such the price offered by the market may deviate from a fundamental price of the Thungela Group's business derived from the information provided in the Thungela PLS / Prospectus, the Competent Persons' Reports and other publicly available information. The market price of the Thungela Shares is determined by a number of factors including, but not limited to, market sentiment towards the commodity, supply and demand outlook, overall market sentiment to equity investment, operational performance of the Thungela Group, political, social and economic conditions in South Africa, market sentiment towards the Thungela Shares and other investable options.

4 Thungela may not be able to declare and make dividend payments now or in the future

Thungela may not be able to, or may decide not to, pay dividends at a level anticipated by Thungela Shareholders. As a holding company, Thungela's ability to pay dividends in the future is affected by a number of factors, principally Thungela's ability to receive sufficient dividends from its subsidiaries. The payment of dividends by subsidiaries is, in turn, subject to restrictions, including regulatory non-objection or approval, the existence of sufficient distributable reserves and cash in those subsidiaries. As the payment of dividends is also at the discretion of the Thungela Directors, it will be subject to, among other things, applicable law, regulations, any potential restrictions in the Thungela Group's financing arrangements, financial position, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors that the Thungela Directors deem significant from time to time. The Thungela Group's results could also fluctuate and because its ability to pay dividends is dependent on, among other things, achieving sufficient post-tax profits and free cash flow, Thungela may not pay dividends if the Thungela Directors believe this would cause Thungela to be less than adequately capitalised or that there are otherwise insufficient distributable reserves. These restrictions or a combination of some of these factors could limit or prohibit the payment of dividends to Thungela Shareholders.

5 Future sales or new issuances of substantial numbers of Thungela Shares, or the perception that such sales or issues could occur, may dilute existing shareholdings and could adversely affect the market value of the Thungela Shares

Other than the proposed issue of the Thungela Shares, Thungela has no current plans for an offering of the Thungela Shares. In particular, Thungela may be subject to restrictions on the issue of new shares until a certain date after Admission. It is possible that Thungela may decide to issue additional shares in the future in connection with future acquisitions, any share incentive or share option plan or otherwise and, if Thungela Shareholders do not take up any offer or are not eligible to participate, their proportionate ownership and voting interests in

Thungela will be reduced and the percentage that their Thungela Shares will represent of the total share capital of Thungela will be reduced accordingly. A future equity issue or significant sale of Thungela Shares by major Thungela Shareholders could have a material adverse effect on the market price of the Thungela Shares as a whole.

6 Thungela Shareholders outside the United Kingdom and South Africa may not be able to participate in future equity offerings

Thungela's memorandum of incorporation provides for pre-emptive rights to be granted to Thungela Shareholders upon the issue of new Thungela Shares, unless these rights are disappplied by a shareholder resolution. However, securities laws of certain jurisdictions may restrict the ability of Thungela to allow participation by their respective shareholders in future offerings. In particular, Thungela Shareholders in the United States may not be entitled to exercise these rights unless either the rights and Thungela Shares are registered under the US Securities Act, or the rights and Thungela Shares are offered pursuant to an exemption from, or the transaction is not subject to, the registration requirements of the US Securities Act. Thungela Shareholders who have a registered address or are resident in, or who are citizens of, countries other than South Africa or the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or approvals or need to observe any other formalities to enable them to participate in any future equity offering of Thungela.

PART VI INFORMATION ON THUNGELA

1 Introduction

The Thungela Group is one of the largest pure-play producers and exporters of thermal coal in South Africa based on aggregate thermal coal reserves and marketable thermal coal production. The Thungela Group owns interests in, and produces its thermal coal predominantly from seven mining operations, namely Goedehoop, Greenside, Isibonelo, Khwezela, AAIC (operating the Zibulo colliery), Mafube Coal Mining (operating the Mafube colliery) and Butsanani Energy (operating the Rietvlei colliery) which consist of both underground and open cast mines located in the Mpumalanga province of South Africa. The Thungela Group's operations are amongst the highest quality thermal coal mines in South Africa by calorific value. The Thungela Group also holds a 50% interest in Phola, which owns and operates the Phola Coal Processing Plant, and a 23.22% indirect interest in RBCT, which owns and operates the Richards Bay Coal Terminal. The Richards Bay Coal Terminal is one of the world's leading coal export terminals, with an advanced 24-hour operation and a design capacity of 91 Mtpa.

The Thungela Group is committed to carrying out its operations with a view to a sustainable future and as a leader amongst South African thermal coal miners in accordance with its environmental, social and governance ("**ESG**") programmes. Accordingly, the Thungela Group has an ESG framework which prioritises those ESG areas most salient to its communities and stakeholders and sets out how these matters are integrated into the Thungela Group's operations. The Thungela Group's ESG framework is currently in place and will be implemented by the Thungela Group on an ongoing basis.

The Thungela Group operates a site-driven structure, supported by centralised corporate functions to improve efficiency across its operations. As at 31 December 2020, the Thungela Group had 7,525 employees and independent contractors (2019: 8,287) but excluding third-party service providers.

In Financial Year 2020, the mines operated by the Thungela Group produced, in the aggregate, 16,463 kt of thermal coal to export markets and 14,015 kt to the domestic market in South Africa, generating aggregated sales volume (including coal acquired from third parties) of 18,153 kt for exports (representing 79.4% of total revenue) and 13,362 kt domestically (representing 20.6% of total revenue). Domestic sales volume accounted for 42% of total sales volume in Financial Year 2020, however, constitutes a lower quality and lower value coal compared to export thermal coal. As at 31 December 2020, the Thungela Group had proved and probable ROM thermal coal reserves of 236.8 Mt. The following table sets out the SAT Coal Operations' key operating and financial performance indicators for Financial Year 2020, Financial Year 2019 and Financial Year 2018. The following figures have been sourced from the Combined Carve-out Historical Financial Information of the SAT Coal Operations and monthly operating performance reports:

	Year ended 31 December		
	2020	2019	2018
Run of mine (ROM) (kt)	32,174	33,388	39,982
Saleable production export (kt) ⁽¹⁾	16,463	17,795	18,359
Saleable production domestic (kt)	14,015	11,241	13,692
Export sales volume (kt) ⁽¹⁾	18,153	19,785	19,223
Domestic sales volume (kt).....	13,362	10,858	13,111
Average export sales price (Rand/tonne).....	798	788	1,060
Average domestic sales price (Rand/tonne).....	282	276	318
FOB cost/export tonne (Rand/tonne) ⁽²⁾	833	763	807
Adjusted EBITDA ⁽³⁾ (Rand million).....	(1,024)	702	8,116
Adjusted EBITDA margin ⁽⁴⁾ (%)	(5.6)	3.8	33.1
Adjusted operating free cash flow ⁽⁵⁾ (R million)	(1,741)	(1,688)	4,131
Sustaining capex (R million) ⁽⁶⁾	1,758	1,783	1,945
Environmental liability coverage (%) ⁽⁷⁾	(45)	(54)	(54)

Notes:

- (1) Over the historical period export sales volume has exceeded export saleable production as it has been supplemented by third party purchases of coal.
- (2) FOB cost per export tonne represents direct cash cost incurred in producing one unit of export saleable product. This includes carbon monoxide costs, direct support costs, by-product credits logistics costs (also known FOB costs) and excludes, amongst other things, royalties, marketing, market development and corporate overhead.
- (3) Adjusted EBITDA is defined as profit/(loss) before net finance income/(costs), tax, impairment losses, restructuring costs and termination benefits and depreciation and amortisation. See Part VII (*Financial Information on Thungela*) for a reconciliation of profit/(loss) for the Financial Year to Adjusted EBITDA.
- (4) Adjusted EBITDA margin is derived from Adjusted EBITDA as a percentage of revenue during the reporting period. See Part VII (*Financial Information on Thungela*) for a reconciliation of profit/(loss) for the Financial Year to Adjusted EBITDA.
- (5) Adjusted operating free cash flow is calculated by taking net cash flows from operating activities less sustaining capital expenditure. See Part VII (*Financial Information on Thungela*) for a reconciliation of net cash flows from operating activities for the Financial Year to adjusted operating free cash flow.
- (6) Sustaining capex is defined as stay in business and stripping and development capital expenditure.
- (7) Environmental liability coverage assesses the percentage cash and cash equivalent investments held to fund future rehabilitation, decommissioning and water treatment expenditure.

2 Key Strengths

The Thungela Group believes that the following key strengths have contributed to its successful development:

2.1 A leading South African thermal coal business

The Thungela Group is focused exclusively on thermal coal production and it is one of the largest export thermal coal producers in South Africa based on aggregate coal reserves and marketable coal production. As at 31 December 2020, the mines which the Thungela Group owned and operated had, in aggregate, coal reserves of approximately 236.8 Mt and an annual production footprint of 16,463 kt of export quality thermal coal. As such, the Thungela Group is one of South Africa's leading thermal coal mine operators, with production mainly from seven mining operations, namely Goedehoop, Greenside, Isibonelo, Khwezela, AAIC (operating the Zibulo colliery), Butsanani Energy (operating the Rietvlei colliery) and Mafube Coal Mining (operating the Mafube colliery). Despite being in production for many decades, the Thungela Group's operations are still amongst the highest quality thermal coal mines in South Africa by calorific value. The Thungela Group focuses on exporting its thermal coal portfolio mainly to the Indian,

Asian, SEA, Middle East and North African markets. The Thungela Group expects its existing portfolio of assets to provide it with continued cash generation from the duration of its portfolio's current life of mine over the next decade, with the possibility of life extension opportunities. In addition to export markets, the Thungela Group produces thermal coal for domestic consumption in South Africa, which provides it with inherent operational flexibility in response to changes in demand and other external factors.

Based on Wood Mackenzie analysis and assumptions, the Thungela Group's 2021 cash cost position is likely to be lower than the South African and global average costs. The Thungela Group's weighted average 2021 cash costs are expected to be at the bottom half of the global total cash cost curve as estimated by Wood Mackenzie.

Depressed thermal coal prices in 2019 and 2020 put pressure on global margins. However, most of the Thungela Group's assets are positioned in the first quartile of the operating margin curve, estimated by Wood Mackenzie, which is expected to support cash flow generation in a low pricing environment. The Thungela Group's weighted average margin in 2021 sits above global and South African averages. By 2023, the Zibulo and Mafube collieries are expected to have the highest margins within the Thungela Group's portfolio owing to their lower cash cost position.

2.2 **Integrated rail and port infrastructure**

The Thungela Group's export-focused operations have access to established and fully integrated infrastructure allowing for effective and economic transport of the Thungela Group's thermal coal to key export markets. The Thungela Group uses trucks, draglines, conveyor belts and other equipment to deliver coal to the processing plants servicing the collieries and, subsequently, to adjacent rail load-out terminals after which the coal is despatched to a railway network that traverses the Mpumalanga province of South Africa. The railway network is positioned within a few kilometres of the Thungela Group's operations, and, as a result of their close proximity, some of the Thungela Group's collieries, including Greenside and Khwezela, share a rapid loadout terminal and infrastructure, allowing the Thungela Group to ultimately deliver its thermal coal to the rail network in a coordinated manner while reducing costs and capital expenditure relating to transport infrastructure.

After delivery to the rail network, the Thungela Group's thermal coal is transported by Transnet Freight Rail ("**TFR**"), a division of the State-owned company, Transnet SOC Limited ("**Transnet**"), a South African state-owned company, directly to the Richards Bay Coal Terminal for seaborne shipment to key export markets, including India, Asia, SEA, Middle East and North Africa. The Richards Bay Coal Terminal is one of the world's leading coal export terminals, with an advanced 24-hour operation and a design capacity of 91 Mt per year. The Thungela Group has a 23.22% indirect interest in RBCT, which owns and operates the Richards Bay Coal Terminal. RBCT operates a quay that is 2.2 kilometres long with six berths and four ship loaders, and stockyard capacity of approximately 8 Mt.

The Thungela Group's shareholding interest in RBCT and associated entitlement provides it with security to access its key export markets and also provides it with optionality to fill this entitlement with third party volumes or temporarily lease out this entitlement in the event there is spare capacity after the shipment of the Thungela Group's own production volumes.

2.3 **Right-sized organisational model and fit for purpose operating model**

The Thungela Group's organisational structure is transitioning from operating under the structure of a listed and diversified global company, to operating as a fit-for-purpose standalone organisation focused on efficiency and maintaining an appropriate cost structure. The site-driven structure is supported by centralised corporate functions

providing efficient services to the Thungela Group's operations, enabling fast-decision making and efficient corporate processes appropriate to the Thungela Group's needs.

The centralised corporate functions provide administrative, technical and procurement services and develop the Thungela Group-wide standards and best practice guidelines. These are designed to improve the Thungela Group's efficiency, streamline a number of administrative processes centralised decisions by appropriate persons and economies of scale, and ensure that the Thungela Group engages with its employees and stakeholders effectively.

The site-driven operational structure shifts accountability and responsibility for each site to its management team, increasing the accountability of each operation across the portfolio by empowering management teams to focus specifically on their own mine's performance and operations. The organisational structure of each site comprises predominantly senior and highly experienced individuals, who are fully accountable for the operations and performance of the mine, and are required to provide for site-specific expertise. Additionally, the Thungela Group's leadership team across the portfolio is encouraged to promote a "tone at the top" approach and lead by example to create a results driven, high performance culture throughout the organisation. The Thungela Group will continue to identify, review and further enhance its critical business policies to ensure that they align with and support the Thungela Group's priorities as they evolve over time.

2.4 **A pipeline of life-of-mine enhancing options**

The Thungela Group has a range of potentially attractive options at its existing operations, primarily concentrated on optimising production and extending the lives of its operations by leveraging existing efficient infrastructure and processing facilities. The Thungela Group's operations today have a weighted average reserve life of approximately 8 years. Although the Thungela Group's management team considers the life of mine of its operations to be relatively robust, brownfield options at mines including Zibulo and Khwezela have the potential to extend the life of the Thungela Group's assets to approximately 2040.

Beyond existing brownfield opportunities, the Thungela Group also benefits from greenfield optionality through the Elders Project and Dalyshope Project. While these options are at an early stage, they do provide further life opportunity for the portfolio as a whole should the investment metrics be attractive and any such investments be deemed by the Thungela Group's management team and the Thungela Board to be in the best interests of its shareholders and stakeholders. The Thungela Group believes that its dedicated and focused management team, having an extensive understanding of the Thungela Group's operations, will allow it to further optimise these life extension opportunities for consideration at the appropriate time. For further detail on the Thungela Group's management team see "*Experienced and focused management team with a strong track record of driving operational performance, supported by an experienced Thungela Board*".

2.5 **Low cash cost assets, well positioned to benefit from favourable thermal coal market environment**

The Thungela Group's weighted average cash cost position is expected to be in the bottom half of the global total cash cost curve for 2021 (Wood Mackenzie).

The expectation of Thungela's management is for continued strength in thermal coal market fundamentals and a supportive pricing environment in the near- to mid-term, which is in line with Wood Mackenzie's expectations. Thungela's management also believes the Thungela Group will be in a position to leverage its standalone operating

model as well as its low cash cost position to capitalise on these anticipated developments, particularly in the export thermal coal market.

The global demand for thermal coal contracted in 2020 as a result of the COVID-19 pandemic, decreasing from 6.9 Bt in 2019 to an estimated 6.6 Bt in 2020. However demand is expected to rebound from 2021, growing to a peak of 7.2 Bt in 2026 before declining again to 7.0 Bt by 2030 as costs of renewable energy (such as solar panel components and wind and battery-based storage systems) continue to fall and emission-reduction goals are increasingly adopted, leading to a reduction in the use of thermal coal in power generation globally (Wood Mackenzie). In the near-term, demand for thermal coal is expected to grow at a compound annual growth rate of 2.1% between 2020 and 2023.

South Africa remains well positioned in the global thermal coal market with India being the largest destination for exported South African thermal coal, accounting for 48% of South Africa's thermal coal exports in 2020. This demand from India is expected to continue at current levels through to 2030. Thermal coal is still a highly competitive fuel for electricity generation in India given the high growth rate of demand from coal-fired power stations, with South African exports to India expecting to increase in the coming decade, from 35 Mt in 2020 to 41 Mt in 2023, before declining to an estimated 33 Mt in 2030.

Further, despite a decrease in the price of thermal coal below long-run sustainable levels during parts of 2019 and 2020, strong prices as seen in the fourth quarter of 2020 and the first quarter of 2021 are expected to continue in the near- to mid-term according to Wood Mackenzie, market consensus and industry expectations. The average price in 2021 of US\$85.2/tonne in real 2020 terms for RB1 product, a key benchmark South African export product is above the Thungela Group's total cash cost position (Wood Mackenzie). Going forward, it is expected that RB1 product prices will stay around US\$80/tonne on average until 2030 in real 2020 terms (Wood Mackenzie).

The Thungela Group believes it is well placed to leverage its operating model and access to integrated rail and port infrastructure, to benefit from the expected ongoing consistent demand for thermal coal and attractive prices in light of continued supply constraints and discipline. In addition, the Thungela Group believes that the export-oriented nature of its business is a key differentiator as it is able to obtain global and market determined indexed pricing for most of its thermal coal sales. Conversely, domestic producers of thermal coal in the countries to where the Thungela Group exports are more susceptible to locally regulated pricing, or local production restrictions imposed by regulators, which favours the global seaborne thermal coal market.

2.6 Offtake Agreement with Anglo American

Historically, the Thungela Group's export sales were operated through AAML, an Anglo American business focused on the trading and distribution of metals and minerals, including thermal coal. AAML operates under the equity and trading books, whereby the equity book acquires thermal coal from the Thungela Group, transfers it to the trading book, and the trading book then sells the thermal coal to third parties. To ensure a seamless transition from the Demerger and to enable the Thungela Group to focus on its production operations, the Thungela Group has entered into the Offtake Agreement. Under this agreement, and as part of Anglo American's responsible approach to its divestment of the Thungela Group, AAML will continue to provide sales and marketing services to the Thungela Group and purchase the Thungela Group's export thermal coal for the three-year period. The Offtake Agreement provides, following the initial period of three years, for an additional six-month handover period during which AAML will assist the Thungela Group with the transition to its preferred arrangements.

The Offtake Agreement will ensure that the Thungela Group continues to receive as close to full market value as possible for its products that are sold, that the Thungela Group's customers receive a consistent service and supply, and that the Thungela Group can concentrate in its initial period as a listed company on further enhancing the performance of its operations as a market leader in South African thermal coal mining.

For further detail regarding the Offtake Agreement, see paragraph 5.4 of Part IV (*Explanatory Statement*) of this Circular.

2.7 Experienced and focused management team with a strong track record of driving operational performance, supported by an experienced Thungela Board

The Thungela Group has a focused management team that operates the Thungela Group's thermal coal mines and has established cost optimisation strategies, productivity improvements and value accretive investments. The Thungela Group's management team is led by Chief Executive Officer July Ndlovu, who formerly served as the chief executive officer of Anglo American's thermal coal business in South Africa, and Chief Financial Officer, Deon Smith, who formally served as the chief financial officer of Anglo American's thermal coal business in South Africa and previously held various senior managerial roles in the Anglo American Group, including head of corporate finance in South Africa. The Thungela Group's management team, supported by an experienced and high calibre Thungela Board, has an average of 20 years of experience in the mining industry, including specific expertise in coal mining and operating mines in South Africa. The Thungela Board is chaired by Sango Ntsaluba, with Kholeka Mzondeki as chairperson of the Thungela Audit Committee, Thero Setiloane as chairperson of the Thungela Social and Ethics Committee and Ben Kodisang as chairperson of the Thungela Risk and Sustainability Committee, setting the appropriate tone of strong corporate governance from the outset of the Thungela Group's independence. The Thungela Group believes it will continue to benefit from the depth and breadth of experience of its management team and the Thungela Board as it pursues its business strategy as an independent company.

3 Strategy

The Thungela Group's strategic focus is to establish itself as a leader amongst thermal coal miners and to maximise value for its shareholders and other stakeholders by focusing on four key areas, namely:

- establishing and committing to a robust environmental, social and governance policy;
- improving the productivity and optimising the cost structure of the Thungela Group's operations;
- nurturing the Thungela Group's existing portfolio of assets to ensure a pipeline of life-of-mine extending investment opportunities; and
- creating strong alignment with investors through a transparent capital allocation framework and dividend policy.

The Thungela Group intends to operate a safe, lean and responsibly managed portfolio of thermal coal assets in South Africa, with the sustainability performance of its assets front of mind and disciplined management of its capital, as set out below:

3.1 Establish and commit to a robust ESG policy to underpin the Thungela Group's social licence to operate

The Thungela Group recognises that all stakeholders should benefit from sustainable businesses and considers it a strategic priority to operate in a way which maintains and enhances its safety, health, environmental, governance and social programmes for the

benefit of the business, its operations, its employees and the communities in which it operates. The Thungela Group has an ESG framework which prioritises the ESG areas that are most salient to its host communities and other stakeholders. This framework has three pillars: environmental stewardship, shared value for its stakeholders and responsible decision making and leadership. The health and wellbeing of all people working on Thungela Group sites is paramount and as such the Thungela Group is working towards creating a working environment in which the number of recordable injuries continues to reduce and to eliminate level 4 to 5 serious environmental incidents and fatalities. The Thungela Group's existing community and social engagement programmes will be updated to align with the implementation of the Thungela Group's broad-based economic empowerment community ownership scheme. The Thungela Group remains committed to reducing its operational (scope 1 and 2 emissions) greenhouse gas emissions.

3.2 Further improve productivity and optimise costs

The Thungela Group's flexibility as a single commodity producer in South Africa will enable it to adopt a leaner operating model. Although the Thungela Group's assets previously benefited from the productivity and cost optimisation initiatives provided by, and as a result of being owned by, Anglo American, the Thungela Group will focus on implementing a fit-for-purpose organisational restructure with centralised corporate functions to support the operations of and relevant expertise required for each site, including the aggregation of administrative, technical and procurement services and in turn reduce costs and improve the efficiency and productivity of these services, leaving each site's management team to focus on achieving operational excellence of their own sites. The management teams for each site will have greater control and responsibility for their own mines, operational objectives and achieving productivity and cost targets through focused fit for purpose control of expenditure and utilisation patterns, 'a buy better and use better' procurement approach and optimal use of installed capacity. For further detail on the Thungela Group's operating model, see "*—Key Strengths—Right-sized organisational model and fit for purpose operating model*".

Additionally, the Thungela Group's strategy is to focus on aligning its stay-in-business capital expenditure with the remaining life of the existing assets in its portfolio. For further information on the Thungela Group's capital allocation framework, see "*—Create strong alignment with investors through a transparent capital allocation framework and dividend policy*".

3.3 Nurture the existing portfolio of assets to ensure a pipeline of life-of-mine extending investment opportunities

In accordance with its strict investment criteria, the Thungela Group considers, analyses and rigorously evaluates potential investment opportunities into low-cost, capital efficient, value-accretive brownfield options that would provide the Thungela Group life-of-mine extending options.

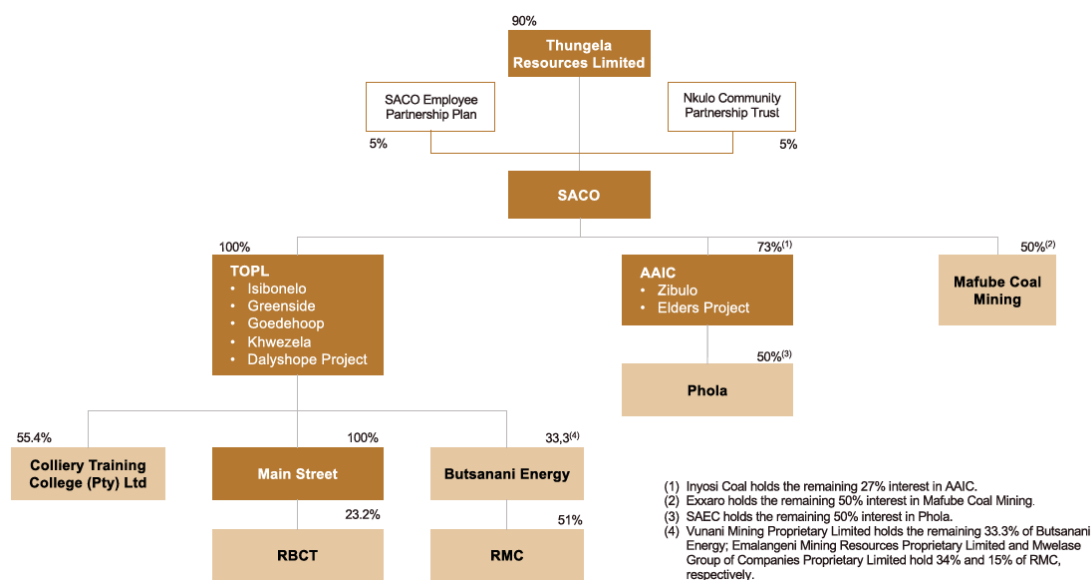
The Thungela Group is one of South Africa's leading thermal coal mine operators, with operations exclusively located in the operating basin of the Mpumalanga province of South Africa. To optimise the Thungela Group's position as a market leader, its experience and expertise, and its established production operations and infrastructure networks in this area, the Thungela Group will continue to focus on investment opportunities that result in life-of-mine extending options, potentially leveraging synergy options of mines and operations immediately contiguous to the Thungela Group's existing efficient operations and infrastructure.

3.4 Create strong alignment with investors through a transparent capital allocation framework and dividend policy

The Thungela Group expects to provide sustainable dividend flows to shareholders by focusing on generating strong cash flows through further productivity and cost efficiency gains in its thermal coal operations in South Africa. In order to manage its capital with a view to sustaining its existing operations, the Thungela Group expects to selectively invest in low risk, value-accretive brownfield life extension projects that meet its strict investment criteria whilst distributing excess cash flow to its shareholders in accordance with its dividend policy. Such brownfield projects would be expected to extend the Thungela Group's production profile and upgrade the overall quality of the Thungela Group's portfolio, which in turn would help to sustain strong cash flows for the benefit of all shareholders. For further information on the Thungela Group's portfolio of assets see "*Nurture the existing portfolio of assets to ensure a pipeline of life-of-mine extending investment opportunities*".

4 The Thungela Group structure

The following diagram sets out the Thungela Group's simplified organisational structure of its operations and projects.



PART VII
FINANCIAL INFORMATION ON THUNGELA

The selected financial information for the years ended 31 December 2020, 2019 and 2018 has been extracted, without material adjustments, from the Combined Carve-out Historical Financial Information of the SAT Coal Operations for the years ended 31 December 2020, 2019 and 2018, respectively.

The following table sets out a summary of the SAT Coal Operations statement of comprehensive income for the years ended 31 December 2020, 2019 and 2018 as extracted from the Combined Carve-out Historical Financial Information:

	Year ended 31 December		
	2020	2019	2018
	<i>(Rand million, unless otherwise indicated)</i>		
Revenue	18,254	18,592	24,545
Operating costs	(20,351)	(19,132)	(18,088)
Impairment loss	(2,160)	(7,731)	
Restructuring costs and termination benefits	(157)	(128)	(40)
Reversal of impairment loss	—	664	—
Operating (loss)/profit	(4,414)	(7,735)	6,417
Remeasurement gain on the acquisition of operations	—	126	—
Gain on the disposal of operations	—	—	998
(Loss)/profit before net finance costs and tax	(4,414)	(7,609)	7,415
Net finance costs	(410)	(168)	(408)
(Loss)/profit before tax	(4,824)	(7,777)	7,007
Income tax credit/(expense)	121	115	(1,819)
(Loss)/profit for the year	(4,703)	(7,662)	5,188
Attributable to:			
Parent entities ⁽¹⁾	(4,413)	(7,700)	4,461
Non-controlling interests	(290)	38	727
(Loss)/profit for the year	(4,703)	(7,662)	5,188
Headline (loss)/earnings	(2,535)	(758)	3,758

Note:

(1) Parent entities are defined as Anglo American Group entities which are not part of the Demerger transaction.

The following table sets out a summary of the SAT Coal Operations' statement of financial position as at 31 December 2020, 2019 and 2018:

	As at 31 December		
	2020	2019	2018
	<i>(Rand million, unless otherwise indicated)</i>		
Total assets	18,969	18,411	22,178
Total liabilities	(13,597)	(11,738)	(11,457)
Total equity	5,372	6,673	10,721
Invested Equity attributable to Parent entities	3,842	4,807	8,918
Non-controlling interests	1,530	1,866	1,803
Total equity	5,372	6,673	10,721

Non-IFRS Financial APMs

The following table reconciles (loss)/profit for the Financial Year to Adjusted EBITDA and Adjusted EBITDA margin for the years ended 31 December 2020, 2019 and 2018:

	Year ended 31 December		
	2020	2019	2018
	<i>(R million, unless otherwise indicated)</i>		
(Loss)/profit for the Financial Year	(4,703)	(7,662)	5,188
<i>Adjustments</i>			
Income tax expense(credit)	(121)	(115)	1,819
Net finance costs	410	168	408
Remeasurement gain on the acquisition of operations	—	(126)	—
Gain on the disposal of operations	—	—	(998)
Operating (loss)/profit	(4,414)	(7,735)	6,417
<i>Adjustments</i>			
Depreciation and amortisation.....	1,073	1,242	1,659
Net impairment loss	2,160	7,067	—
Restructuring costs and termination benefits.....	157	128	40
Adjusted EBITDA ⁽¹⁾	(1,024)	702	8,116
Adjusted EBITDA margin ⁽²⁾ (%)	(5.6)%	3.8%	33.1%

Notes:

- (1) Adjusted EBITDA is defined as profit/(loss) before net finance income/(costs), tax, impairment losses, restructuring costs and termination benefits, depreciation and amortisation.
- (2) Adjusted EBITDA margin is derived from adjusted EBITDA as a percentage of revenue during the reporting period.

The following table reconciles cash flows from operations to adjusted operating free cash flow for the years ended 31 December 2020, 2019 and 2018:

	Year ended 31 December		
	2020	2019	2018
	<i>(R million, unless otherwise indicated)</i>		
Net cash flows from operating activities.....	17	95	6,076
Less: Sustaining capex.....	(1,758)	(1,783)	(1,945)
Adjusted operating free cash flow⁽¹⁾.....	(1,741)	(1,688)	4,131

Note:

- (1) Adjusted operating free cash flow is calculated by taking net cash flows from operating activities less sustaining capital expenditure.

PART VIII
SHAREHOLDER PARTICIPATION IN THE DEMERGER

1 Entitlement to Receive Thungela Shares

1.1 Demerger Record Time

Anglo American Shareholders registered on the Register as at the Demerger Record Time will be eligible to receive Thungela Shares pursuant to the Demerger.

Please see paragraph 1.4 below for details of how dealings in Anglo American Shares prior to the Demerger Record Time will be treated.

The way in which Anglo American Shareholders will receive their Thungela Shares will depend on how they hold their Anglo American Shares as at the Demerger Record Time, and is summarised in paragraph 2 below. The Demerger Record Time is expected to be 6.30 p.m. on Friday, 4 June 2021. The Demerger Record Time is the same for all Anglo American Shareholders regardless of whether their Anglo American Shares are held on the UK Register or the SA Register.

1.2 Overseas Shareholders

If Anglo American reasonably believes that the transfer of Thungela Shares to any Overseas Shareholder would or may: (i) infringe the laws of any jurisdiction outside the UK or South Africa; or (ii) require Anglo American or Thungela to comply with any governmental or other consent, or any registration, filing or other formality with which Anglo American or Thungela is unable to comply or compliance with which Anglo American regards as unduly onerous, Clause 2 of the Scheme allows Anglo American, in its sole discretion, to elect that such Thungela Shares shall not be transferred to such Overseas Shareholder but shall instead be sold with the net proceeds of sale being remitted to such Overseas Shareholder, as soon as practicable following the Demerger Effective Time.

Any such sale shall be carried out at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale, including any value added tax payable on the proceeds of such sale) shall be paid to the relevant Overseas Shareholder in the form such Overseas Shareholder would usually receive a dividend payment, as soon as reasonably practicable. All deliveries of cheques (if any) shall be effected in the manner described in paragraphs 3.7 and 3.8 of Part X (*Scheme of Arrangement*).

The payment of the proceeds from the sale of the relevant Thungela Shares to Overseas Shareholders in accordance with the arrangements described above will be in full satisfaction of the rights of such Overseas Shareholders to receive Thungela Shares.

1.3 ADS Holders

Anglo American established a level one American depositary share program pursuant to a deposit agreement entered into by Anglo American on 9 November 2015 with the ADS Depositary and owners and holders of Anglo American ADSs.

Under the Proposals, the ADS Depositary (or its agent) will receive Thungela Shares (or a beneficial entitlement to Thungela Shares) in its capacity as an Anglo American Shareholder. The way in which the ADS Depositary (or its agent) will receive their Thungela Shares (or beneficial entitlement to Thungela Shares) will depend on how the ADS Depositary (or its agent) holds their Anglo American Shares as at the Demerger Record Time, as summarised below in paragraphs 2 and 3.

As soon as practicable following receipt by the ADS Depository (or its agent) of the Thungela Shares (or beneficial entitlement to Thungela Shares), the ADS Depository will look to sell the relevant Thungela Shares (or beneficial entitlement to Thungela Shares) in the market.

Holders of Anglo American ADSs as at the ADS Record Date will be entitled to receive the net cash proceeds arising from: (i) the sale by the ADS Depository (or its agent) of the relevant Thungela Shares (or beneficial entitlement to Thungela Shares) in the market; plus (ii) any cash payment received by the ADS Depository (or its agent) in respect of any fractional entitlements to which the ADS Depository (or its agent) is entitled, minus: (A) the ADS Depository's fee of up to \$0.05 per Anglo American ADS for making the distribution and any other fees and expenses incurred by the ADS Depository in connection with any such sales in the market; and (B) any applicable withholding in respect of taxes. The net cash proceeds received by holders of Anglo American ADSs will be pro rata to their ownership of Anglo American ADSs.

As soon as practicable following the sale in the market by the ADS Depository of the relevant Thungela Shares (or beneficial entitlement to Thungela Shares), holders of Anglo American ADSs: (i) through the facilities of The Depository Trust Company, will receive the cash proceeds in the same securities account in which they hold their Anglo American ADSs; and (ii) in registered form, will receive the cash proceeds by cheque posted by the ADS Depository to the most recent address provided by the relevant holder of Anglo American ADSs to the ADS Depository.

At Admission, Thungela will not have its own American depository share program.

1.4 Dealings in Anglo American Shares as at the Demerger Record Time

For the purposes of determining which Anglo American Shareholders are eligible to participate in the Demerger and receive Thungela Shares, dealings in Anglo American Shares will be recognised only if:

- 1.4.1** in the case of Anglo American Shareholders registered on the UK Register whose Anglo American Shares are held in Uncertificated Form through CREST, the transferee is, and continues to be, registered on the UK Register as the holder of the relevant Anglo American Shares as at the Demerger Record Time;
- 1.4.2** in the case of Anglo American Shareholders registered on the UK Register whose Anglo American Shares are held in Certificated Form on the UK Register, registrable transfers in respect of those Anglo American Shares are received by the UK Registrar before the Demerger Record Time with sufficient time to allow for registration of the transferee by the Demerger Record Time such that the transferee is, and continues to be, registered on the UK Register as the holder of the relevant Anglo American Shares as at the Demerger Record Time;
- 1.4.3** in the case of Anglo American Shareholders registered on the SA Register whose Anglo American Shares are held in dematerialised form through the Strate System, the transferee is, and continues to be, registered on the SA Register as the holder of the relevant Anglo American Shares as at the Demerger Record Time; and
- 1.4.4** in the case of Anglo American Shareholders whose Anglo American Shares are held in Certificated Form on the SA Register, registrable transmission applications or transfers (as applicable) in respect of those Anglo American Shares are received by the SA Transfer Secretary before the Demerger Record Time with sufficient time to allow for registration of the transferee by

the Demerger Record Time such that the transferee is, and continues to be, registered on the SA Register as the holder of the relevant Anglo American Shares as at the Demerger Record Time.

Based on the current timetable, in order for transferees to be registered in accordance with the timings listed above (and noting certain trading and settlement requirements in South Africa), the last day of dealings in Anglo American Shares in order for transfers to be registered before the Demerger Record Time is expected to be: (i) on the LSE, Friday, 4 June 2021; and (ii) on the JSE, Tuesday, 1 June 2021, though depending on individual circumstances, the local requirements of brokers in the relevant jurisdictions and other potential delays in processing a trade, dealings may need to be made earlier than these dates in order for transfers of Anglo American Shares to be registered in accordance with the timings above.

2 Receipt of Thungela Shares

The way in which Anglo American Shareholders will receive their Thungela Shares (or beneficial entitlement to such Thungela Shares) will depend on how they hold their Anglo American Shares on the applicable Register as at the Demerger Record Time, as summarised below. Further details are set out in paragraph 3.1 below in relation to Thungela Shares to be listed on the LSE and paragraph 3.2 below in relation to Thungela Shares to be listed on the JSE.

It is the responsibility of Anglo American Shareholders to satisfy themselves as to the full observance of applicable laws and regulatory requirements, including the obtaining of any governmental, exchange control or other consents that may be required in order for them, their nominee, custodian or trustee, as relevant, to receive and hold the Thungela Shares as set out below.

Manner in which Anglo American Shares are held as at the Demerger Record Time	Manner in which Thungela Shares (or the beneficial entitlement to Thungela Shares) will be held on Admission	Form of confirmation
UK		
On the UK Register in Uncertificated Form through CREST	A beneficial entitlement to Thungela Shares (on the Thungela Jersey Register) through Thungela DIs, credited to the same CREST account in which the holder's Anglo American Shares are held as at the Demerger Record Time	The relevant CREST account will be credited with the applicable Thungela DIs as soon as possible following Admission (which is expected to take effect at 8.00 a.m. on Monday, 7 June 2021)
On the UK Register in Certificated Form	On the Thungela Jersey Register in Certificated Form	Thungela share certificates will be despatched, at the Thungela Shareholders' own risk, by Friday, 11 June 2021

South Africa

On the SA Register in dematerialised or Uncertificated Form in a CSDP or broker account	On the Thungela SA Register in dematerialised or Uncertificated Form and credited to the same CSDP or broker account in which the holder's Anglo American Shares are held as at the Demerger Record Time	The relevant CSDP or broker account will be credited as soon as possible following Admission (which is expected to take effect at 9.00 a.m. (South Africa time) on Monday, 7 June 2021)
On the SA Register in Certificated Form	On the Thungela SA Register in dematerialised or Uncertificated Form and credited to the Computershare Nominee's CSDP account in the name of the Computershare Nominee (on behalf of the relevant holder)	The Computershare Nominee's CSDP account will be credited as soon as possible following Admission (which is expected to take effect at 9.00 a.m. (South Africa time) on Monday, 7 June 2021)

3 Explanation of Thungela Arrangements

3.1 Trading and settlement of the Thungela Shares on the LSE

An application has been made to the FCA for the admission of the Thungela Shares to the standard listing segment of the UK Official List and to the LSE for the Thungela Shares to be admitted to trading on the LSE's main market for listed securities.

It is expected that Admission will become effective and that dealings in the Thungela Shares on the LSE will commence at 8.00 a.m. on Monday, 7 June 2021. This date may be deferred if it is necessary to adjourn the General Meeting required to approve the Demerger Resolution or if there is any delay in obtaining the Court's sanction of the Scheme.

3.1.1 Trading and settlement of Thungela Shares by Anglo American Shareholders who hold their Anglo American Shares on the UK Register in Uncertificated Form (that is, in CREST) and whose Anglo American Shares are listed on the LSE

As securities of issuers domiciled outside the United Kingdom, Ireland and the Channel Islands (such as Thungela (which will be domiciled in South Africa)) cannot be held or settled directly through CREST, the settlement of trades in Thungela Shares on the LSE cannot occur directly through CREST and must occur in the form of Thungela DIs. Accordingly, Anglo American Shareholders who hold their Anglo American Shares in Uncertificated Form on the UK Register in CREST as at the Demerger Record Time will receive Thungela DIs which will be credited to the same CREST accounts in which they hold their Anglo American Shares.

Pursuant to the arrangements that will be put in place by Thungela, at the Demerger Effective Time, Anglo American will transfer the Thungela Shares to the UK Custodian to hold on behalf of the UK Depositary (who in turn will hold on behalf of Anglo American Shareholders who hold their Anglo American Shares in Uncertificated Form on the UK Register, who will become Underlying Shareholders). The UK Custodian will be the registered holder of the Thungela Shares on the Thungela Jersey Register and hold on behalf of

the UK Depositary. The UK Depositary will hold on behalf of the Underlying Shareholders and issue Thungela DIs representing Thungela Shares to the CREST accounts of Anglo American Shareholders who hold their Anglo American Shares in Uncertificated Form on the UK Register as at the Demerger Effective Time.

Trading of Thungela Shares on the LSE and settlement of those trades in the Thungela DIs through CREST will take place in the same way as for Anglo American Shares held through CREST.

If the number of Anglo American Shares held by an Anglo American Shareholder is not divisible by ten, an entitlement to a fraction of a Thungela Share will arise. No entitlements to a fraction of a Thungela Share shall be transferred to an Anglo American Shareholder (nor to anyone on behalf of an Anglo American Shareholder). The aggregated number of Thungela Shares to which Anglo American Shareholders are entitled will first be rounded down to the nearest whole number of Thungela Shares, resulting in allocations of whole numbers of Thungela Shares. The aggregated excess fractions of Thungela Shares to which such Anglo American Shareholders would otherwise be entitled will not be transferred to them but will instead be sold in the market, and the relevant Anglo American Shareholder will be entitled to receive a cash payment in respect of the fraction of a Thungela Share to which they otherwise would have been entitled. The cash payment due to an Anglo American Shareholder in respect of their fractional entitlements shall be determined with reference to the Sterling equivalent of the volume-weighted average price in Rand of the Thungela Shares traded on the JSE on the date of Admission (expected to be Monday, 7 June 2021), less 10% of such volume-weighted average price. Such reference price will be announced in Rand on SENS by Anglo American on the first trading day in South Africa following the date of Admission and converted into Sterling using the Rand : Sterling spot rate given on the Bank of England website for the date of Admission.

Anglo American will procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the Anglo American Shareholders entitled to such cash payments in accordance with CREST's assured payment arrangements, provided that Anglo American reserves the right to make payment of the said sums by cheque as set out above if, for reasons outside its reasonable control, it is not able to effect such settlement in this manner.

Anglo American reserves the right to distribute Thungela Shares to any or all Anglo American Shareholders who hold Anglo American Shares in Uncertificated Form as at the Demerger Record Time in Certificated Form and *vice versa* if, for reasons outside its reasonable control, it is not able to effect settlement as anticipated.

The Thungela DIs will have the same ISIN as the Thungela Shares. Thungela Shares are expected to trade under the LSE code of "TGA".

Further detail in relation to the operation of the Thungela DIs is set out in paragraph 3.1.3 below.

3.1.2 Trading and settlement in respect of Thungela Shares by Anglo American Shareholders who hold their Anglo American Shares on the UK Register in Certificated Form and whose Anglo American Shares are listed on the LSE

In the case of Anglo American Shareholders whose Anglo American Shares are registered on the UK Register and held in Certificated Form as at the Demerger Record Time, the Thungela Shares to which they are entitled will be issued in Certificated Form on the Thungela Jersey Register.

Transfer and settlement of Thungela Shares issued in Certificated Form on the Thungela Jersey Register will take place in the same way as settlement of trades occurs in respect of Anglo American Shares held in Certificated Form on the UK Register by Anglo American Shareholders.

If the number of Anglo American Shares held by an Anglo American Shareholder is not divisible by ten, an entitlement to a fraction of a Thungela Share will arise. No entitlements to a fraction of a Thungela Share shall be transferred to an Anglo American Shareholder. The aggregated number of Thungela Shares to which Anglo American Shareholders are entitled will first be rounded down to the nearest whole number of Thungela Shares, resulting in allocations of whole numbers of Thungela Shares. The aggregated excess fractions of Thungela Shares to which such Anglo American Shareholders would otherwise be entitled will not be transferred to them but will instead be sold in the market, and the relevant Anglo American Shareholder will be entitled to receive a cash payment in respect of the fraction of a Thungela Share to which they otherwise would have been entitled. The cash payment due to an Anglo American Shareholder in respect of their fractional entitlements shall be determined with reference to the Sterling equivalent of the volume-weighted average price in Rand of the Thungela Shares traded on the JSE on the date of Admission (expected to be Monday, 7 June 2021), less 10% of such volume-weighted average price. Such reference price will be announced in Rand on SENS by Anglo American on the first trading day in South Africa following the date of Admission and converted into Sterling using the Rand : Sterling spot rate given on the Bank of England website for the date of Admission. Anglo American shall procure the despatch to the Anglo American Shareholders of cheques for the cash proceeds payable to them. Any such cheques in respect of cash proceeds shall, in the case of Anglo American Shareholders who hold Anglo American Shares in Certificated Form on the UK Register at the Demerger Record Time, be paid in Sterling by cheque drawn on a branch of a clearing bank in the United Kingdom.

To the extent that any payments are to be made by way of cheque, delivery of such cheques shall be effected by sending the same, in respect of Anglo American Shareholders who hold Anglo American Shares in Certificated Form on the UK Register at the Demerger Record Time, by first class post (or international standard post, if overseas), in each case, in pre-paid envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the UK Register as at the Demerger Record Time (and, in the case of joint holders, at the address of one of the joint holders whose name stands first in the UK Register at the Demerger Record Time).

None of Anglo American, Thungela nor any person appointed by Anglo American or Thungela nor their directors, employees, representatives, officers, nominee(s) nor their respective agents shall be responsible for any

loss or delay in the delivery of any cheques sent in accordance with this paragraph 3.1.2, which shall be sent at the risk of the persons so entitled.

Definitive share certificates for the Thungela Shares are expected to be despatched by no later than Friday, 11 June 2021. Pending the despatch of share certificates for Thungela Shares, transfers of Thungela Shares by Anglo American Shareholders whose Thungela Shares are held in Certificated Form will be certified against the Thungela Jersey Register. Temporary documents of title will not be issued in respect of the Thungela Shares held in this manner.

Anglo American reserves the right to distribute Thungela Shares to any or all Anglo American Shareholders who hold Anglo American Shares in Uncertificated Form as at the Demerger Record Time in Certificated Form and *vice versa* if, for reasons outside its reasonable control, it is not able to effect settlement as anticipated.

3.1.3 The Thungela DIs

(a) *What is a Thungela DI?*

A depositary interest (known as a “DI”) enables investors to hold and settle transactions in Thungela Shares through CREST. CREST is a paperless settlement system which allows securities to be transferred from one person’s CREST account to another electronically without the need to use share certificates or written instruments of transfer. Securities of issuers domiciled outside the United Kingdom, Ireland and the Channel Islands, such as Thungela (which will be domiciled in South Africa), cannot be held or settled directly in CREST.

Thungela will therefore enter into depositary arrangements to enable Thungela Shareholders who hold Anglo American Shares on the UK Register in Uncertificated Form to hold, and settle transactions in, Thungela Shares through CREST in the form of Thungela DIs. Each Thungela DI will represent an unencumbered entitlement to one underlying Thungela Share. The Thungela Shares represented by the Thungela DIs will be listed on the UK Official List and traded on the LSE. Thungela DIs will be transferred in CREST to settle those trades in the same way as other securities in CREST.

(b) *How will the Thungela DIs work?*

An application will be made for the depositary interests representing Thungela Shares to be admitted to CREST with effect from Admission.

For Anglo American Shareholders who hold their Anglo American Shares on the UK Register in Uncertificated Form at the Demerger Effective Time, Anglo American will transfer the Thungela Shares to the UK Custodian to hold on behalf of the UK Depositary (who will in turn hold on behalf of such Anglo American Shareholders, who will become Underlying Shareholders). The UK Custodian will be the registered holder of the Thungela Shares. In turn, the UK Depositary will issue Thungela DIs representing Thungela Shares to the CREST accounts of Anglo American Shareholders who hold Anglo American Shares in Uncertificated Form on the UK Register.

The Thungela DIs will represent the entitlements to Thungela Shares. The Thungela Shares will be traded on the LSE and the Thungela DIs representing the Thungela Shares traded will be settled through CREST.

A Thungela DI register of CREST participants will be maintained showing full details of the holders of the Thungela DIs in a similar fashion to the register of legal ownership of the Thungela Shares. Although the Thungela Register will show the UK Custodian as the legal holder of the relevant Thungela Shares, the beneficial entitlement to the Thungela Shares will remain with Underlying Shareholders, as holders of the Thungela DIs. The Thungela DIs will be in wholly Uncertificated Form and Thungela DIs will only be capable of being held and transferred between CREST participants.

Each Thungela DI will be treated as one Thungela Share for the purposes of determining, for example, eligibility for dividends. The Thungela DIs will have the same ISIN as the underlying Thungela Shares and will not require a separate listing on the UK Official List.

The Thungela DIs will be independent securities constituted under English law which may be transferred through the CREST system.

In the same way in which they can currently deposit their Anglo American Shares into CREST to support any trading and settlement activities, holders of Thungela Shares in Certificated Form on the Thungela Jersey Register will be able to transfer their Thungela Shares to the UK Custodian in return for the receipt of a corresponding number of Thungela DIs issued through the CREST system to their nominated CREST participant (their broker, custodian or nominee). Holders of Thungela Shares in Certificated Form on the Thungela Jersey Register are also expected to have access to a dealing service through the Thungela Jersey Register Registrar.

(c) *Summary of the principal terms of the Depositary Deed Poll*

The Thungela DIs will be created and issued under the Depositary Deed Poll, which will govern the relationship between the UK Depositary and the holders of the Thungela DIs. The Depositary Deed Poll will be executed by the UK Depositary in favour of the holders of the Thungela DIs from time to time.

The rights of holders of Thungela DIs will be set out in the Depositary Deed Poll, as summarised below.

Holders of Thungela DIs will be taken to warrant, *inter alia*, that Thungela Shares held by the UK Depositary or UK Custodian (on behalf of the UK Depositary) are transferred or issued, as the case may be, free and clear of all liens, charges, encumbrances or third-party interests and that such transfers or issues are not in contravention of Thungela's constitutional documents or any contractual obligation binding on the holder or transferor, law or regulation or order binding on the Thungela DIs or the transferor. Each holder of Thungela DIs indemnifies the UK Depositary for any liabilities that the UK Depositary incurs as a result of breach of this warranty.

The UK Depositary warrants that it is an authorised person under the UK FSMA and is duly authorised to carry out the services required under the Depositary Deed Poll in accordance therewith. The UK Depositary will, either itself or through the UK Custodian, act as bare trustee and hold the deposited property (which includes, *inter alia*, the securities represented by the Thungela DIs) as may be designated from time to time by the UK Depositary.

The UK Depositary must use all reasonable endeavours to pass on and ensure that the UK Custodian passes on to holders of Thungela DIs and, so far as they are reasonably able, exercise on behalf of holders of Thungela DIs all rights and entitlements received or to which they are entitled in respect of the underlying Thungela Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at meetings shall, subject to the Depositary Deed Poll, be passed on in the form in which they are received together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Depositary Deed Poll.

The UK Depositary will be entitled to cancel Thungela DIs and withdraw the underlying Thungela Shares in certain circumstances including where a holder of Thungela DIs has failed to perform any obligation under any agreement or instrument with respect to the Thungela DIs entered into by the Underlying Shareholder.

The Depositary Deed Poll will also contain provisions excluding and limiting the UK Depositary's liability. For example, the UK Depositary shall not be liable to any holder of Thungela DIs or any other person for liabilities in connection with the performance or non-performance of obligations under the Depositary Deed Poll or otherwise except as may result from the UK Depositary's own negligence or wilful default or fraud. Furthermore, except in the case of personal injury or death, the UK Depositary's liability to a holder of Thungela DIs will be limited to the lesser of:

- (i) the value of Thungela Shares and other deposited property properly attributable to the Thungela DIs to which the liability relates; and
- (ii) that proportion of £5 million which corresponds to the amount that the UK Depositary would otherwise be liable to pay to the holder of Thungela DIs as a proportion of the aggregate of the amounts the UK Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such amounts, £5 million.

The UK Depositary will also not be liable for any losses attributable to or resulting from, *inter alia*, Thungela's acts or omissions or any refusal or failure of the CREST operator (amongst other things).

The UK Depositary will also be entitled to charge holders of Thungela DIs fees and expenses for the provision of its services under the Depositary Deed Poll.

Each holder of Thungela DIs is liable to indemnify the UK Depositary and the UK Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Depositary Deed Poll, so far as they relate to the property held for the account of the Thungela DIs held by that holder, other than those resulting from the wilful default, negligence or fraud of the UK Depositary, or the UK Custodian or any agent, if such UK Custodian or agent is a member of the UK Depositary's group, or, if not being a member of the same group, the UK Depositary has failed to

exercise reasonable care in the appointment and continued use of such UK Custodian or agent.

The UK Depositary may terminate the Depositary Deed Poll by giving not less than 30 days' prior notice. During such notice period, holders may cancel their Thungela DIs and withdraw their deposited property and, if any Thungela DIs remain outstanding after termination, the UK Depositary must, as soon as reasonably practicable, among other things, deliver the deposited property in respect of the Thungela DIs to the relevant holder of Thungela DIs or, at its discretion sell all or part of such deposited property. If the latter occurs, the UK Depositary must, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the UK Depositary, together with any cash held by it under the Depositary Deed Poll, pro rata to holders of Thungela DIs in respect of their Thungela DIs.

The UK Depositary or the UK Custodian may require from any holder of Thungela DIs, or former or prospective holder, information as to the capacity in which Thungela DIs are owned or held and the identity of any other person with any interest of any kind in such Thungela DIs or the underlying Thungela Shares. Holders of Thungela DIs are bound to provide such information requested. Further, to the extent that Thungela's constitutional documents require disclosure to Thungela of, or limitations in relation to, beneficial or other ownership of, an interest of any kind whatsoever in, the Thungela Shares, the holders of Thungela DIs are to comply with such provisions and with Thungela's instructions with respect thereto.

It should also be noted that holders of Thungela DIs may not have the opportunity to exercise all of the rights and entitlements available to Thungela Shareholders. In relation to voting, it will be important for holders of Thungela DIs to give timely instructions to the UK Depositary or the UK Custodian, in accordance with any voting arrangements made available to them, to vote the underlying Thungela Shares on their behalf or, to the extent possible, to take advantage of any agreements enabling holders of Thungela DIs to vote such Thungela Shares as a proxy of the UK Depositary or the UK Custodian.

Prospective holders of the Thungela DIs should note that they will have no rights against CREST or its subsidiaries in respect of the underlying Thungela Shares or the Thungela DIs representing them.

A copy of the Depositary Deed Poll will be available after Admission upon a request being made in writing by a holder of Thungela DIs to the UK Depositary. An administration fee may be charged by the UK Depositary for providing a copy of the Depositary Deed Poll. Prospective holders of Thungela DIs may contact the helpline of the UK Depositary at +44 9069 990 000.

(d) *Summary of the principal terms of the Depositary Agreement*

The Depositary Agreement between Thungela and the UK Depositary provides the terms on which Thungela will appoint the UK Depositary to constitute and issue from time to time, upon the terms of the Depositary Deed Poll, Thungela DIs representing securities issued by Thungela and to provide certain other services in connection with such Thungela DIs, with a view to facilitating the indirect holding by participants in CREST.

The UK Depositary agrees that it will comply with the terms of the Depositary Deed Poll and that it will perform its obligations with reasonable skill and care. Under the terms of the Depositary Agreement, the UK Depositary assumes certain specific obligations, including the obligation to issue to CREST members Thungela DIs in Uncertificated Form.

Thungela agrees to provide assistance, information and documentation to the UK Depositary (to the extent available to Thungela) as may be reasonably required by the UK Depositary to properly carry out its duties, responsibilities and obligations under the Depositary Deed Poll and the Depositary Agreement. The Depositary Agreement sets out the procedures to be followed if Thungela is to pay or make a dividend or other distribution.

Thungela is to indemnify the UK Depositary for any loss, damage, claim, cost and expense and any other liabilities in respect of certain matters under the Depositary Agreement (for example, breaches of warranties and undertakings by Thungela under the Depositary Agreement). Thungela is also to indemnify the UK Depositary in respect of any liability which the UK Depositary suffers or incurs as a result of any claim being made by a holder of Thungela DIs in connection with the obligations, duties and responsibilities imposed on the UK Depositary under the Depositary Agreement except to the extent that any such liability results from the UK Depositary's own negligence, fraud or wilful default. The total liability of the UK Depositary under the Depositary Agreement cannot exceed twice the amount of the fees and charges paid by Thungela to the UK Depositary for a calendar year. Subject to earlier termination, the UK Depositary is appointed for an initial fixed period of three years and indefinitely thereafter until such time as the Depositary Agreement is terminated by either party by giving notice based on a fixed notice period. Thungela is to pay certain fees and charges, including an annual fee. The UK Depositary is also entitled to recover reasonable out of pocket fees and expenses.

3.2 Trading and settlement of the Thungela Shares on the JSE

An application has been made to the JSE for a primary listing by way of introduction of all the issued Thungela Shares on the main board of the JSE under the abbreviated name "Thungela" and share code TGA. The ISIN for Thungela Shares is ZAE000296554.

It is expected that Admission will become effective and that dealings in the Thungela Shares on the JSE will commence at 9.00 a.m. (South Africa time) on Monday, 7 June 2021.

This date may be deferred if it is necessary to adjourn the General Meeting required to approve the Demerger Resolution or if there is any delay in obtaining the Court's sanction of the Scheme.

Strate has approved the admission of the Thungela Shares to the Strate System with effect from Admission. Accordingly, settlement of transactions in Thungela Shares following Admission may take place in dematerialised or Uncertificated Form within the Strate System.

The Strate System is the authorised central securities depository for the electronic settlement of all financial instruments listed on the JSE. Shares that are not represented by documents of title and that have been replaced with electronic records of ownership

are referred to as being dematerialised or held in Uncertificated Form. Shares that are evidenced by share certificates or other documents of title are referred to as Certificated shares or shares held in Certificated Form. CSDPs are authorised by Strate to perform custody, administration and/or settlement services and accordingly Strate maintains central securities accounts for the CSDPs who are appointed by market participants. CSDPs administer securities accounts and are the only market participants who can liaise directly with the Strate System.

Under the Strate System, there are two types of clients, controlled and non-controlled. Controlled clients elect to receive their shares or cash in the custody of their broker, and therefore, indirectly, the broker's chosen CSDP. Controlled clients deal directly and exclusively with their broker. Non-controlled clients appoint their own CSDP. Non-controlled clients receive share statements directly from their CSDP.

3.2.1 Trading and settlement of Thungela Shares by Anglo American Shareholders who hold their Anglo American Shares on the SA Register in dematerialised or Uncertificated Form (that is, in the Strate System) and whose Anglo American Shares are listed on the JSE

In the case of Anglo American Shareholders whose Anglo American Shares are registered on the SA Register and held in Uncertificated Form as at the Demerger Record Time, the Thungela Shares to which they are entitled will be credited to the same CSDP or broker account in which the holder's Anglo American Shares are held as at the Demerger Record Time. Transfer and settlement of such Thungela Shares will be effected through the Strate System and in accordance with the Strate System Rules. This is the same way as settlement of trades occurs in respect of Anglo American Shares held in dematerialised or Uncertificated Form on the SA Register by Anglo American Shareholders.

Holders whose Thungela Shares are held in dematerialised or Uncertificated Form through the Strate System (or their nominee, if such holders have put in place underlying nominee arrangements) are required to maintain an account with a CSDP or broker and should instruct their CSDP or broker regarding voting and other matters in accordance with the mandate entered into between such holder and their CSDP or broker. If such holders wish to attend a Thungela shareholder meeting in person, they will need to request a proxy or voting instruction form from their CSDP or broker or appointed nominee. Payments (for example, dividends paid by Thungela) by CSDPs or brokers to holders (or their nominee, where applicable) will be made in accordance with the terms of the mandate entered into between such holders and their CSDP or broker or nominee, and holders can contact their CSDP or broker or nominee for further information in this regard.

Thungela will procure that the SA Transfer Secretary is instructed to make the appropriate arrangements to credit the applicable Anglo American Shareholders' CSDP accounts (or that of their nominee, where applicable) with the relevant Thungela Shares as soon as possible following Admission.

If the number of Anglo American Shares held by an Anglo American Shareholder is not divisible by ten, an entitlement to a fraction of a Thungela Share will arise. No entitlements to a fraction of a Thungela Share shall be transferred to an Anglo American Shareholder (nor to anyone on behalf of an Anglo American Shareholder). The aggregated number of Thungela Shares to which Anglo American Shareholders are entitled will first be rounded down to the nearest whole number of Thungela Shares, resulting in allocations of whole numbers of Thungela Shares. The aggregated excess fractions of

Thungela Shares to which such Anglo American Shareholders would otherwise be entitled will not be transferred to them but will instead be sold in the market, and the relevant Anglo American Shareholder will be entitled to receive a cash payment in respect of the fraction of a Thungela Share to which they otherwise would have been entitled. The cash payment due to an Anglo American Shareholder in respect of their fractional entitlements shall be determined with reference to the volume-weighted average price in Rand of the Thungela Shares traded on the JSE on the date of Admission (expected to be Monday, 7 June 2021), less 10% of such volume-weighted average price. Such reference price will be announced on SENS by Anglo American on the first trading day in South Africa following the date of Admission.

Anglo American will procure that the SA Transfer Secretary is instructed to create an assured payment obligation in favour of the payment banks of the relevant CSDPs or brokers in accordance with the Strate System assured payment arrangements for the sums payable, subject to any applicable requirements of the Exchange Control Regulations.

Payments by CSDPs or brokers to the Anglo American Shareholders entitled to the relevant cash payments will be made in accordance with the terms of the relevant custody agreement and other mandates entered into between the Anglo American Shareholders and their CSDP or broker, subject to any applicable requirements of the Exchange Control Regulations. Anglo American Shareholders can contact their CSDP or broker for further information in this regard.

None of Anglo American nor Thungela nor their respective agents shall have any liability to Anglo American Shareholders in the event that an Anglo American Shareholder does not receive payment from their CSDP or broker. The creation of an assured payment obligation in accordance with the Strate System assured payment arrangements will be a complete discharge of Anglo American's payment obligations in respect of such Anglo American Shareholders.

3.2.2 Trading and settlement in respect of Thungela Shares by Anglo American Shareholders who hold their Anglo American Shares on the SA Register in Certificated Form and whose Anglo American Shares are listed on the JSE

In the case of Anglo American Shareholders whose Anglo American Shares are registered on the SA Register and held in Certificated Form as at the Demerger Record Time, the Thungela Shares to which they are entitled will only be capable of being traded and settled on the JSE through the Strate System in dematerialised or Uncertificated Form. Accordingly, the Computershare Nominee will receive Thungela Shares in Uncertificated Form which will be held on behalf of the holders of the relevant Anglo American Shares, as recorded in accounts maintained by the Computershare Nominee's CSDP.

If the number of Anglo American Shares held by an Anglo American Shareholder is not divisible by ten, an entitlement to a fraction of a Thungela Share will arise. No entitlements to a fraction of a Thungela Share shall be transferred to an Anglo American Shareholder (nor to anyone on behalf of an Anglo American Shareholder). The aggregated number of Thungela Shares to which Anglo American Shareholders are entitled will first be rounded down to the nearest whole number of Thungela Shares, resulting in allocations of whole numbers of Thungela Shares. The aggregated excess fractions of

Thungela Shares to which such Anglo American Shareholders would otherwise be entitled will not be transferred to them but will instead be sold in the market, and the relevant Anglo American Shareholder will be entitled to receive a cash payment in respect of the fraction of a Thungela Share to which they otherwise would have been entitled. The cash payment due to an Anglo American Shareholder in respect of their fractional entitlements shall be determined with reference to the volume-weighted average price in Rand of the Thungela Shares traded on the JSE on the date of Admission (expected to be Monday, 7 June 2021), less 10% of such volume-weighted average price. Such reference price will be announced on SENS by Anglo American on the first trading day in South Africa following the date of Admission.

Anglo American will procure that the SA Transfer Secretary is instructed to create an assured payment obligation in favour of the Computershare Nominee's CSDP account in accordance with the Strate System assured payment arrangements for the sums payable, subject to any applicable requirements of the Exchange Control Regulations. None of Anglo American nor Thungela nor their respective agents shall have any liability to Anglo American Shareholders in the event that an Anglo American Shareholder does not receive payment from the Computershare Nominee. The creation of an assured payment obligation in accordance with the Strate System assured payment arrangements will be a complete discharge of Anglo American's payment obligations in respect of such Anglo American Shareholders.

To be able to take any action in respect of the Thungela Shares to which they are entitled (for example, trading, voting and/or receiving dividends or re-materialisation), such Anglo American Shareholders will need to contact the Computershare Nominee and complete certain "know your customer" checks that must be carried out by the Computershare Nominee to satisfy legal and regulatory requirements. Anglo American Shareholders can contact the Computershare Nominee at GroupAdmin1@Computershare.co.za or +27(0)11 870 8216.

PART IX TAXATION

1 United Kingdom Tax

1.1 General

The following paragraphs are intended only as a general guide to current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs (“HMRC”) current published practice (which may or may not be binding on HMRC), in each case, as at the Latest Practicable Date, and both of which are subject to change at any time, possibly with retrospective effect. Furthermore, the following paragraphs are intended as a general and non-exhaustive guide to certain United Kingdom tax consequences of the Demerger and the Scheme and, save where expressly indicated, apply only to Anglo American Shareholders resident and, in the case of an individual, domiciled or deemed domiciled for tax purposes in the United Kingdom and to whom “split year” treatment does not apply (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold their Anglo American Shares as an investment and who are the absolute beneficial owners thereof. Certain categories of Anglo American Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefiting from certain reliefs or exemptions, those connected with Anglo American or the Anglo American Group and those for whom the Anglo American Shares are employment-related securities, may be subject to special rules and this summary does not apply to such Anglo American Shareholders.

The material set out in the paragraphs below does not constitute tax advice. Anglo American Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately. In particular, Anglo American Shareholders should be aware that the tax legislation of any jurisdiction where an Anglo American Shareholder is resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of the Demerger.

Anglo American Shareholders and, following the implementation of the Proposals, Thungela Shareholders, are also referred to the Thungela PLS / Prospectus (for which Thungela and the Thungela Directors are responsible) which contains a summary of material UK tax considerations relating to holding and disposing of Thungela Shares.

1.2 Receipt of Thungela Shares pursuant to the Demerger

1.2.1 Income

Anglo American Shareholders who are resident in the United Kingdom for United Kingdom tax purposes should not incur any liability to tax on income in respect of the receipt of their Thungela Shares pursuant to the Demerger.

1.2.2 Taxation of chargeable gains

For the purposes of United Kingdom taxation of chargeable gains, the Demerger and the resulting receipt of Thungela Shares (and any cash in respect of fractional entitlements) should not be considered to involve a part disposal of an Anglo American Shareholder’s holding of Anglo American Shares if: (i) the value of the Thungela Shares (and the amount of any cash in respect of fractional entitlements) received is “small” in comparison to the value of the relevant Anglo American Shareholder’s Anglo American Shares; and (ii) the relevant Anglo American Shareholder’s base cost in their holding of Anglo American Shares is less than the value of the Thungela Shares (and

the amount of any cash in respect of fractional entitlements) received (or is nil). Instead, an amount equal to the value of the Thungela Shares (and the amount of any cash in respect of fractional entitlements) received will be deducted from the base cost in the Anglo American Shareholder's Anglo American Shares. Under current HMRC practice, where the value of the Thungela Shares (and the amount of any cash in respect of fractional entitlements) received is £3,000 or less or (if greater) 5% or less of the market value of an Anglo American Shareholder's holding of Anglo American Shares, such value will generally be treated as "small" for these purposes. It is currently expected that the value of the Thungela Shares (and the amount of any cash in respect of fractional entitlements) will be "small" in comparison to the value of the relevant Anglo American Shareholder's Anglo American Shares.

However, if the value is not considered "small" by HMRC, the Demerger will constitute a capital distribution and an Anglo American Shareholder will be treated as making a part disposal of their holding of the Anglo American Shares in consideration for the capital distribution, being the value of the Thungela Shares (and any cash in respect of fractional entitlements) received. This may, depending on the relevant Anglo American Shareholder's individual circumstances (including the availability of exemptions, reliefs or allowable losses), give rise to a liability to United Kingdom capital gains tax or (in the case of an Anglo American Shareholder which falls within the charge to United Kingdom corporation tax) corporation tax on chargeable gains. The chargeable gain (or allowable loss) on the part disposal will be computed on the basis of an apportionment of the base cost of the holding by reference to the market value of the holdings at the time of the Demerger.

In the case of an Anglo American Shareholder whose base cost in their holding of Anglo American Shares is less than the value of the Thungela Shares (and the amount of any cash in respect of fractional entitlements) received (or is nil), the Demerger will involve a part disposal of the relevant Anglo American Shareholder's holding of the Anglo American Shares. In calculating any chargeable gain (or loss), the relevant Anglo American Shareholder may elect for the amount of the capital distribution to be reduced by the amount of their base cost (if any) in their holding of Anglo American Shares in which case none of the base cost would be allowable as a deduction in calculating the chargeable gain (or allowable loss).

Whether the value of the Thungela Shares is "small" or not, Anglo American Shareholders should acquire base cost in their new Thungela Shares equal to the market value of the Thungela Shares on the date of the Demerger.

1.2.3 Stamp duty and Stamp duty reserve tax ("SDRT")

No United Kingdom stamp duty or SDRT should be payable by Anglo American Shareholders (including Anglo American Shareholders who are not resident or domiciled in the United Kingdom) in respect of their receipt of Thungela Shares pursuant to the Demerger.

2 South African Tax

2.1 General

The following summary describes certain South African tax consequences in connection with the proposed Demerger relevant to the Anglo American Shareholders resident in South Africa and non-South African resident Anglo American Shareholders with a permanent establishment in South Africa. For the purposes of this South African tax section of this Part IX, the term Anglo American Shareholders must be construed accordingly.

This summary is based on the laws as in force and as applied in practice in South Africa as at the Latest Practicable Date, and is subject to changes to those laws and practices subsequent to such date. In the case of persons who are non-residents of South Africa for income tax purposes, this summary should be read in conjunction with the provisions of any applicable double tax agreement between South Africa and their country of residence. The following summary is not a comprehensive description of all of the tax considerations that may be relevant to the proposed Demerger and does not cover tax consequences that depend upon your particular tax circumstances or jurisdictions outside South Africa. This summary is intended as a general guide only and should not be regarded as tax advice. Changes in the law (or the interpretation or application thereof) may alter the tax treatment of the proposed Demerger, as applicable, possibly on a retrospective basis. It is recommended that Anglo American Shareholders consult their own tax adviser about the consequences of the proposed Demerger in their particular situation.

Anglo American Shareholders and, following the implementation of the Proposals, Thungela Shareholders, are also referred to the Thungela PLS / Prospectus (for which Thungela and the Thungela Directors are responsible) which contains a summary of material South African tax considerations relating to the acquisition, ownership and disposal of the Thungela Shares.

2.2 Receipt of Thungela Shares pursuant to the Demerger

2.2.1 Dividends tax

The Demerger will be effected by means of an *in specie* reduction of foreign capital and will not constitute a "dividend" but rather be treated as a foreign return of capital (contributed tax capital) for South African tax purposes on the premise that, in terms of South African interpretation, the value returned to the Anglo American Shareholders constitutes a "distribution or similar payment" in terms of applicable UK laws. Accordingly, the Anglo American Shareholders will not be subject to SA Dividends Tax as a result of the Demerger, but rather receive a foreign return of capital.

2.2.2 Capital gains tax

The foreign return of capital will reduce the Anglo American Shareholders' SA CGT base cost in the Anglo American Shares by an amount equal to the foreign return of capital attributable to the Thungela Shares on the date that the Thungela Shares are received by or accrue to the Anglo American Shareholders. Where the amount of the foreign return of capital exceeds the SA CGT base cost in the Anglo American Shares held by the Anglo American Shareholders, the amount of the excess will be treated as a taxable capital gain in the hands of the relevant individual Anglo American Shareholder, which must be included in that shareholder's taxable income at the relevant inclusion rate. These Anglo American Shareholders will, therefore, incur SA

CGT (on the amount of the excess) at the applicable rate as specified in the table below.

The Thungela Shares demerged to the Anglo American Shareholders should have a SA CGT base cost in the hands of Anglo American Shareholders equal to the amount of the foreign return of capital.

2.2.3 STT

The Thungela Shares will be listed on the JSE and South African STT is imposed in respect of every transfer of such listed shares (including on the repurchase or redemption of a share) at the rate of 0.25% of the taxable amount of such shares, being the higher of the consideration given for the shares or the closing price of that security, determined in terms of the South African Securities Transfer Tax Act.

South African STT will be realised in the hands of Thungela on the Demerger of its shares to Anglo American Shareholders at a rate of 0.25% on the higher of the market value or the amount of the foreign return of capital attributable to the shares. Thungela will have a statutory right to recover the South African STT against its shareholders, but does not intend to exercise this right in respect of the Demerger of the Thungela Shares. Therefore, the Demerger of the Thungela Shares should not result in any South African STT liability for an Anglo American Shareholder.

Once the Thungela Shares become listed shares on the Admission Date, the Thungela CSDP or the relevant broker, as the case may be, will have a statutory obligation to withhold the South African STT payable on any transfer of the Thungela Shares effected through the CSDP or broker and/or held in custody by the CSDP or broker.

South African STT is also imposed in respect of the transfer of depositary interests. The Thungela Shares representing the Thungela DIs will be listed on the UK Official List and traded on the LSE. Therefore, South African STT will be realised on the transfer of the Thungela DIs at a rate of 0.25% on the higher of the actual purchase consideration paid or the closing price of the Thungela Shares representing the Thungela DIs on the date of the transfer. The Thungela CSDP or the relevant broker, as the case may be, will have a statutory obligation to withhold the South African STT payable on any transfer of the Thungela DIs effected through the CSDP or broker and/or held in custody by the CSDP or broker.

The definition of "transfer" in the South African Securities Transfer Tax Act excludes the issue of a share and hence no South African STT is payable on the issue of a share.

2.3 Tax Rates

The following table sets out the normal income tax rates applicable to certain taxpayers as at the Latest Practicable Date, the prescribed portion of a capital gain that would be included in a taxpayer's taxable income, and, consequently, the effective rate at which capital gains are taxed in the hands of the different types of South African registered Thungela Shareholders.

Type of taxpayer	Statutory income tax rate on taxable income	Prescribed portion of the capital gain included in taxable income	Maximum effective rate on capital gains
Individuals			
.....	18%-45%	40%	18%
Trusts			
.....			
Special	18%-45%	40%	18%
Other	45%	80%	36%
Companies/Permanent establishments			
.....	28%	80%	22.4%
UK, US and Overseas Shareholders			
.....	N/A	N/A	N/A
Pension funds			
.....	Exempt	Exempt	Exempt

3 United States Tax

3.1 General

The following is a summary of certain US federal income tax considerations of the receipt of the Thungela Shares under the Demerger by a US Holder (as defined below). This summary deals only with US Holders receiving Thungela Shares under the Demerger and that hold Anglo American Shares or Anglo American ADSs, and will hold Thungela Shares received under the Demerger, as capital assets. The following discussion is a general summary; it is not a substitute for tax advice.

This discussion does not cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the receipt of Thungela Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-US or other tax laws (such as the estate and gift tax laws). This summary also does not address all of the tax considerations that may be relevant to certain types of US Holders subject to special treatment under the US federal income tax laws, such as banks or other financial institutions, insurance companies, tax-exempt entities, dealers, traders in securities that elect to mark to market, US expatriates, persons that will own immediately after the Demerger directly, indirectly or constructively 5% or more by vote or value of Thungela equity interests, persons holding their Anglo American Shares, Anglo American ADSs, or Thungela Shares as part of a hedge, straddle, conversion,

constructive sale or other integrated transaction, persons who received their Anglo American Shares or Anglo American ADSs as remuneration for services, US Holders holding Anglo American Shares or Anglo American ADSs in connection with a trade or business conducted outside the United States, US citizens or lawful permanent residents living abroad or US Holders whose functional currency is not the US dollar.

As used in this summary, “**US Holder**” means a beneficial owner of Anglo American Shares or Anglo American ADSs and, following the Demerger, Thungela Shares that is, for US federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation or entity treated as such created or organised under the laws of the United States, any state thereof, or the District of Columbia, (iii) an estate the income of which is subject to US federal income tax without regard to its source or (iv) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for US federal income tax purposes.

The tax consequences to a partner in an entity or arrangement treated as a partnership for US federal income tax purposes receiving, holding or disposing of Thungela Shares generally will depend on the status of the partner and the activities of the partnership. Partnerships holding Anglo American Shares or Anglo American ADSs should consult their own tax advisers about the US federal income tax consequences to their partners of receiving Thungela Shares under the Demerger and of owning and disposing of Thungela Shares.

US Holders of the Anglo American ADSs generally will be treated for US federal income tax purposes as owners of the Anglo American Shares represented by the Anglo American ADSs.

Thungela believes that neither it, nor Anglo American will be a passive foreign investment company (“**PFIC**”) for the current year, and this discussion assumes that Thungela will not be a PFIC in the current year or future years.

Anglo American Shareholders and, following the implementation of the Proposals, Thungela Shareholders, are also referred to the Thungela PLS / Prospectus (for which Thungela and the Thungela Directors are responsible), which will contain a summary of material US federal income tax considerations relating to holding and disposing of Thungela Shares.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended from time to time (the “**Code**”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ANGLO AMERICAN SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE RECEIPT OF THUNGELA SHARES UNDER THE DEMERGER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-US AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

3.2 **The receipt of Thungela Shares under the Demerger**

Anglo American intends to take the position that the distribution of Thungela Shares under the Demerger should qualify as a tax-free distribution under section 355 of the Code. Assuming the distribution of Thungela Shares under the Demerger so qualifies, a

US Holder receiving Thungela Shares: (i) should not recognise any income, gain or loss upon the receipt of Thungela Shares (except to the extent it receives cash in lieu of fractional shares); (ii) should apportion its adjusted tax basis in its Anglo American Shares or Anglo American ADSs between such Anglo American Shares or Anglo American ADSs and the Thungela Shares received under the Demerger in proportion to the relative fair market value of the Anglo American Shares or Anglo American ADSs and the Thungela Shares on the date that includes the Demerger Record Time; and (iii) should have a holding period for the Thungela Shares that includes the period during which the US Holder held the Anglo American Shares or Anglo American ADSs in respect of which the distribution is made. A US Holder that acquired Anglo American Shares or Anglo American ADSs at different times and at different prices will be required to calculate a separate tax basis and holding period for each block of Anglo American Shares or Anglo American ADSs and then allocate that basis separately to the corresponding number of Thungela Shares received under the Demerger. US federal income tax laws do not specifically identify how to determine the fair market values of the Anglo American Shares or Anglo American ADSs and the Thungela Shares. However, one approach is to use the average of the high and low trading prices for the Anglo American Shares and the Thungela Shares on the first trading day after the Demerger Record Time.

Neither Thungela nor Anglo American has requested or received an opinion of US federal income tax counsel that the Demerger qualifies under section 355 and no ruling has been sought or obtained from the IRS. Accordingly, there can be no assurance that the IRS will not take a position that the Demerger does not qualify as a tax-free distribution under section 355 of the Code, or that such position would not be sustained if challenged. If such a position were taken and were sustained, then US Holders generally would be required to treat the receipt of Thungela Shares pursuant to the Demerger as a dividend in a US dollar amount equal to the fair market value of the Thungela Shares received on the date of receipt by the US Holder or the ADS Depositary (in the case of Anglo American ADSs), would take tax basis in the Thungela Shares equal to the US dollar amount included in income as a dividend and would have a holding period in the Thungela Shares that begins on the day after the Demerger Effective Time. The dividend generally would be treated as from sources outside the United States for foreign tax credit purposes. Any amount included as a dividend would be taxed at the preferential rates applicable to qualified dividend income provided that Anglo American qualifies for the benefits of the income tax treaty between the United States and the United Kingdom, which Anglo American believes it does, and such amount were treated as a dividend paid on Anglo American Shares or Anglo American ADSs that have been held by such US Holder for at least 61 days during the 121-day period beginning 60 days before the Demerger Record Time.

3.3 Receipt of cash from the sale of Thungela Shares

Thungela Shares issued to certain US Holders pursuant to the Demerger, including US Holders that hold Anglo American ADSs, will be sold, and net proceeds from the sales will be distributed to the relevant US Holders (see paragraph 1.3 of Part VIII (*Shareholder Participation in the Demerger*)). Such US Holders will be treated as having received and disposed of the Thungela Shares sold and will generally recognise capital gain or loss on the sale or exchange of Thungela Shares equal to the difference between the US dollar value of the amount realised and the US Holder's tax basis in the Thungela Shares. As described above, if the Demerger qualifies as a tax-free distribution under section 355 of the Code, a US Holder's initial tax basis in the Thungela Shares will be determined by apportioning such US Holder's tax basis in its Anglo American ADSs between such Anglo American ADSs and the Thungela Shares received under the Demerger in proportion to the relative fair market value of the Anglo American ADSs and

the Thungela Shares on the date on which the Thungela Shares are issued. A US Holder's holding period for the Thungela Shares will include the period during which the US Holder held its Anglo American ADSs. Any gain or loss generally will be treated as arising from US sources. The gain or loss will be long-term capital gain or loss if the US Holder's holding period exceeds one year. Long-term capital gains of non-corporate US Holders are subject to preferential tax rates. Deductions for capital loss are subject to significant limitations.

To the extent a US Holder incurs South African STT in connection with a sale of Thungela Shares, such tax will not be a creditable tax for US foreign tax credit purposes.

3.4 **Information reporting**

The Demerger may be subject to information reporting to the IRS and to US Holders. In addition, US Treasury Regulations require US Holders that receive stock in a tax-free distribution to retain records that include information regarding the amount, basis and fair market value of all property exchanged and received in the distribution. Backup withholding may apply to the receipt of Thungela Shares under the Demerger if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain US Holders are not subject to backup withholding. US Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the Demerger, the receipt of Thungela Shares (or cash proceeds), including requirements relating to the holding of certain "specified foreign financial assets."

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT IS NOT TAX ADVICE INTENDED FOR RELIANCE PURPOSES, AND NEITHER ANGLO AMERICAN NOR THUNGELA HAS REQUESTED OR RECEIVED AN OPINION OF US TAX COUNSEL WITH RESPECT TO THE MATTERS SET FORTH HEREIN. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A US HOLDER. EACH US HOLDER IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF THE DEMERGER, THE RECEIPT OF THUNGELA SHARES UNDER THE DEMERGER, AND THE OWNERSHIP AND DISPOSITION OF THE THUNGELA SHARES IN LIGHT OF THE US HOLDER'S OWN CIRCUMSTANCES.

**PART X
SCHEME OF ARRANGEMENT**

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

CR-2021-000039

IN THE MATTER OF ANGLO AMERICAN PLC

- and -

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)

BETWEEN

ANGLO AMERICAN PLC

AND ITS

SCHEME SHAREHOLDERS
(as hereinafter defined)

PRELIMINARY

- (A) In this Scheme, unless inconsistent with the subject or context, the following expressions have the following meanings:

“Act”	the Companies Act 2006 (as amended)
“business day”	a day which is not a Saturday, Sunday or a public holiday in England
“certificated” or “in certificated form”	not in uncertificated form (that is, not in CREST or the Strate System)
“Company”	Anglo American plc, incorporated in England and Wales with registered number 03564138
“Computershare Nominee”	Computershare Proprietary Limited, a private company with registration number 2000/006082/07 incorporated in accordance with the laws of South Africa
“Court”	the High Court of Justice in England and Wales
“Court Hearing”	the hearing of the Court to consider and, if satisfied, sanction this Scheme and confirm the Demerger Reduction of Capital
“Court Meeting”	the meeting of the Voting Scheme Shareholders convened pursuant to an order of the Court under section 896 of the Act to consider and, if thought fit,

	approve this Scheme, including any adjournment thereof
“Court Order”	the order of the Court sanctioning this Scheme under section 899 of the Act and confirming the Demerger Reduction of Capital under section 648 of the Act
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 / 3755, as amended)) in respect of which Euroclear is the Operator (as defined in the Uncertificated Securities Regulations 2001) in accordance with which securities may be held and transferred in uncertificated form
“CSDP”	a central securities depository participant, a participant as defined in section 1 of the South African FMA
“Demerger Reduction of Capital”	the reduction of share premium account provided for in Clause 1.1
“Euroclear”	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738
“holder”	a registered holder and includes a person entitled by transmission
“JSE”	the securities exchange operated by JSE Limited under the South African FMA
“members”	members of the Company on the Register at any relevant date or time
“Non-Voting Scheme Shareholders”	Epoch Investment Holdings (RF) Proprietary Limited, Epoch Two Investment Holdings (RF) Proprietary Limited and Tarl Investment Holdings (RF) Proprietary Limited
“Register”	the register of members of the Company, comprising the UK Register and the SA Register
“Registrar of Companies”	the Registrar of Companies in England and Wales
“SA Register”	the South African branch of the Company’s register of members maintained in South Africa on behalf of the Company
“Scheme”	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Thungela
“Scheme Effective Time”	the time and date at which this Scheme becomes effective in accordance with Clause 5
“Scheme Record Time”	6.30 p.m. on the second Friday after the date of the Court Hearing
“Scheme Shareholder”	a holder of Scheme Shares at any relevant date or time

“Scheme Shares”	<p>(i) the Shares in issue at the date of this Scheme;</p> <p>(ii) any Shares issued after the date of this Scheme and before the Scheme Voting Record Time; and</p> <p>(iii) any Shares issued at or after the Scheme Voting Record Time and before the Scheme Record Time on terms that the holder thereof shall be bound by this Scheme, or in respect of which the original or any subsequent holders thereof shall have agreed in writing to be bound by this Scheme,</p> <p>and in each case, where the context requires, remaining in issue at the Scheme Record Time, but excluding any Shares which are held by the Company in treasury</p>
“Scheme Voting Record Time”	6.30 p.m. on the day which is two business days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two business days before the date of such adjourned Court Meeting
“Shares”	ordinary shares of 54 ⁸⁶ / ₉₁ US cents each in the capital of the Company
“South African Companies Act”	the South African Companies Act, 71 of 2008 (as amended from time to time)
“South African FMA”	the South African Financial Markets Act, 19 of 2012 (as amended from time to time)
“Statement of Capital”	the statement of capital scheduled to the Court Order, and approved by the Court
“Strate”	Strate Proprietary Limited, a private company incorporated and registered in South Africa with registration number 1998/022242/07 which is a registered central securities depository in terms of the South African FMA, and which manages the Strate System
“Strate System”	the system operated by Strate for dealings in uncertificated securities listed on the JSE that take place on the JSE and for dealings in certificated securities listed on the JSE that take place off market
“Strate System Rules”	the depository rules, directives, regulations and notices issued by Strate from time to time (as amended from time to time)
“Thungela”	Thungela Resources Limited, a public company incorporated and registered in South Africa with registration number 2021/303811/06
“Thungela DIs”	depository interests held in CREST representing entitlements to underlying Thungela Shares
“Thungela Shares”	ordinary shares of no par value in the capital of Thungela
“UK Custodian”	Computershare Company Nominees Limited, a private limited company with registration number SC167175

“UK Depositary”	Computershare Investor Services PLC, a public limited company with registration number 03498808
“UK Register”	the Company’s principal register of members maintained in the United Kingdom
“uncertificated” or “in uncertificated form”	the Shares on the UK Register or the Thungela DIs issued to Underlying Shareholders by the UK Depositary (as the context requires) recorded as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST; or, the Shares on the SA Register or the Thungela Shares (as the context requires) recorded as being held in uncertificated form in the Strate System and title to which, by virtue of the South African Companies Act, the South African FMA and the Strate System Rules, may be transferred by means of the Strate System
“Underlying Shareholders”	a holder of a beneficial entitlement to Thungela Shares represented by Thungela DIs
“Voting Scheme Shareholders”	the Scheme Shareholders excluding the Non-Voting Scheme Shareholders

- (B) References to Clauses are to clauses of this Scheme, and references to time are to London time.
- (C) The issued share capital of the Company as at the close of business on 31 March 2021 (being the latest practicable date prior to the date of this Scheme) was \$748,965,229.06 divided into 1,363,118,080 ordinary shares of 54 ⁸⁶/₉₁ US cents each, all of which were credited as fully paid and none of which were held in treasury.
- (D) Thungela was incorporated with the name K2021303811 (SOUTH AFRICA) (PTY) LTD on 5 January 2021 and registered in South Africa with registration number 2021/303811/07 as a private company. The company was converted into a public company and the company’s name was changed to Thungela Resources Limited on 9 February 2021 with registration number 2021/303811/06. The issued share capital of Thungela at the date of this Scheme is 1,000 ordinary shares of no par value.
- (E) Thungela has agreed to appear by Counsel at the hearing to sanction this Scheme and to submit to be bound by and to undertake to the Court to be bound by this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.
- (F) The Non-Voting Scheme Shareholders have each agreed to appear by Counsel at the hearing to sanction this Scheme and to submit to be bound by and undertake to the Court to be bound by this Scheme.

THE SCHEME

1 Demerger Reduction of Capital

- 1.1 At the Scheme Effective Time, the share premium account of the Company shall be reduced by \$1,800,000,000 and:
 - 1.1.1 part thereof shall be repaid, which repayment shall be satisfied by the transfer by the Company of the entire issued share capital of Thungela to the Scheme Shareholders (as appearing in the Register at the Scheme Record Time) on the basis of one Thungela Share for every ten Scheme Shares held by them; and
 - 1.1.2 the balance (if any) thereof shall be retained by the Company to be available for future distributions by the Company from time to time or applied by the Company from time to time toward any purpose to which such reserves may be applied.
- 1.2 Fractions of Thungela Shares shall not be transferred to Scheme Shareholders (nor to anyone on behalf of Scheme Shareholders) pursuant to this Scheme. The aggregated number of Thungela Shares to which Scheme Shareholders are entitled under Clause 1.1 shall be rounded down to the nearest whole number of Thungela Shares, resulting in the transfer of only whole numbers of Thungela Shares, and a cash payment shall be made to the relevant Scheme Shareholder in respect of the fraction to which they otherwise would have been entitled. For the purposes of determining fractional entitlements, each portion of a Scheme Shareholder's holding which is recorded in the Register by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as a separate holding. The cash payment due to the relevant Scheme Shareholder shall be determined by reference to the volume-weighted average price of the Thungela Shares traded on the JSE on the first day of trading in such shares, less 10% of such volume-weighted average price.
- 1.3 The Thungela Shares transferred pursuant to Clause 1.1 shall be fully paid, with full title guarantee, free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights or other interests, and together with all rights attaching or accruing to such Thungela Shares at the Scheme Effective Time, including voting rights and the right to receive and retain all dividends and other distributions authorised, declared, paid or made, or any return of capital (whether by reduction of share capital or share premium account or otherwise) made, by Thungela by reference to a record date and time falling at or after the Scheme Effective Time.

2 Overseas shareholders

- 2.1 The provisions of Clause 1 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Scheme Shareholder with a registered address in a jurisdiction outside the United Kingdom or South Africa, or whom the Company reasonably believes to be a citizen, resident or national of, or located in, a jurisdiction outside the United Kingdom or South Africa, the Company reasonably believes that the transfer of Thungela Shares pursuant to Clause 1 would or may infringe the laws of such jurisdiction or would or may require the Company or Thungela to comply with any governmental or other consent or any registration, filing or other formality with which the Company or Thungela is unable to comply or compliance with which the Company regards as unduly onerous, the Company may, in its sole discretion:
 - 2.1.1 determine that such Thungela Shares shall be sold, in which event the Thungela Shares shall be transferred to such Scheme Shareholder and the Company shall appoint a person to act pursuant to this Clause 2.1.1 and such

- person shall be authorised on behalf of such Scheme Shareholder to procure that such Thungela Shares shall, as soon as practicable following the Scheme Effective Time, be sold; or
- 2.1.2** determine that such Thungela Shares shall not be transferred to such Scheme Shareholder but shall instead be transferred to a person appointed by the Company to hold such Thungela Shares on terms that the person shall, as soon as practicable following the Scheme Effective Time, sell the Thungela Shares so transferred.
- 2.2** Any sale under Clause 2.1 shall be carried out at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid to such Scheme Shareholder by creating an assured payment obligation (or, if required, sending a cheque) in accordance with the provisions of Clause 3.
- 2.3** To give effect to any sale under Clause 2.1, the person appointed by the Company in accordance with Clause 2.1.1 shall be authorised as attorney or agent on behalf of the Scheme Shareholder concerned, and the person appointed by the Company in accordance with Clause 2.1.2 shall be authorised, to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer (whether as a deed or otherwise) and to give such instructions and to do all other things which such person may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of the Company, Thungela or the person so appointed shall have any liability for any determination made pursuant to Clause 2.1 or for any loss or damage arising as a result of the timing or terms of any sale pursuant to Clause 2.1.

3 Settlement

- 3.1** As soon as practicable after the Scheme Effective Time:
- 3.1.1** the Company shall effect the transfer of the Thungela Shares which it is required to transfer to Scheme Shareholders pursuant to Clause 1.1 by means of a form or forms of transfer or other instrument or instruction of transfer or by means of CREST or Strate, and in the case of Scheme Shares which at the Scheme Record Time are held:
- (a) in certificated form on the UK Register, the Company and Thungela shall procure the despatch of certificates for such Thungela Shares to the Scheme Shareholders entitled thereto;
 - (b) in uncertificated form on the UK Register, the Company and Thungela shall procure that the Thungela Shares to which the relevant Scheme Shareholders are entitled are transferred to the UK Custodian to hold on behalf of the UK Depositary. The Company and Thungela shall also procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Scheme Shareholder with such Scheme Shareholder's entitlement to Thungela Shares, which shall be in the form of Thungela DIs issued by the UK Depositary which represent entitlements to such Thungela Shares;
 - (c) in certificated form on the SA Register, the Company and Thungela shall procure that Strate is instructed to credit the appropriate CSDP account of the Computershare Nominee (to hold on behalf of the relevant Scheme Shareholders) with the relevant Scheme Shareholders' entitlement to Thungela Shares; and

- (d) in uncertificated form on the SA Register, the Company and Thungela shall procure that Strate is instructed to credit the appropriate CSDP or broker account of the relevant Scheme Shareholder with such Scheme Shareholder's entitlement to Thungela Shares.
- 3.2 Thungela Shares held by the UK Custodian pursuant to Clause 3.1.1(b) shall be registered in the name of the UK Custodian and held on behalf of those Scheme Shareholders who held the relevant Scheme Shares in respect of which such Thungela Shares were transferred.
- 3.3 Thungela Shares credited to the CSDP account of the Computershare Nominee pursuant to Clause 3.1.1(c) shall be registered in the name of the Computershare Nominee and held on behalf of those Scheme Shareholders who held the relevant Scheme Shares in respect of which such Thungela Shares were transferred.
- 3.4 Thungela Shares credited to CSDP or broker accounts pursuant to Clause 3.1.1(d) shall be registered in the name of the relevant holder.
- 3.5 In the case of Thungela Shares in respect of which a cash payment is made for a fractional entitlement pursuant to Clause 1.2, or which are sold pursuant to Clause 2.1, and in each case transferred in respect of Scheme Shares which at the Scheme Record Time are held in certificated form on the UK Register, the Company and Thungela shall procure the despatch to the persons entitled thereto of cheques for the sums payable to them respectively.
- 3.6 In the case of Thungela Shares in respect of which a cash payment is made for a fractional entitlement pursuant to Clause 1.2, or which are sold pursuant to Clause 2.1, and in each case transferred in respect of Scheme Shares which at the Scheme Record Time are held in: (i) uncertificated form on the UK Register; or (ii) either certificated form or uncertificated form on the SA Register, the Company and Thungela shall procure that Euroclear or Strate, as applicable, is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto (or to such account to be held on their behalf) in accordance with the CREST or Strate System assured payment arrangements for the sums payable to them respectively, provided that the Company and Thungela reserve the right to make payment of the said sums by cheque if, for reasons outside their reasonable control (including if any such person has not provided account details to the CREST or Strate System, as the case may be), it is not able to effect settlement in accordance with this Clause 3.6.
- 3.7 All deliveries of share certificates or cheques pursuant to this Scheme shall be effected by sending the same in prepaid envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the Register or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in the Register in respect of such joint holding at the Scheme Record Time, and none of the Company, Thungela or any person appointed by the Company or Thungela or their respective agents shall be responsible for any loss or delay in the transmission or delivery of any share certificates or cheques sent in accordance with this Clause 3.7 which shall be sent at the risk of the persons entitled thereto.
- 3.8 All cheques and assured payment obligations (as applicable) shall be in the local currency of the branch register on which the relevant Scheme Shareholder is registered (using an exchange rate determined by the directors of the Company) and shall be made payable to the persons respectively entitled to the monies represented thereby and the encashment of any such cheque or the creation of any such assured payment obligation in accordance with Clause 3.5 or Clause 3.6 (as applicable) shall be a complete discharge of the Company's and Thungela's obligations under this Scheme to pay the monies represented thereby.

3.9 The provisions of this Clause 3 shall be subject to any condition or prohibition imposed by law.

4 Mandates

All mandates relating to the monetary payment of dividends on the Scheme Shares and other instructions, including communication preferences, given to the Company by Scheme Shareholders and in force at the Scheme Record Time shall, unless and until revoked or amended, be deemed as from the Scheme Effective Time to be valid and effective mandates and instructions to Thungela in relation to the Thungela Shares transferred in respect thereof.

5 Scheme Effective Time

5.1 This Scheme shall become effective upon a copy of the Court Order sanctioning this Scheme under section 899 of the Act and confirming the Demerger Reduction of Capital under section 648 of the Act, together with the Statement of Capital, being delivered to the Registrar of Companies and, if so ordered by the Court, the Court Order and the Statement of Capital being registered by the Registrar of Companies.

5.2 Unless this Scheme shall have become effective on or before 31 December 2021, or such later date, if any, as the Company and Thungela may agree and the Court may allow, this Scheme shall never become effective.

6 Modification

The Company and Thungela may jointly consent on behalf of all concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

Dated 8 April 2021

PART XI
ADDITIONAL INFORMATION

1 Directors

1.1 Anglo American Board

As at the Latest Practicable Date, the Directors and their respective positions are as follows:

Name	Position
Stuart Chambers	Chairman
Mark Cutifani	Chief Executive
Stephen Pearce	Finance Director
Tony O'Neill	Technical Director
Byron Grote	Senior Independent Director
Anne Stevens	Independent Non-Executive Director
Elisabeth Brinton	Independent Non-Executive Director
Hixonia Nyasulu	Independent Non-Executive Director
Ian Ashby	Independent Non-Executive Director
Marcelo Bastos	Independent Non-Executive Director
Nonkululeko Nyembezi	Independent Non-Executive Director

It is expected that all of the Directors will remain on the Anglo American Board upon completion of the Demerger.

1.2 Thungela Board

As at the Latest Practicable Date, the Thungela Directors and their respective positions are as follows:

Name	Position
Sango Ntsaluba	Chairperson
July Ndlovu	Chief Executive Officer
Deon Smith	Chief Financial Officer
Kholeka Mzondeki	Independent Non-Executive Director
Thero Setiloane	Independent Non-Executive Director
Ben Kodisang	Independent Non-Executive Director
Seamus French	Non-Executive Director

Information on the business experience and principal business activities performed outside Thungela by the Thungela Directors is described in the Thungela PLS / Prospectus.

2 Interests of Directors

2.1 Interests of Directors in Anglo American Shares

At the Latest Practicable Date, the interests of the Directors (within the meaning of part 22 of the UK Companies Act) and their immediate families, related trusts and connected persons, all of which are beneficial unless otherwise stated, in the issued share capital of Anglo American were (with the exception of options and awards in respect of Anglo American Shares which are set out in paragraph 2.2 of this Part XI (*Additional Information*)) as follows:

Director's Name	Number of Anglo American Shares	Percentage of Anglo American Shares
Stuart Chambers	13,018	-
Mark Cutifani	1,149,080	0.08%
Stephen Pearce	342,000	0.03%
Tony O'Neill	584,362	0.04%
Byron Grote	40,896	-
Anne Stevens	2,122	-
Elisabeth Brinton	-	-
Hixonia Nyasulu	1,455	-
Ian Ashby	2,180	-
Marcelo Bastos	1,475	-
Nonkululeko Nyembezi	1,262	-

2.2 Interests of Directors in options and awards over Anglo American Shares

At the Latest Practicable Date, the interests of the Directors that have options and awards over Anglo American Shares under certain of the Anglo American Share Plans are as follows:

Director's Name	Number of Anglo American Shares	Percentage of Anglo American Shares
Stuart Chambers	-	-
Mark Cutifani	766,439	0.06%
Stephen Pearce	443,232	0.04%
Tony O'Neill	481,599	0.04%
Byron Grote	-	-
Anne Stevens	-	-
Elisabeth Brinton	-	-
Hixonia Nyasulu	-	-
Ian Ashby	-	-
Marcelo Bastos	-	-
Nonkululeko Nyembezi	-	-

3 Service contracts of Directors

Save for the service contracts described below, there are no existing or proposed service contracts between any Director or proposed director of Anglo American and its subsidiary undertakings.

3.1 Executive Directors

Details of the service contracts of the Executive Directors are set out below:

Name of Executive Director	Notice period from Anglo American	Notice period from Executive Director
Mark Cutifani	12 months	12 months
Stephen Pearce	12 months	12 months
Tony O'Neill	6 months	6 months

3.1.1 Mark Cutifani

Mark Cutifani is employed as Chief Executive pursuant to the terms of a service agreement with Anglo American dated 3 April 2013. He is paid a basic salary of £1,398,759. In addition, he is entitled to certain benefits in kind, comprising of car-related benefits, medical insurance and other ancillary benefits which are capped at 10% of basic salary. Executive Directors are eligible to participate in applicable all-employee share plans on the same basis as other eligible employees.

Mark Cutifani currently participates in the Anglo American LTIP and conditional awards of shares or nil-cost options are granted annually, with a performance period and vesting period of at least three years. Any awards that vest are subject to a holding period so that the overall time horizon is at least five years. Vested awards may not generally be sold during the holding period, other than to cover tax liabilities arising on vesting. The maximum annual opportunity from the Anglo American LTIP for an Executive Director is 300% of basic salary. The Anglo American Remuneration Committee reviews the Executive Directors' Anglo American LTIP award sizes annually, prior to grant, to ensure they are appropriate. The Anglo American Remuneration Committee intends to apply a reduction to award opportunities if the Anglo American share price declines by more than 25% between consecutive award dates; the reduction will typically be no less than 50% of the degree of share price decline.

Executive Directors are eligible for an annual bonus, which is based on a combination of measures, determined by the Remuneration Committee each year to ensure continued alignment with the Anglo American Group's financial goals, strategic priorities and business needs. 50% of the annual bonus earned will be deferred into Anglo American Shares under the Anglo American BSP, vesting 17% after two years and 33% after three years. The maximum annual bonus opportunity is 210% of basic salary.

Awards under the annual bonus (including both cash and deferred bonus awards under the Anglo American BSP) and the Anglo American LTIP are subject to malus provisions and clawback provisions, which may be applied during the period of two years after the date of vesting.

Mark Cutifani's appointment is terminable by either himself or Anglo American on not less than twelve months' written notice.

3.1.2 Stephen Pearce

Stephen Pearce is employed as Finance Director pursuant to the terms of a service agreement with Anglo American plc dated 24 April 2017. He is paid a basic salary of £842,997. In addition, he is entitled to certain benefits in kind, comprising of car-related benefits, medical insurance and other ancillary benefits which are capped at 10% of basic salary. Executive Directors are eligible to participate in applicable all-employee share plans on the same basis as other eligible employees.

Stephen Pearce currently participates in the Anglo American LTIP and conditional awards of shares or nil-cost options are granted annually, with a performance period and vesting period of at least three years. Any awards that vest are subject to a holding period so that the overall time horizon is at least five years. Vested awards may not generally be sold during the holding period, other than to cover tax liabilities arising on vesting. The maximum annual opportunity from the Anglo American LTIP for an Executive Director is 300% of basic salary. The Anglo American Remuneration Committee reviews the Executive Directors' Anglo American LTIP award sizes annually, prior to grant, to ensure they are appropriate. The Anglo American Remuneration Committee intends to apply a reduction to award opportunities if the Anglo American share price declines by more than 25% between consecutive award dates; the reduction will typically be no less than 50% of the degree of share price decline.

Executive Directors are eligible for an annual bonus, which is based on a combination of measures, determined by the Remuneration Committee each year to ensure continued alignment with the Anglo American Group's financial goals, strategic priorities and business needs. 50% of the annual bonus earned will be deferred into Anglo American Shares under the Anglo American BSP, vesting 17% after two years and 33% after three years. The maximum annual bonus opportunity is 210% of basic salary.

Awards under the annual bonus (including both cash and deferred bonus awards under the Anglo American BSP) and the Anglo American LTIP are subject to malus provisions and clawback provisions, which may be applied during the period of two years after the date of vesting.

Stephen Pearce's appointment is terminable by either himself or Anglo American on not less than twelve months' written notice.

3.1.3 Tony O'Neill

Tony O'Neill is employed as Technical Director pursuant to the terms of a service agreement with Anglo American plc dated 22 July 2015. He is paid a basic salary of £874,225. In addition, he is entitled to certain benefits in kind, comprising of car-related benefits, medical insurance and other ancillary benefits which are capped at 10% of basic salary. Executive Directors are eligible to participate in applicable all-employee share plans on the same basis as other eligible employees.

Tony O'Neill currently participates in the Anglo American LTIP and conditional awards of shares or nil-cost options are granted annually, with a performance period and vesting period of at least three years. Any awards that vest are subject to a holding period so that the overall time horizon is at least five years. Vested awards may not generally be sold during the holding period, other than to cover tax liabilities arising on vesting. The maximum annual opportunity from the Anglo American LTIP for an Executive Director is 300% of basic

salary. The Anglo American Remuneration Committee reviews the Executive Directors' Anglo American LTIP award sizes annually, prior to grant, to ensure they are appropriate. The Anglo American Remuneration Committee intends to apply a reduction to award opportunities if the Anglo American share price declines by more than 25% between consecutive award dates; the reduction will typically be no less than 50% of the degree of share price decline.

Executive Directors are eligible for an annual bonus, which is based on a combination of measures, determined by the Remuneration Committee each year to ensure continued alignment with the Anglo American Group's financial goals, strategic priorities and business needs. 50% of the annual bonus earned will be deferred into Anglo American Shares under the Anglo American BSP, vesting 17% after two years and 33% after three years. The maximum annual bonus opportunity is 210% of basic salary.

Awards under the annual bonus (including both cash and deferred bonus awards under the Anglo American BSP) and the Anglo American LTIP are subject to malus provisions and clawback provisions, which may be applied during the period of two years after the date of vesting.

Tony O'Neill's appointment is terminable by either himself or Anglo American on not less than six months' written notice.

3.2 Non-Executive Directors and Chairman

The Non-Executive Directors and Chairman have letters of appointment with Anglo American. Non-Executive Directors are expected to serve for an initial period of three years from their date of appointment, subject to election or annual re-election at the annual general meeting. Non-Executive Directors are typically expected to serve two three-year terms, although the Anglo American Board may invite them to serve for an additional period. The Chairman's appointment may be terminated by Anglo American with six months' notice. The appointments of all other Non-Executive Directors (excluding the Chairman) may be terminated by Anglo American with one month's notice.

All Directors will be subject to election or re-election at the AGM on 5 May 2021.

The dates of appointment of the Non-Executive Directors and the applicable dates of re-election or election are as follows:

Name of Non-Executive Director	Date of first appointment to the Anglo American Board
Stuart Chambers	1 September 2017
Byron Grote	19 April 2013
Anne Stevens	15 May 2012
Elisabeth Brinton	1 March 2021
Hixonia Nyasulu	1 November 2019
Ian Ashby	25 July 2017
Marcelo Bastos	1 April 2019
Nonkululeko Nyembezi	1 January 2020

4 Effects of the finalisation of the Demerger on the Anglo American Share Plans

A summary of the effects of the finalisation of the Demerger on the Anglo American Share Plans is set out at paragraph 9 of Part IV (*Explanatory Statement*) of this Circular.

5 Thungela Share Plan

A summary of the Thungela Share Plan is set out at paragraph 10 of Part IV (*Explanatory Statement*) of this Circular. The proposed salient features of the Thungela Share Plan are detailed in Annexe 10 of the Thungela PLS / Prospectus.

6 Consents

- 6.1 Morgan Stanley & Co. International plc, whose address is 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom, and South Tower, 140 West Street, Floor 10, Sandton, 2196, South Africa, has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.
- 6.2 Rand Merchant Bank (a division of FirstRand Bank Limited), whose address is 1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa, has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

PART XII DEFINITIONS AND GLOSSARY

The following definitions apply throughout this Circular, unless stated otherwise:

AAIC	Anglo American Inyosi Coal Proprietary Limited, a private company with registration number 2005/016701/07, incorporated in accordance with the laws of South Africa.
AAML	Anglo American Marketing Limited, a private limited liability company with registration number 00405724, incorporated in accordance with the laws of England and Wales.
AASA	Anglo American South Africa Proprietary Limited, a private company with registration number 1917/005309/07, incorporated in accordance with the laws of South Africa.
ACSSA	Anglo Corporate Services South Africa Proprietary Limited, a private company with registration number 2020/016658/07, incorporated in accordance with the laws of South Africa.
Admission	(a) The primary listing and admission to trading of all of the Thungela Shares on the main board of the JSE in accordance with the JSE Listings Requirements; and (b) the admission of all of the Thungela Shares to listing on the standard listing segment of the UK Official List in accordance with the UK Listing Rules and to trading on the LSE's main market for listed securities in accordance with the UK Admission and Disclosure Standards.
ADS Depository	The Bank of New York Mellon, a New York banking corporation with its depository receipts business located at 240 Greenwich Street, New York, New York 10286, United States of America.
ADS Record Date	The record date established by the ADS Depository for determining holders of Anglo American ADSs entitled to receive the net cash proceeds from the receipt and subsequent sale by the ADS Depository of any Thungela Shares (or beneficial entitlements to Thungela Shares, including fractional entitlements).
AGM	The annual general meeting of Anglo American Shareholders to be formally held at 20 Carlton House Terrace, London, SW1Y 5AN at 2.30 p.m. on Wednesday, 5 May 2021.
Anglo American	Anglo American plc.
Anglo American ADS	An American depository share which represents one half of an Anglo American Share.

Anglo American Articles	The articles of association of Anglo American.
Anglo American BSP	Anglo American deferred bonus plans.
Anglo American Board	The board of Anglo American comprising the Directors.
Anglo American Group	Anglo American and its subsidiaries and subsidiary undertakings from time to time.
Anglo American LTIPs	Anglo American long term incentive plans.
Anglo American Share Plans	Employee share plans operated by Anglo American, including the Anglo American BSP, the Anglo American LTIPs and the Anglo American all employee share plans.
Anglo American Shareholders	The holders of the Anglo American Shares.
Anglo American Shares	The ordinary shares of 54 ⁸⁶ / ₉₁ US cents each in the capital of Anglo American.
APMs	Alternative performance measures.
ASA	Anglo South Africa Proprietary Limited, a private company with registration number 1998/000877/07, incorporated in accordance with the laws of South Africa.
B-BBEE	Broad-based black economic empowerment, as defined in the B-BBEE Act.
B-BBEE Act	The South African Broad-Based Black Economic Empowerment Act, 53 of 2003 (as amended from time to time).
Bt	Billion tonnes is a metric measurement unit of mass.
business day	A day which is not a Saturday, Sunday or a public holiday in England.
Butsanani Energy	Butsanani Energy Investment Holdings Proprietary Limited, a private company with registration number 2012/043476/07, incorporated in accordance with the laws of South Africa.
Capital Support Agreement	The capital support agreement between ASA (an entity in the Anglo American Group) and Thungela, regulating the terms and conditions upon which ASA, among others, will support the thermal coal sales of the Thungela Group, a summary of the principal terms of which is set out in paragraph 5.5 of Part IV (<i>Explanatory Statement</i>) of this Circular.
Certificated or Certificated Form	Recorded in physical paper form on the relevant register without reference to CREST or the Strate System.
Code	The United States Internal Revenue Code of 1986 (as amended from time to time).

"Combined Carve-out Historical Financial Information of the SAT Coal Operations" and "Combined Carve-out Historical Financial Information"	The historical financial information of the SAT Coal Operations for Financial Year 2020, Financial Year 2019 and Financial Year 2018 set out in the Thungela PLS / Prospectus.
Companies House	The Registrar of Companies in England and Wales.
Competent Persons' Report	<p>A report prepared by SRK or Ukwazi (as indicated below) in compliance with Chapter 12 of the JSE Listings Requirements, following the form and content of a mineral asset valuation report as specified by the SAMVAL Code in respect of:</p> <ul style="list-style-type: none"> • Goedehoop colliery, report number 566657 dated 25 March 2021 prepared by SRK; • Greenside colliery, report number 566644 dated 25 March 2021 prepared by SRK; • Isibonelo colliery, report number 566627 dated 25 March 2021 prepared by SRK; • Khwezela colliery, report number 555864 dated 25 March 2021 prepared by SRK; • Zibulo colliery, report number 566660 dated 25 March 2021 prepared by SRK; • Mafube colliery, report number 555834 dated 25 March 2021; • Dalyshope Project, report number 555910 dated 25 March 2021 prepared by SRK; and • Elders Project, report number 0082 dated 15 February 2021 prepared by Ukwazi, <p>(together, the "Competent Persons' Reports").</p>
Computershare Nominee	Computershare Proprietary Limited, a private company, with registration number 2000/006082/07 incorporated in accordance with the laws of South Africa.
Court	The High Court of Justice in England and Wales.
Court Meeting	The meeting of Anglo American Shareholders convened pursuant to an order of the Court under section 896 of the UK Companies Act to consider and, if thought fit, approve the Scheme, including any adjournment thereof.
COVID-19	the coronavirus disease 2019, an illness caused by a novel coronavirus called severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2; formerly called 2019-nCoV) which was declared a global pandemic by the World Health Organisation (WHO) on 11 March 2020.

CREST	The relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 / 3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Uncertificated Securities Regulations 2001) in accordance with which securities may be held and transferred in uncertificated form.
CREST Manual	The manual describing the CREST system.
CREST Proxy Instruction	The instruction whereby CREST members send a CREST message appointing a proxy for the Meetings and instructing the proxy on how to vote.
CSDP	A Central Securities Depository Participant, a participant as defined in section 1 of the South African FMA.
dematerialised	In relation to Anglo American Shareholders who hold Anglo American Shares on the SA Register, the process by which Certificated shares are deposited with a CSDP and documents of title evidencing such shares are replaced by an electronic record of such shares.
Demerger	The proposed demerger of the SAT Coal Operations from Anglo American and listing of Thungela by way of primary listing on the JSE and standard listing on the main market of the LSE.
Demerger Agreement	The agreement recording certain terms upon which the Demerger is to be effected and upon which relations between Thungela and Anglo American and their respective subsidiaries shall be governed subject to, and following, Admission, a summary of the principal terms of which is set out in paragraph 5.1 of Part IV (<i>Explanatory Statement</i>) of this Circular.
Demerger Effective Time	The time at which the Demerger becomes effective, expected to be at 8.00 p.m. on Friday, 4 June 2021.
Demerger Record Time	6.30 p.m. on the second Friday after the date of the Scheme Court Hearing, which is expected to be Friday, 4 June 2021.
Demerger Resolution	The resolution of Anglo American as set out in the Notice of General Meeting in Part XIII (<i>Notice of General Meeting</i>) of this Circular and which requires votes in favour representing 75% or more of the votes cast at the General Meeting in order to be passed by Anglo American Shareholders.

Depository Agreement	The depository agreement, to be made between Thungela and the UK Depository, which provides the terms on which Thungela appoints the UK Depository to constitute and issue from time to time, upon the terms of the Depository Deed Poll, Thungela DIs representing securities issued by Thungela, as described in paragraph 3.1.3(d) of Part VIII (<i>Shareholder Participation in the Demerger</i>) of this Circular.
Depository Deed Poll	The deed poll, to be made by the UK Depository, constituting the Thungela DIs, as described in paragraph 3.1.3(c) of Part VIII (<i>Shareholder Participation in the Demerger</i>) of this Circular.
Directors	The directors of Anglo American, whose names are set out in paragraph 1.1 of Part XI (<i>Additional Information</i>) of this Circular.
Euroclear	Euroclear UK & Ireland Limited, incorporated and registered in England and Wales with registered number 2878738 and its registered office address at 33 Cannon Street, London, EC4M 5SB, United Kingdom.
Exchange Control Regulations	The South African Exchange Control Regulations, 1961 as promulgated by Government Notice R.1111 of 1 December 1961 and amended up to Government Notice R.445 of 8 June 2012, in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933 (as amended from time to time).
Executive Directors	The executive directors of Anglo American or Thungela, as the context may require.
Explanatory Statement	The explanatory statement relating to the Scheme, as set out in Part IV (<i>Explanatory Statement</i>) of this Circular.
FCA	The UK Financial Conduct Authority or its successor from time to time.
Financial Year	any financial year of Anglo American or Thungela (as applicable) for any 12 month period ended on 31 December.
FOB	Free on board is a method of selling cargo that excludes ocean freight and insurance, but includes vessel loading costs, which is used indicate at what point the ownership and risk in the commodity being shipped transfers hands.
Form of Proxy or Forms of Proxy	As the context may require, either or all of: (i) the blue form of proxy for use at the General Meeting; and (ii) the yellow form of proxy for use at the Court Meeting.

General Meeting	The general meeting of Anglo American to be held at 5.00 p.m. (or, if later, immediately following the conclusion or adjournment of the AGM) on Wednesday, 5 May 2021 at 20 Carlton House Terrace, London, SW1Y 5AN (or any adjournment thereof) notice of which is set out at the end of this Circular.
Group Transitional Services Agreement	The agreement recording the terms upon which ACSSA (or other applicable entities in the Anglo American Group) will provide certain services to the Thungela Group on a transitional basis following the Demerger, a summary of the principal terms of which is set out in paragraph 5.2 of Part IV (<i>Explanatory Statement</i>) of this Circular.
HMRC	HM Revenue & Customs.
IASB	The International Accounting Standards Board.
IFRS	The International Financial Reporting Standards formulated by the IASB.
Indemnity Agreement	The indemnity agreement between ACSSA and AASA (entities in the Anglo American Group) and SACO and TOPL (entities in the Thungela Group) recording certain terms upon which the Thungela Group and the Anglo American Group indemnify each other following the Demerger, a summary of the principal terms of which is set out in paragraph 5.3 of Part IV (<i>Explanatory Statement</i>) of this Circular.
Intragroup Sale Agreement	The agreement between TOPL, ACSSA and AASA dated 1 September 2020 in relation to the sale of certain assets of the Thungela Group that are not utilised in the production of thermal coal.
Investment Companies	Epoch Investment Holdings (RF) Proprietary Limited, Epoch Two Investment Holdings (RF) Proprietary Limited and Tarl Investment Holdings (RF) Proprietary Limited, the independent companies which purchased shares as part of Anglo American's 2006 share buyback programme.
Inyosi Coal	Inyosi Coal Proprietary Limited, a private company with registration number 2007/021533/07, incorporated in accordance with the laws of South Africa and which is owned by a B-BBEE consortium separate from the Thungela Group.
IRS	The United States Internal Revenue Service.
JSE	The securities exchange licenced under the South African FMA and operated by JSE Limited.

JSE Limited	JSE Limited, a public company with registration number 2005/022939/06, incorporated in accordance with the laws of South Africa and licensed to operate an exchange under the South African FMA.
JSE Listings Requirements	The listings requirements issued by JSE Limited under the South African FMA to be observed by issuers of equity securities listed on the JSE (as amended from time to time).
King Code	The Code of Corporate Practices and Conduct as set out in the King Report on Corporate Governance for South Africa, 2016.
Latest Practicable Date	31 March 2021, being the latest practicable date before publication of this Circular.
London Stock Exchange plc	London Stock Exchange plc, incorporated and registered in England and Wales, with registered number 02075721 and its registered office address at 10 Paternoster Square, London, EC4M 7LS, United Kingdom.
LSE	The securities exchange operated by London Stock Exchange plc under the UK FSMA.
Mafube Coal Mining	Mafube Coal Mining Proprietary Limited, a private company with registration number 2004/017532/07, incorporated in accordance with the laws of South Africa, the joint operation by SACO and Exxaro each of which owns 50%.
Main Street	Main Street 1756 (RF) Proprietary Limited, a private company with registration number 2019/458506/07, incorporated in accordance with the laws of South Africa.
Management Services Agreement	The agreement between Main Street, TOPL and ACSSA dated 6 March 2021.
Meetings	The General Meeting and the Court Meeting, and “ Meeting ” means any one of them.
Mt	Million tonnes is a metric measurement unit of mass.
Mtpa	Mt on an annual basis.
Non-Executive Director	The non-executive directors of Anglo American or Thungela, as the context may require.
Notice of Court Meeting	The notice of Court Meeting set out in Part XIV (<i>Notice of Court Meeting</i>) of this Circular.
Notice of General Meeting	The notice of General Meeting set out in Part XIII (<i>Notice of General Meeting</i>) of this Circular.

Offtake Agreement	The offtake agreement between AAML (an entity in the Anglo American Group), Thungela and TOPL (an entity in the Thungela Group), a summary of the principal terms of which is set out in paragraph 5.4 of Part IV (<i>Explanatory Statement</i>) of this Circular.
Option Agreement	The option agreement between Main Street and Anglo American, dated 6 March 2021.
Overseas Shareholders	Anglo American Shareholders with a registered address in, or who are citizens, residents or nationals of, jurisdictions outside the UK or South Africa, or whom Anglo American reasonably believes to be citizens, residents or nationals of jurisdictions outside the UK or South Africa, and each an “ Overseas Shareholder ”.
persons with information rights	A person in respect of whom a nomination pursuant to the provisions of section 146 of the UK Companies Act has been made (and not been suspended, revoked or ceased to have effect) by an Anglo American Shareholder.
Phola	Phola Coal Processing Plant Proprietary Limited, a private company with registration number 2007/001281/07, incorporated in accordance with the laws of South Africa, a joint operation between the Thungela Group and South32 Coal SA Holdings Proprietary Limited, each of which owns 50%.
Phola Coal Processing Plant	The coal processing plant established by a shareholders agreement dated 7 December 2007 between TOPL, South32 Coal SA Holdings Proprietary Limited and Phola.
Proposals	The proposals, recommended by the Anglo American Board, as set out in Part IV (<i>Explanatory Statement</i>) of this Circular, to be implemented through the Demerger Resolution and the Scheme.
RB1	The 6,000 kcal/kg Richards Bay bituminous coal price.
RBCT	Richards Bay Coal Terminal Proprietary Limited, a private company with registration number 1973/014256/07, incorporated in accordance with the laws of South Africa.
Register	The UK Register or the SA Register or both of them, as applicable.
Registrar	The UK Registrar or the SA Transfer Secretary or both of them, as applicable.
Remuneration Committee	The remuneration committee of the Anglo American Board.
Richards Bay Coal Terminal	The coal export terminal at Richards Bay.

RMC	Rietvlei Mining Company Proprietary Limited, a private company with limited liability with registration number 2013/168342/07, incorporated in accordance with the laws of South Africa.
ROM	Run-of-mine ore that is mined and ready to go to the processing plant.
SA or South Africa	The Republic of South Africa.
SA CGT	Capital gains tax as levied in terms of the Eighth Schedule to the South African Income Tax Act.
SA Dividends Tax	A shareholder-borne withholding tax on dividends currently levied at 20% under Part VIII of the South African Income Tax Act, unless reduced or exempted under a convention for the avoidance of double taxation or a specified exemption under the South African Income Tax Act.
SA Register	The South African branch of Anglo American's share register maintained in South Africa.
SA Transfer Secretary	Computershare Investor Services Proprietary Limited, a private company incorporated and registered in accordance with the laws of South Africa with registration number 2004/003647/07.
SACO	South Africa Coal Operations Proprietary Limited, a private company incorporated and registered in accordance with the laws of South Africa with registration number 2017/522665/07.
SAMVAL Code	The South African Code for the Reporting of Mineral Asset valuation, 2016 Edition.
SARB	The South African Reserve Bank.
SAT Coal Operations	The South African thermal coal operations of the Anglo American Group prior to implementation of the Demerger.
Scheme	The scheme of arrangement between Anglo American and the Anglo American Shareholders to effect the Demerger in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Anglo American and Thungela.
Scheme Court Hearing	The hearing by the Court to sanction the Scheme and confirm the reduction of capital.
Scheme Court Order	The order of the Court sanctioning the Scheme and confirming the reduction of capital to effect the Demerger.
SDRT	Stamp duty reserve tax.
SEA	Southeast Asia.

SENS	The Stock Exchange News Service of the JSE.
South African Companies Act	The South African Companies Act, 71 of 2008 (as amended from time to time).
South African FMA	The South African Financial Markets Act, 19 of 2012 (as amended from time to time).
South African Income Tax Act	The South African Income Tax Act, 58 of 1962 (as amended from time to time).
South African STT	South African securities transfer tax imposed in accordance with the terms of the South African Securities Transfer Tax Act.
South African Securities Transfer Tax Act	The South African Securities Transfer Tax Act, 25 of 2007 (as amended from time to time).
SRK	SRK Consulting (South Africa) Proprietary Limited, a private company with registration number 1995/012890/07, incorporated in accordance with the laws of South Africa.
standard listing	A listing by the FCA pursuant to Chapter 14 of the UK Listing Rules.
State	South Africa or in reference to the South African government.
Strate	Strate Proprietary Limited, a private company incorporated and registered in South Africa with registration number 1998/022242/07 and its registered office address at 3rd Floor, 2 Gwen Lane, Sandown, Sandton 2196, Republic of South Africa which is a registered central securities depository in terms of the South African FMA, and which manages the Strate System.
Strate System	The system operated for dealings in Uncertificated securities listed on the JSE that take place on the JSE and for dealings in Certificated securities listed on the JSE that take place off market.
Strate System Rules	The depository rules, directives, regulations and notices issued by Strate from time to time (as amended from time to time).
TFR	Transnet Freight Rail, a division of Transnet SOC Limited, a State owned company with registration number 1990/000900/30, incorporated under the laws of South Africa.
Thungela	Thungela Resources Limited, a public company incorporated and registered in South Africa with registration number 2021/303811/06 and having its registered office address at 25 Bath Avenue, Rosebank, Gauteng, 2001, South Africa.
Thungela Audit Committee	The audit committee of the Thungela Board.

Thungela Board	The board of Thungela, comprising the Thungela Directors.
Thungela Directors	Any member of the Thungela Board, as set out in paragraph 1.2 of Part XI (<i>Additional Information</i>) of this Circular.
Thungela DIs	A depositary interest held in CREST representing an entitlement to one underlying Thungela Share.
Thungela Group	Thungela and its subsidiaries and subsidiary undertakings from time to time which, prior to the Demerger, shall be deemed to include the historical activities of the SAT Coal Operations.
Thungela Jersey Register	The Jersey branch of Thungela's share register maintained in Jersey.
Thungela Jersey Register Registrar	Computershare Investor Services (Jersey) Limited, a private company, with registration number RC75005 incorporated in accordance with the laws of Jersey.
Thungela PLS / Prospectus	The pre-listing statement (for purposes of the JSE Listings Requirements) and the prospectus (for purposes of English law) to be prepared by Thungela in accordance with the JSE Listings Requirements and UK Prospectus Regulation Rules and to be published in relation to Thungela and the Thungela Shares.
Thungela Register	The Thungela SA Register or the Thungela Jersey Register or both of them, as applicable.
Thungela Risk and Sustainability Committee	The risk and sustainability committee of the Thungela Board.
Thungela SA Register	Thungela's principal register of members maintained in South Africa.
Thungela Share Plan	A long-term share incentive plan that Thungela intends to adopt, with effect from completion of the Demerger, to attract, retain, incentivise and reward certain employees. The salient features of the Thungela Share Plan are detailed in Annexe 10 of the Thungela PLS / Prospectus.
Thungela Shareholders	The holders of Thungela Shares.
Thungela Shares	The ordinary shares of no par value in the capital of Thungela.
Thungela Social and Ethics Committee	The social and ethics committee of the Thungela Board.

TOPL	Anglo Operations Proprietary Limited (to be renamed Thungela Operations Proprietary Limited), a private company with registration number 1921/006730/07, incorporated in accordance with the laws of South Africa.
Transaction Agreements	The Demerger Agreement, the Group Transitional Services Agreement, the Indemnity Agreement, the Offtake Agreement and the Capital Support Agreement.
Transitional Services Agreement	The agreement concluded between TOPL and ACSSA with effect from 31 August 2020 pursuant to which ACSSA will provide certain services to TOPL on a transitional basis until Admission.
UK or United Kingdom	The United Kingdom of Great Britain and Northern Ireland.
UK Admission and Disclosure Standards	The requirements contained in the publication “Admission and Disclosure Standards” (as amended from time to time) containing, among other things, the admission requirements to be observed by companies seeking admission to trading on the LSE’s main market for listed securities.
UK Companies Act	The UK Companies Act 2006 (as amended from time to time).
UK Custodian	Computershare Company Nominees Limited, a private limited company with registration number SC167175 and its registered office address at Edinburgh House, 4 North St. Andrew Street, Edinburgh, Scotland, EH2 1HJ.
UK Depository	Computershare Investor Services PLC, a public limited company with registration number 03498808 and its registered office address at The Pavilions, Bridgwater Road, Bristol, BS13 8AE.
UK Disclosure Guidance and Transparency Rules	The disclosure guidance and transparency rules made by the FCA pursuant to section 73A of the UK FSMA (as amended from time to time).
UK FSMA	The Financial Services and Markets Act 2000 (as amended from time to time).
UKLA Rules	Together, the UK Listing Rules, the UK Prospectus Regulation Rules and the UK Disclosure Guidance and Transparency Rules.
UK Listing Authority or UKLA	The FCA acting in its capacity as the competent authority for the purposes of Part 6 of the UK FSMA.

UK Listing Rules	The rules and regulations made by the FCA in its capacity as the UK Listing Authority under the UK FSMA (as amended from time to time) and contained in the UKLA's publication of the same name.
UK MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and the delegated acts, implementing acts, technical standards and guidelines thereunder as modified and as such legislation forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, and as modified by UK domestic law from time to time.
UK Official List	The official list of the UK Listing Authority.
UK Prospectus Regulation Rules	The prospectus rules made by the FCA under section 73A of the UK FSMA (as amended from time to time) and contained in the FCA's publication of the same name.
UK Register	Anglo American's principal register of members maintained in the UK.
UK Registrar	Equiniti Limited, registered in England & Wales with company number 6226088 and registered offices at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.
Ukwazi	Ukwazi Mining Studies Proprietary Limited; a private company with registration number 2016/224365/07, incorporated in accordance with the laws of South Africa.
Uncertificated or Uncertificated Form	Anglo American Shares recorded on the UK Register or Thungela DIs issued to Underlying Shareholders by the UK Depositary (as the context requires) recorded as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST; or, Anglo American Shares recorded on the SA Register or Thungela Shares (as the context requires) recorded as being held in uncertificated form in the Strate System and title to which, by virtue of the South African Companies Act, the South African FMA and the Strate System Rules, may be transferred by means of the Strate System.
Underlying Shareholders	A holder of a beneficial entitlement to Thungela Shares.
US or United States	The United States of America, its territories and possessions, any state of the United States and the District of Columbia.

US Securities Act	The United States Securities Act 1933 (as amended from time to time).
US Treasury Regulations	The income tax regulations promulgated under the Code, as the same may be amended from time to time (including corresponding provisions of succeeding regulations).
Voting Record Time	6.30 p.m. on Friday, 30 April 2021 or, if the General Meeting or Court Meeting are adjourned, 6.30 p.m. on the day which is two business days before the date of such adjourned General Meeting or Court Meeting, as applicable.
Wood Mackenzie	Wood Mackenzie Asia Pacific Pte Ltd, a third-party service provider appointed by Anglo American to prepare a report on the thermal coal industry.

All references to legislation in this Circular are to the legislation of England and Wales unless otherwise stated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

This Circular is dated 8 April 2021.

PART XIII
NOTICE OF GENERAL MEETING

ANGLO AMERICAN PLC

(Incorporated in England and Wales with registered number 03564138)

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of the Company shall be formally held at 20 Carlton House Terrace, London, SW1Y 5AN at 5.00 p.m. (London time) (or, if later, immediately following the conclusion or adjournment of the Company's annual general meeting of shareholders being held at 2.30 p.m., immediately before the general meeting) on 5 May 2021 to transact the following business:

To consider and, if thought fit, pass the following special resolution:

SPECIAL RESOLUTION

THAT:

- (1) with effect from the Scheme Effective Time (as defined in the scheme of arrangement dated 8 April 2021 (the "**Scheme**") between the Company and its Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman thereof), the share premium account of the Company be reduced by \$1,800,000,000 and:
 - a. part thereof be repaid, which repayment shall be satisfied by the transfer by the Company of the entire issued share capital of Thungela Resources Limited to the Scheme Shareholders (as defined in the Scheme) appearing in the register of members of the Company (including the South African branch register) at the Scheme Record Time (as defined in the Scheme) on the basis of one ordinary share in the capital of Thungela Resources Limited for every ten Scheme Shares (as defined in the Scheme) held by them; and
 - b. the balance (if any) thereof be retained by the Company to be available for future distributions by the Company from time to time or applied by the Company from time to time toward any purpose to which such reserves may be applied,
- (2) for the purpose of giving effect to the Scheme in its original form or subject to any modification, addition or condition agreed by the Company and Thungela Resources Limited and approved or imposed by the High Court of Justice in England and Wales, the directors of the Company (or a duly authorised committee of the directors) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (3) with effect from the passing of this resolution, the Articles of Association of the Company be amended by the adoption and inclusion of the following new Article 6A:

"SCHEME OF ARRANGEMENT

- 6A(1) In this Article, the "**Scheme**" means the scheme of arrangement dated 8 April 2021 between the Company and its Scheme Shareholders (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or

imposed by the High Court of Justice in England and Wales and agreed by the Company and Thungela Resources Limited and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article.

- (2) Notwithstanding any other provision of these Articles, if the Company issues any shares after the adoption of this Article, and before the Scheme Record Time, such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the holders of such shares shall be bound by the Scheme accordingly.”

By order of the Board,

R Price

Company Secretary

London

8 April 2021

Registered office:

Anglo American plc
20 Carlton House Terrace
London,
United Kingdom
SW1Y 5AN

Notes:

1. Voting

Holders of ordinary shares are entitled to attend (subject to UK government guidelines) and vote at general meetings of the Company. Entitlement to vote at the meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company's register of members at 6.30 p.m. (London time) on 30 April 2021 or, if the meeting is adjourned, 6.30 p.m. (London time) two working days prior to the time fixed for the adjourned meeting (as the case may be).

As at previous general meetings, voting on the resolutions proposed will be conducted by way of a poll. A poll reflects the number of voting rights exercisable by each member and so is the most democratic method of voting. The voting results will be released to the London Stock Exchange and published on Anglo American's website at www.angloamerican.com/investors/shareholder-information as soon as practicably possible following the meeting.

2. Right to appoint a proxy

Shareholders entitled to attend (subject to UK government guidelines) and vote at the general meeting may appoint one or more proxies to attend and vote on their behalf, provided that each proxy is appointed to exercise the rights attached to a different share or shares by that shareholder.

Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his/her proxy to exercise all or any of his/her rights, to attend, speak and vote on their behalf at the meeting (subject to UK government restrictions). If a shareholder wishes to appoint a person other than the chairman, the name of the chosen proxy holder should be

inserted in the space provided on the form of proxy. Where the proxy is being appointed in relation to less than the shareholder's full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as proxy. If left blank the proxy will be deemed to be authorised in respect of the shareholder's full voting entitlement. If the proxy form has been issued in respect of a designated account for a shareholder, the proxy will be deemed to be authorised in respect of the full voting entitlement for that account.

A form of proxy is enclosed. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the registrars or transfer secretaries or the form of proxy may be photocopied. Details of where to send a completed form are set out in the form of proxy.

Shareholders should also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

To be valid, proxy appointments must be received by no later than 5.00 p.m. (London time) on 30 April 2021. UK registered shareholders may appoint a proxy online by logging on to www.sharevote.co.uk and following the on-screen instructions. You will need the Voting ID, Task ID and Shareholder Reference Number printed on the form of proxy.

Completed forms of proxy sent by post are sent at the risk of the shareholder and shareholders should take note of postal delivery times so as to ensure that the forms of proxy are received by the Company's UK registrar, Equiniti Limited or the Company's South African transfer secretaries, Computershare Investor Services Proprietary Limited (as the case may be) timeously. No late postal deliveries of forms of proxy will be accepted.

3. Electronic proxy voting through CREST

CREST members wishing to appoint a proxy using the CREST electronic proxy appointment service may do so via Equiniti Limited (ID RA19). If you are a CREST personal member, a CREST sponsored member, or a CREST member who has appointed a voting service provider, you should refer to your sponsor or voting service provider who can take the appropriate action for you. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com). The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti Limited (ID RA19) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to them by other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular,

to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

5. Nominated persons

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (“nominated persons”). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

6. Joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).

7. Shareholder rights

Right to ask questions at the general meeting

Any member attending the meeting has the right to ask questions (subject to UK government restrictions).

The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:

- (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- (ii) the answer has already been given on a website in the form of an answer to a question;
or
- (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

8. Information available on website

A copy of this notice and other information can be found at www.angloamerican.com.

9. Total voting rights

The total number of issued ordinary shares in the Company on 31 March 2021, which is the latest practicable date before the publication of this document, is 1,363,118,080, carrying one vote each on a poll. There are no issued ordinary shares of the Company held in treasury. Therefore, the total number of votes exercisable as at 31 March 2021 is 1,363,118,080.

10. Limitations of electronic addresses

You may not use any electronic address provided in either this notice or any related documents (including the proxy form) to communicate with the Company for any purpose other than those expressly stated.

11. Stock exchange listings

The Company's ordinary shares are listed on the London Stock Exchange (the primary listing), the licensed exchange operated by JSE Limited, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange.

12. Shareholding enquiries

Enquiries relating to shareholdings should be made to the Company's UK registrars, Equiniti Limited, or the South African transfer secretaries, Computershare Investor Services Proprietary Limited, at the relevant address set out on the following page.

UK Registrars

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
England

Telephone:

In the UK: 0371 384 2414

From overseas: +44 371 384 2414

Transfer secretaries in South Africa

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196 South Africa
Private Bag X9000, Saxonwold, 2132, South Africa

Telephone: +27 (0) 11 3705 000

Fax: +27 (0) 11 6885 238

**PART XIV
NOTICE OF COURT MEETING**

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
COMPANIES COURT (ChD)
ICC JUDGE MULLEN

CR-2021-000039

IN THE MATTER OF ANGLO AMERICAN PLC

- and -

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that by an Order dated 31 March 2021 made in the above matters the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the Voting Scheme Shareholders (as defined in the scheme of arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between Anglo American plc (the “**Company**”) and the Scheme Shareholders (as defined in the Scheme of Arrangement), and that such meeting shall be formally held at 20 Carlton House Terrace, London, SW1Y 5AN at 5.15 p.m. (London time) on 5 May 2021 (or as soon thereafter as the General Meeting (as defined in the document of which this Notice forms part) has concluded or been adjourned).

Due to the current UK government restrictions in place in respect of COVID-19, the Court Meeting will be held as a closed physical meeting with Voting Scheme Shareholders requested not to attend.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this Notice forms part.

Capitalised terms not otherwise defined in this Notice have the meanings given to them in the document of which this Notice forms part. A yellow Form of Proxy for use by Voting Scheme Shareholders in connection with the Court Meeting is enclosed with this Notice.

Voting Scheme Shareholders entitled to vote at the Court Meeting may vote in person or they may appoint another person, whether a member of the Company or not, as their proxy to vote in their stead.

Voting Scheme Shareholders who hold their Scheme Shares through CREST may appoint a proxy using the CREST electronic proxy appointment service.

Completion and return of a yellow Form of Proxy, or the appointment of a proxy through CREST, shall not prevent a Voting Scheme Shareholder from voting at the Court Meeting or any adjournment thereof.

Voting Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares. Voting Scheme Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such Voting Scheme Shareholder. A space has been included in the yellow Form of Proxy to allow Voting Scheme Shareholders to specify the number of Scheme Shares

in respect of which that proxy is appointed. Voting Scheme Shareholders who return the yellow Form of Proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all their Scheme Shares.

Voting Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company's relevant Registrar using the Helpline, set out in Part II (*Actions to be Taken*) of the document of which this Notice forms part, for further yellow Forms of Proxy. Such Voting Scheme Shareholders should also read the information regarding the appointment of multiple proxies set out in Part II (*Actions to be Taken*) of the document of which this Notice forms part and in the yellow Form of Proxy.

It is requested that yellow Forms of Proxy, and any power of attorney or other authority under which they are executed (or a duly certified copy of any such power or authority), be lodged with the Company's relevant Registrar at the relevant address set out in Part II (*Actions to be Taken*) of the document of which this Notice forms part and in the yellow Form of Proxy, or be submitted via CREST, by no later than 5.15 p.m. (London time) on 30 April 2021 (or not less than 48 hours, excluding any part of a day that is not a business day, before the time appointed for any adjourned Court Meeting).

Voting at the Court Meeting shall remain open for 30 minutes following the conclusion of any questions and responses raised at the Court Meeting. Voting Scheme Shareholders shall be able to change their proxy instruction if they so wish during this 30 minute period. Voting Scheme Shareholders shall be able to change their proxy instruction in respect of the Court Meeting by sending an email to the UK Registrar at proxyvotes@equiniti.com, provided that the email is received by the UK Registrar within this 30 minute period.

In the case of joint holders of Scheme Shares, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of the Company in respect of the joint holding (the first being the most senior).

Entitlement to attend (subject to UK government guidelines) and vote at the Court Meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the relevant Register of the Company as at 6.30 p.m. (London time) on 30 April 2021 or, if the Court Meeting is adjourned, 6.30 p.m. (London time) on the day which is two business days before the date of the adjourned Court Meeting. In each case, changes to the Register after such time shall be disregarded.

By the said Order, the Court has appointed Stuart Chambers or, failing him, Mark Cutifani, or, failing him, any other director of the Company, to act as chairman of the Court Meeting and has directed the chairman to report the result thereof to the Court.

The Scheme of Arrangement shall be subject to the subsequent sanction of the Court.

Dated 8 April 2021

LINKLATERS LLP
One Silk Street
London EC2Y 8HQ

United Kingdom
Solicitors for the Company