

PROSPECTUS



US\$1,000,000,000

Anglo American Capital plc

US\$500,000,000 2.250% Senior Notes due 2028

US\$500,000,000 2.875% Senior Notes due 2031

Guaranteed by Anglo American plc

This prospectus is being published by Anglo American Capital plc (the “**Issuer**” or “**Anglo American Capital**”) in connection with Admission (as defined below) of its US\$500 million of its 2.250% Senior Notes due 2028 (the “**2028 Notes**”) and US\$500 million of its 2.875% Senior Notes due 2031 (the “**2031 Notes**” and, together with the 2028 Notes, the “**Notes**”) with such Notes to be guaranteed (the “**Guarantees**”) by Anglo American plc (the “**Company**”, “**Guarantor**” or “**Anglo American**” and, together with the Company’s subsidiaries, joint ventures and associates, “**Anglo American Group**”, the “**Group**”, or “**we**”). Interest will be paid on the Notes semi-annually and in arrears on March 17 and September 17 of each year, commencing on September 17, 2021. The 2028 Notes and the 2031 Notes will mature on March 17, 2028 and on March 17, 2031, respectively.

The Issuer has the option to redeem all or a portion of the Notes at any time at the redemption prices set forth in this document.

The Notes will be unsecured senior obligations of the Issuer and will rank equally with all of its other existing and future unsubordinated indebtedness.

The Notes will be issued in fully registered form and only in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

For a more detailed description of the Notes, see “Description of the Notes and the Guarantees” beginning on page 122.

An investment in the Notes involves risks. See “Risk Factors” beginning on page 28.

Offering Price for the 2028 Notes: 99.428% plus accrued interest, if any, from March 17, 2021

Offering Price for the 2031 Notes: 99.750% plus accrued interest, if any, from March 17, 2021

Application has been made to the Financial Conduct Authority in its capacity as competent authority pursuant to Part VI of the Financial Services and Markets Act 2000 (the “**FCA**”) for each series of the Notes to be admitted to the official list of the FCA (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for each series of the Notes to be admitted to trading on the London Stock Exchange’s Regulated Market (“**Admission**”). References in this document to the Notes being listed (and all related references) shall mean that the Notes have been admitted to trading on the London Stock Exchange’s Regulated Market and have been admitted to the Official List. The London Stock Exchange’s Regulated Market is a regulated market for purposes of Article 2(1)(13) of Regulation 600/2014 as it forms part of domestic law by virtue of the European

Union (Withdrawal) Act 2018. **The securities to which this document relates have not been recommended by the United States Securities and Exchange Commission or any other U.S. federal or state securities commission or regulatory authority nor have such authorities confirmed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.**

The Notes and the Guarantees have not been registered, and we do not intend to register the Notes or the Guarantees, under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold in the United States only to qualified institutional buyers in accordance with Rule 144A under the Securities Act (“**Rule 144A**”) and outside the United States to certain non-U.S. persons in accordance with Regulation S under the Securities Act (“**Regulation S**”). **Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the Notes and the related Guarantees may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.** For further details about eligible offerees and transfer restrictions, see “*Plan of Distribution*” and “*Transfer Restrictions*”.

The Company’s credit ratings have been issued by Moody’s Investors Service Ltd. (“**Moody’s**”) and S&P Global Ratings UK Limited (“**S&P**”) and are Baa2 (negative outlook) and BBB (stable outlook), respectively. In general, United Kingdom regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the United Kingdom and registered under The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 (the “**CRA Regulations**”). S&P and Moody’s have each been registered under the CRA Regulations by the FCA as of January 1, 2021.

In connection with the offering, the Initial Purchasers are not acting for anyone other than the Company and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the offering.

ABN AMRO Securities (USA) LLC, Australia and New Zealand Banking Group Limited, Barclays Capital Inc., BofA Securities, Inc., Credit Agricole Securities (USA) Inc. and SMBC Nikko Securities America, Inc. (collectively, the “**Joint Bookrunners**” or the “**Initial Purchasers**”) expect to deliver the Notes to purchasers on or about March 17, 2021 through the facilities of The Depository Trust Company including its participants Euroclear Bank SA/NV and Clearstream Banking, *société anonyme*.

Joint Bookrunners

Barclays

BofA Securities

Credit Agricole CIB

SMBC Nikko

ABN AMRO

ANZ

Prospectus dated March 17, 2021

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IMPORTANT INFORMATION NOTICE TO INVESTORS

The Issuer and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Issuer and the Company the information contained in this document is in accordance with the facts and this document contains no omission likely to affect its import. Where the information in this document has been sourced from a third party, such information has been accurately reproduced and so far as the Issuer and the Company are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This document contains and incorporates by reference information that you should consider when making your investment decision. We have not authorized anyone to provide you with information, whether orally or in writing, either different from that contained in this document or not set forth in this document, and if you believe that there is any other information upon which you wish to rely that is either different from or not set forth in this document you should not rely on it at all. We are offering to sell the Notes only where offers and sales are permitted. The information contained in this document is accurate only as of the date of this document, regardless of the time of delivery of this document or any resale of the Notes and, except as required by the FCA or applicable law and regulation, will not be updated.

By purchasing any Notes, you will be deemed to have acknowledged that: (1) you have reviewed this document; (2) you have had an opportunity to review all information considered by you to be necessary to make your investment decision and to verify the accuracy of, or to supplement, the information contained in this document; (3) you have not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with your investigation of the accuracy of such information or your investment decision; (4) the Initial Purchasers are not responsible for, and are not making any representation to you concerning, our future performance or the accuracy or completeness of this document; and (5) no person has been authorized to give any information or to make any representation concerning us or the Notes, other than as contained in this document. If given or made, any such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

You should read this document before making a decision whether to purchase any Notes. In making any investment decision, you must rely on your own examination of the Issuer and the Company and the terms of this offering, including the merits and risks involved. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

You must comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this document and the purchase, offer or sale of the Notes, and you must obtain any required consent, approval or permission for the purchase, offer or sale by you of the Notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the Initial Purchasers are responsible for your compliance with these legal requirements.

We are offering the Notes and the Guarantees in reliance on exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering.

The Notes are subject to restrictions on resale and transfer as described under “*Transfer Restrictions*”. By purchasing any Notes, you will be deemed to have made certain acknowledgments, representations and agreements as described in that section of this document. You may be required to bear the financial risks of investing in the Notes for an indefinite period of time.

The Initial Purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this document. Nothing contained in this document is, or should be relied upon as, a promise or representation by the Initial Purchasers as to the past or future. The Initial Purchasers have not independently verified any of the information contained herein (financial, legal or otherwise) and assume no responsibility for the accuracy or completeness of any such information.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This document constitutes a prospectus that has been prepared solely for use in connection with Admission of the Notes, and it has been approved by the FCA for such purpose. Purchasers of Notes are notified that this document does not constitute an offer for sale of the Notes and has not been approved by the FCA in connection with any such offer.

UK PRIIPS REGULATION/PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPS Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

UK MIFIR PRODUCT GOVERNANCE/ PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”) and professional clients as defined in Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the EUWA (“UK MiFIR”) only; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to UK MiFIR and the FCA Handbook Product Intervention and Product Governance Sourcebook (together, the “UK MiFIR Product Governance Requirements”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This document has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (“EEA”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 (as amended or superseded).

PRIIPS REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPS Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

STABILIZATION

In connection with the issue of the Notes, any one of Barclays Capital Inc., BofA Securities, Inc., Credit Agricole Securities (USA) Inc. and SMBC Nikko Securities America, Inc. (the “**Stabilizing Managers**”) or any person acting on behalf of a Stabilizing Manager may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Managers (or persons acting on their behalf) will undertake any stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the date on which the Issuer received the proceeds of the offering, or no later than 60 days after the date of the allotment of the Notes, whichever is the earlier. Any such stabilization or over-allotment must be conducted by the Stabilizing Managers (or persons acting on behalf of any Stabilizing Manager) in accordance with all applicable laws, regulations and rules and on the London Stock Exchange.

MISCELLANEOUS INFORMATION

This document comprises a prospectus for the purposes of Art. 6 of the UK Prospectus Regulation (as defined below) and has been filed with the FCA.

This prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK Prospectus Regulation**”). The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Company or the quality of any Notes that are the subject of this prospectus. Investors should make their own assessment as to the suitability of any investment in the Notes.

The distribution of this document and the offering and sale of the Notes in certain jurisdictions may be restricted by law. The Issuer, the Company and the Initial Purchasers require persons in possession of this document to inform themselves about and to observe any such restrictions. This document does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation would be unlawful.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Financial Promotion Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**relevant persons**”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

In this document, references to “**Anglo American**”, the “**Anglo American Group**”, the “**Group**”, “**we**”, “**us**”, and “**our**” are to refer to either Anglo American plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons. The use of these generic terms herein is for convenience only, and is in no way indicative of how the Anglo American Group or any entity within it is structured, managed or controlled. Anglo American subsidiaries, and their management, are responsible for their own day-to-day operations, including but not limited to securing and maintaining all relevant licenses and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms. Anglo American produces group-wide policies and procedures to ensure best uniform practices and standardisation across the Anglo American Group but is not responsible for the day to day implementation of such policies. Such policies and procedures constitute prescribed minimum standards only.

Group operating subsidiaries are responsible for adapting those policies and procedures to reflect local conditions where appropriate, and for implementation, oversight and monitoring within their specific businesses.

FORWARD-LOOKING STATEMENTS

This document includes “forward-looking information” within the meaning of Section 27A of the Securities Act and Section 21E of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including without limitation those concerning levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, safety, health or environmental incidents, the effects of global pandemics and outbreaks of infectious diseases, the outcome of litigation or regulatory proceedings, environmental, social and governance goals and aspirations, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transportation infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, levels of capital expenditure, rating and leverage targets, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by courts, regulators and governmental authorities such as in relation to permitting or forcing closure of mines and ceasing of operations or maintenance of Anglo American's assets, and changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in this document (see “*Risk Factors*”). These forward-looking statements are not based on historical facts, but rather reflect our current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential”, “projected”, “will”, “continue” or other similar words and phrases. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

The risk factors described in this document could affect our future results, causing these results to differ materially from those expressed in any forward-looking statements. These factors are not necessarily all the important factors that could cause our actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results.

You should review carefully all information, including the financial statements and the notes to the financial statements, which are incorporated by reference into this document. The forward-looking statements included in this document are made only as of the last practicable date prior to the date hereof. Except as required by the FCA or applicable law and regulation, neither we nor the Initial Purchasers undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are qualified by the cautionary statements in this section.

MARKET AND INDUSTRY DATA

Where cited in this document, market data and industry data and forecasts were obtained and reproduced from reports prepared by Wood Mackenzie, CRU, Platts, the World Steel Association, the London Metal Exchange, Johnson Matthey, the London Platinum and Palladium Market, Camdaq, the Metal Bulletin, Argus/McCloskey Coal Price Index and the globalCOAL. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the

accuracy and completeness of such information is not guaranteed. We have not independently verified any of the data from third party sources, nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, industry forecasts and market research, which we believe to be reliable based upon the Group management's knowledge of the industry, have not been independently verified. Forecasts are particularly likely to be inaccurate, especially over long periods of time. In addition, we do not necessarily know what assumptions regarding general economic growth were used in preparing the forecasts we cite. We do not make any representation as to the accuracy of data from third party sources, industry forecasts and market research and we expressly disclaim any responsibility for, or liability in respect of, such third party information. Statements as to the Group's market position are based on the most currently available data. While we are not aware of any misstatements regarding the Group's industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" in this document. Neither we nor the Initial Purchasers can guarantee the accuracy or completeness of any such industry data contained in this document. Where the information in this document has been sourced from a third party, such information has been accurately reproduced and so far as the Issuer and the Company are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Further, where the information in this document has been sourced from a third party, reference is made to the third party source where such information appears in the document.

CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES FOR MINING OPERATIONS

For United States public company reporting purposes, the U.S. Securities and Exchange Commission (the "SEC") has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers with material mining operations whose securities are registered with the SEC under the Exchange Act. These amendments became effective February 25, 2019 (the "SEC Modernization Rules") with compliance required for the first fiscal year beginning on or after January 1, 2021. While the SEC Modernization Rules are more closely aligned with current industry and global regulatory practices and standards, there may be some differences in reporting regimes for Ore Reserve estimates between Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition and the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016 Edition) on the one hand, each of which are used by the Group, and the SEC Modernization Rules on the other hand.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Company and the Issuer are incorporated under the laws of England and Wales. Most of the directors and executive officers of the Company and all the directors of the Issuer live outside the United States. Most of the assets of the Company's and the Issuer's directors and executive officers and substantially all the Company's and the Issuer's assets are located outside the United States. As a result, it may be difficult for you to serve process on those persons or the Company or the Issuer in the United States or to enforce judgments obtained in U.S. courts against them based on civil liability provisions of the securities laws of the United States.

There is doubt as to enforceability in the English courts, in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities predicated solely upon the federal securities laws of the United States. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in the United Kingdom. The enforceability of any judgment in the United Kingdom will depend on the particular facts of the case in effect at the time.

AVAILABLE INFORMATION

For so long as the Company is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Issuer and the Company, respectively, will furnish to the holder of any Notes and to each prospective purchaser designated by any such holder, upon the request of such

holder or prospective purchaser, the information required to be delivered pursuant to Rule 144A (d)(4) under the Securities Act. Any such request may be made to us at 20 Carlton House Terrace, London, SW1Y 5AN, England. As of the date hereof, the Company is exempt from such reporting obligations under Rule 12g3-2(b) under the Exchange Act.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, financial information in this document has been prepared on the basis of IFRS. The financial information of the Group has been prepared on the basis of applicable law and IFRS. The financial information of the Issuer has been prepared on the basis of applicable law and UK GAAP, including FRS 101 “**Reduced Disclosure Framework**”.

The Group 2020 Consolidated Financial Statements and the Issuer 2020 Financial Statements incorporated by reference into this document, have been audited by PricewaterhouseCoopers LLP (“**PwC**”), independent accountants registered to carry out audit work by the Institute of Chartered Accountants in England and Wales, with an address at 1 Embankment Place, London WC2N 6RH. The Group 2019 Consolidated Financial Statements and the Issuer 2019 Financial Statements incorporated by reference into this document, have been audited by Deloitte LLP (“**Deloitte**”), independent accountants who are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales, with an address at 1 New Street Square, London, EC4A 3HQ, as stated in their reports appearing therein. The Group 2018 Consolidated Financial Statements, and Issuer 2018 Financial Statements are incorporated by reference in this document and have been audited by Deloitte, as stated in their reports also incorporated therein.

Our business unit structure focuses our portfolio around principal products which are located in areas of key geographic focus for each product. These business units are:

- De Beers (Botswana, Canada, Namibia and South Africa);
- Copper (Chile, Finland and Peru);
- Platinum Group Metals (“**PGMs**”) (South Africa and Zimbabwe);
- Iron Ore (Brazil and South Africa);
- Coal (Australia, Canada, Colombia and South Africa);
- Nickel and Manganese (Australia, Brazil and South Africa);
- Crop Nutrients (United Kingdom); and
- Corporate and Other (Worldwide).

Our Group results are reported on a reportable segment basis in accordance with IFRS. Reportable segments are:

- De Beers;
- Copper;
- PGMs;
- Iron Ore;
- Coal;
- Nickel and Manganese;
- Crop Nutrients; and
- Corporate and Other

The Group’s operating segments are aligned to those business units that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Operating segments with similar economic characteristics are aggregated into reportable segments. Shipping revenue related to shipments of the Group’s products is shown within the relevant operating segment. Revenue from other shipping arrangements is presented within the ‘Corporate and Other’ segment, which also includes unallocated corporate costs and exploration costs. Segments predominantly derive revenue as follows – De Beers: rough diamonds and

diamond jewellery; Copper: copper; PGMs: platinum group metals and nickel; Iron Ore: iron ore; Coal: metallurgical coal and thermal coal; Nickel and Manganese: nickel, manganese ore and alloys; Crop Nutrients: polyhalite. The segment results are stated after elimination of inter-segment transactions and include an allocation of corporate costs.

Some financial and other information in this document has been rounded and, as a result, the figures shown as totals in this document may vary slightly from the exact arithmetic aggregation of the figures that precede them.

The financial results of the PGMs segment and Kumba's contribution to the Iron Ore segment, reconcile to the financial results of Anglo American Platinum and Kumba, respectively, when taking into account certain adjustments, principally consolidation adjustments and corporate cost allocations.

Non-IFRS Financial Measures

When assessing and discussing the Group's reported financial performance, financial position and cash flows, management makes reference to Alternative Performance Measures ("APMs") of historical or future financial performance, financial position or cash flows that are not defined or specified under IFRS.

The APMs used by the Group fall into two categories:

- **Financial APMs:** These financial measures are usually derived from the financial statements, prepared in accordance with IFRS. Certain financial measures cannot be directly derived from the financial statements as they contain additional information, such as financial information from earlier periods or profit estimates or projections. The accounting policies applied when calculating APMs, where relevant and unless otherwise stated, are the same as those disclosed in the Group 2019 Consolidated Financial Statements.
- **Non-financial APMs:** These measures incorporate certain non-financial information that management believes is useful when assessing the performance of the Group.

APMs are not uniformly defined by all companies, including those in the Group's industry. Accordingly, the APMs used by the Group may not be comparable with similarly titled measures and disclosures made by other companies. APMs should be considered in addition to, and not as a substitute for or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS.

The Group uses APMs to improve the comparability of information between reporting periods and business units, either by adjusting for uncontrollable factors or special items which impact upon IFRS measures or, by aggregating measures, to aid the user in understanding the activity taking place across the Group's portfolio.

Their use is driven by characteristics particularly visible in the mining sector:

- **Earnings volatility:** The Group mines and markets a number of products, including precious metals and minerals. The sector is characterized by significant volatility in earnings driven by movements in macroeconomic factors, primarily commodity price and foreign exchange rates. This volatility is outside the control of management and can mask underlying changes in performance. As such, when comparing year-on-year performance, management excludes certain items (such as those classed as "**special items**") to aid comparability and then quantifies and isolates uncontrollable factors in order to improve understanding of the controllable portion of variances.
- **Nature of investment:** Investments in the sector typically occur over several years and are large, requiring significant funding before generating cash. These investments are often made with partners and the nature of the Group's ownership interest affects how the financial results of these operations are reflected in the Group's results, e.g. whether full consolidation (subsidiaries), consolidation of the Group's attributable assets and liabilities (joint operations) or equity accounted (associates and joint ventures). Attributable metrics are therefore presented to help demonstrate the financial performance and returns available to the Group, for investment and financing activities, excluding the effect of different accounting treatments for different ownership interests.

- Portfolio complexity: The Group mines, processes, moves and sells a number of different products, including precious metals and minerals. The cost, value of and return from each saleable unit (e.g. tonne, pound, carat, ounce) can differ materially between each business. This makes understanding both the overall portfolio performance and the relative performance of its constituent parts on a like-for-like basis, more challenging. The Group therefore uses composite APMs to provide a consistent metric to assess performance at the portfolio level.

Consequently, APMs are used by the Board and management for planning, reporting and incentive-setting purposes. A subset is also used by management in setting director and management remuneration.

The portion of the Company's 2020 Annual Report incorporated by reference herein contains an Alternative Performance Measures section that sets out the Financial APMs used by the Group along with the closest equivalent IFRS measure and the rationale for adjustments. The Group 2020, 2019 and 2018 Consolidated Financial Statements, incorporated by reference in this document, include the adjustments to reconcile the APMs to the primary financial statements. In addition, the Company's 2020 Annual Report also contains the Non-Financial APMs used by the Group along with the purpose for the Group using these measures. The APMs used by the Group are defined below.

Group Revenue (including attributable share of associates' and joint ventures' revenue)

Group Revenue includes the Group's attributable share of associates' and joint ventures' revenue. A reconciliation to "Revenue", the closest equivalent IFRS measure to Group Revenue is disclosed in Note 2 of the Group 2020 Consolidated Financial Statements, Note 2 to the Group 2019 Consolidated Financial Statements and Note 2 to the Group 2018 Consolidated Financial Statements, incorporated by reference herein.

Underlying EBIT

Underlying EBIT is "operating profit/(loss)" presented before special items and re-measurements and includes the Group's attributable share of associates' and joint ventures' underlying EBIT. Underlying EBIT of associates and joint ventures is the Group's attributable share of associates' and joint ventures' revenue less operating costs before special items and re-measurements of associates and joint ventures. A reconciliation to "profit/(loss) before net finance income/(costs) and tax", the closest equivalent IFRS measure to underlying EBIT is provided within Note 1 of the Group 2020 Consolidated Financial Statements, Note 2 to the Group 2019 Consolidated Financial Statements and Note 2 to the Group 2018 Consolidated Financial Statements, incorporated by reference herein. Further, "profit/(loss) before net finance (costs)/income and tax", is reconciled to "profit/(loss) for the financial period" in the consolidated income statement on page 158 of the Group 2020 Consolidated Financial Statements, consolidated income statement on page 148 of the Group 2019 Consolidated Financial Statements and page 134 of the Group 2018 Consolidated Financial Statements, as included in the respective 2020, 2019 and 2018 Annual Reports of the Company, incorporated by reference herein.

Underlying EBITDA

Underlying EBITDA is underlying EBIT before depreciation and amortization and includes the Group's attributable share of associates' and joint ventures' underlying EBIT before depreciation and amortization. A reconciliation to "profit/(loss) before net finance income/(costs) and tax", the closest equivalent IFRS measure to underlying EBITDA, is provided within Note 2 of the Group 2020 Consolidated Financial Statements, Note 2 to the Group 2019 Consolidated Financial Statements and Note 2 to the Group 2018 Consolidated Financial Statements, incorporated by reference herein. Further, "profit/(loss) before net finance (costs)/income and tax", is reconciled to "profit/(loss) for the financial period" in the consolidated income statement on page 158 of the Group 2020 Consolidated Financial Statements, on page 148 of the Group 2019 Consolidated Financial Statements and page 134 of the Group 2018 Consolidated Financial Statements, as included in the respective 2020, 2019 and 2018 Annual Reports of the Company, incorporated by reference herein.

Underlying earnings

Underlying earnings is “profit/(loss) for the financial period attributable to equity shareholders of the Company” before special items and remeasurements and is therefore presented after net finance costs, income tax expense and non-controlling interests. A reconciliation to “profit/(loss) for the financial period attributable to equity shareholders of the Company”, the closest equivalent IFRS measure to underlying earnings is disclosed in Note 2 of the Group 2020 Consolidated Financial Statements, Note 2 to the Group 2019 Consolidated Financial Statements and Note 2 to the Group 2018 Consolidated Financial Statements, incorporated by reference herein.

Mining EBITDA margin

The Mining EBITDA margin is derived from the Group’s Underlying EBITDA as a percentage of Group Revenue, adjusted to exclude certain items to better reflect the performance of the Group’s mining business. The Mining EBITDA margin reflects Debswana accounting treatment as a 50/50 joint operation, excludes third-party sales, purchases and trading and excludes Platinum Group Metals’ purchase of concentrate. A reconciliation to the IFRS measure operating profit margin is disclosed in Other Information, Alternative Performance Measures, as included in the 2020 Annual Report of the Company as incorporated by reference herein.

Net debt

Net debt is calculated as total borrowings less cash and cash equivalents (including derivatives which provide an economic hedge of net debt). Borrowings do not include the Hancock royalty liabilities which arose as of H1 2020, on the basis that obligations to make cash payments against this liability only arise when the Woodsmith project generates revenues, and that otherwise the Group is not currently contractually liable to make any payments under this arrangement (other than in the event of the Woodsmith project’s insolvency). A reconciliation to the IFRS measure consolidated balance sheet is disclosed in Note 20 of the Group 2020 Consolidated Financial Statements, Note 20 to the Group 2019 Consolidated Financial Statements and Note 20 to the Group 2018 Consolidated Financial Statements, incorporated by reference herein.

Capital expenditure

Capital expenditure is defined as cash expenditure on property, plant and equipment, including related derivatives, and is presented net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests in order to match more closely the way in which it is managed. A reconciliation to “expenditure on property, plant and equipment”, the closest IFRS measure to capital expenditure is disclosed in Note 12 of the Group 2020 Consolidated Financial Statements, Note 12 to the Group 2019 Consolidated Financial Statements and Note 12 to the Group 2018 Consolidated Financial Statements, incorporated by reference herein.

Capital employed

Capital employed is defined as net assets excluding net debt and financial asset investments. Attributable capital employed includes the Group’s share of associates’ and joint ventures’ capital employed and excludes capital employed of non-controlling interests. Average attributable capital employed is calculated by adding the opening and closing attributable capital employed for the relevant period and dividing by two. A reconciliation to the closest IFRS measure is disclosed in Note 9 of the Group 2020 Consolidated Financial Statements, Note 9 to the Group 2019 Consolidated Financial Statements and Note 9 to the Group 2018 Consolidated Financial Statements, incorporated by reference herein.

Underlying effective tax rate

The underlying effective tax rate equates to the income tax expense before special items and remeasurements and including the Group’s share of associates’ and joint ventures’ tax before special items and remeasurements, divided by profit before tax before special items and remeasurements and including the Group’s share of associates’ and joint ventures’ profit before tax before special items and remeasurements.

The calculation of underlying effective tax rate for the years 2020, 2019 and 2018 is set forth on page 79 of this document as part of the Operating and Financial Review.

Attributable free cash flow

Attributable free cash flow is calculated as “Cash flows from operations” plus dividends received from associates, joint ventures and financial asset investments, less capital expenditure, less tax cash payments excluding tax payments relating to disposals, less net interest paid including interest on derivatives hedging net debt, less dividends paid to non-controlling interests, less capital repayment of lease obligations, less expenditure on non-current intangible assets (excluding goodwill). A reconciliation to “cash flows from operations”, the closest equivalent IFRS measure, is provided on page 64 of the Group Financial Review in the 2020 Annual Report of the Company, page 54 of the Group Financial Review in the 2019 Annual Report of the Company and page 52 of the Group Financial Review in the 2018 Annual Report of the Company, incorporated by reference herein.

Sustaining attributable free cash flow

Sustaining attributable free cashflow is used to measure the amount of cash available to finance returns to shareholders or growth after servicing debt, providing a return to minority shareholders and meeting the capex commitments needed to sustain the current production base of existing assets. Sustaining attributable free cashflow is also used as an incentive measure in executives’ remuneration and is proposed to be used in the Anglo American Long Term Incentive Plan 2020 (“LTIP 20”). It is calculated as attributable free cash flow prior to growth capex and expenditure on non-current intangible assets (excluding goodwill). A reconciliation to “cash flows from operations”, the closest equivalent IFRS measure, is provided on page 64 of the 2020 Annual Report of the Company.

Copper equivalent production

Copper equivalent production, expressed as copper equivalent tonnes, shows changes in underlying production volume. It is calculated by expressing each commodity’s volume as revenue, subsequently converting the revenue into copper equivalent units by dividing by the copper price (per tonne). Long term prices (and foreign exchange rates where appropriate) are used, in order that period on period comparisons exclude any impact for movements in price.

When calculating copper equivalent production, domestic thermal coal sales are excluded, as are volumes from non-mining activities. Volume from projects in pre-commercial production are included.

Unit cost

Unit cost is the direct cash cost including direct cash support costs incurred in producing one unit of saleable production.

For bulk products (coal, iron ore), unit costs shown are FOB i.e., cost on board at port. For base metals (copper, nickel), they are shown at C1 i.e., after inclusion of by-product credits and logistics costs. For PGMs and diamonds, unit costs include all direct expensed cash costs incurred i.e., excluding, amongst other things, market development activity, corporate overhead etc. PGM unit costs exclude by-product credits. Royalties are excluded from all unit cost calculations.

Copper equivalent unit cost

Copper equivalent unit cost is the cost incurred to produce one tonne of copper equivalent. Only the cost incurred in mined output from subsidiaries and joint operations is included, representing direct costs in the consolidated income statement controllable by the Group. Costs and volumes from associates and joint ventures are excluded, as are those from operations that are not yet in commercial production, that deliver domestic production, and those associated with third-party volume purchases of diamonds and platinum concentrate.

When calculating copper equivalent unit cost, unit costs for each commodity are multiplied by relevant production, combined and then divided by the total copper equivalent production, to get a copper equivalent unit cost i.e., the cost of mining one tonne of copper equivalent. The metric is in U.S. dollars and, where appropriate, long-term foreign exchange rates are used to convert from local currency to U.S. dollars.

Productivity

The Group's productivity measure calculates the copper equivalent production generated per employee. It is a measure that represents how well headcount is driving revenue. It is calculated by dividing copper equivalent production by the average direct headcount from consolidated mining operations in a given year.

Volume and cash cost improvements

The Group uses an underlying EBITDA waterfall to understand its year-on-year underlying EBITDA performance. The waterfall isolates the impact of uncontrollable factors in order that the real year-on-year improvement in performance can be seen by the user.

The following variables are normalized in the results of subsidiaries and joint operations, for:

- Price: The movement in price between comparative periods is removed, by multiplying current year sales volume by the movement in realized price for each product group.
- Foreign Exchange: The year-on-year movement in exchange is removed from the current year non-U.S. dollar cost base i.e., they are restated at prior year foreign exchange rates. The non-U.S. dollar cash cost base excludes costs which are price linked (e.g., purchase of concentrate from third-party platinum providers, third-party diamond purchases).
- Inflation: consumer price index (CPI) is removed from cash costs, restating these costs at the level of the base year.
- COVID-19 volume impact: The volume impact of COVID-19 related disruption to the production and the supply chain is removed, along with the impact of reduced diamond demand.

The remaining variances in the underlying EBITDA waterfall are in real U.S. dollar terms for the base year i.e., for a waterfall comparing 2020 with 2019, the sales volume and cash cost variances exclude the impact of price, foreign exchange rates and CPI and are hence in real 2019 terms. This allows the user of the waterfall to understand the underlying real movement in sales volumes and cash costs on a consistent basis.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

We are incorporating by reference certain information into this document, which means we are disclosing important information to you by referring you to such information. The information being incorporated by reference is an important part of this document and should be reviewed before deciding whether or not to purchase the Notes described herein. Subject to the limitations and exclusions described in the paragraphs below, the following documents, which have previously been published and have been filed with the FCA, shall be incorporated by reference into this document:

- The auditor’s report and audited consolidated annual financial statements for the financial year-ended December 31, 2020 of Anglo American plc (<https://www.angloamerican.com/investors/fixed-income-investors/issuer-document-downloads>) (such information, the “Group 2020 Consolidated Financial Statements”) as included in the 2020 Annual Report of the Company, on pages 150 to 234 thereof;
- Alternative Performance Measures as included in the 2020 Annual Report of the Company, on pages 246 to 250 thereof;
- The auditor’s report and audited consolidated annual financial statements for the financial year-ended December 31, 2019 of Anglo American plc (<https://www.angloamerican.com/investors/fixed-income-investors/issuer-document-downloads>) (such information, the “Group 2019 Consolidated Financial Statements”) as included in the 2019 Annual Report of the Company, on pages 141 to 220 thereof;
- Alternative Performance Measures as included in the 2019 Annual Report of the Company, on pages 228 to 231 thereof;
- The auditor’s report and audited consolidated annual financial statements for the financial year-ended December 31, 2018 of Anglo American plc (<https://www.angloamerican.com/investors/fixed-income-investors/issuer-document-downloads>) (such information, the “Group 2018 Consolidated Financial Statements”) as included in the 2018 Annual Report of the Company, on pages 127 to 200 thereof;
- Alternative Performance Measures as included in the 2018 Annual Report of the Company, on pages 208 to 211 thereof;
- The auditor’s report and audited non-consolidated annual financial statements for the year-ended December 31, 2020 of Anglo American Capital plc (<https://www.angloamerican.com/investors/fixed-income-investors/issuer-document-downloads>) (such information, the “Issuer 2020 Financial Statements”) as included in the 2020 Annual Report and Financial Statements of the Issuer, on pages 6 to 33 thereof;
- The auditor’s report and audited non-consolidated annual financial statements for the year-ended December 31, 2019 of Anglo American Capital plc (<https://www.angloamerican.com/investors/fixed-income-investors/issuer-document-downloads>) (such information, the “Issuer 2019 Financial Statements”) as included in the 2019 Annual Report and Financial Statements of the Issuer, on pages 6 to 31 thereof;
- The auditor’s report and audited non-consolidated annual financial statements for the year-ended December 31, 2018 of Anglo American Capital plc (<https://www.angloamerican.com/investors/fixed-income-investors/issuer-document-downloads>) (such information, the “Issuer 2018 Financial Statements”) as included in the 2018 Annual Report and Financial Statements of the Issuer, on pages 5 to 31 thereof;

- Summary of estimated Ore Reserves and estimated Mineral Resources as at December 31, 2020 of Anglo American plc as included in the 2020 Annual Report of the Company, on pages 240 to 243 thereof.

Except as expressly stated above, no part of the 2020 Annual Report of the Company, the 2019 Annual Report of the Company, the 2018 Annual Report of the Company, the 2020 Annual Report and Financial Statements of the Issuer, the 2019 Annual Report and Financial Statements of the Issuer or the 2018 Annual Report and Financial Statements of the Issuer or any other document referred to in the documents listed above is incorporated by reference herein and does not form any part of this document. Non-incorporated parts or other documents referred to in the documents listed above are either not relevant for the investor or are covered elsewhere in the document.

The documents which have been incorporated by reference into this document may also be accessed at <https://www.angloamerican.com/investors/fixed-income-investors> (the “**special purpose website**”). The special purpose website contains only the foregoing information and is not part of our website. The content of our website does not form any part of this document. You may also obtain copies of this information by telephoning +44 (0) 20 7968 8888. This document will be published, in accordance with paragraph 3.2.2 of the FCA Prospectus Regulation Rules, on the website of the London Stock Exchange, by means of an announcement through a Regulatory Information Service (which may be accessed at <http://www.londonstockexchange.com/exchange/news/market-news-home.html>).

OVERVIEW

This overview highlights certain information contained in this document. This overview does not contain all the information you should consider before purchasing the Notes. You should read this entire document carefully, including the sections entitled “Forward-Looking Statements”, “Risk Factors”, “Business Description” and “Operating and Financial Review” included elsewhere in this document and the financial information and the notes thereto incorporated by reference as outlined in the section entitled “Incorporation of Certain Information by Reference”. Other than under “Description of the Notes and the Guarantees” or where the context indicates otherwise, references herein to “us”, “we”, “our” and similar terms are to the Group.

The Anglo American Group

Anglo American is a leading global mining company, with a world class portfolio of mining and processing operations and undeveloped resources, with more than 95,000 people working for us around the world, in 15 countries. We provide many of the essential metals and minerals that are fundamental to the transition to a low carbon economy and enabling a cleaner, greener, more sustainable world, as well as meeting the growing consumer-driven demands of the world’s developed and maturing economies.

Anglo American plc is the holding company of the Group. It is a public limited company incorporated under the laws of England and Wales and registered in England and Wales.

Underlying EBIT By Segment

Our businesses’ contribution to underlying EBIT (underlying EBIT is “operating profit/(loss)” presented before special items and remeasurements and includes the Group’s attributable share of associates’ and joint ventures’ underlying EBIT) in 2020, 2019 and 2018 is summarized in the table below, reflecting the total of subsidiaries and equity accounted entities:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m)</i>		
De Beers	694	168	—
Copper	1,234	960	1,227
Platinum Group Metals.....	705	1,672	2,270
Iron Ore.....	747	2,952	4,091
Coal.....	2,538	1,010	(632)
Nickel and Manganese.....	685	477	324
Crop Nutrients	—	—	1
Corporate and Other	(226)	(229)	(231)
	6,377	7,010	7,050

Business Overview

We are a responsible producer of diamonds (through De Beers), copper, platinum group metals (“PGMs”), the steelmaking ingredients of iron ore and metallurgical coal, and nickel – with crop nutrients in development and thermal coal operations planned for divestment. The Anglo American business segments are outlined below. For a more detailed description of the business segments, see “*Business Description—Business Segments*”.

The scale and diversity of our portfolio allow us to optimise our financial resources, technical expertise and supplier relationships towards delivery on our potential, and to the benefit of our customers. The portfolio’s depth and breadth create what we believe is a measured risk profile and support sustainable returns through spreading our investments across diverse asset geographies and end markets.

The primary source of competitive advantage in the mining industry is to own high quality, high margin, long life assets of scale, with positions that can be further enhanced if those assets deliver products into structurally attractive markets. In assessing our asset portfolio, we consider:

- The stand-alone quality of individual assets, including their relative cost position and growth potential;
- Our global competitive position within the individual product groups; and
- The additional value potential generated through our dedicated marketing expertise.

For a more detailed description of the Group's strategy and strategic growth projects, see "*Business Description—Strategy*".

De Beers

De Beers plc ("**De Beers**") has a global leadership position in diamonds, producing around a third of the world's rough diamonds, by value. Within its portfolio, De Beers (in which Anglo American holds an 85% interest), in partnership with the Government of the Republic of Botswana, has one of the richest diamond mines in the world at Jwaneng, and one of the largest resources, in terms of total carats, at Orapa. De Beers' major diamond mining assets have large, long life and scalable resources and we are continuing to invest in the existing operations to extend mining activities. Through its differentiated rough diamond distribution model, De Beers has a range of insights into its customers' demand patterns. The company seeks to stimulate consumer demand for diamonds through its Forevermark™ and De Beers Jewellers brands and through its participation in the Natural Diamond Council.

Copper

Anglo American has a world class asset position in copper, built around its interests in two of the world's largest copper mines – Los Bronces (a 50.1% owned and managed operation) and Collahuasi (44% interest in the independently managed joint venture). The resource base of these assets underpins our future near-asset growth opportunities, in addition to the Quellaveco project (60% interest) we are developing in Peru – one of the world's largest untapped copper orebodies, and the polymetallic Sakatti deposit in Finland.

Platinum

Our PGMs business (held through an effective 80.8% interest in Anglo American Platinum Limited) is a leading producer of PGMs — platinum, palladium, rhodium, iridium, ruthenium and osmium. It mines, processes and refines the PGM basket of metals from its high quality resource base, located in the biggest known PGM deposit – the Bushveld Complex in South Africa. It also has a significant stake in Unki – one of the world's largest PGM deposits outside of South Africa, on the Great Dyke in Zimbabwe.

Iron Ore

Anglo American's iron ore operations provide customers with high iron content ore, a large percentage of which is direct-charge product for steelmaking blast furnaces. In South Africa, we have a 69.7% shareholding in Kumba Iron Ore, whose Sishen and Kolomela mines produce high grade and high quality lump ore and also a premium fine ore. In Brazil, we have developed the Minas-Rio operation (100% ownership), consisting of an open pit mine and beneficiation plant, which produces a high grade pellet feed product, with low levels of contaminants. The iron ore is transported through a 529 kilometre pipeline to the iron ore handling and shipping facilities at the port of Açú.

Coal

Our coal portfolio is centred around our metallurgical coal assets in Australia, serving the steelmaking industry. Anglo American is continuing its pathway out of thermal coal production, having more than halved our production footprint since 2015, with the planned exit from our remaining thermal coal operations in South Africa. The Group also plans to exit its one-third shareholding in the independently managed Cerrejón operation in Colombia at the appropriate time. For further details on our plans in relation to our thermal coal portfolio, see "*Business Description—Business Segments—Coal—Thermal coal*".

Metallurgical Coal:

Our metallurgical coal assets include the Moranbah North and Grosvenor metallurgical coal mines (both of which we own 88%), located in Queensland. We are the world's third largest exporter of metallurgical coal for steelmaking, according to CRU, and our coal operations in Australia serve customers throughout Asia and the Indian subcontinent, Europe and South America. Moranbah North and Grosvenor are underground longwall operations and produce premium quality hard coking coal.

Thermal coal

Our remaining South African coal portfolio is concentrated on export markets, having sold the majority of our domestic-focused coal mines in 2015. Our export product is derived from: three 100% owned and wholly operated mines – Goedehoop, Greenside and Khwezela; Zibulo (73% owned); and Mafube colliery, a 50:50 joint operation. Our operations route all export coal through the Richards Bay Coal Terminal, in which we hold a 23.2% stake. In Colombia, Anglo American, BHP and Glencore each have a one-third shareholding in Cerrejón, an independently managed joint venture and one of the country's largest thermal coal exporters.

Nickel and Manganese

Nickel: Our Nickel business has the capacity to produce around 45,000 tonnes per year of nickel, whose primary end use is in the global stainless steel industry. Our assets (both 100% owned) are in Brazil, with two ferronickel production sites: Barro Alto and Codemin. Our PGMs business also produces nickel as a by-product, amounting to 13,800 tonnes in 2020.

Manganese: We have a 40% interest in the Samancor joint venture (managed by South32, which holds 60%), with operations based in South Africa and Australia.

Crop Nutrients

The Woodsmith project (100% owned) in north east England, part of our Crop Nutrients business which also incorporates the further development of global demand for POLY4, is expected to be a world class supplier of premium quality fertiliser certified for organic use and with a low carbon footprint, intended to help meet food demand from a fast-growing global population.

Corporate and Other

This business segment includes the non-core businesses previously reported under Other Mining and Industrial.

Strategy

Our strategy is to secure, develop and operate a portfolio of high quality and long life resource assets. We then apply innovative practices and technologies in the hands of our world-class people to seek to deliver sustainable value for all our stakeholders.

Portfolio

The quality and long life of our mineral assets are the foundations of our global business. We actively manage our asset portfolio to improve its overall competitive position, providing products that increasingly support a fast-growing population and enable a cleaner, greener, more sustainable world.

Innovation

Across every aspect of our business, we are thinking innovatively about how we work to ensure the safety of our people, enhance our sustainability performance, and deliver industry-leading margins and returns. We are seeking to develop a replicable model of differentiated practices and capabilities that is designed to deliver superior value to all our stakeholders from assets that are in our hands.

People

Our people are critical to all that we do: we create working environments and an inclusive and diverse culture that encourages and supports high performance and innovative thinking. The partnerships we build, both within Anglo American and with our stakeholders – locally and globally, are central to maintaining our regulatory and social licences to operate and our sustained commercial success.

Key Strategic Growth Projects

Portfolio upgrade

We continue to refine and upgrade the quality of our asset portfolio to ensure that our capital is deployed effectively. Anglo American has transformed the quality and performance of its portfolio since 2013, halving the number of assets while producing more physical product. This transformation has been achieved through extensive operational self-help and other efficiency work, together with the sale, placing onto care and maintenance, and closure of less attractive assets, resulting in a step-change in our operational performance, profitability and cash flow generation.

During 2020, the Group's focus was on continuing to improve our competitive position, progressing the construction of the Quellaveco copper project in Peru, and completing the acquisition of Sirius Minerals Plc, while also re-phasing certain of our capital projects in light of COVID-19.

Grosvenor

In December 2020, the Group completed a transaction to provide for the equalization of ownership across its integrated metallurgical coal operations at Moranbah North and Grosvenor, in Queensland, Australia, through the sale of a 12% interest in Grosvenor mine to the minority joint operation participants in Moranbah North. The Grosvenor mine uses Moranbah North's coal processing infrastructure, where numerous debottlenecking, expansion and product blending options offer considerable cost, productivity and margin benefits for the integrated operation.

Woodsmith

On March 17, 2020, we completed the acquisition of Sirius Minerals Plc which has been developing a major new polyhalite project in the UK. Anglo American is continuing to develop the Woodsmith project in the north east of England to access the world's largest known deposit of polyhalite, a natural mineral fertiliser product containing potassium, sulphur, magnesium and calcium. The mine is being constructed approximately three kilometres south of Whitby and the entire operation is designed to be sympathetic to its natural surroundings. Ore will be extracted via two 1.6 kilometre deep mine shafts and transported to the port at Teesside on a conveyor belt in a 37 kilometre underground tunnel, thereby minimising impact on the surface above. The ore will then be granulated at a materials handling facility, with the majority of the product—known as POLY4—expected to be exported to a network of customers overseas from Anglo American's dedicated port.

Quellaveco

Anglo American announced on July 26, 2018, that its Board had approved the development of the Quellaveco copper project in Peru. This follows the completion of the transaction announced in June 2018, whereby Mitsubishi Corporation (“**Mitsubishi**”) increased its interest in Anglo American Quellaveco S.A. (“**AAQSA**”), which owns the Quellaveco project, to 40% via the issuance of new shares.

Strong progress continues at Quellaveco, with the project currently tracking against its original schedule, despite the impact of COVID-19-related disruptions, as execution was well ahead of schedule prior to the pandemic, with all applicable milestones achieved. The project is currently expected to deliver first production in 2022, within the \$5.3 to \$5.5 billion capital expenditure estimate (100% basis; Anglo American share: \$2.7 to \$2.8 billion), subject to the extent of any further COVID-19-related disruption, with full ramp-up expected in 2023. Quellaveco expects to deliver around 300,000 tpa of copper equivalent production (on a 100% basis) on average in the first 10 years of operation.

Future project options

Strict value criteria are applied to the assessment of Anglo American's portfolio of future growth options. For major greenfield projects, we will sequence their development and we will consider including partners where appropriate. The Group will continue to maintain optionality to progress with value-accretive projects, should capital availability permit.

Longer term, the Group has a number of organic growth options under consideration, including expansions at the Mogalakwena PGMs complex in South Africa, the Collahuasi copper joint operation in Chile and the Moranbah North-Grosvenor metallurgical coal complex in Australia.

For a more detailed description of the Group's strategy and portfolio, see "*Business Description—Strategy*".

The Company

Anglo American plc is a public limited company organized under the laws of England and Wales. Anglo American has its primary listing on the London Stock Exchange and is one of the FTSE 100 companies, which comprises the 100 largest UK listed companies by market capitalization. As of December 31, 2020, Anglo American's market capitalization was approximately US\$41.4 billion (GB£30.3 billion).

Anglo American is a publicly traded company with no single controlling shareholder. The principal offices of Anglo American plc are located at 20 Carlton House Terrace, London, SW1Y 5AN, England and its telephone number is +44 (0) 20 7968 8888.

The Issuer

Anglo American Capital plc is a public limited company organized under the laws of England and Wales. It was formed for the purpose of securing and providing financing for the Anglo American Group. The principal offices of Anglo American Capital plc are located at 20 Carlton House Terrace, London, SW1Y 5AN, England. For further information on the Issuer, see "*Description of Anglo American Capital plc*".

The Offering

Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of the Notes and the Guarantees" section of this document contains a more detailed description of the terms and conditions of the Notes and the Guarantees. Capitalized terms used but not defined in this section have the meanings set forth in "Description of the Notes and the Guarantees".

The Issuer	Anglo American Capital plc, a public limited company organized under the laws of England and Wales. The Issuer is a wholly owned subsidiary of Anglo American plc that serves as a financing vehicle through which the Anglo American Group raises funds to support its operations.
The Guarantor of the Notes	Anglo American plc, a public limited company organized under the laws of England and Wales. The Company is the ultimate holding company for the Anglo American Group.
The Notes	<p>US\$500 million aggregate principal amount of 2.250% Senior Notes due 2028 (the "2028 Notes"); and US\$500 million aggregate principal amount of 2.875% Senior Notes due 2031 (the "2031 Notes" and, together with the 2028 Notes, the "Notes").</p> <p>Each series of the Notes will be issued under the Indenture among the Issuer, the Company and the Trustee. The 2028 Notes and the 2031 Notes will each be treated as a separate class of securities under the Indenture.</p>
The Guarantees	The obligations of the Issuer under the Notes will be unconditionally and irrevocably guaranteed on a senior and unsecured basis by the Company (the " Guarantees ") pursuant to the Indenture.

Offering Format	The Notes are being offered in the United States to qualified institutional buyers in reliance on Rule 144A and outside the United States to persons other than U.S. persons in reliance upon Regulation S.
Issue Price	99.428% for the 2028 Notes; and 99.750% for the 2031 Notes.
Issue Date	March 17, 2021.
Maturity Date	March 17, 2028 for the 2028 Notes; and March 17, 2031 for the 2031 Notes.
Interest	The 2028 Notes and the 2031 Notes will bear interest from the Issue Date at the rate of 2.250% per annum and 2.875% per annum, respectively payable semi-annually in arrears.
Interest Payment Dates	March 17 and September 17 of each year, commencing September 17, 2021, until the applicable Maturity Date.
Regular Record Dates	March 1 and September 1 of each year (whether or not a business day) immediately preceding each interest payment date.
Status of the Notes and the Guarantees	The Notes and the Guarantees will be direct, unsecured and unsubordinated obligations of each of the Issuer and the Company, respectively, ranking pari passu among themselves and with all other direct, unsecured and unsubordinated obligations (except those obligations preferred by statute or operation of law) of the Issuer and the Company, respectively. The Notes and the Guarantees will be effectively subordinated to any debt or other obligations of any other subsidiary of the Company with respect to the earnings and assets of that subsidiary.
Use of Proceeds	The net proceeds of the offering will be used for general corporate purposes.
Covenants	The Issuer and the Company have agreed to certain covenants with respect to the Notes and the Guarantees, including limitations on: <ul style="list-style-type: none"> • liens; • sale and leaseback transactions; and • mergers and consolidations.
Events of Default	The occurrence or existence of certain conditions or events, including the acceleration of certain other indebtedness of the Issuer or the Company, may accelerate the Issuer and the Company's obligations under the Notes.

Optional Redemption

The Issuer may redeem either or both series of the Notes, in whole or in part, at its option, at any time and from time to time, prior to, in the case of the 2028 Notes, January 17, 2028 (2 months prior to the maturity date of the 2028 Notes) (the “**2028 Notes Par Call Date**”) and in the case of the 2031 Notes, December 17, 2030 (3 months prior to the maturity date of the 2031 Notes) (the “**2031 Notes Par Call Date**”), at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed and (ii) as determined by the Independent Investment Banker, the sum of the present values of the applicable Remaining Scheduled Payments discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus, in the case of the 2028 Notes, 20 basis points and, in the case of the 2031 Notes, 20 basis points, together with, in each case, accrued interest on the principal amount of the Notes to be redeemed to, but not including, the Redemption Date.

The Issuer may redeem the Notes in whole or in part, at its option, at any time and from time to time, on or after, in the case of the 2028 Notes, the 2028 Notes Par Call Date and in the case of the 2031 Notes, the 2031 Notes Par Call Date, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, together with accrued and unpaid interest on the principal amount of the Notes to be redeemed to, but not including, the Redemption Date.

Optional Tax Redemption

The Notes are subject to redemption prior to maturity, at the option of the Issuer, in whole but not in part, at their principal amount, plus accrued interest to, but not including, the Redemption Date and any Additional Amounts, in the event of certain Changes in Tax Laws that would require the Issuer or the Company to pay Additional Amounts on the Notes.

Additional Amounts

Subject to certain exceptions and limitations provided for in the Indenture, the Issuer and the Company will pay such Additional Amounts on the Notes (or under the Guarantees in respect thereof) as may be necessary to ensure that the net amounts received by each holder of a Note after all withholding or deductions shall equal the amount of principal, any premium and interest which such holder would have received in respect of such Note (or payments under the Guarantees in respect thereof) in the absence of such withholding or deduction.

Change of Control

If a Change of Control Repurchase Event occurs (as defined under “*Description of the Notes and the Guarantees*”), the Issuer or the Company may be required to repurchase the Notes at a purchase price equal to 101% of their principal amount, plus any accrued and unpaid interest. See “*Description of the Notes and the Guarantees—Change of Control Repurchase Event*”.

Denomination, Form and Registration of Notes	The Notes will be issued in fully registered form and only in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The Notes will be issued initially as Global Notes. The Depository Trust Company (“ DTC ”) will act as depository for the Notes. Except in limited circumstances, Global Notes will not be exchangeable for certificated notes.
Further Issues	The Issuer may from time to time without the consent of the holders of the Notes issue as many distinct series of debt securities under the Indenture as it wishes. Subject to certain conditions, it may also from time to time without the consent of the holders of the Notes issue additional notes having the same terms and conditions as the Notes issued hereunder. The period of resale restrictions applicable to any Notes previously offered and sold in reliance on Rule 144A shall automatically be extended to the last day of the period of any resale restrictions imposed on any such additional notes.
Trustee, Paying Agent, Registrar and Transfer Agent	Citibank, N.A., whose address is Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom.
Settlement	The Issuer expects to deliver the Notes on or about March 17, 2021 (the “ Settlement Date ”) which will be the second business day following the pricing date of the offering (this settlement cycle being referred to as “ T+2 ”).
Transfer Restrictions	Neither the Notes nor the Guarantees have been or will be registered under the Securities Act and each is subject to certain restrictions on resale and transfer.
Ratings	It is expected that the Notes will be rated Baa2 (negative outlook) by Moody’s and BBB (stable outlook) by S&P, subject to confirmation on the Settlement Date. A credit rating is not a recommendation to buy or hold securities and may be subject to revisions, suspension or withdrawal at any time by the assigning rating agency.
Governing Law	The Indenture, the Notes and the Guarantees will be governed by and construed in accordance with the laws of the State of New York.
Listing	The Company expects to make an application for Admission of the Notes to listing on the Official List and to trading on the London Stock Exchange’s Regulated Market.
Risk Factors	We urge you to consider carefully the risks described in “ <i>Risk Factors</i> ” beginning on page 28 of this document before making an investment decision.

SUMMARY FINANCIAL INFORMATION

The summary financial information of the Group set forth below for the years ended December 31, 2020, 2019 and 2018 has been extracted from, and should be read in conjunction with, the Group 2020 Consolidated Financial Statements, the Group 2019 Consolidated Financial Statements and the Group 2018 Consolidated Financial Statements and notes thereto prepared in accordance with IFRS, and incorporated by reference in this document. See “*Presentation of Financial Information*”.

You should regard the financial data below only as an introduction and should base your investment decision on a review of this entire document and the information incorporated by reference herein. The disclosures in this section include certain Alternative Performance Measures (“APMs”). For more information on the APMs please see “*Presentation of Financial Information*”.

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m unless otherwise stated)</i>		
Revenue	27,610	29,870	30,902
Group Revenue ⁽¹⁾	30,196	31,825	32,338
Underlying EBIT ⁽¹⁾	6,377	7,010	7,050
Operating profit	6,069	6,176	5,631
Profit before tax	6,189	6,146	5,464
Profit for the financial period	4,373	4,582	3,328
Profit for the financial period attributable to equity shareholders of the Company	3,549	3,547	2,089
Underlying earnings ⁽¹⁾	3,237	3,468	3,135
Dividend per share (U.S. cents) ⁽²⁾			
Ordinary	100	109	100
Net assets	29,832	31,385	32,766
Net debt ⁽¹⁾	(2,848)	(4,626)	(5,575)
Net cash inflows from operating activities	7,127	7,664	6,618
Capital expenditure ⁽¹⁾	2,818	3,840	4,125
Proposed Interim Ordinary Dividend	610	765	347

(1) Definitions are set out in the “Non-IFRS financial measures” section.

(2) Interim and year-end dividends proposed in respect of the applicable period.

RISK FACTORS

Prospective investors should read and carefully consider the following risk factors and other information in this document risks inherent in purchasing the Notes, but they are not the only risk factors we face. Additional risk factors not presently known to us or that we currently believe to be immaterial also may adversely affect our business, financial condition and results of operations. Should any known or unknown risk factors develop into actual events, these developments could have material adverse effects on our business, financial condition and results of operations.

Unless otherwise specified by reference to Anglo American or Anglo American Capital, the risks apply in the context of the Group and are also applicable to each of Anglo American plc and Anglo American Capital plc.

In this context, the following specific risks have been identified:

Risks Relating to Our Business and Industry

Damage to or breakdown of a physical asset, including due to fire, explosion, natural catastrophe, theft or terrorism may adversely affect our operating results and result in loss of revenue, loss of cash flow or other losses.

Damage to or breakdown or loss of a physical asset, including as a result of fire, explosion, natural catastrophe and adverse geological conditions, theft of high value products, terrorism, inadequate design or construction, shortcomings in operational performance or other factors which restrict the ability to undertake maintenance including mandatory, regulatory, or court-ordered measures, can result in a loss of assets and subsequent financial losses. Our operations and development projects are exposed to natural risks, such as earthquakes, flooding and extreme weather conditions. Other catastrophic risks faced by our business include failure of mine pit slopes, breaches of tailings dam walls, fire and explosion in underground mines or in buildings, plant and equipment and sudden and unexpected failure of mineshafts. The occurrence of one or more of these events could also potentially lead to multiple fatalities and injuries, long term environmental damage, significant reputational damage, greater regulatory scrutiny and loss of or delays in obtaining licenses to operate. In particular, in response to recent tailings dam breaches, there may be greater scrutiny and regulation of tailings dams which could result in additional permitting requirements, delays in obtaining permits and higher costs, particularly in Brazil. Leaks from pipelines (such as the two leaks at the Minas-Rio pipeline in 2018) or other storage vessels can cause production delays, possible environmental damage or create safety implications. The financial impact associated with clean-up costs and legal liability claims could be substantial. Our insurance with respect to any catastrophic or other significant event risk may not be sufficient to cover our financial loss flowing from an event and insurance is not available or is unavailable on economically viable terms for many risks we may face. The occurrence of events for which we are not insured, or for which our insurance is insufficient, may materially and adversely affect our revenues, operating results, cash flows and financial condition.

Our business, results of operations, cash flows and financial condition have been and may continue to be adversely affected by commodity and diamond price fluctuations and adverse economic conditions.

Commodity and diamond prices are determined principally by international markets and global supply and demand dynamics. Fluctuations in commodity and diamond prices have given rise, and may continue to give rise, to commodity price risk across the Group. Historically, such prices have been subject to substantial variation. See “—The COVID-19 global pandemic has had a negative impact on worldwide economic activity and may continue to adversely affect our business” and “Industry Overview”.

Volatility or falls in commodity and diamond prices may have an adverse effect on our operating results, cash flows and financial condition and could prevent us from completing certain transactions that are important to our business, which may have an adverse effect on our financial position. For example, we may not be able to sell assets at the values or within the timelines expected, complete planned acquisitions or create joint ventures.

Human population growth, urbanization, changes in land use, loss of biodiversity, exploitation of the natural environment, viral disease transmitted by animals and increased global travel and integration are all contributory

causes of health pandemics. Pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns (such as Ebola, avian flu, H1N1, SARS and COVID-19) whether on a regional or global scale, together with any resulting restrictions on travel, imposition of quarantines and prolonged closures of workplaces, are likely to have a material adverse effect on the global economy in general, as well as on demand for our products and on commodity and diamond prices.

In addition, factors such as financial and political crises, terrorist attacks, armed conflict, civil unrest or other unexpected events can also cause volatility in the prices of our products.

Adverse and volatile economic conditions, coupled with a negative price environment, can also limit our visibility in terms of anticipated revenues and costs and can affect our ability to approve, finance or implement planned projects and repay debt. In addition, rating agencies and industry analysts are likely to take such conditions into account when assessing our business and creditworthiness and any adverse determinations, including ratings downgrades, may make it more difficult or expensive for us to raise capital in the future and may adversely affect the market price of the Notes. Furthermore, certain of our financings contain financial and operational covenants. Our ability to comply with such covenants may come under greater pressure in a volatile economic environment and may therefore restrict our financial flexibility.

If global economic growth weakens in the medium to long-term, our ability to grow or maintain revenues in future years may be adversely affected, we may not be able to compete for new, complex projects that require significant capital investment and, at certain long-term price levels for a given commodity, certain of our extractive operations with respect to that commodity may not be economic. We may have to suspend certain operations in order to reduce or stop production for a period of time. Such developments could have a materially adverse effect on our business, operational results, cash flows and financial condition.

The COVID-19 global pandemic has had a negative impact on worldwide economic activity and may continue to adversely affect our business.

The spread of COVID-19 and related societal restrictions had a significant negative impact on the global economy in 2020. The IMF estimates a 3.5% decline in global GDP in 2020. In addition, according to the IMF, in the United States, GDP contracted by an estimated 3.4% in 2020; the Eurozone by 7.2%; Latin America by 7.4%; and India by 8.0%. Financial markets were and continue to be volatile and the prices of our products were affected.

Government measures taken in response to the COVID-19 outbreak, including containment and lockdown restrictions, and other indirect effects of COVID-19 on economic activity, have resulted in economic downturns in the markets in which we sell our products and has led to reduced or no demand in key jurisdictions for certain of our products in such markets, for example where our customers shut down their operations, and have required us, and may further require us, to curtail, reschedule or suspend operations, construction or development at our facilities and projects. The extension or intensification of such measures, the implementation of similar measures in other countries, or any other mandatory, regulatory or court-ordered measures relating to COVID-19 would increase the impact on Anglo American's operations, projects and production. In addition, our customers or suppliers may seek to excuse their performance under their existing contracts with us by claiming that the ongoing pandemic, and government measures, constitute a force majeure event. This, together with the impact of COVID-19 more generally on the Group's suppliers, may lead to disruptions in critical supplies to Anglo American. Future spread of COVID-19, including in areas where our mining operations and our material facilities are located, may result in greater risk of exposure to our employees, and we may respond by curtailing, rescheduling or suspending our operations, construction or development at our facilities and projects or be required to do so. In addition, COVID-19 could represent a threat to maintaining a skilled workforce in the mining industry and could be a health-care challenge for the operations of Anglo American. The Group and the Group's personnel may, and may continue to be, impacted by COVID-19 and the Group may ultimately see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. For a more detailed description of the Group's measures taken thus far in response to COVID-19, please see "*Recent Developments—COVID-19 Pandemic*".

The COVID-19 outbreak has also led to extreme disruption and volatility in the global capital markets, which could increase our cost of capital and adversely affect our ability to access the capital markets. In addition, the magnitude of the impact of COVID-19 may cause certain financial institutions to reduce the amount of, or impose more unfavorable terms on, new credit lines they extend to companies. Therefore our ability to raise future financing required for our operations may be severely restricted at a time when we would like, or need, to do so, which could have an adverse effect on our ability to meet our current and future funding requirements and on our flexibility to react to changing economic and business conditions. Furthermore, our customers' ability to pay may be impacted by the COVID-19 pandemic as such customers may have to curtail or shutdown their operations, potentially leading to increased credit risks if the current economic downturn and the measures to curb the spread of the pandemic continue for an extended period of time. See "*—Our business may be adversely affected by liquidity and counterparty risk*".

In addition, we review our goodwill and assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, we prepare estimates of expected future cash flows for each group of assets. Volatility of the prices for the Group's products, a significant reduction or absence of demand for diamonds, as well as operational developments due to COVID-19, may have an adverse impact on the Group's assessment of the recoverable amount of operating assets and could result in significant impairments, which could materially and adversely affect our results of operations or financial condition. See "*—Certain factors may affect our ability to support the carrying value of our property, plant and equipment, acquired properties, investments and goodwill on our balance sheet*" and "*—Inaccurate assumptions in respect of critical accounting judgments could adversely affect financial results*".

The COVID-19 outbreak is likely to continue to adversely affect the global economy during 2021 and could result in a significant negative impact on the Group's business, financial condition, results of operations and prospects. The effects of the COVID-19 outbreak remain uncertain, including the duration of the outbreak, new information that may emerge concerning the severity of the infection and new strains of the virus, the scope, duration and economic impact of actions taken to contain the spread of the virus or treat its impact, the availability, efficacy and uptake of vaccines, social unrest, an increase in political stresses and tensions, a rise in criminal acts that could impact Anglo American, the potential for increased resource nationalism and the impact of each of these items on macroeconomic conditions and financial markets globally. Any of these factors could have a material adverse effect on our business, financial condition, results of operations and prospects.

To the extent the COVID-19 pandemic adversely affects our business, financial condition results of operations and prospects, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

Slower levels of growth in Chinese demand for commodities may negatively impact pricing.

China is an important driver of global demand and pricing for commodities worldwide. Commodity prices have been adversely affected by slower than expected levels of GDP growth in China, as well as by the ongoing trade tensions between (a) the United States and China and (b) Australia and China, and such factors could continue to have a negative impact on commodity prices generally, which would have a negative impact on our business and revenues. Factors contributing to slower levels of growth in Chinese demand for commodities may include slower or flattened economic growth, the COVID-19 outbreak, unsuccessful economic reforms, government policies that affect commodities markets, reduced urbanization or industrialization and a slowing expansion of the middle class. Slowing demand for commodities from China and a sustained slowdown in China's growth, whether caused by these factors or otherwise, could have a material adverse effect on our business, operational results, cash flows, financial condition and competitive position.

Our business may be adversely affected by attacks from third parties on our information systems.

We maintain and rely on information technology systems, consisting of digital infrastructure, applications and communications networks to support our business activities. These systems may be subject to security breaches or

other incidents that may result in the theft, loss, disclosure or corruption of personal (in breach of applicable data protection legislation), sensitive or proprietary information including information relating to acquisitions and divestments, strategic decision-making, investment market communications or commercially sensitive information relating to major contracts. Security breaches may also result in misappropriation of funds, fraud, disruptions to our business operations, environmental damage, increased health and safety risks to people, poor product quality, theft or loss of intellectual property, legal or regulatory breaches and liability or reputational damage. Damage is also possible to equipment that is critical to mining or processing of ore, resulting in interruption to production and possible financial loss.

These risks are exacerbated by cyber-crime or activist activity aimed at causing disruption or attempts by third parties to access sensitive information. The pace of technological development makes it challenging to prevent the increasingly frequent and sophisticated attacks on information technology systems.

Unplanned and unexpected operational issues may affect our ability to achieve our delivery of the Group's earnings before interest, tax, depreciation and amortization ("Underlying EBITDA") improvement targets.

In order to support our continuous financial performance enhancement goal, net cost and volume improvements are targeted. Risks to delivery include unplanned or unexpected operational issues and stoppages, failure to implement, comply with and embed the Group's operating model and technical standards or to maintain critical plant, machinery and infrastructure, lack of joint venture partner support, limited and or stretched resources to manage complex and multi-disciplinary projects and inability to deliver savings through implementation of new technology and innovation. Failure to deliver our underlying EBITDA improvement targets could adversely affect our cash flow levels, reduce investor confidence and adversely affect our business.

Our operations and development projects could be adversely affected by shortages of, as well as lead times to deliver, certain key inputs.

The inability to obtain, in a timely manner, strategic consumables, raw materials and mining and processing equipment could lead to lower output volumes and could have an adverse impact on our results of operations, development projects and financial condition. During periods of strong demand for commodities, increased demand for such supplies may result in periods when supplies are not always available or cause costs to increase above normal inflation rates. Any interruption to our supplies or increase in our costs would adversely affect our operating results and cash flows and such effects could be material.

Our business may be adversely affected by liquidity and counterparty risk.

We are exposed to liquidity risk arising from the need to finance our ongoing operations and growth, as well as to refinance our debt maturities as they fall due. Global credit markets have been severely constrained in the past and our ability to obtain funding has been, and may in the future be, significantly reduced.

Any future potential credit rating downgrade may have a negative impact on our ability to obtain funding and may further increase the cost of financing or require us to agree to more onerous financing terms and may adversely affect the value of the Notes being offered.

If we are unable to obtain sufficient funding, either due to banking and capital market conditions generally, or due to factors specific to our business, we may not have sufficient cash to meet ongoing financing needs and other requirements, which in turn could materially and adversely affect our financial condition and could result in a loss of all or part of your investment in the Notes. For example, the recent COVID-19 pandemic has adversely impacted the global banking and capital markets and may adversely impact our operating cash flows and increase our counterparty risk in light of measures taken to reduce capacity as a result of government measures to slow down the spread of COVID-19. See "*—The COVID-19 global pandemic has had a negative impact on worldwide economic activity and may continue to adversely affect our business*".

To the extent that our operating cash flows are insufficient to meet our debt service obligations, including payments of interest and principal on the Notes, we may be required to raise funds through disposals of assets or use alternative funding sources such as our Group-level revolving credit bank facilities. There can be no assurance, however, that such cash flows or proceeds will be sufficient or that refinancing will be available on commercially

viable terms. Any failure to meet our debt service obligations or to obtain refinancing on commercially viable terms would have a material adverse effect on our financial condition and could result in a loss of all or part of your investment in the Notes.

In addition, we are exposed to counterparty risk from customers and financial institutions that could result in financial losses should those counterparties become unable to meet their obligations to us. Furthermore, the treasury operations of our joint ventures and associates are independently managed and may expose us to liquidity, counterparty and other financial risks. Should our counterparties be unable to meet their obligations to us, or should the treasury operations of our joint ventures or associates incur losses, our operating results, cash flows, competitive position and financial condition could be materially and adversely affected.

The use of mining contractors at certain of our operations may expose those operations to delays or suspensions in mining activities.

Mining contractors are used at a number of our operations to perform various operational tasks, including carrying out mining activities and delivering ore to processing plants. In periods of high commodity prices, demand for contractors may exceed supply resulting in increased costs or lack of availability of key contractors. Disruptions of operations or increased costs also can occur as a result of disputes with contractors or a shortage of contractors with particular capabilities. Additionally, because we do not have the same control over contractors as we do over employees, there is a risk that contractors will not operate in accordance with our safety standards or other policies. To the extent that any of the foregoing risks materialize, our operating results and cash flows could be adversely affected.

Our operations and development projects could be adversely affected by shortages of appropriately skilled employees, for whom we compete with mining and other companies to recruit, develop and retain.

Our ability to recruit, develop and retain personnel with appropriate skills is affected by global competition for skilled labor, particularly in periods of high commodity prices when demand for such personnel typically increases. Any failure to retain skilled employees or to recruit new staff may lead to increased costs, interruptions to existing operations and delay of new projects.

Labor disruptions could have an adverse effect on our results of operations, cash flows and financial condition.

There is a risk that strikes or other types of conflict with unions or employees may occur at any one of our operations, development projects or suppliers of critical goods and services, or in any of the geographic regions in which we operate. In key countries where we operate, the majority of employees are members of trade unions, especially in South Africa and South America. Labor disruptions may be used not only for reasons specific to our business, but also to advocate labor, political or social goals. Any labor disruptions could increase operational costs and decrease revenues, and if such disruptions are material, they could adversely affect, possibly significantly, our results of operations, cash flows and financial condition.

Failure to meet production, construction, delivery and cost targets can adversely affect both operational performance and our ability to implement projects in a timely and efficient manner, resulting in increased costs.

Failure to meet production targets can result in increased unit costs, and such increases may be especially pronounced at operations with higher levels of fixed costs. Unit costs may exceed forecasts, adversely affecting performance and results of operations. Results of operations can be affected by a range of technical and engineering factors. In addition, failure to meet project delivery times and costs could have a negative effect on operational performance and lead to increased costs or reductions in revenue and profitability. Such increases could materially and adversely affect the economics of a project, and consequently our results of operations, cash flows and financial condition.

Restrictions on our ability to obtain, sustain or secure access to water and necessary infrastructure services, including utilities and transportation, may adversely affect our operations.

Inadequate supply of the critical infrastructure elements for mining activity could result in reduced production or sales volumes or impact our development projects, which could have a negative effect on our financial performance. Prioritization, restrictions on supply or disruptions in the supply of essential utility services, such as water and electricity, can reduce or halt our production for the duration of the restriction or disruption and, when unexpected, may cause loss of life or damage to our mining equipment or facilities, which may in turn affect our ability to recommence operations on a timely basis.

Adequate provision of transportation services, in particular rail services and timely port access, are critical to getting our products to market and disruptions to such services may affect our operations. We are largely dependent on third party providers of utility and transportation services including rail, port and shipping services, and their provision of services, maintenance of networks and expansion and contingency plans are outside our control.

In certain instances, our growth plans are reliant on third party rail providers expanding their carrying capacity.

Poor water resource management or inadequate onsite storage, combined with reduced water supply at some operations as weather patterns change, can affect production. Loss of permits to use water in our operations and damage to stakeholder relationships or reputational damage can result from failure to manage water in a sustainable manner.

In South Africa, there is a risk that the electricity supply may not be able to meet the country's demands, leading to unplanned outages and failure of the national grid. We are a significant consumer of power owing to the extent of our operations in South Africa. The risk is created through the lack of investment in generating capacity and a maintenance backlog in some generating facilities leading to unplanned outages and/or potential extraordinary tariff increases. Unplanned and short-notice power supply outages can lead to production shortfalls, with a negative effect on revenue, costs and productivity. There are potential safety implications, particularly for underground mines and process activities.

Loss of critical computing systems can interrupt normal business activities.

Any such events are likely to adversely affect our production volumes and may increase our costs, which would in turn adversely affect our results of operations and cash flows, and such effects could be material.

Substitution of commodities mined by our business could adversely affect sales volumes and revenue.

Reduced demand for products mined by our business through substitution due to technological developments, for example alternatives being developed to the use of platinum group metals in catalytic converters and a switch to battery operated vehicles instead of fuel cell electric vehicles, or substitution of supply through recycling and shifts in consumer preferences, could have an adverse effect on our results of operations, cash flows and financial condition.

Technological developments are resulting in increased production and distribution of manufactured synthetic gem diamonds. These may be fraudulently sold as natural stones (undisclosed) or marketed and sold as synthetics (disclosed). Increased competition from disclosed synthetics may lead to a potential reduction in rough diamond sales, which could have a material adverse effect on our revenue, cash flow, profitability and value.

We may have fewer Ore Reserves on Mineral Resources than our estimates indicate.

Our Mineral Resource and Ore Reserve estimates are based on a number of assumptions which are inherently prone to variability. Our Mineral Resources and Ore Reserves estimates are stated as at December 31, 2020 and such calculations are based on a number of assumptions, including the price of commodities, production costs, recovery rates, the availability and quality of geological and technical information, industry practice and subjective judgments made by management and our other competent persons with regard to the presence and grade of ore bodies and the ability to extract and process the ores economically. There are also risks associated with such

estimates, including that Ore Reserves mined may be different from the Mineral Resource estimates in quality, volume, overburden strip ratio or stripping cost. In addition, Ores Reserves may not ultimately be extracted at a profit.

If we encounter mineralization or geological or mining conditions different from those predicted by historical drilling, sampling and similar examinations, we may have to adjust our mining plans in a way that could materially and adversely affect our business, financial condition and results of operations and reduce the estimated amount of Mineral Resources and Ore Reserves available for production and expansion plans.

In addition, our portfolio of Mineral Resources and Ore Reserves includes Inferred Mineral Resources. Inferred Mineral Resources have a great amount of uncertainty as to their existence and physical properties and their economic and legal feasibility. Furthermore, it cannot be assumed that, and there is no guarantee that, all or any part of an Inferred Mineral Resource will ever be upgraded to a Measured or Indicated Mineral Resource category. The inclusion of Mineral Resource estimates should not be regarded as a representation that these amounts could be exploited economically. There is no guarantee that the Mineral Resources estimated are capable of being directly converted to Ore Reserves, nor that all or any part of the Inferred Mineral Resources will ever be upgraded to a Measured or Indicated Mineral Resource category.

Future fluctuations in the variables underlying our estimates may result in material changes to our Ore Reserve estimates and such changes may have a materially adverse impact on our operating results, cash flows or financial condition and prospects.

Failure to discover new economic mineralization, enhance existing Ore Reserves or adequately develop new projects could adversely affect our business.

Exploration and development are costly, speculative and often unproductive activities, but are necessary for our future growth. Failure to discover new economic mineralization, to maintain our existing mineral rights, to enhance existing reserves or to economically extract reserves in sufficient amounts and in a timely manner could materially and adversely affect our results of operations, cash flows, financial condition and prospects. In addition, we may not be able to recover the funds we spend identifying new mining opportunities through our exploration programme.

Increasingly stringent requirements relating to regulatory, environmental and social approvals can result in significant delays in construction of our facilities and may adversely affect the economics of new mining projects, the expansion of existing operations and, consequently, our results of operations, cash flows and financial condition and such effects could be material.

Our business may be adversely affected by currency exchange rate fluctuations and interest rate movements.

Because of the global nature of our business, we are exposed to currency risk principally where transactions are not conducted in U.S. dollars or where assets and liabilities are not U.S. dollar-denominated. The majority of our sales revenue is denominated in U.S. dollars, while the majority of our operating costs are influenced by the currencies of the countries where our operations are located and by the currencies in which the costs of imported equipment and services are denominated. The South African rand, Chilean peso, Brazilian real, Australian dollar, Canadian dollar, Peruvian sol, British pound and U.S. dollar are the most important currencies influencing our operating costs and asset valuations. Because our policy is generally not to hedge such exposures, fluctuations in the exchange rates of these currencies may adversely affect our operating results, cash flows or financial condition to a material extent.

If the Group is subjected to volatile interest rate fluctuations, its operating results, cash flows, competitive position and financial condition could be materially and adversely affected. See “*Operating and Financial Review of the Group—Financial Risk Exposure and Management—Interest rate risk*”.

Inflation may have an adverse effect on our results of operations and cash flows.

Because we cannot control the market price at which commodities we produce are sold, we may be unable to pass through increased costs of production to our customers. As a result, it is possible that significantly higher

future inflation in the countries in which we operate may increase future operational costs without a corresponding increase in the U.S. dollar price of the commodities we produce, or a concurrent depreciation of the local currency against the U.S. dollar.

Cost inflation in the mining sector is more apparent during periods of high commodity prices because demand for mining-related products and services can tend to exceed supply during such periods. However, such inflation can occur at any point in the commodity cycle, and in the past we have also experienced cost inflation during periods of decreasing commodity prices. A lag in the reduction of input costs relative to declining commodity prices will have a similar negative effect on our results of operations. Any such increased costs or delays in cost reductions may adversely affect our profit margins, cash flows and results of operations and such effects could be material.

Our non-controlled assets may not comply with our standards.

Some of our operations are controlled and managed by joint venture partners, associates or by other companies. Management of non-controlled assets may not comply with our standards, for example, on safety, health, environmental and social performance matters or on financial or other controls and procedures. This may lead to higher costs and lower production and adversely affect our results of operations, cash flows, financial condition or reputation.

Certain factors may affect our ability to support the carrying value of our property, plant and equipment, acquired properties, investments and goodwill on our balance sheet.

We review and test the carrying value of our assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. See, for example, “*Business Description—Coal—Incident at Grosvenor*”. If there are indications that impairment may have occurred, we prepare estimates of expected future cash flows for each group of assets. Expected future cash flows are inherently uncertain and could materially change over time. They are significantly affected by Ore Reserve and production estimates, together with economic factors such as spot and forward commodity prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

If any of these uncertainties occur, either alone or in combination, it could require management to recognize an impairment, which could materially and adversely affect our results of operations or financial condition.

Inaccurate assumptions in respect of critical accounting judgments could adversely affect financial results.

In the course of preparing financial statements, our management necessarily makes judgments and estimates that can have a significant impact on our financial statements. The most critical of these relate to impairment and impairment reversals of assets, taxation, contingent liabilities, joint arrangements, estimation of Ore Reserves, assessment of fair value, restoration, rehabilitation and environmental costs, retirement benefits and deferred stripping. The use of inaccurate assumptions in calculations for any of these estimates could have a significant impact on our results of operations and financial condition.

Legal, Regulatory, Political and Tax Risks

Safety, health and environmental exposures and related regulations may expose us to additional litigation, compliance costs, interruptions to operations, unforeseen environmental remediation expenses and loss of reputation.

Mining is a potentially hazardous industry and is highly regulated by safety, health and environmental laws and regulations. Working conditions, including aspects such as weather, altitude and temperature, can add to the inherent dangers of mining, whether underground or in open pit mines. Failure to provide a safe and healthy working environment or an environmentally acceptable one in accordance with the relevant applicable legislation or regulations may result in government authorities, regulators or courts forcing closure of mines and ceasing of operations or maintenance of our assets, in each case on a temporary or permanent basis, or refusing mining right applications, among other measures.

Inability to eliminate fatalities and deliver a sustained improvement in safety performance or occupational health may result from management interventions and training initiatives failing to translate into behavioral change by all operational leaders, employees and contractors. Non-compliance with safety rules and critical controls is a common failure in safety incidents which can lead to loss of life, workplace injuries and safety-related stoppages, all of which immediately impact production and in the long term, threaten our license to operate. As a consequence of safety, health or environmental incidents, we could face civil or criminal fines and penalties, liability to employees and third parties for injury, illness or death, statutory liability for environmental remediation, mandatory operational changes and other financial consequences, which may be significant. We are currently subject to ongoing litigation relating to some of these areas of risk and may face additional litigation or prosecution in the future. In the last few years, local claimants in countries outside Europe and the U.S. have increasingly sought to raise claims arising from local environmental and/or human rights incidents in European (including U.K.) and U.S. courts, with some recent success in the U.K. and Dutch courts. We could face similar claims -see for example "*General Information - Litigation - Kabwe*".

The mining process, including blasting and processing ore bodies, can generate environmental impacts including dust and noise and may require the storage of waste materials (including in liquid form). Risk in the form of dust, noise or leakage of product or polluting substances from pipelines or site operations or uncontrolled breaches of mine residue facilities such as tailings dams have the potential of generating harm to our employees, communities and the environment near our operations. Potential impacts include fines and penalties, statutory liability for environmental remediation, mandatory operational changes and other financial consequences that may be significant. Governments, courts or regulators may force closure of mines on a temporary or permanent basis or refuse future mining right applications.

We could also suffer impairment to our reputation, industrial action, difficulty in recruiting and retaining skilled employees or a change in buying behaviour away from the products offered by the Group. Any future changes in laws, regulations or community expectations governing our operations could result in increased compliance and remediation costs.

Any of the foregoing developments could have a materially adverse effect on our results of operations, cash flows or financial condition.

Legal and regulatory uncertainty, political and economic instability and social conditions in the countries in which our business operates could adversely affect our business.

Our business is affected by legal and regulatory uncertainty, political and economic instability and social conditions in the countries and jurisdictions in which we operate. We are exposed to various risks resulting from developments and changes (due to elections or other means) to political or fiscal regimes or other legal or regulatory regimes that may result in restrictions on the export of currency, expropriation of assets, nationalization, political instability, corruption, terrorism, the imposition of royalties or new taxes, changes in regulations or the imposition of additional requirements that may impact or increase the costs associated with our mining operations, failure to effect or renew agreements with host governments and requirements for local ownership or beneficiation.

Political instability can also result in civil unrest or nullification or non-renewal of existing agreements, mining permits, sales agreements or leases which may adversely affect our operations or results of operations. Uncertainty over future business conditions can lead to a lack of confidence in making investment decisions, which can influence future financial performance. We may in the future incur significant costs as a result of changes in the interpretation of existing laws and guidelines or the imposition of new taxes or conditions on our mining rights.

A new mining charter (referred to as "MCIII") was published in the Government Gazette in South Africa on September 27, 2018. Importantly, MCIII purports to introduce new requirements relating to equity ownership participation requirements for historically disadvantaged South Africans in the mining industry, particularly in respect of new mining rights. Owing to the lack of clarity as to the legal status of MCIII, combined with ongoing litigation between the Minerals Council of South Africa (formerly the Chamber of Mines) and the Minister of Mineral Resources and Energy over the legal status and content of MCIII, there is significant uncertainty as to when

and how MCIII will impact the Company. For a description of MCIII and its current status, among other related regulatory matters, see “*Regulation—South Africa—The MPRDA and the Mining Charter*”.

In addition, in certain jurisdictions in which we operate, from time to time local authorities may, or may seek to, unilaterally impose additional requirements such as backfilling or other remediation requirements on the operations of our mines which could increase the costs associated with our mines and result us in having to make unanticipated provisions for such costs. We may from time to time challenge such additional requirements if we believe that these are not lawfully imposed and may incur costs in connection with such legal challenges and they may take time to conclude.

Actual or potential developments and changes may restrict the ability to execute strategic initiatives that are designed to reduce costs or divest assets and may undermine investor confidence, which may hamper investment and thereby reduce economic growth, and otherwise may adversely affect the economic or other conditions under which we operate in ways that could have a materially negative effect on our business. Any of these risks may materially and adversely affect our results of operations, cash flows and financial condition or deprive us of the economic benefits of ownership of our assets. Increased costs can also be incurred as a result of additional regulations or resource taxes, while the ability to execute strategic initiatives that reduce costs or divest assets may also be restricted.

We may be unable to obtain, renew, amend or extend key contracts, required licenses, permits and other authorizations and/or such key contracts, licenses, permits and other authorizations may be suspended, terminated or revoked prior to their expiration.

We currently conduct, and will in the future be required to conduct, our operations (including prospecting and exploration activities) pursuant to licenses, permits and other authorizations. Any delay and/or refusal by relevant government authorities in the obtaining, amending or renewing of a license, permit or other authorization may require a delay in our investment or development of a resource or project or our implementation of new technology and innovation which may adversely affect our production output and revenues and may have a material adverse effect on our results of operations, cash flows and financial condition. In addition, our existing licenses, permits and other authorizations may be suspended, terminated or revoked if we fail to comply with the relevant requirements and in certain cases additional requirements may be imposed on us unilaterally or in connection with amending, extending or renewing a license, permit or other authorization that may result in additional costs to us. For example, the operations at, and expansion of, Minas-Rio are dependent on the Group acquiring and maintaining environmental licenses. The Step 3 environmental license for the mine was granted in December 2018 and the Step 3 operational licenses for the heightening of the tailings dam to level 689 was obtained in December 2019. Further heightening of the tailings dam to level 700 has completed and the Step 3 operational license for that heightening is currently expected to be obtained in the first half of 2021. See also “*Business Description—Business Segments—Iron Ore—Iron Ore Brazil*” for a discussion of the legal challenges to the operational license for the heightening of the tailings dam. In light of new rules being implemented in Brazil in response to recent tailings dam breaches, we may encounter difficulties and consequential delays in obtaining the relevant license for the heightening of the tailings dam.

In South Africa, if MCIII is implemented, the Group may in the future incur significant costs as a result of the implementation of new equity ownership participation requirements for historically disadvantaged South Africans in relation to applications for new mining rights or for the renewal of existing rights. For a description of MCIII and its current status, among other related regulatory matters, see “*Regulation—South Africa—The MPRDA and the Mining Charter*”.

In all of the jurisdictions in which we operate mines, should we fail to fulfill the specific terms of any of our licenses, permits and other authorizations or if we operate our business in a manner that violates applicable law, regulators may impose fines or suspend or terminate the license, permit or other authorization, any of which could have a material adverse effect on our results of operations, cash flows and financial condition.

Due to logistical challenges related to the impact of the COVID-19 pandemic, an extension to the existing contract for the sale of the majority of Debswana's rough diamond production has been agreed until the end of 2021 by the Government of the Republic of Botswana and De Beers Group. The terms of the existing agreement, which was originally due to expire at the end of 2020, have been extended, providing further time for contract renewal discussions. Failure to renew the sales agreement could materially and adversely affect the Group's operations, cash flows, financial condition and prospects, although De Beers' interests in Debswana's financial returns would continue pursuant to the Debswana joint venture arrangements.

Failure to prevent acts of fraud, bribery, corruption or anti-competitive behavior could adversely affect our business.

Potential impacts of violations of laws governing fraud, bribery, corruption, money laundering and trade sanctions or anti-competitive behavior include prosecution, fines, penalties, reputational damage and a negative impact on licensing processes. We may suffer financial loss if we are the victim of a fraudulent act. As indicated by indices prepared by independent non-governmental organizations, we operate in certain countries where the risk of corruption is high, and certain industries in which we operate have in the past faced prosecution for anti-competitive behavior.

We are subject to risks associated with litigation and regulatory proceedings.

As with most large corporations, we are involved from time to time as a party to various lawsuits, arbitrations, regulatory proceedings, investigations or other disputes. Litigation, arbitration and other such legal proceedings or investigations involve inherent uncertainties and, as a result, we face risks associated with adverse judgments or outcomes in these matters. Among other matters, regulatory proceedings or litigation could occur in relation to a wide variety of matters such as contractual disputes, license to operate challenges, environmental, social, governance and human rights related matters, data breaches (including personal or sensitive data under relevant data protection legislation) or allegations of discrimination or harassment. Even in cases where we may ultimately prevail on the merits of any dispute, we may face significant costs defending our rights, lose certain rights or benefits during the pendency of any proceeding or suffer reputational damage as a result of our involvement. We are currently engaged in a number of legal and regulatory proceedings and arbitrations in various jurisdictions. See "General Information—Litigation".

There can be no assurance as to the outcome of any litigation, arbitration or other legal proceeding or investigation, and the adverse determination of material litigation could have a materially adverse effect on our business, operational results, cash flows and financial condition.

Our business is exposed to certain tax risks

We are subject to corporate and other tax laws, rules and regulations in the jurisdictions in which we operate. Changes in tax rates, tax relief and tax laws, rules and regulations, changes in practice or interpretation or inconsistent enforcement of the law by the relevant tax authorities, increasing challenges by relevant tax authorities, or any failure to manage tax risks adequately could result in increased charges, financial loss, penalties and reputational damage, which may have a negative impact on the Group's results or financial condition. In particular, revenue needs mean that increased levels of tax enforcement have become a higher priority for many governments and tax authorities in jurisdictions in which we operate, which has led to an increase in tax audits, enquiries and challenges, or the testing through litigation of the boundaries of the correct interpretation of legislation. Tax authorities may also actively pursue additional taxes based on retroactive changes to tax laws (or seek to interpret prospective tax laws and guidance retrospectively) and we may disagree with tax authorities' legal interpretations which could result in a material restatement to the tax position.

In line with our tax strategy we are committed to complying with relevant tax laws, paying the right tax at the right time, and recognising the importance of respecting both the spirit and the letter of the laws of each country in which we operate. Nevertheless, as a complex business, we have been and will continue to be subject to the risk of adverse or aggressive interpretations of tax laws or regulations or the imposition of arbitrary or onerous taxes, interest charges and penalties. The Organization for Economic Co-operation and Development and other

government agencies in jurisdictions in which we operate have increasingly focused on issues related to the taxation of multinational corporations, including base erosion and profit shifting and the impact of digitalisation and globalisation on value chains and tax bases – the outcomes of multilateral and unilateral reforms in these areas are inherently uncertain. As a complex business we could also be exposed to significant fines and penalties and to enforcement measures, including, but not limited to, tax assessments, despite our best efforts at compliance. In response to tax assessments or similar tax deficiency notices in particular jurisdictions, we may be required to pay the full amount of the tax assessed (including stated penalties and interest charges) or post security for such amounts notwithstanding that we may contest the assessment and related amounts.

Environmental, Social and Governance Risks

Failure to manage relationships with local communities, government and non-governmental organizations or recognize, respond and align to evolving stakeholder requirements and expectations could adversely affect our future growth potential.

We operate in several countries where ownership of rights in respect of land and resources is uncertain and where disputes in relation to ownership or other community matters may arise. These disputes are not always predictable and may cause disruption to projects or operations. Our operations can also have an impact on local communities, including the need, from time to time, to relocate communities or infrastructure networks such as railways and utility services. Implementation of new technologies may have implications for employment or prospects for future employment in local communities. Failure to manage relationships with local communities, government and non-governmental organizations may negatively affect our reputation, as well as our ability to bring projects into production, which could in turn adversely affect our revenues, results of operations and cash flows, potentially in a material manner.

Failure to recognize, respond and align to changing rules, regulations and stakeholder expectations and requirements regarding issues such as environment, social and governance (ESG) matters, particularly linked to climate change, fossil fuels and carbon emissions, could affect our growth opportunities and our future revenues and cash flows. Long term demand for metals and minerals produced and marketed by Anglo American may deviate from assumptions based on societal demands for climate change abatement. Stakeholder requirements and expectations continue to evolve, and different stakeholder groups can have opposing requirements and expectations of us. For example, an increasing number of financial stakeholders are adopting stricter investment criteria with regards to fossil fuels and carbon emissions. This is having a growing impact on industries that are major producers, and users, of fossil fuels and which are major emitters of CO₂ and other greenhouse gases. Yet such industries, particularly in poor and developing countries, are often a significant development player, contributing to such countries' economic progress, providing employment, along with earnings and foreign exchange. Failure to balance opposing stakeholder expectations adequately could lead to potential loss of stakeholder confidence in the Group.

Climate change as well as existing and proposed legislation and regulations on greenhouse gas emissions may adversely affect certain of our operations.

Anglo American is a significant user of energy and is also a major coal producer and exporter. Our operations are exposed to changes in climate and the need to comply with changes in the regulatory environment aimed at reducing the effect of climate change. Various measures aimed at reducing greenhouse gas emissions and improving energy efficiency may affect our operations and customer demand for our products over time and are partly reliant on new technologies that are at various stages of development and may not prove effective. We may fail to achieve carbon reduction targets in the event that new technologies are not effective or embedded in our operations. Policy developments at an international, regional, national and sub-national level and emissions trading systems, such as the Emissions Trading System of the European Union, have implications on the profitability of our business where our greenhouse gas-intensive and energy-intensive assets are concerned.

Potential impacts from climate change for our assets depend on the circumstances at individual sites, but increased rainfall, flooding, water shortages, fires and higher average temperatures may increase costs, reduce production levels or impact operational stability and local communities.

We face certain risks from the high infection rates of HIV/AIDS that may adversely affect our business and the communities in which we operate.

We recognize that the HIV/AIDS epidemic in sub-Saharan Africa is a significant threat to economic growth and development in that region and affects our business. In addition to the costs associated with the provision of anti-retroviral therapy to employees and their dependents and occupational health services (both of which will increase if the incidence of HIV/AIDS spreads), there is a risk that the recruitment and retention of the skilled personnel needed to maintain and grow our business in southern Africa (and other regions where HIV/AIDS is a major social issue) will be impacted. If this occurs, our business would be adversely affected.

Investor activism may result in an inability to execute our strategy should investors seek to influence management to take an alternative direction.

Any larger, influential shareholder, or shareholders, may exert pressure on management to take a direction they assert is more conducive to realizing higher returns. This pressure may include the Group's portfolio composition, commodity choices or geographical locations in which the Group operates or plans to operate in, any of which may have an adverse impact on the Group's results or financial condition.

Risks Relating to the Notes

There is no established trading market for the Notes and one may not develop.

The Notes will be new securities for which there currently is no established trading market. The Notes have not been and will not be registered under the Securities Act and will be subject to significant restrictions on resale. See "*Transfer Restrictions*". There can be no assurance regarding the future development of a market for the Notes or the ability of holders of the Notes to sell their Notes or the price at which such holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be lower than the initial offering prices depending on many factors, including prevailing interest rates, our operating results and the market for similar securities. Therefore, there can be no assurance as to the liquidity of any trading market for the Notes or that active markets for the Notes will develop. We have made an application for listing the Notes on the Official List and for Admission to trading on the London Stock Exchange's Regulated Market. However, our listing and Admission may not be approved or, if approved, may not be maintained.

Changes in our credit ratings could adversely affect the value of the Notes.

Any of the rating agencies that rate the debt of the Company has the ability to lower the ratings currently assigned to that debt as a result of its views about the Group's current or future business, financial condition, results of operations or other matters including, but not limited to, the sovereign credit ratings of the jurisdictions in which we operate (and in particular of South Africa). Any ratings decline could adversely affect the value of the Notes. In addition, the credit ratings ascribed to the Group and the Notes are intended to reflect our ability to meet our repayment obligations in respect of the Notes and the Guarantees, and may not reflect the potential impact of all risks related to the structure, the market, the Group and other factors on the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

Proposed Financial Transactions Tax ("FTT").

On February 14, 2013, the European Commission published a proposed draft for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a "**participating Member State**"). However, Estonia has since stated that it will not participate.

The published draft for a common FTT has very broad scope and could, if introduced in its current form, apply to certain transactions relating to the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are expected to be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain transactions relating to the Notes where at least one party is a financial institution (as defined in the FTT), and at least one party is established in a participating Member State. A party may be deemed to be “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is the subject of the transaction is issued in a participating Member State.

The EU Economic and Financial Affairs Council indicated in a report dated June 14, 2019 that participating Member States are discussing the option of adopting a common FTT based on France’s domestic model of the financial transaction tax, which would apply initially to certain listed company shares and may therefore not apply to dealings in the Notes. However, no final agreement has been reached yet.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Our holding company structure means that the claims of creditors of subsidiaries of the Company will generally have priority over claims on the guarantee obligations.

Anglo American plc is a holding company and derives the majority of its operating income and cash flow from its subsidiaries. It must rely upon distributions from its subsidiaries to generate funds necessary to meet its obligations, including any payments under the Guarantees. These subsidiaries may not be able to make distributions to Anglo American plc. Any payment of interest, dividends, distributions, loans or advances by the Company’s subsidiaries could be subject to restrictions on dividends or repatriation of earnings under applicable local law, monetary transfer restrictions and foreign currency exchange regulations in the jurisdictions in which the subsidiaries operate or are incorporated. The obligations of the Issuer under the Notes are unsecured and rank equally in right of payment with all unsecured, unsubordinated obligations of the Issuer. The obligations of Anglo American under the Guarantees are unsecured and rank equally with all unsecured, unsubordinated obligations of Anglo American. These obligations will also be structurally subordinated to the holders of secured and unsecured debt and other creditors of subsidiaries of Anglo American. The Indenture does not place any limitation on the amount of unsecured debt that may be incurred by us or any of our subsidiaries (including the Issuer). From time to time, the Group opportunistically accesses the debt capital markets, including through issuances under its EMTN program. The Group may seek to raise additional debt financing in the future or to buy back or redeem its existing debt or to cancel existing finance facilities prior to its or their stated maturity, in each case, subject to market conditions. As of December 31, 2020, 19% of our debt was outstanding at our subsidiaries and joint ventures (on a proportional basis), to which the notes would be structurally subordinated.

The Issuer is a finance vehicle, with no independent business operations.

Anglo American Capital plc is a finance vehicle, the primary business of which is the raising of money for the purpose of on-lending to other members of the Group. Accordingly, substantially all of the assets of the Issuer are loans and advances made to other members of the Group. The ability of the Issuer to satisfy its obligations in respect of the Notes depends upon payments being made to it by other members of the Group in respect of loans and advances made by the Issuer.

Investors in the Notes may have limited recourse against the independent auditors.

The auditors’ reports include language limiting the independent auditors’ scope of duty in relation to such reports and the various financial statements to which they relate. In particular, the report of PwC, with respect to the Group 2020 Consolidated Financial Statements in accordance with guidance issued by The Institute of Chartered Accountants in England and Wales, includes the following limitations: “This report, including the opinions, has been prepared for and only for the company for the parent company’s members as a body in accordance with Chapter 3 f Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving

these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing”.

Additionally, the report of Deloitte, with respect to the Group 2019 Consolidated Financial Statements, in accordance with guidance issued by The Institute of Chartered Accountants in England and Wales, provides as follows: “This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.”

The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the Securities Act or in a report filed under the Exchange Act. If a U.S. court (or any other court) were to give effect to the language quoted above, the recourse that investors in the Notes may have against the independent accountants based on their reports or the consolidated financial statements to which they relate could be limited.

Enforcement of U.S. judgments may be difficult.

The Issuer and the Company are companies organized under the laws of England and Wales, and substantially all their respective assets are, or may be, located in jurisdictions outside the U.S. Accordingly, it could be difficult for holders of Notes to recover against the Issuer and the Company on judgments of U.S. courts predicated upon civil liabilities under the U.S. federal securities laws. See “*Service of Process and Enforcement of Civil Liabilities*”.

CAPITALIZATION

The following table sets forth the consolidated capitalization of the Group as of December 31, 2020, on an actual basis. You should read the following table together with “*Use of Proceeds*”, “*Operating and Financial Review*”, “*Description of the Notes and the Guarantees*” and the Group 2020 Consolidated Financial Statements and the notes thereto incorporated by reference in this document:

	As at December 31, 2020
	(US\$m)
Total debt ⁽¹⁾	13,511
Equity:	
Called-up share capital.....	749
Share premium account.....	4,358
Other reserves	(10,368)
Retained earnings and own shares held	31,085
Equity attributable to equity shareholders of the Company	25,824
Total capitalization ⁽²⁾	39,335

(1) Including short-term, medium-term and long-term borrowings. As at December 31, 2020, secured and unsecured debt totalled US\$601 million and US\$12,910 million, respectively. For more information regarding our secured and unsecured debt, see “*Operating and Financial Review*”.

(2) Capitalization comprises of total debt and equity attributable to equity shareholders of the Company.

Anglo American considers participation in debt markets as part of the ongoing management of its liquidity and capital resources.

RECENT DEVELOPMENTS

Anglo American Platinum ACP plant shutdown

On March 6, 2020, Anglo American Platinum announced the temporary shutdown of the entire Anglo Converter Plant (the "ACP"), part of the chain of processing facilities, and the need to declare force majeure.

Anglo American Platinum's ACP phase A converter plant, at Waterval smelter in Rustenburg, was damaged following an explosion within the converter on February 10, 2020. Nobody was injured in the incident. As per normal business procedure, the phase B unit was commissioned to take over from the phase A plant and was in the process of ramping up to steady state when water was detected in the furnace. Notwithstanding extensive testing being conducted to determine the source of the water, and a number of circuits being isolated, water continued to be observed in the furnace. This posed a high risk of explosion and Anglo American Platinum determined that it had no other option but to temporarily shut down the phase B unit to ensure the safety of all employees, and avoid a catastrophic event.

ACP phase B returned to operation on May 12, 2020, and was subject to additional inspections and controls, which led to intermittent stoppages during the remainder of the year. On November 5, 2020, Anglo American Platinum announced that it had made the pre-emptive decision to close the ACP phase B unit, for a full rebuild, following a series of water leaks, to ensure an ongoing safe operating environment, protect employees and protect the integrity of the plant and surrounding processing assets.

The rebuild of the ACP phase A unit was successfully completed ahead of schedule on 24 November 2020, with first converter matte dispatched to the Base Metal Refinery for further processing on 7 December 2020. The ACP phase B unit is undergoing its planned full rebuild, currently scheduled to be completed in the second half of 2021. ACP stoppages during 2020 resulted in an increase of work-in-progress inventory which is currently expected to be drawn over 2021 and 2022. Refined PGM production (excluding toll-treated metal from Sibanye-Stillwater) decreased by 42% compared with 2019 following shutdowns of the ACP during 2020.

COVID-19 Pandemic

In relation to the COVID-19 pandemic, Anglo American is following the advice from the government and health authorities in its different operating jurisdictions and is also implementing additional measures across its offices and operations, guided by the World Health Organisation and national public health authorities along with the Group's own expertise and experience, as appropriate.

The nature of Anglo American's business is such that much of its work cannot be done remotely, so the Group's focus is on reducing the risk of the virus spreading into and across its sites. Operational continuity is considered by Anglo American to be critical for jobs, for the communities around its operations and for the local and global economies. Anglo American's sites and offices therefore have escalation plans to accommodate the ongoing impact of the pandemic and these will continue to be revised as the situation evolves.

Anglo American is taking all appropriate measures, often tailored to the specific nature and location of a particular site, to help protect the safety, health and wellbeing of its people and all those who interact with its business around the world. Anglo American believes that it has a clear responsibility to protect the security and integrity of its business and assets for the long term, preserving its ability to restart and ramp up any affected operations safely and as quickly as possible once permitted to do so. This approach is intended to minimise any interruption of supply to its customers and to place Anglo American in a position to support what will be a vital economic recovery phase for the countries in which it operates and the global economy.

Impact of COVID-19 on operations and projects

Anglo American continues to support the actions taken by governments in its host countries to curb the spread of COVID-19 and safeguard people's health and wellbeing. COVID-19 lockdowns across southern Africa in the

first half of 2020 impacted production at PGMs, Kumba, De Beers and thermal coal. In response to the pandemic, comprehensive safeguarding measures were put in place at operations and in partnership with local communities across the business, enabling a return to more normal operating levels in the second half of 2020. Production was also affected by operational issues at Metallurgical Coal and strike action at the independently managed Cerrejón thermal coal operation. Refined production of PGMs was impacted by an outage at the converter plant in the first half. Consequently, in the second half of 2020, copper equivalent production improved by 13% compared with the first half of the year, as lockdowns and restrictions eased and operations were able to sustain around 95% of normal capacity while maintaining COVID-19-related safeguarding measures.

- The onset of the COVID-19 pandemic, and measures taken by governments in response, had a profound impact on global diamond supply and demand in 2020. Much of the industry was temporarily unable to operate as up to 90% of jewellery stores closed at the peak of lockdowns, first in China, then in Europe and the U.S. Reduced demand from jewellery retailers due to store closures, combined with the closure of diamond cutting and polishing factories in India from April to June 2020, led to a substantial reduction in rough diamond purchases in the first six months of the year. In response, De Beers reduced production and offered significantly increased flexibility to customers. The gradual easing of restrictions across the globe led to improved trading conditions and an increase in demand throughout the supply chain in the second half of 2020. Consumer demand for diamond jewellery improved in key markets, particularly in China, which continued its strong recovery, while demand in the U.S. has also been encouraging. The recovery in consumer demand supported polished price growth in the second half of 2020 and a rebuild in inventory levels in advance of the year end holiday season. De Beers' rough diamond production in 2020 decreased by 18% compared with 2019, in response to lower demand due to the pandemic, at the same time as COVID-19 restrictions in southern Africa during the first half of the year. Diamond demand from the midstream (cutters and polishers of rough diamonds) was affected throughout the year by travel restrictions and the retail store closures.
- At the Group's copper operations in Chile, including Los Bronces and Collahuasi, disruption to operations as a result of COVID-19 has been limited, with measures in place to help safeguard the workforce and local communities.
- Total PGMs production (metal in concentrate) decreased by 14% in 2020 compared with 2019, mainly due to COVID-19 restrictions, which reduced operating capacity for most of the second quarter, particularly at underground operations. PGM production was 35% higher in the second half of 2020 compared with the first half, as the operations recovered well from the initial disruption caused by the pandemic. Refining performance had also returned to normal levels by the end of the year with the restart of the rebuilt phase A converter plant. Regarding the American Platinum ACP plant repairs and the impact on refined production, see "*Anglo American Platinum ACP plant shut down*" above.
- At the Kumba operations in South Africa, iron ore production decreased by 13% in 2020, compared with 2019, owing to lower workforce levels and logistics constraints due to COVID-19 restrictions, as well as above average rainfall and operational issues at the Sishen crusher and Kolomela plant.
- At the Minas-Rio iron ore operation in Brazil, the COVID-19 measures in place to help safeguard the workforce and local communities did not significantly affect production in 2020. Minas-Rio production increased by 4% compared with 2019, despite a planned one-month suspension for a pipeline inspection.
- Disruption to operations from COVID-19 at the Group's metallurgical coal operations in Australia has been limited, with measures in place to help safeguard the workforce and local communities. Open cut operations were scaled back at Dawson and Capcoal in response to reduced demand for lower quality metallurgical coal. Despite the limited disruption due to COVID-19, metallurgical coal production decreased by 26% in 2020, compared with 2019, principally owing to the suspension of operations at Grosvenor following the gas ignition incident in May 2020, challenges at Moranbah North, where a fall

of ground in the first quarter and geotechnical challenges towards the end of the year limited longwall progress, and the impact of longwall moves at Grosvenor and Grasstree.

- Thermal coal export production decreased by 22% in 2020, compared with 2019, primarily due to COVID-19 operational restrictions and a three-month industrial action at Cerrejón which ended in the first week of December 2020.
- The Barro Alto and Codemin nickel operations in Brazil are continuing at normal levels with measures in place to help safeguard the workforce and local communities.
- At the Quellaveco project, strong progress continues, with the project currently tracking against its original schedule despite the impact of COVID-19, with execution having been well ahead of schedule prior to the pandemic, and all applicable milestones achieved. Following the onset of the pandemic, on 17 March 2020, Quellaveco withdrew the majority of the project's 10,000-strong workforce from site after the Peruvian government announced the start of a national lockdown. Following subsequent extensions of the lockdown, non-critical works were suspended for three months in support of continuing efforts to control the spread of COVID-19. Remobilisation of the construction workforce began in July 2020 following approval by the Peruvian authorities and is nearly complete, with construction activities gradually restarted across all project sites. Despite the COVID-19-related slowdown, first production is still currently expected in 2022, in part due to the progress achieved prior to the national lockdown, and based on optimised construction and commissioning plans.
- The impact of COVID-19 on the Woodsmith polyhalite project's development in the UK has been limited to date due to the successful implementation of appropriate health measures.

Supporting our employees and host communities

Anglo American has implemented a global health awareness and support programme called "WeCare", specifically to help protect the health and wellbeing of its employees and full-time contractors, as well as measures in support of its host communities around the world during the COVID-19 pandemic. As part of this programme, Anglo American is helping colleagues better understand how to protect themselves and others from catching the virus, to monitor their health to pick up early symptoms, and to manage their health if they test positive for COVID-19. For example, all operational colleagues are self-monitoring for symptoms, including checks prior to, during and after their shift, with any symptoms being reported via an app that triggers medical assistance. For further details, see "*Sustainable Development (Including Safety, Health, Environment and Social)—"WeCare" response programme*".

Further spread of COVID-19

Anglo American continues to take all appropriate preventative measures to reduce the probability of the virus spreading, including by reducing the density of people on its sites. However, the rapid and continued spread of COVID-19 has adversely affected the economies of most countries and has resulted in extreme disruption and volatility to capital and financial markets and the prices for many of Anglo American's products. Government measures taken in response to the COVID-19 outbreak, including containment and lockdown restrictions, and other indirect effects that COVID-19 is having on economic activity, are likely to result in continued economic downturns in the markets in which Anglo American sells its products and lead to reduced demand or even no demand in key jurisdictions for certain products in such markets, and have required, and may further require, the Group to curtail, reschedule or suspend operations, construction or development at its facilities and projects. The extension or intensification of such measures, or other countries implementing similar measures, would increase the impact on Anglo American's operations, projects and production. The COVID-19 outbreak has had and is likely to continue to have an adverse effect on the global economy during 2021 and could result in a significant negative impact on the Group's business, financial condition, results of operations and prospects. For further discussion of risks associated with the COVID-19 pandemic and its potential impact on Anglo American's business, financial condition, results of operations and prospects, see "*Risk Factors—The COVID-19 global pandemic has had a negative impact on worldwide economic activity and may continue to adversely affect the Group's business*".

USE OF PROCEEDS

The net proceeds of the offering will be used for general corporate purposes.

BUSINESS DESCRIPTION

Anglo American plc is the holding company of the Group, a leading global mining company with a world class portfolio of mining and processing operations and undeveloped resources. The Group is geographically diverse, with operations across the world.

Strategy

Our strategy is to secure, develop and operate a portfolio of high quality and long life resource assets. We then apply innovative practices and technologies in the hands of our world-class people to seek to deliver sustainable value for all our stakeholders.

Portfolio

Anglo American is a leading global mining company and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world class competitive operations, development projects and undeveloped resources provides many of the metals and minerals that are increasingly needed to enable a cleaner, greener, more sustainable world and that meet the fast growing consumer-driven demands of developed and maturing economies. We are a responsible producer of diamonds (through De Beers), copper, PGMs, the steelmaking ingredients of iron ore and metallurgical coal, and nickel – with crop nutrients in development and thermal coal operations planned for divestment.

The scale and diversity of our portfolio allow us to optimise our financial resources, technical expertise and supplier relationships towards delivery on our potential, and to the benefit of our customers. The portfolio's depth and breadth create what we believe a measured risk profile and support sustainable returns through spreading our investments across diverse asset geographies and end markets.

Portfolio Update

We continue to refine and upgrade the quality of our asset portfolio to ensure that our capital is deployed effectively. Anglo American has transformed the quality and performance of its portfolio since 2013, halving the number of assets while producing more physical product. This transformation has been achieved through extensive operational self-help and other efficiency work, together with the sale, placing onto care and maintenance, or closure of less attractive assets, resulting in a step-change in our operational performance, profitability and cash flow generation.

During 2020, the Group's focus was on continuing to improve our competitive position, progressing the construction of the Quellaveco copper project in Peru, and completing the acquisition of Sirius Minerals Plc, while also re-phasing certain of our capital projects in light of COVID-19.

Strict value criteria are applied to the assessment of Anglo American's portfolio of future growth options. For major greenfield projects, we will sequence their development and we will consider including partners where appropriate. The Group will continue to maintain optionality to progress with value accretive projects, should market conditions and capital availability permit.

Anglo American announced on July 26, 2018, that its Board had approved the development of the Quellaveco copper project in Peru. This follows the completion of the transaction announced in June 2018, whereby Mitsubishi increased its interest in AAQSA, which owns the Quellaveco project, to 40% via the issuance of new shares. See "*Business Description—Business Segments—Copper*".

In May 2019, we announced the approval by Debmarine Namibia, a 50:50 joint venture between De Beers and the Government of the Republic of Namibia, of the construction of a new custom-built diamond recovery vessel. At an approved total capital cost of US\$468 million (US\$234 million attributable to Anglo American), this new vessel will become the seventh in the Debmarine Namibia fleet. The vessel is currently on track for commissioning in 2022, with the capacity to add 500,000 carats of annual production, a 40% increase above Debmarine Namibia's current levels.

In July 2019, the Board approved the Aquila project to extend the life of the Capcoal underground hard coking coal operations in Queensland, Australia, by six years, to 2028. At an expected attributable capital cost of US\$226 million, Aquila offers a high-margin extension to the mine, with an average annual saleable production of 3.5 million tonnes (attributable) of premium quality hard coking coal. Development work began in September 2019 and first longwall production is expected in early 2022.

On March 17, 2020, we completed the acquisition of Sirius Minerals Plc which has been developing a major new polyhalite project in the United Kingdom. See “*Business Description—Business Segments—Crop Nutrients*”.

On July 28, 2020, Kumba announced the approval of its Kapstevél South project at its Kolomela mine by the Kumba and Anglo American boards. The total capital cost of the project is currently expected to be approximately ZAR 7 billion, including pre-stripping.

In December 2020, the Group completed a transaction to provide for the equalization of ownership across its integrated metallurgical coal operations at Moranbah North and Grosvenor, in Queensland, Australia, through the sale of a 12% interest in Grosvenor mine to the minority joint operation participants in Moranbah North. The Grosvenor mine uses Moranbah North’s coal processing infrastructure, where numerous debottlenecking, expansion and product blending options offer considerable cost, productivity and margin benefits for the integrated operation.

Longer term, the Group has a number of future organic growth options under consideration, including expansions at the Mogalakwena PGMs complex in South Africa, the Collahausi copper joint operation in Chile and the Moranbah North-Grosvenor metallurgical coal complex in Australia.

Discovery

Discovery and Geosciences, including our exploration activities, is consolidated across the Group, covering near-asset and greenfield discovery, projects, and operations. The integrated function is supporting a greater technical understanding of our world-class assets, a strategic advantage that is being applied to maximize realization of value from them, and to gain significant benefit in both near-asset and greenfield discovery work. Anglo American was founded on world class mineral discoveries. Building on the Group’s strategy and long track record of discovery success, we are implementing a fundamentally revitalised discovery strategy that is shaping a global, diversified, risk-balanced portfolio focused on new discovery search spaces. This effort is enhancing our position as a discoverer of superior-value deposits that have the potential to improve our production profile, over time.

Innovation

Across every aspect of our business, we are thinking innovatively about how we work to ensure the safety of our people, to enhance the sustainability of our business, and to deliver enduring value in its many forms for all our stakeholders.

Operating Model

Our Operating Model is the foundation to support us by providing structure, stability and predictability in the way that we plan and execute every task. Unplanned work is inherently more costly, and less safe, than planned work.

Marketing Model

Our Marketing Model maximizes the value from our mineral resources. We do this by seeking to fully understand and address our customers’ specific needs and leveraging our capabilities in the financial and physical markets to drive the right commercial decisions across the value chain—from mine to market.

P101

P101 is our transformational asset productivity programme that builds on the stability provided by our Operating Model. It is about improving the performance of our most value-accretive mining and other processes to best-in-class benchmarks, then pushing the capability boundary further, seeking to establish new benchmarks for

the industry in terms of efficiency and the way we work. P101 is systematically targeting opportunities across the value chain, for example delivering a 15% increase in truck utilisation at Orapa, increased haul truck payloads at Los Bronces, an 8% throughput increase at the Minas-Rio beneficiation plant, and world-class shovel performance across multiple operations. P101 sets the context for our progress and is critical to enabling the delivery of FutureSmart Mining™.

FutureSmart Mining™: a blueprint for the future of our business

FutureSmart Mining™ is the blueprint for the future of our business. The intrinsic links between technology, digitalisation and many of our sustainability outcomes are driving the innovations that will transform the nature of mining and how our stakeholders experience our business. A future in which broad, innovative thinking, enabling technologies, and collaborative partnerships will shape an industry that is safer, more sustainable and efficient, and better harmonised with the needs of our host communities and society. This is about transforming our physical and societal footprint. By integrating data intelligence and technology with our Sustainable Mining Plan commitments, we are creating new systems that optimise value for our stakeholders.

People

Our people are critical to all that we do. The partnerships we build, both within Anglo American and with our stakeholders – locally and globally, are central to maintaining our regulatory and social licences to operate and our commercial success. We create inclusive and diverse working environments to encourage and support a high performance culture and innovative thinking. Our Organisation Model ensures we have the right people in the right roles doing the right value-adding work at the right time, with clear accountabilities that minimize work duplication and increase capability and effectiveness.

Safety

Safety comes foremost in everything we do; we train, equip and empower our people to work safely every day. We believe, too, that creating an inclusive and diverse working environment and culture that encourages and supports high performance and innovative thinking gives our business a competitive advantage. Our main priority is to protect the health and safety of our people, the communities around our operations and the environment, and we have shown consistent improvement across the business. To further accelerate progress, in 2020, we updated our safety, health and environment ("SHE") policy. A key element of this update is focusing on achieving a “zero mindset”, meaning that we aim for zero accidents and zero incidents and, importantly, zero repeats. If an incident occurs, we investigate the causes, act to remedy these, and share the lessons learned across the Group with the aim of preventing repeat or similar incidents.

Capital allocation

Underpinning our strategy, we have a value-focused approach to capital allocation with clear prioritization: sustaining capital to maintain asset integrity (including reserve life); then the base dividend to our shareholders, determined on a 40% underlying earnings-based payout ratio; while ensuring a strong balance sheet. Based on a balanced approach, and considering carefully our Sustainable Mining Plan, particularly in relation to addressing the challenges of climate change as a key lens, discretionary capital is then either allocated to growth investments or upgrades to our portfolio that are subject to a demanding risk framework and that meet our stringent value criteria or is considered for additional returns to shareholders.

Our near term objective is to seek to ensure that the Group's net debt to underlying EBITDA ratio does not exceed 1.5x, at the bottom of the cycle, without there being a clear plan to recover. Disciplined capital allocation throughout the cycle is critical to protecting and enhancing our shareholders' invested capital, given the long term and capital-intensive nature of our business. Our aim is to provide a balanced offering of a strong balance sheet, which reduces risk and creates opportunity for counter-cyclical investment, attractive shareholder returns and value-adding disciplined growth. During 2020, our focus was on continuing to improve our competitive position, progressing the construction of our Quellaveco copper project in Peru, and completing the acquisition of Sirius

Minerals Plc, while also re-phasing certain capital projects in light of COVID-19-related disruption. We will continue to allocate the appropriate capital across our portfolio of assets, to both sustain our business and to protect and enhance value.

History

Anglo American was incorporated on May 14, 1998 and became a public listed company in May 1999 following the completion of a combination with Anglo American Corporation of South Africa Limited, a public limited company incorporated in South Africa, now known as Anglo American South Africa Proprietary Limited (“AASA”), and an exchange offer for the shares of Minorco Société Anonyme, now known as Minorco Overseas Holdings Limited (“**Minorco**”). AASA was founded in South Africa in 1917 to exploit gold mining opportunities in the country. In the succeeding decades, AASA became increasingly involved in a wide range of mining and other industries. The successful simultaneous development in the 1950s of five gold mines in South Africa brought AASA to the forefront of the mining industry internationally.

Beginning in the mid-1960s, AASA developed a range of investments in Europe, North America, Australia and South East Asia. We entered into new markets, including the steel industry through the acquisition of Scaw Metals, the timber, pulp and paper industry with the founding of the Mondi Group (“**Mondi**”), and increased investment in the South African coal industry through the development of a portfolio of nine coal mines and a stake in the Richards Bay Coal Terminal.

By the 1990s, AASA had a wide range of mining, financial and industrial interests both in sub-Saharan Africa and internationally, with the latter largely held through Minorco, which was originally incorporated in the UK in 1928 as Rhodesian Anglo American Limited. The structures of AASA and Minorco had arisen as a result of South Africa’s period of political and financial isolation from the international community and had proven increasingly complicated as we sought to develop a focused strategy for the Group. As a result, in 1999, the newly formed Anglo American acquired all the shares of both companies, a combination designed to create focused divisions, to achieve simplicity and transparency of structure and, in the process, to enhance shareholder value.

Business Segments

This section provides background information, an industry overview and information related to strategy and business development for each segment.

Underlying EBIT by Segment

The following table sets forth the Group's underlying EBIT for the periods presented on a segment basis. The table below summarizes the split by subsidiaries, equity accounted entities and total Group underlying EBIT:

	Year ended December 31, 2018		Year ended December 31, 2019		Year ended December 31, 2020	
		%		%		%
<i>(US\$m unless otherwise stated)</i>						
Subsidiaries						
De Beers	694	10.9	168	2.4	—	0.0
Copper	1,234	19.4	960	13.7	1,227	17.4
Platinum Group Metals	708	11.1	1,672	23.9	2,270	32.2
Iron Ore ⁽¹⁾	740	11.6	2,886	42.1	3,997	56.7
Coal	2,011	31.5	792	11.3	(629)	(8.9)
Nickel and Manganese ⁽¹⁾	75	1.2	89	1.3	79	1.1
Crop Nutrients ⁽³⁾	—	0.0	—	0.0	(10)	(0.1)
Corporate and Other ⁽²⁾	(231)	(3.6)	(240)	(3.4)	(247)	(3.5)
Total	5,231		6,327		6,687	
Equity accounted entities						
De Beers	—	0.0	—	0.0	—	0.0
Platinum Group Metals	(3)	0.0	—	0.0	—	0.0
Iron Ore	7	0.1	66	0.9	94	1.3
Coal	527	8.3	218	3.1	(3)	0.0
Nickel and Manganese	610	9.6	388	5.5	245	3.5
Crop Nutrients ⁽²⁾	—	0.0	—	0.0	11	0.2
Corporate and Other ⁽¹⁾	5	0.1	11	0.2	16	0.2
Total Group operations including equity accounted entities	6,377	100	7,010	100	7,050	100
Less: associates and joint ventures	(1,146)		(683)		(363)	
Total Group operations excluding equity accounted entities	5,231		6,327		6,687	
Reconciliation:						
Net income from associates and joint ventures	728		389		103	
Special items and remeasurements	744		(144)		(543)	
Net finance costs	(514)		(426)		(783)	
Income tax expense	(1,816)		(1,564)		(2,136)	
Profit for the financial year	4,373	100	4,582	100	3,328	100
Subsidiaries and attributable share of equity accounted entities						
De Beers	694	10.9	168	2.4	—	0.0
Copper	1,234	19.3	960	13.7	1,227	17.4
PGMs	705	11.1	1,672	23.9	2,270	32.2
Iron Ore	747	11.7	2,952	42.1	4,091	58.0
Coal	2,538	39.8	1,010	14.4	(632)	(9.0)
Nickel and Manganese	685	10.7	477	6.8	324	4.6
Crop Nutrients ⁽²⁾	—	0.0	—	0.0	1	0.0
Corporate and Other ⁽¹⁾	(226)	(3.5)	(229)	(3.3)	(231)	(3.3)
Total Group operations including equity accounted entities	6,377	100	7,010	100	7,050	100

(1) The 'Corporate and Other' segment includes unallocated corporate costs, exploration costs and the Other Mining and Industrial business unit. Exploration costs represent the cost of the Group's exploration activities across all segments.

(2) On March 17, 2020, the Group acquired a 100% interest in Sirius Minerals Plc, and since that date it has been accounted for as a subsidiary of the Group and reported as the Crop Nutrients segment.

The above tables present equity accounted entities (associates and joint ventures) separately from subsidiaries.

- Associates are investments over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Typically, the Group owns between 20% and 50% of the voting equity of associates. The financial results of associates are accounted for in the consolidated financial statements of the Group using the equity method of accounting.
- Under IFRS 11, a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The following table sets forth the Group's geographical analysis of Group Revenue allocated based on the country in which the customer is located:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m)</i>		
South Africa	1,466	807	627
Other Africa.....	1,816	1,220	899
Brazil	383	437	462
Chile	540	574	507
Other South America.....	35	71	21
North America.....	714	786	850
Australia	47	229	8
China	6,933	9,470	12,596
India.....	3,796	2,898	2,012
Japan.....	2,840	3,114	4,076
Other Asia.....	5,813	6,055	4,808
United Kingdom (Anglo American plc's country of domicile)	1,889	2,379	2,064
Other Europe	3,924	3,785	3,408
Group Revenue (including attributable share of associates' and joint ventures' revenue)	30,196	31,825	32,338
Less: associates and joint ventures.....	(2,586)	(1,955)	(1,436)
Revenue	27,610	29,870	30,902

Business Segments

This section provides background information, a business overview, information related to strategy and business development and any significant growth or restructuring projects for each segment.

De Beers

Business Overview

De Beers is the world's leading diamond company, accounting for approximately one third of the world's rough diamond supply by value. De Beers recovers diamonds from four countries: Botswana, Canada, Namibia and South Africa.

De Beers sells the majority of its rough diamonds through 10 Sight sales each year to Sightholders and Accredited Buyers, with the balance being sold via its Auctions business to registered buyers. It licenses its diamond brand Forevermark™ and markets and sells polished diamonds and diamond jewellery via its Forevermark™ and De Beers Jewellers businesses.

In Botswana, via a 50:50 joint venture with the Government of the Republic of Botswana (“**GRB**”) known as Debswana Diamond Company (Proprietary) Limited (“**Debswana**”), the company recovers diamonds from four mines; Jwaneng, Orapa, Letlhakane and Damtshaa. Damtshaa will be placed onto extended care and maintenance in 2021. Jwaneng is one of the world's richest diamond mines by value. The mine's high-grade ore contributes between 60-70% of Debswana's revenue. The US\$2 billion ‘Cut-9’ expansion of Jwaneng is expected to extend the life of the mine to 2036 and is expected to yield an estimated 51 million carats of rough diamonds from approximately 42 million tonnes of treated material. Due to logistical challenges related to the impact of the COVID-19 pandemic, an extension to the existing contract for the sale of the majority of Debswana's rough diamond production has been agreed until the end of 2021 by the Government of the Republic of Botswana and De Beers Group. The terms of the existing agreement, which was originally due to expire at the end of 2020, have been, providing further time for contract renewal discussions.

In Namibia, De Beers has a 50:50 joint venture with the Government of the Republic of Namibia (“**GRN**”) through Namdeb Holdings, where they recover both land-based diamonds (Namdeb) and offshore diamonds (Debmara Namibia). Namibia has the richest known marine diamond deposits in the world, with diamond resources estimated at more than 80 million carats in approximately 1.2 million km² of sea-bed. Marine diamond deposits represent around 75% of Namdeb Holdings' total diamond production and 94% of its diamond resources.

In South Africa, De Beers Consolidated Mines (in which the Group has a 74% interest) recovers diamonds from Venetia mine in Limpopo Province. Venetia is an open-pit mine and the country's largest producer of diamonds, contributing 40% of the country's annual diamond production. Open-pit mining at Venetia is likely to run until 2023 and the transition is already under way to convert to underground mining, which is expected to extend the life of the mine to 2045. Through the US\$2.1 billion Venetia Underground project, De Beers expect to treat approximately 131 million tonnes of material, containing an estimated 95 million carats.

In Canada, De Beers has a 51% interest in, and is the operator of, Gahcho Kué open-pit mine in the Northwest Territories. It began commercial production in 2017 and has a remaining life of mine of 10 years, producing an average of 4.5 million carats a year, yielding an estimated total of 47 million carats (100% basis) from approximately 30 million tonnes of material.

De Beers also develops industrial super materials through Element Six, which includes the production of laboratory grown diamonds for Lightbox Jewelry. De Beers offers education, diamond grading, inscription and testing services through De Beers Institute of Diamonds.

De Beers sells rough diamonds through two distribution channels: most are sold via term contract sales to customers (known as Sightholders) through De Beers Global Sightholder Sales (Proprietary) Limited, based in Botswana, with the remainder being sold via regular auctions via De Beers Auction Sales, based in Singapore. De Beers has concluded its selection process for the next contract cycle with Sightholders and new contracts are

scheduled to commence in April 2021, replacing the contractual arrangements dating back to 2015. De Beers is also an equal joint venture partner in Diamond Trading Company Botswana (Proprietary) Limited and in Namibia Diamond Trading Company (Proprietary) Limited (“**NDTC**”) with the GRB and GRN, respectively; these local companies are engaged in sorting and valuing diamonds and also support De Beers’ global selling function. NDTC also sells diamonds to local Namibian based Sightholders. In South Africa, De Beers holds, via DBCM, a 74% interest in De Beers Sightholder Sales South Africa Proprietary Limited (“**DBSSSA**”), with the remaining 26% held by Ponahalo Investments (RF) Proprietary Limited. DBSSSA is engaged in sorting and valuing South African production and also supports De Beers in the global selling function. It also sells diamonds locally to South African based Sightholders.

The diamond industry started 2020 positively after a strong U.S. holiday season at the end of 2019, with robust demand for rough diamonds. The onset of the COVID-19 pandemic, and measures taken by governments in response, had a profound impact on global diamond supply and demand. Much of the industry was temporarily unable to operate as up to 90% of jewellery stores closed at the peak of lockdowns, first in China, then in Europe and the U.S.

Reduced demand from jewellery retailers due to store closures, combined with the closure of diamond cutting and polishing factories in India from April to June 2020, led to a substantial reduction in rough diamond purchases in the first six months of the year. In response, De Beers reduced production and offered significantly increased flexibility to customers. The gradual easing of restrictions across the globe led to improved trading conditions and an increase in demand throughout the supply chain in the second half of the year. Consumer demand for diamond jewellery improved in key markets, particularly in China, which continued its strong recovery, while demand in the U.S. has also been encouraging. The recovery in consumer demand supported polished price growth in the second half of 2020 and a rebuild in inventory levels in advance of the year end holiday season.

The lack of significant kimberlite discoveries globally over recent years, combined with the ongoing growth in consumer demand for diamond jewellery in both mature and developing markets, points to good prospects for the diamond business. The addition of the Chidliak Diamond Resource in Canada, and the continued investment in diamond mining support technologies, is expected to enhance De Beers’ portfolio of high quality and high margin assets and the ability of the business to flex production to prevailing demand.

Significant Transactions and Restructuring

Voorspoed mine

Voorspoed mine, owned by DBCM, was placed on care and maintenance in December 2018.

Acquisition of Peregrine Diamonds Ltd

On September 13, 2018 De Beers announced the completion of the purchase of Peregrine Diamonds Ltd, for a total cash consideration of CAD107 million (US\$87 million equivalent). The acquisition includes the high quality Chidliak diamond resources located in Canada’s Nunavut Territory and other properties elsewhere in Nunavut and Canada’s Northwest Territories.

Debmarine joint venture

On May 16, 2019 the Group announced the approval by Debmarine Namibia, a 50:50 joint venture between De Beers Group and the GRN, of the construction of a new custom-built diamond recovery vessel. At an approved total capital cost of US\$468 million (US\$234 million attributable to Anglo American), this new vessel will become the seventh in the Debmarine Namibia fleet. The vessel is currently on track for commissioning in 2022, with the capacity to add 500,000 carats of annual production, an approximately 40% increase above Debmarine Namibia’s current levels.

Victor mine

In Canada, mining at Victor Mine ended in June 2019 with the depletion of the economically mineable Ore Reserve and the mine is now preparing for mine closure.

Copper

Business Overview

In Chile, we have interests in two major copper operations: a 50.1% interest in the Los Bronces mine, which we manage and operate, and a 44% interest in the independently managed Collahuasi joint venture; we also manage and operate the El Soldado mine and Chagres smelter (50.1% interest in both). In Peru, we have a 60% interest in the Quellaveco project, which was approved for development in mid-2018. During the first 10 years, production is expected to average 300,000 tonnes of copper equivalent per year, with a first quartile cash cost of 105 c/lb (2018 real basis). The Group also has a future potential project, the polymetallic Sakatti deposit in Finland.

The average LME copper price in 2020 increased by 3% compared with 2019. The COVID-19 pandemic had the greatest impact on global demand, temporarily depressing consumption as restrictions hampered economic activity in the first half of the year. A sharp recovery took place in China and, elsewhere, measures to restart activity took place to mitigate the effects of the pandemic. Despite trade tensions between the U.S. and China, optimism over vaccine programmes further bolstered sentiment. Constraints in mine supply have also contributed to a positive outlook on fundamentals, as has copper's role in the push to achieve carbon neutrality, greater energy efficiency and improved living standards, allowing the metal to reach price highs last seen in 2013.

The copper industry is expected to struggle to meet longer term demand growth, including from hybrid and electric vehicles and renewable energy, as declining grades and more challenging physical and environmental conditions, along with tougher licensing and permitting requirements, are expected to limit the industry's ability to deliver new copper supply.

Significant Transactions and Restructuring

Quellaveco update

Anglo American announced on July 26, 2018, that its Board had approved the development of the Quellaveco copper project in Peru. This follows the completion of the transaction announced in June 2018, whereby Mitsubishi increased its interest in AAQSA, which owns the Quellaveco project, to 40% via the issuance of new shares.

Strong progress continues, with the project currently tracking against its original schedule despite the impact of COVID-19, with execution having been well ahead of schedule prior to the pandemic, and all applicable milestones achieved. Following the onset of the pandemic, on 17 March 2020, Quellaveco withdrew the majority of the project's 10,000-strong workforce from site after the Peruvian government announced the start of a national lockdown. Following subsequent extensions of the lockdown, non-critical works were suspended for three months in support of continuing efforts to control the spread of COVID-19.

Remobilisation of the construction workforce began in July 2020 following approval by the Peruvian authorities and is largely complete, with construction activities gradually restarted across all project sites. Significant progress has been made at the processing plant, where the shells for the first SAG and ball mills are installed, installation of the electric motors is under way, and all 46 flotation cells have been assembled. The majority of materials and equipment are now in-country and the first of three rope shovels has been assembled, along with eight mining trucks.

Despite the COVID-19-related slowdown, first production is still currently expected in 2022, in part due to the progress achieved prior to the national lockdown, and based on optimised construction and commissioning plans. Key activities in 2021 include: the start of pre-stripping, which will see the first greenfield use of automated hauling technology in Peru; progressing construction of the primary crusher and ore transport conveyor tunnel to the plant; completion of the 95-kilometre freshwater pipeline that will deliver water from the water source area to the

Quellaveco site; completing installation of the shells and motors for both milling lines; and completion of the tailings starter dam.

Total project capital expenditure is expected to be US\$5.3 to US\$5.5 billion (100% basis), subject to the extent of any further COVID-19-related disruption, of which the Group's 60% share is approximately US\$2.7 to US\$2.8 billion. Quellaveco expects to deliver around 300,000 tonnes per annum of copper equivalent production (100% basis) on average in the first 10 years of operation.

In February 2021, the Group approved the construction of a coarse particle recovery ("CPR") plant at Quellaveco. This technology will initially allow retreatment of coarse particles from flotation tailings to improve recoveries by approximately 3% on average over the life of the mine. This investment will also enable future throughput expansion which will bring a reduction in energy and water consumption per unit of production. The CPR project will incur additional capital expenditure on a 100% basis of approximately US\$130 million, of which the Group will fund its 60% share. Commissioning of the new plant is currently expected in 2022.

Platinum Group Metals

Business Overview

Our Platinum Group Metals ("PGMs") business (held through an effective 81% interest in Anglo American Platinum Limited) is a leading producer of PGMs — platinum, palladium, rhodium, iridium, ruthenium and osmium. It mines, processes and refines the PGM basket of metals from its high quality resource base, located in the biggest known PGM deposit – the Bushveld Complex in South Africa. It also has a significant stake in Unki – one of the world's largest PGM deposits outside of South Africa, on the Great Dyke in Zimbabwe.

We are continuing to reposition the business around a leaner, best-in-class operating footprint at our Mogalakwena, Amandelbult and Mototolo mines in South Africa, and Unki mine in Zimbabwe, alongside our joint operation interests in the Kroondal and Modikwa mines in South Africa. Demand for PGMs is forecast to increase over time, given the ongoing trend towards cleaner-emission vehicles, driven by more stringent global emissions legislation. Increasing demand from the automotive industry is likely to be augmented by growing opportunities for emerging new applications, including hybrid and hydrogen fuel cell electric transport, while emerging countries such as India offer the potential of developing, from a relatively low base, into significant platinum jewellery markets. We are well positioned to proactively develop demand for PGMs, including through targeted campaigns in emerging jewellery markets; through direct investment in a number of companies developing new technologies that are expected to drive industrial demand for PGMs; and creating new investment demand for these precious metals as a store of value.

PGM prices started 2020 strongly before COVID-19 impacted demand; however, prices soon recovered as PGM supply also faltered. Further gains came in the second half of 2020 as the global automotive market experienced a rapid recovery as COVID-19-related restrictions were eased. The average realised basket price increased by 51% in US dollar terms compared with 2019. The average dollar platinum market price increased by 2%, supported by robust industrial demand, despite continuing declines in diesel automotive demand. Palladium and rhodium were significantly stronger, increasing by 43% and 187%, respectively, driven by the trend of increased loadings in autocatalysts due to tighter emissions standards, particularly in Europe and China.

Significant Transactions and Restructuring

Disposal of Rustenburg

On November 1, 2016, Anglo American Platinum completed the sale of the Rustenburg mining and concentration operations (the "**Rustenburg Operations**") by its wholly owned subsidiary Rustenburg Platinum Mines Limited to Sibanye Rustenburg Platinum Mines Proprietary Limited ("**Sibanye**"), at that time, a subsidiary of Sibanye Gold Limited ("**Sibanye Gold**").

The upfront cash proceeds of ZAR1.5 billion (US\$110 million) were used to reduce net debt and further strengthen Anglo American Platinum's balance sheet. Sibanye will also pay minimum deferred proceeds of

ZAR3.0 billion (in nominal terms) (US\$220 million), to be earned through a 35% share of the distributable free cash flows generated by the Rustenburg Operations on an annual basis for a period of six full years commencing from January 1, 2017.

To the extent that there is an outstanding minimum deferred proceeds balance at the end of the six year period, Sibanye has the option to extend the payment period for up to two years (to December 31, 2024), or until the minimum deferred payment has been paid in full (whichever is earlier). Sibanye also has the option to settle the outstanding balance in cash or listed Sibanye Gold ordinary shares at the end of the six or eight year period. In February 2020, with Anglo American Platinum consent, Sibanye completed a Scheme of Arrangement in order to effect an internal restructuring of the Sibanye group. As a result of the restructuring should Sibanye elect to settle any outstanding balance in shares, the shares issued will be ordinary listed shares in Sibanye-Stillwater Limited rather than in Sibanye Gold.

Disposal of Union Mine and MASA Chrome Company Proprietary Limited

On February 15, 2017, the Group announced that it had agreed the sale of Anglo American Platinum's 85% interest in the Union platinum mine and its 50.1% in MASA Chrome Company Proprietary Limited to Siyanda Resources Proprietary Limited for consideration comprising upfront cash of ZAR400 million (approximately US\$29 million) and deferred consideration based on the operation's free cash flow generation over a ten year period. The transaction was completed on February 1, 2018.

The fair value of the Union mine and its associated Mineral Resources is expected to be recovered principally through the sale. An impairment of US\$197 million (US\$113 million after tax and non-controlling interests) was recorded in 2018 to bring the operation's carrying value into line with its fair value less costs of disposal. The impairment charge was recorded principally against property, plant and equipment.

Bafokeng Rasimone disposal

On July 5, 2018, Anglo American Platinum announced that its wholly-owned subsidiary, Rustenburg Platinum Mines Limited ("**RPM**"), had accepted an offer from Royal Bafokeng Platinum Limited ("**RBPlat**") to purchase its 33% interest in the Bafokeng Rasimone Platinum Mine joint venture ("**BRPM JV**"). The total purchase consideration at the time of announcement was R2.178 billion (a purchase consideration of R1.863 billion plus the repayment of Anglo American Platinum's contributions into the BRPM JV until completion of the transaction). In December 2018, Anglo American Platinum announced that all conditions precedent to the sale and purchase agreement with RBPlat had been fulfilled. An upfront consideration of R555 million was settled by a cash payment by Royal Bafokeng Resources Limited on the completion date. The remaining deferred consideration of R1.851 billion (including accumulated interest) was settled in full on January 30, 2020.

Disposal of 11% interest in Royal Bafokeng Platinum

On April 24, 2018, Anglo American Platinum disposed of 17.3 million shares in RBPlat for R0.4 billion. The sale of Anglo American Platinum's residual shareholding in RBPlat was completed on August 7, 2018, realizing net proceeds of R0.1 billion.

Purchase of Mototolo

On November 1, 2018, Anglo American Platinum announced the completion of the acquisition of both Glencore Operations South Africa Proprietary Limited's 40.2% interest and Kagiso Platinum Ventures Proprietary Limited's 9.8% interest in the Mototolo joint venture. With effect from November 1, 2018, Mototolo became a wholly owned operation of Anglo American Platinum.

Investment in venture capital fund

On July 17, 2018 Anglo American reported that its 79.4% owned subsidiary, Anglo American Platinum Limited, announced its subsidiary, Anglo Platinum Marketing Limited ("**APML**"), had subscribed for interests in two UK-based venture capital funds (the "**Funds**"), with a total aggregate commitment of US\$100 million. Anglo American Platinum's commitment to the Funds was matched by a US\$100 million commitment from South

Africa's Government Employees Pension Fund represented by the Public Investment Corporation SOC Ltd ("PIC").

Acquisition of Kwanda North and Central block prospecting rights

On August 27, 2019 Anglo American Platinum and Atlatsa completed the acquisition and inclusion of the resources specified in the Central Block and Kwanda North prospecting rights into RPM's Mogalakwena mining right. The acquisition was part of a composite transaction which included, among others: the disposal of Anglo American Platinum's 22.55% shareholding in Atlatsa for a nominal cash consideration; the waiver and/or capitalization of all of the current debt owing by Atlatsa group to Anglo American Platinum totaling approximately R4.8 billion (the loans had already been fully impaired); the waiver of further debt to be provided to Atlatsa until December 31, 2019, for care and maintenance costs at Bokoni Mine; and the waiver of all of the debt owing by Atlatsa Holdings Proprietary Limited, Atlatsa's controlling shareholder, to Anglo American Platinum totaling approximately R0.5 billion (this loan has also already been fully impaired). Atlatsa and Anglo American Platinum retain their 51% and 49% respective shareholdings in the Bokoni Mine joint venture.

Iron Ore

Business Overview

Anglo American's iron ore operations provide customers with high-grade iron ore, a large percentage of which is direct-charge product for steelmaking blast furnaces. In South Africa, we have a 69.7% shareholding in Kumba Iron Ore, whose Sishen and Kolomela mines produce high grade and high quality lump ore and also a premium fine ore. In Brazil, we have developed the Minas-Rio operation (100% ownership), consisting of an open pit mine and beneficiation plant, which produces a high grade pellet feed product, with low levels of contaminants.

Kumba

Kumba, which is listed on the Johannesburg Stock Exchange, operates two open-pit mines – Sishen and Kolomela—both located in the Northern Cape of South Africa, producing high-grade (64%-65% average Fe content) and high-quality lump ore and a premium fine ore. Around 67% of Kumba's production is lump, which commands a premium price, owing to its physical strength and high iron content. Kumba is serviced by an 861-kilometre rail line to the Atlantic coast at Saldanha Bay, managed by Transnet. Our marketing teams work closely with our customers to blend and match our products with their needs—before shipment from Saldanha Bay to China, Japan, Europe, India and the Americas.

Iron Ore Brazil

Our integrated iron ore operation in Brazil, Minas-Rio, consists of an open pit mine and beneficiation plant, which produces a high-grade (~67%Fe) pellet feed product, with low levels of contaminants. The iron ore is then transported through a 529-kilometre pipeline to the iron ore handling and shipping facilities at the port of Açú.

In December 2018, Minas-Rio received regulatory approval relating to the Step 3 environmental license for the mine area of Minas-Rio. Access to the Step 3 areas provides greater operational flexibility and access to higher grade iron ore to support the increase of production of operation towards its full design capacity of 26.5 Mt (wet basis). Following the suspension of operations at Minas-Rio on March 29, 2018 as a result of a second leak in a pipeline on this date, Minas-Rio resumed operations on December 21, 2018, following an extensive and detailed technical inspection of the pipeline, which confirmed its integrity. Following the leak, a pipeline scan was completed and independently verified, 4 kilometres of pipeline was replaced as a precaution, additional monitoring equipment was installed and pig inspection frequency will be increased to 2 years, from 5.

In December 2019 the Group received the next phase of its operating license, following the work to raise the dam from level 680 to level 700 as part of the Step 3 license area of the mine. The regulatory authorities in Brazil granted the installation license for this work in January 2018 and the construction work to level 689 was completed in accordance with that license in August 2019. During 2019, operations at Minas-Rio achieved a successful ramp-up and the operating license for the first tailings dam extension to level 689 was awarded in December 2019.

Construction work for level 700 has completed and the operating license for the increase to level 700 is currently expected to be obtained in the first half of 2021.

In January 2020, Anglo American and the State of Minas Gerais received a citizen claim requesting a declaration that the operating license for the heightening of the tailings dam to level 689 be declared null and void. Both the State of Minas Gerais and Anglo American opposed the relief and the injunction was denied. The claimant has now withdrawn its claim. In March 2020, the Public Prosecutor of Conceição do Mato Dentro filed a public civil claim against Anglo American and the State of Minas Gerais in similar terms to the aforementioned January 2020 civil claim, seeking an injunction to suspend the implementation of the tailings dam heightening operating license, as well as additional relief. The local judge granted the injunction and ordered Anglo American to present a collective project for the resettlement of communities downstream from the tailings dam. However, the injunction has been preliminarily suspended by the Court of Appeal and the operating license remains valid. Both the State of Minas Gerais and Anglo American have opposed the injunction application, and a final decision from the Court of Appeal is awaited.

Significant Transactions and Restructuring

Sishen Mining Right

Sishen's application to extend its Sishen mine's mining right by the inclusion of the adjacent Dingleton area was granted on June 25, 2017 and executed by notary on June 29, 2018. This allows Sishen mine to expand its current operations within the adjacent Dingleton area. Mining operations commenced in pushback 16, following the deproclamation of that area and rezoning to mining.

Kolomela consolidated mining right granted

The Section 102 application to amend the Kolomela mining right and the mining work programme to include Heuningkranz and portion 1 of Langverwacht was granted on October 14, 2018. The Environmental authorization was approved on November 7, 2018. The grant allows Kolomela mine to expand its current mining operations within the adjacent Heuningkranz area.

Disposal of Thabazimbi Mine

SIOC and ArcelorMittal SA entered into an agreement in 2016 to transfer Thabazimbi mine to ArcelorMittal SA, subject to the fulfilment of certain conditions precedent. On October 12, 2018, Kumba and ArcelorMittal SA announced that all the conditions precedent to the transfer of Thabazimbi mine, together with the mining rights, had either been fulfilled or waived. The employees, assets and liabilities as well as the mining rights and the assumed liabilities of the mine were transferred at a nominal purchase consideration from SIOC to Thabazimbi Iron Ore Mine (Pty) Ltd (previously ArcelorMittal South Africa Operations (Pty) Ltd.), a wholly-owned subsidiary of ArcelorMittal SA on November 1, 2018.

Kapstevl South Project at Kolomela approved

On July 28, 2020 Kumba announced the approval of its Kapstevl South project at its Kolomela mine by the boards of Kumba and Anglo American. The total capital cost of the project is currently expected to be approximately R7 billion, including pre-stripping. The project entails the development of a new pit, Kapstevl South and associated infrastructure at Kolomela. The pit is a conventional truck and shovel operation producing high quality direct shipping ore.

Other Recent Developments

Changes in regulations related to tailings disposal in Brazil

On February 15, 2019, the ANM issued new regulations on tailings storage facilities and banning upstream construction and heightening of tailings storage facilities. Since the Group's tailings storage facility is to be heightened using the downstream method, the banning of upstream heightening of tailings storage facilities is not currently expected to impact directly on the Group, however other aspects of the new rules, including the reporting requirements and licensing rules, will apply.

On February 25, 2019, the State of Minas Gerais issued State Law nr. 23.291/2019 providing for a new policy for tailings disposal in the State. The new rules include stricter procedures for tailings storage facilities and eliminate the possibility of upstream heightening of tailings storage facilities. The main concerns regarding the Minas Gerais State Law nr. 23.291/2019 are the requirements for resettling communities downstream from the tailings dams in response to new dam construction work or dam heightening, and a financial guarantee for reclamation and damages should an incident occur. The latter requirement would only be expected to be enforceable when the government promulgates the rules for the calculation of the amount of, and the format of, the guarantee. The Municipality of Conceição do Mato Dentro also issued a new Law nr. 2.284/2020 for the granting of location permits, focusing on tailings storage facilities, on August 28, 2020. The law states that companies operating tailings dams within the municipality should, upon application for the renewal of permits, present projects for alternative uses of tailings, aiming at reducing the disposal into dams and to demonstrate that they are using the best tailings storage solution available. The law also requires the resettlement of communities downstream from tailings dams on the occurrence of new dam construction work or dam heightening. Companies have three years to comply with the new rules. Federal laws, Minas Gerais state laws and the Municipality of Conceição do Mato Dentro laws are under continued scrutiny and additional regulations are expected to be issued and may impose restrictions and/or create additional challenges in relation to mining operations.

Coal

Business Overview

Our high quality assets provide a reliable supply of niche products our wide range of customers need, in both metallurgical coal (for steelmaking) and thermal coal (for electricity generation). Our coal portfolio is geographically diverse, with metallurgical coal assets in Australia, and thermal coal assets in South Africa and Colombia.

Metallurgical Coal

We are the world's third largest exporter of metallurgical coal for steelmaking, according to CRU, and our coal operations serve customers throughout Asia, Europe and South America. Our assets include the Moranbah North and Grosvenor (for each of which we hold an 88% ownership interest) metallurgical coal mines, both located in Queensland, Australia. In 2020, Anglo American completed a transaction to provide for the equalization of ownership across our integrated metallurgical coal operations at Moranbah North and Grosvenor through the sale of a 12% interest in Grosvenor mine to the minority joint operation participants in Moranbah North. Mining activities are currently suspended at Moranbah North following the controlled withdrawal of the workforce in accordance with our standard safety protocols after elevated gas levels were detected in the goaf. We are in discussions with the Queensland Mines Inspectorate regarding the safe re-entry to the mine and the recommencement of mining activities, which we currently anticipate during the course of April 2021. The Group's Canadian operations (Peace River Coal) are on care and maintenance.

Metallurgical coal is used principally in blast-furnace steelmaking production; around 70% of global steel output is produced using this method. Emerging markets, particularly in the Asia-Pacific region, continue to drive demand for metallurgical coal – helping to generate the steel needed for infrastructure, housing, transport and machinery.

Average realised prices differ from the average market price owing to differences in material grade and timing of contracts. Hard coking coal price realisation decreased to 90% of benchmark in 2020 (2019: 97%), as sales consisted of a lower proportion of premium quality hard coking coal from Moranbah North and Grosvenor. Market prices decreased in the first half of 2020 as COVID-19-related lockdowns impacted demand. Despite a brief recovery in the third quarter, prices decreased again towards the end of the year due to China's unofficial import restrictions on Australian coal. See "*Risk Factors - Slower levels of growth in Chinese demand for commodities may negatively impact pricing*".

Incident at Grosvenor

At the Grosvenor metallurgical coal mine in Australia, operations have been suspended since early in May 2020 following the gas ignition incident underground. Anglo American is continuing to respond to the incident, including through investing in the acceleration of technology and sealing off part of the affected longwall panel to prepare the mine for restart. The incident resulted in a US\$100 million writedown relating to lost equipment and longwall assets in that area. Grosvenor is currently expected to return to operation in the second half of 2021.

Thermal coal

We have more than halved our thermal coal production footprint in South Africa in recent years to focus on export markets, supplying around 17 Mt of thermal coal a year to our customers, mainly in Asia. Our South African export product is derived from three wholly owned and operated mines – Goedehoop, Greenside and Khwezela; Zibulo (73% owned); as well as from Mafube colliery, a 50:50 joint operation. These mines operate in the first quartile of the seaborne cost curve and produce high quality thermal coal. We also produce around 10 Mt a year of thermal coal for sale to the domestic market. In Colombia, Anglo American, BHP and Glencore each have a one-third shareholding in Cerrejón, an independently managed associate and one of the country's largest thermal coal exporters.

The average realised price for export thermal coal differs from the average market price owing principally to quality discounts relative to the industry benchmark and timing differences. South Africa export thermal coal average realised prices were 7% lower as the COVID-19 demand driven declines during the first half were only partly offset by a strong recovery in the second half as COVID-19 restrictions eased in India and China. In the second half of 2020, imports to India, a key market for South African thermal coal, returned to the levels experienced in the same period in 2019. A shortage of thermal coal in China led to accelerated customs clearance at Chinese ports in December 2020, providing a boost to seaborne demand. The Colombia realised price difference decreased year-on-year, broadly in line with the lower market price. Revenue from thermal coal includes revenue from the mining of thermal coal in South Africa, Colombia and the Metallurgical Coal business and amounts realised from the sale of volumes purchased from third parties (non-equity traded sales) that were not mined by the Group.

In May 2020, we confirmed our plans to work towards an exit from our remaining South African thermal coal operations, with a demerger being our likely preferred exit option, with a primary listing on the Johannesburg Stock Exchange for the demerged business. We are making good progress to prepare the operations as a standalone business. A date for the likely demerger has not yet been set, however the transaction could proceed during the course of 2021. We will continue to consider other exit options as we engage with stakeholders as part of our commitment to a responsible transition. We also plan to exit our one-third shareholding in the independently managed Cerrejón operation in Colombia at the appropriate time.

Significant Transactions and Restructuring

Disposal of Drayton mine

On May 4, 2017, the Group announced that it had entered into a sale and purchase Agreement with a wholly owned subsidiary of Malabar Coal Limited to sell its 88.17% interest in the Drayton thermal coal mine and Drayton South project, located in New South Wales, Australia. The transaction was effected via a sale of shares in the subsidiary companies holding Anglo American's interest in Drayton. The Group ceased mining activities at the Drayton mine during 2016. This transaction was completed on February 26, 2018.

Disposal of Eskom-tied domestic thermal coal operations

On April 10, 2017, the Group announced the sale of the Eskom-tied domestic thermal coal operations which consisted of the New Vaal, New Denmark and Kriel collieries, as well as four closed collieries, all in South Africa, (together, the "Eskom tied operations") by Anglo Operations Proprietary Limited and AAIC to a wholly owned subsidiary of Seriti Resources Holdings Proprietary Limited, for a consideration payable as at January 1, 2017 of ZAR2.3 billion (approximately US\$164 million). The sale was completed on March 1, 2018.

Disposal of New Largo

On August 1, 2018, the Group completed the sale of New Largo in South Africa, by its 73%-held subsidiary AAIC, to the New Largo Coal Proprietary Limited, which is owned by Seriti Resources Proprietary Limited and Coalzar Proprietary Limited, two companies majority owned and controlled by HDSAs and the IDC.

Aquila life extending project

On July 25, 2019, the Group announced the approval by its Board of the Aquila project to extend the life of the Capcoal underground hard coking coal operations in Queensland, Australia by six years, to 2028. With an expected attributable capital cost of US\$226 million, development work began in September 2019, with first longwall production of premium quality hard coking coal planned for early 2022.

Moranbah North-Grosvenor ownership equalization

On November 27, 2019, the Group announced the entry into an agreement providing for equalization of ownership across its integrated metallurgical coal operations at Moranbah North and Grosvenor, in Queensland, Australia. The long-established Moranbah North mine and processing operation is 88% owned by Anglo American, with 12% owned by a consortium of Japanese companies (Nippon Steel Corporation, Mitsui & Co., Ltd, Nippon Steel Trading Corporation, Shinsho Corporation and JFE Mineral Co., Ltd). The neighbouring Grosvenor mine was wholly owned by Anglo American and came onstream in 2016. The Grosvenor mine uses Moranbah North's coal processing infrastructure, therefore the Group sought to replicate the ownership structure of Moranbah North at Grosvenor, through the agreed sale of a 12% interest in the Grosvenor mine to the same consortium partners, in order to align the interests of all of the owners. The transaction completed on December 18, 2020.

Nickel and Manganese

Business Overview

The Nickel and Manganese operations both provide ingredients for stainless and alloy steels. They are located in Brazil (Nickel), as well as South Africa and Australia (Manganese).

Nickel

Our nickel assets are wholly owned, consisting of two ferronickel production sites: Barro Alto and Codemin. Our Nickel business produces around 45,000 tonnes per annum of ferronickel, whose primary end use is in the global stainless steel industry.

In 2020, the average LME nickel price of 625 c/lb was 1% lower than the prior year as the impact of COVID-19 on demand in the first half was offset by the subsequent easing of restrictions, notably in China. Nickel consumption in batteries (electric vehicles and energy storage) was particularly robust, reflecting demand for metals supporting the transition to a lower carbon economy. However, the realised price decreased by 10%, principally owing to the increased ferronickel discount, driven by the higher LME nickel price at the end of 2019.

Manganese

In Manganese, we have a 40% interest in Samancor (managed by South32, which holds 60%) with operations based in South Africa and Australia. Samancor is the world's largest producer of manganese ore and is among the top global producers of manganese alloy.

The average benchmark price for manganese ore (Metal Bulletin 44% manganese ore CIF China) was US\$4.67/dmtu, a decrease of 16% (2019: US\$5.58/dmtu). In the first half of 2020, COVID-19-related mining operation shutdowns in South Africa led to lower supply and higher manganese ore prices. In the second half of 2020, manganese ore prices eased as South African supply volumes returned to close to pre-COVID-19 levels.

Other Recent Developments

Disposal of TEMCO

On August 13, 2020, South32 announced that GEMCO, owned by Samancor, had entered into a binding agreement for the sale of its shareholding in TEMCO to an entity within GFG Alliance (“GFG”). Completion of the transaction was announced on January 4, 2021, with GFG making a nominal payment to GEMCO to acquire 100% of the shares in TEMCO. As a condition to the completion of the transaction, the parties entered into an ore supply agreement from GEMCO to TEMCO.

Crop Nutrients

Business Overview

Anglo American is developing the Woodsmith project in the north east of England to access the world’s largest known deposit of polyhalite, a natural mineral fertiliser product containing potassium, sulphur, magnesium and calcium. The Woodsmith mine is being constructed approximately three kilometres south of Whitby where polyhalite ore will be extracted via two 1.6 kilometre deep mine shafts and transported to the port at Teesside on a conveyor belt system in a 37 kilometre underground tunnel, thereby minimising impact on the surface above. It will then be granulated at a materials handling facility, with the majority of the product—known as POLY4—expected to be exported to a network of customers overseas from Anglo American's dedicated port.

Recent Developments

Following the completion of the acquisition of Sirius Minerals Plc on March 17, 2020, integration activities have progressed well and the development of the project has continued, with total capital expenditure of US\$292 million incurred in 2020.

By the end of December 2020, the excavation of the conveyor tunnel had reached almost 12 kilometres and continues to progress well. At the mine head, the first shaft-boring machine has been assembled within the service shaft and is being commissioned, while good progress is also being made on the production shaft. The impact of COVID-19 on the project’s development has been limited to date due to the successful implementation of appropriate health measures.

Following the acquisition, Anglo American initiated a detailed technical review of the project’s development plan with the objectives of optimising the project and aligning it with Anglo American’s technical and other standards. This review is nearing completion and confirms the high quality of the overall project design and development approach. Ahead of the scheduled mid-2021 Board update, in which we will present final capital and schedule estimates, we are refining two aspects of the project that we had allowed for in our investment case: we will likely bring forward the investment in additional ventilation to increase early production flexibility and we are working through the detailed scheduling of the two shaft installations. Total capital expenditure in 2021 is expected to be US\$0.5 billion, US\$0.2 billion higher than originally planned at the completion of the takeover. This investment reflects the good progress made in 2020 and the focus on certain critical-path items in 2021, including the continuation of the conveyor tunnel and site preparation for the processing facility, in addition to the ongoing shaft sinking programme.

Corporate and Other

Business Overview

This business segment includes the non-core businesses previously reported under Other Mining and Industrial.

Significant Transactions and Restructuring

US\$1 billion additional shareholder returns

On July 25, 2019, the Group announced its intention to return up to US\$1 billion to its shareholders through an on-market irrevocable and non-discretionary share buyback programme (the “Programme”). The Programme began on July 25, 2019 and was completed on March 2, 2020.

MINERAL PRODUCTION

This section provides the entire output of consolidated entities and the Group's attributable share of joint operations, associates and joint ventures where applicable, except for De Beers' joint operations which are presented on a 100% basis.

	Year ended December 31,		
	2018	2019	2020
	<i>(thousands of carats)</i>		
De Beers segment⁽¹⁾			
Debswana.....	24,132	23,254	16,559
Namdeb Holdings.....	2,008	1,700	1,448
DBCM.....	4,682	1,922	3,771
De Beers Canada.....	4,475	3,900	3,324
	<u>35,297</u>	<u>30,776</u>	<u>25,102</u>

(1) De Beers production is on a 100% basis, except for the Gahcho Kué joint venture which is on an attributable 51% basis.

	Year ended December 31,		
	2018	2019	2020
	<i>(tonnes)</i>		
Copper segment⁽¹⁾⁽²⁾			
Collahuasi (44% share).....	246,000	248,800	276,900
AA Sur — Los Bronces mine.....	369,500	335,000	324,700
AA Sur — El Soldado mine.....	52,700	54,200	45,800
Total attributable copper production.....	<u>668,300</u>	<u>638,000</u>	<u>647,400</u>

(1) Production is presented on a contained metal basis.

(2) Excludes Anglo American Platinum's copper production.

	Year ended December 31,		
	2018	2019	2020
	<i>(thousands of ounces, except where noted otherwise)</i>		
Platinum Group Metals segment			
<i>Produced ounces⁽¹⁾</i>			
PGMs (5e plus gold).....	5,187	4,441	3,809
<i>Refined⁽²⁾</i>			
Platinum.....	2,402	2,211	1,201
Palladium.....	1,502	1,481	905
Rhodium.....	293	293	174
Copper – Refined (tonnes).....	14,300	14,200	10,300
Nickel – Refined (tonnes).....	23,100	23,000	13,800
Gold.....	105	106	77

(1) Reflects own mine production and purchases of metals in concentrate.

(2) Excludes toll treated volumes.

	Year ended December 31,		
	2018	2019	2020
	<i>(thousands of tonnes)</i>		
Iron Ore segment			
Iron ore – Kumba.....	43,106	42,388	37,021
Iron ore – Minas-Rio ⁽¹⁾	3,382	23,115	24,082

(1) Wet basis.

	Year ended December 31,		
	2018	2019	2020
	<i>(thousands of tonnes)</i>		
Coal segment			
<i>Australia</i>			
Metallurgical – Export.....	21,830	22,852	16,822
Thermal – Export.....	1,381	1,411	2,021
<i>South Africa</i>			
Thermal – Export ⁽¹⁾	18,359	17,796	16,463
Thermal – Domestic (Eskom).....	2,826	—	—
Thermal – Domestic (Non-Eskom) ⁽²⁾	10,867	10,046	14,015
<i>Colombia</i>			
Thermal – Export.....	10,220	8,586	4,130

(1) Thermal export – All product produced and sold into the export market, and production sold domestically at export parity pricing and pre-commercial production volumes from Navigation section of Khwezela. Comparatives have been restated to reflect current presentation.

(2) Thermal domestic (Non-Eskom) includes Thermal – Domestic (Other). Thermal – Domestic (Other) includes Isibonelo and Rietvlei. Comparatives have been restated to reflect current presentation.

	Year ended December 31,		
	2018	2019	2020
	<i>(thousands of tonnes)</i>		
Nickel and Manganese segment⁽¹⁾			
Nickel.....	42	43	44
Manganese ore ⁽²⁾	3,607	3,513	3,520
Manganese alloys ⁽²⁾⁽³⁾	157	137	81

(1) Excludes Anglo American Platinum's nickel production.

(2) Saleable production.

(3) Production includes medium carbon ferro-manganese.

INDUSTRY OVERVIEW

Global Markets

Global growth

The spread of COVID-19 and related societal restrictions had a significant negative impact on the global economy in 2020. The IMF estimates a 3.5% decline in global GDP for the year 2020 (2019: 2.8% growth). Transport, hospitality, catering and entertainment industries suffered the most in the pandemic. While less impacted by social distancing, manufacturing and logistics sectors were affected by supply chain disruptions, as well as reductions in demand. In China, commodity demand remained resilient owing to their early containment of the spread of the virus and it was the only major country – and one of only a few countries anywhere – to have delivered positive GDP growth in 2020, estimated by the IMF at 2.3%. Chinese growth was further supported by a strong recovery in exports to the U.S. and other traditional trading partners, as Chinese producers filled the supply gaps left by other COVID-19-hit exporters.

Other regions experienced significant contractions in economic activity, with continued high levels of virus transmission hampering key sectors, and unemployment remaining elevated. According to the IMF, in the U.S., GDP contracted by an estimated 3.4% in 2020; the Eurozone by 7.2%; Latin America by 7.4%; and India by 8.0%. In the countries where we have our major operations, South Africa contracted by 7.5%; Botswana by 9.6%; Chile by 6.0%; Brazil by 4.5% and Australia by 2.9%. Along with reductions in economic activity, emerging countries also saw weakening currencies against the US dollar. Rising commodity prices helped the South African rand and Chilean peso strengthen against the US dollar over the second half of the year. Despite the severe effect on demand, prices for a number of Anglo American's products performed better than in 2019. The COVID-19-related disruptions in South Africa, where there is a high concentration of platinum group metals supply, coupled with the strengthening of emissions regulations in the automotive sector, resulted in a strong price performance, notably for palladium and rhodium. Iron ore also outperformed compared with 2019, supported by strong China steel production and disruptions in Brazilian supply.

Please also see “Recent Developments—COVID-19 Pandemic” and “*Risk Factors—The emerging COVID-19 global pandemic has had a negative impact on worldwide economic activity and may continue to adversely affect our business*”.

The COVID-19 crisis has heightened numerous economic challenges, including greater levels of personal and government debt, increased unemployment, disruptions to supply chains and increased inequality. These factors may have a long-lasting impact on global economic output. Nevertheless, commodity demand is expected to remain supported by urbanisation and industrialisation of emerging economies, population growth, including the middle classes, and continued upgrading of infrastructure in advanced economies. The increasing momentum behind the decarbonisation agenda is likely to further benefit certain commodities exposed to electrification and technology trends, including copper, nickel and PGMs.

Trade and Politics

Global trade experienced significant challenges in 2020, with tendencies towards regionalisation. U.S.-China trade tensions intensified; trade barriers and sanctions were maintained, weighing on economic growth.

Commodity Review

Diamonds

The diamond industry started 2020 on a positive note as a result of improved consumer demand and retailer stocking at the end of 2019, but as COVID-19-related business and movement restriction led to store and factory closures, the diamond value chain came to a halt in the second quarter of 2020. In response, De Beers offered customers flexibility in purchasing their scheduled allocations which, in turn, led to a decrease in purchases and manufacturing levels at cutting centres. As the year progressed, this action helped to balance inventory levels, as

polished diamond manufacturing resumed, cutting and polishing recommenced gradually and the trade prepared for the end of year holidays selling season. These developments supported midstream sentiment and rough diamond purchases in the final quarter, as well as firmer polished and rough diamond prices. Overall, these developments contributed to the average rough price index for De Beers diamonds decreasing by 10% in 2020.

The outlook for diamonds continues to be linked to economic growth, consumer sentiment/habits and the evolving public health situation in the main diamond consumer geographies.

Platinum Group Metals (PGMs)

PGM prices performed particularly well in 2020, with palladium and rhodium both reaching record levels. Both metals benefited from tightening vehicle emissions legislation, which led to increased catalytic converter loadings, against a backdrop of low supply availability owing to COVID-19-related mine closures, particularly in South Africa.

Vehicle production, the key end-use sector for PGMs, was severely affected by the pandemic initially but recovered swiftly to pre-pandemic levels in the important Chinese market, while other regions were slower to recover. Platinum demand, which has less exposure to the Chinese auto-sector, where the majority of new vehicles are petrol-driven and therefore require palladium and rhodium loaded catalytic converters, recovered less well in the second half of 2020. China's relative importance to industrial consumption resulted in a reduced negative impact on this sector globally.

Palladium prices increased sharply at the start of 2020, rising from under US\$2,000/oz to a record US\$2,781/oz by mid-February. Although subsequently moderating, prices remained high at the end of the year by historical standards, with 2020 averaging US\$2,197/oz (2019: US\$1,539/oz). Rhodium also had a strong start to the year, rising to above US\$13,000/oz in February 2020, with renewed momentum in the second half resulting in the metal breaching a new record of US\$16,000/oz in November, and averaging US\$11,220/oz for the year as a whole (2019: US\$3,914/oz).

The platinum price in 2020 was broadly in line with 2019, averaging US\$885/oz compared with US\$864/oz in 2019. Total platinum demand, including automotive, industrial, jewellery and investment, declined to 5.4 million ounces (2019: 6.4 million ounces), net of recycling. Palladium demand reduced to 6.8 million ounces (2019: 8.0 million ounces). Primary supply of platinum decreased by 21% to 4.8 million ounces (2019: 6.1 million ounces), and palladium supply declined by 14% to 6.1 million ounces (2019: 7.1 million ounces).

Base metals

In 2020, copper experienced a very different first six months compared to the second half of the year. In the earlier period, refined consumption decreased by around 7%, while supply contracted by 2.5%, leading to a large surplus and the average price falling by 11% to 249 c/lb compared with the same period in the prior year. In contrast, the second half saw a strong recovery in demand, led by China, while supply remained constrained owing to the continued disruption caused by COVID-19 shutdowns. The copper price was further supported by positive sentiment in the U.S. following Biden's election victory and firmer global decarbonisation commitments – both considered positive for copper demand – and ended the year at 351 c/lb. Refined copper consumption decreased by 1.3% in 2020, while refined production increased by 1.5%, resulting in a rise in stock levels to 74 weeks of consumption by the end of the year (2019: 64 weeks). Despite this, the average price was slightly higher at 280 c/lb (2019: 272 c/lb).

Global nickel consumption fell by around 4% in 2020, primarily driven by a 14% decline in demand from non-stainless-steel applications. Stainless steel output decreased by 1.6%, though nickel consumption in stainless steel increased by a marginal 1%. The decrease in demand for the metal resulted in a 16% increase in nickel inventories to 1,537 kt (2019: 1,323 kt). The 1% decrease in the nickel price to 625 c/lb (2019: 632 c/lb) was less marked than expected, mainly due to improved market sentiment on the back of COVID-19 vaccine developments and optimism around growing global governmental support for the decarbonisation agenda.

Bulk commodities

Global crude steel production took a significant hit in the first half of 2020 in the wake of the COVID-19 pandemic. Key steelmaking regions such as Europe, the U.S. and Japan all saw greater than 30% year-on-year declines in steel output, while in April Indian steelmaking output fell by more than 60%. The steel industry outside of China subsequently began to recover, though significant capacity remained idled late into the year. Meanwhile, China, the world's biggest steel producer, increased output significantly on the back of government stimulus efforts. Overall, global crude steel production is estimated to have fallen by approximately 1% in 2020.

Hard coking coal (HCC) prices averaged US\$124/tonne on an FOB Australia basis, 30% lower than the prior year (2019: US\$177/tonne), primarily due to the impact of COVID-19 on demand from steel mills. Lower gas prices and import restrictions in China also impacted thermal coal, with the average FOB South Africa price decreasing by 10% to US\$65/tonne (2019: US\$72/tonne).

Iron ore showed resilience throughout the pandemic, with the average benchmark CFR China 62% Fe price increasing by 17% in 2020 to US\$109/tonne (2019: US\$93/tonne) and reaching US\$150/tonne in December 2020. Throughout the year, supply-side factors also contributed to higher prices, including congestion at Chinese ports, maintenance at export facilities and mines in Australia, and significant supply disruptions, primarily due to heavy rainfall in Brazil.

SELECTED FINANCIAL INFORMATION

The selected financial information for the Group set forth below as at or for each of the years ended December 31, 2020, 2019 and 2018 has been derived from, and should be read in conjunction with, the Group 2020 Consolidated Financial Statements, the Group 2019 Consolidated Financial Statements and the Group 2018 Consolidated Financial Statements and notes thereto, and incorporated by reference herein.

You should regard the selected financial data below only as an introduction and should base your investment decision on a review of this entire document, including the sections entitled “*Operating and Financial Review*” and “*Non-IFRS Financial Measures*”. The disclosures in this section include certain Alternative Performance Measures (“**APMs**”). For more information on the APMs please see “*Presentation of Financial Information*”.

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m unless otherwise stated)</i>		
Income statement measures			
Revenue	27,610	29,870	30,902
Group Revenue ⁽¹⁾	30,196	31,825	32,338
Operating profit before special items and remeasurement	5,231	6,327	6,687
Underlying EBIT ⁽¹⁾⁽²⁾	6,377	7,010	7,050
Underlying EBITDA ⁽¹⁾	9,161	10,006	9,802
Profit for the financial period	4,373	4,582	3,328
Underlying earnings ⁽¹⁾	3,237	3,468	3,135
Earnings/(loss) per share (US\$)			
Basic	2.80	2.81	1.69
Diluted	2.74	2.76	1.67
Dividends per share (U.S. cents)⁽³⁾			
Ordinary	100.00	109.00	100.00
Balance sheet measures			
Total assets	52,196	56,152	62,534
Medium and long-term borrowings	(8,371)	(9,744)	(12,317)
Net debt ⁽¹⁾	(2,848)	(4,626)	(5,575)
Cash flow measures			
Net cash inflows from operating activities	7,127	7,664	6,618
Net cash used in investing activities	(3,098)	(4,716)	(4,740)
Net cash used in from financing activities	(4,977)	(3,116)	(716)

(1) Definitions are set out in “Non-IFRS Financial Measures”.

(2) The reconciliation from underlying EBIT to underlying EBITDA is as follows:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m unless otherwise stated)</i>		
Income statement measures			
Underlying EBIT	6,377	7,010	7,050
Depreciation and amortization (including associates and joint ventures) ⁽⁴⁾	2,784	2,996	(2,752)
Underlying EBITDA	9,161	10,006	9,802

(3) Year-end dividends proposed in respect of the applicable year-ended December 31.

(4) Non-IFRS measure: depreciation and amortisation, including associates and joint ventures. Reconciliation to the closest IFRS measure, consolidated depreciation and amortisation, is disclosed in Note 2 of the 2019 Group Consolidated Financial Statements.

OPERATING AND FINANCIAL REVIEW

This “Operating and Financial Review” section is intended to convey management’s perspective on the Group’s operational performance and its financial performance as measured in accordance with IFRS. We intend this disclosure to assist investors in understanding and interpreting the financial statements incorporated by reference in this document. This section is based on and should be read in conjunction with the Group 2020 Consolidated Financial Statements, the Group 2019 Consolidated Financial Statements and the Group 2018 Consolidated Financial Statements, which are incorporated by reference into this document, as well as the “Presentation of Financial Information” section. In this analysis, all references to “2020” are to the year ended December 31, 2020, all references to “2019” or the “prior year” are to the year ended December 31, 2019 and all references to “2018” are to the year ended December 31, 2018.

The following discussion also contains trend information and forward-looking statements. Actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this document, particularly under “Forward-Looking Statements” and “Risk Factors”.

We make reference herein to certain non-IFRS financial information that is explained in “Non-IFRS Financial Measures”.

Overview

The Group’s underlying earnings in 2020, 2019 and 2018 were US\$3,135 million, US\$3,468 million and US\$3,237 million, respectively.

2020 underlying earnings were 10% below 2019 reflecting increased net finance costs, as well as a 2% decrease in underlying EBITDA and a higher proportion of earnings attributable to non-controlling interests.

2019 underlying earnings were 7% above 2018, reflecting increased earnings at Minas-Rio following the re-start in operations, as well as higher realized prices and favorable exchange rates, partially offset by diamond industry midstream weakness.

The reconciliation of profit for the financial period to underlying earnings is set out below:

	Year ended December 31,		
	2018	2019	2020
	(US\$m)		
Profit/(loss) for the financial period	4,373	4,582	3,328
Non-controlling interests	(824)	(1,035)	(1,239)
Profit/(loss) for the financial period attributable to equity shareholders of the Company	3,549	3,547	2,089
Operating special items ⁽¹⁾	(963)	49	1,000
Operating remeasurements ⁽¹⁾	125	102	56
Non-operating special items ⁽¹⁾	94	(7)	(513)
Financing special items and remeasurements ⁽¹⁾	134	6	8
Special items and remeasurements tax	326	(196)	346
Non-controlling interests on special items and remeasurements	(39)	(33)	72
Share of associates’ and joint ventures’ special items and remeasurements	11	—	77
Underlying earnings	3,237	3,468	3,135

(1) Before tax and non-controlling interests

The Group’s profit attributable to equity shareholders for 2020, 2019 and 2018 was US\$2,089 million, US\$3,547 million and US\$3,549 million respectively.

The US\$1,458 million decrease in profit attributable to equity shareholders from 2019 to 2020 was driven by an operating special items loss in 2020 of US\$1,000 million, principally consisting of net impairment charges of US\$589 million to operations at Barro Alto and impairment charges of South African thermal coal of US\$149 million.

2019 profit attributable to equity shareholders was flat compared to 2018, as increased underlying earnings from subsidiaries and joint operations were offset by lower income from associates and joint ventures, driven by lower manganese and coal prices, as well as the net impact of special items, principally impairments and impairment reversals.

Factors Affecting Results of Operations

The Group's results of operations and year-to-year comparability of its financial results are affected by a number of factors, including changes in commodity prices and exchange rates, production levels, cost pressures, acquisitions, divestments and accounting standards. In addition, the 2020 results were affected by the COVID-19 pandemic, mainly related to national lockdowns in southern Africa during the first half of the year.

Commodity Prices

The table below sets forth the average market prices for certain of our key commodities for the periods presented:

	Year ended December 31,		
	2018	2019	2020
Average prices for the period			
Copper (U.S. cents/lb) ⁽¹⁾	296	272	280
Platinum (US\$/oz) ⁽²⁾	880	864	885
Palladium (US\$/oz) ⁽²⁾	1,029	1,539	2,197
Rhodium (US\$/oz) ⁽³⁾	2,214	3,914	11,220
Iron ore (62% Fe CFR) (US\$/tonne) ⁽⁴⁾	69	93	109
Iron ore (66% Fe Concentrate CFR) (US\$/tonne) ⁽⁵⁾	95	104	120
Hard coking coal (FOB Australia) (US\$/tonne) ⁽⁴⁾	207	177	124
PCI (FOB Australia) ⁽⁴⁾	136	110	78
Thermal coal (FOB South Africa) (US\$/tonne) ⁽⁶⁾	98	72	65
Thermal coal (FOB Australia) (US\$/tonne) ⁽⁷⁾	107	78	60
Thermal coal (FOB Colombia) (US\$/tonne) ⁽⁶⁾	85	54	48
Nickel (U.S. cents/lb) ⁽¹⁾	595	632	625
Manganese ore (44% CIF China) (US\$/dmu) ⁽⁵⁾	7.24	5.58	4.67

(1) Source: London Metal Exchange (LME).

(2) Source: London Platinum and Palladium Market (LPPM).

(3) Source: Johnson Matthey/Comdaq.

(4) Source: Platts.

(5) Source: Metal Bulletin.

(6) Source: Argus/McCloskey.

(7) Source: globalCOAL.

For further discussion on contributing factors to changes in commodity prices, see “*Industry Overview—Commodity Review*”.

Set forth below is the impact on 2020 underlying earnings of a 10% fluctuation in the prices for certain of the Group's key commodities. These sensitivities reflect movement of an individual commodity price in isolation and

are offered for illustrative purposes. In reality the combination of movements in commodity prices, exchange rates and interest rates will result in a different outcome.

	Year ended December 31, 2020 10% sensitivity (US\$m)⁽⁴⁾
Iron ore ⁽¹⁾	+/-399
Hard coking coal	+/-95
Thermal coal ⁽²⁾	+/-64
Copper ⁽³⁾	+/-191
Nickel	+/-52
Platinum	+/-34
Palladium.....	+/-85

(1) Sensitivity reflects the impact of a 10% change in the average price across lump and fine.

(2) Sensitivity reflects the impact of a 10% change in South African thermal coal prices.

(3) Sensitivity excludes the impact of provisionally priced copper.

(4) Stated after tax at marginal rate. Sensitivities are the average of the positive and negative and reflect the impact of a 10% change in the average prices achieved during 2020. Increases in commodity prices increase underlying earnings and vice versa.

Average market prices for the Group's basket of commodities and products increased from 2019 to 2020 by 7%, contributing US\$2.2 billion of improvement to underlying EBITDA. The price achieved for the PGMs basket increased by 51%, largely due to rhodium and palladium, which recorded increases of 179% and 46% respectively, while the realised price for iron ore and copper increased by 23% and 10% respectively. These were partly offset by a 34% reduction in the weighted average realised price for metallurgical coal.

The table below sets forth the spot market prices for certain of our key commodities at period end:

Period end prices	As at December 31,		
	2018	2019	2020
Copper (U.S. cents/lb) ⁽¹⁾	270270	279	351
Platinum (US\$/oz) ⁽²⁾	794	971	1,075
Palladium (US\$/oz) ⁽²⁾	1,263	1,920	2,3705
Rhodium (US\$/oz) ⁽³⁾	2,445	6,050	17,000
Iron ore (62% Fe CFR) (US\$/tonne) ⁽⁴⁾	73	92	159
Iron ore (66% Fe Concentrate CFR) (US\$/tonne) ⁽⁵⁾	91	106	177
Hard coking coal (FOB Australia) (US\$/tonne) ⁽⁴⁾	220	140	103
PCI (FOB Australia) ⁽⁴⁾	122	87	92
Thermal coal (FOB South Africa) (US\$/tonne) ⁽⁶⁾	97	87	91
Thermal coal (FOB Australia) (US\$/tonne) ⁽⁷⁾	103	66	84
Thermal coal (FOB Colombia) (US\$/tonne) ⁽⁶⁾	79	47	60
Nickel (U.S. cents/lb) ⁽¹⁾	481	635	750
Manganese ore (44% CIF China) (US\$/dmu) ⁽⁵⁾	6.85	4.20	4.27

(1) Source: London Metal Exchange (LME).

(2) Source: London Platinum and Palladium Market (LPPM).

(3) Source: Johnson Matthey/Comdaq.

(4) Source: Platts.

(5) Source: Metal Bulletin.

(6) Source: Argus/McCloskey.

(7) Source: globalCOAL.

The Group’s policy is generally not to hedge exposure to commodity prices. This is discussed further under “—Financial Risk Exposure and Management”. Please also see “Risk Factors—The COVID-19 global pandemic has had a negative impact on worldwide economic activity and may continue to adversely affect our business”.

Exchange Rates

The Group’s results are influenced by a variety of currencies (the most important of which are listed in the table below) owing to its geographical diversity and because we sell our products principally in U.S. dollars but incur most of our costs in local currencies.

The table below sets forth the average exchange rates for certain of our key currencies with respect to the U.S. dollar for the periods presented. The average exchange rate has been determined using the end of day Bloomberg rates averaged for the period.

	Year ended December 31,		
	2018	2019	2020
Average spot prices for the period	<i>(per U.S. dollar)</i>		
South African rand.....	13.25	14.45	16.46
Brazilian real.....	3.65	3.95	5.16
British pound	0.75	0.78	0.78
Australian dollar	1.34	1.44	1.45
Euro	0.85	0.89	0.88
Chilean peso	642	703	792
Peruvian Sol.....	3.29	3.34	3.50
Botswanan pula.....	10.18	10.77	11.42
Closing spot prices			
South African rand.....	14.38	14.03	14.69
Brazilian real.....	3.88	4.02	5.19
British pound	0.78	0.76	0.73
Australian dollar	1.42	1.43	1.30
Euro	0.87	0.89	0.81
Chilean peso	694	752	712
Peruvian Sol.....	3.37	3.32	3.62
Botswanan pula.....	10.71	10.60	10.80

Set forth below is the impact for 2020 underlying earnings of the Group of a 10% fluctuation in certain exchange rates. These sensitivities reflect movement of an individual exchange rate in isolation and are offered for illustrative purposes. In reality, the combination of movements in commodity prices, exchange rates and interest rates will result in a different outcome.

	Year ended December 31, 2020 10% sensitivity <i>(US\$m)⁽¹⁾</i>
South African rand/U.S. dollar ⁽²⁾	+/-196
Australian dollar/U.S. dollar ⁽²⁾	+/-173
Chilean peso/U.S. dollar ⁽²⁾	+/-35
Brazilian real/U.S. dollar ⁽²⁾	+/-61

- (1) Excludes the effect of any hedging activities. Stated after tax at marginal rate.
- (2) A strengthening of the South African rand, Australian dollar, Chilean peso and Brazilian real relative to the U.S. dollar reduces underlying earnings and vice versa.

In 2020, the impact of foreign exchange on Underlying EBITDA of US\$0.9 billion was largely due to weaker South African rand, Brazilian real and Chilean peso. In 2019, the impact of foreign exchange on Underlying EBITDA of US\$0.8 billion was largely due to the weaker South African rand, Australian dollar and Brazilian real.

Input Costs and Effects of Inflation

The mining industry continues to experience price inflation for costs of inputs used in production, which leads to higher production costs reported by many mining companies, including the Group which has experienced generally higher production costs across its operations.

Commodity prices are determined principally by international markets and global supply and demand and the Group is unable to control the prices at which it sells the commodities it produces. Accordingly, in the event of significant inflation in input costs, particularly labor and power costs, without a concurrent devaluation of the local currency or an increase in commodity prices, there could be a material adverse effect on the Company's results of operations and financial condition.

In 2020, the Group's weighted average CPI was 2.9%, compared with 3.3% in 2019. This was principally influenced by a decrease in inflation in South Africa. The impact of inflation on costs reduced underlying EBITDA by \$0.4 billion.

Divestments

We have undertaken a number of significant transactions since the beginning of 2015, including several that were entered into for the purpose of actively restructuring the Group in order to improve our portfolio and strengthen our financial position.

The transformation of our portfolio is well advanced, moving from 68 assets in 2013 to 35 at the end of December 2020. We will continue to refine and upgrade our asset portfolio on an ongoing basis in order to ensure that our capital is deployed effectively. For further discussion of major divestment transactions, see "*Business Description—Strategy*". The table below summarizes the key divestments since January 1, 2018.

<u>Operation</u>	<u>Segment</u>	<u>Date</u>	<u>Further information (including proceeds)</u>
Union Mine and MASA Chrome Company Proprietary Limited	Platinum	February 1, 2018	<i>Business Description—Platinum—Significant Transactions and Restructuring—Disposal of Union Mine and MASA Chrome Company Proprietary</i>
Drayton	Coal	February 26, 2018	<i>Business Description—Coal—Significant Transactions and Restructuring—Disposal of Drayton mine</i>
Eskom-tied domestic coal operations	Coal	March 1, 2018	<i>Business Description—Coal—Significant Transactions and Restructuring—Disposal of Eskom-tied domestic thermal coal operations</i>
Royal Bafokeng Platinum	Platinum	April 24, 2018	<i>Business Description—Platinum—Significant Transactions and Restructuring—Disposal of 11% interest in Royal Bafokeng Platinum</i>
Bafokeng Rasimone	Platinum	July 5, 2018	<i>Business Description—Platinum—Significant Transactions and Restructuring—Bafokeng Rasimone disposal</i>
New Largo	Coal	August 1, 2018	<i>Business Description—Coal—Significant Transactions and Restructuring—Disposal New Largo</i>
Thabazimbi Mine	Iron Ore	November 1, 2018	<i>Business Description—Iron Ore—Significant Transactions and Restructuring—Disposal of Thabazimbi Mine</i>

Results Of Operations for the Years Ended December 31, 2020, 2019 and 2018

The table below summarizes the Group's income statement and certain other measures for the periods indicated and should be read in conjunction with, and is qualified in its entirety by reference to, the Group 2020 Consolidated Financial Statements, the Group 2019 Consolidated Financial Statements and Group 2018 Consolidated Financial Statements and notes thereto, which are incorporated by reference into this document.

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m)</i>		
Income statement			
Revenue	27,610	29,870	30,902
Total operating costs before special items and remeasurements	(22,379)	(23,543)	(24,215)
Operating profit before special items and remeasurements	5,231	6,327	6,687
Operating special items	963	(49)	(1,000)
Operating remeasurements	(125)	(102)	(56)
Operating profit	6,069	6,176	5,631
Non-operating special items	(94)	7	513
Share of net income from associates and joint ventures ⁽¹⁾	728	389	103
Total profit from operations and associates	6,703	6,572	6,247
Net finance costs before financing special items and remeasurements	(380)	(420)	(775)
Financing special items and remeasurements	(134)	(6)	(8)
Profit before tax	6,189	6,146	5,464
Income tax expense	(1,816)	(1,564)	(2,136)
Profit for the financial year	4,373	4,582	3,328
Underlying EBIT	6,377	7,010	7,050
Underlying earnings	3,237	3,468	3,135
Dividends per share (U.S. cents)⁽²⁾			
Ordinary	100.0	109.0	100.0
Balance sheet			
Total assets	52,196	56,152	62,534
Net assets	29,832	31,385	32,766
Total share capital	5,130	5,111	5,107
Net debt	(2,848)	(4,626)	(5,575)

(1) Associates' EBIT is reconciled to "Share of net income from associates and joint ventures" as follows:

Revenue	2,586	1,955	1,436
Operating costs (before special items and remeasurements)	(1,440)	(1,272)	(1,073)
Associates' and joint ventures' underlying EBIT	1,146	683	363
Net finance costs	(15)	(31)	(22)
Income tax expense	(380)	(258)	(158)
Non-controlling interests	(12)	(5)	(3)
Share of net income from associates and joint ventures (before special items and remeasurements)	739	389	180
Special items and remeasurements	—	—	(79)
Special items and remeasurements tax	(11)	—	2
Share of net (loss)/income from associates and joint ventures	728	389	103

(2) Interim and year-end dividends proposed in respect of the applicable year-ended December 31 2020.

Revenue

Group Revenue for 2020, 2019 and 2018 was US\$30,902 million, US\$29,870 million and US\$27,610 million respectively. The 3% increase from 2019 to 2020 was principally driven by increased prices across the Group, particularly in PGMs and iron ore, as well as higher third-party sales in copper. The 8% increase from 2018 to 2019 was principally driven by increased prices across the Group, particularly in iron ore and PGMs.

Total Operating Costs

Total operating costs before operating special items and remeasurements for 2020, 2019 and 2018 were US\$24,215 million, US\$23,543 million and US\$22,379 million, respectively. The 3% increase in operating costs from 2019 to 2020 was principally driven by input cost inflation, including labour costs, energy costs and the natural effect of ore-grade degradation. The 5% increase in operating costs from 2018 to 2019 was principally driven by higher production volumes and input cost inflation.

Operating Special Items and Remeasurements

Operating special items (before tax and non-controlling interest) in 2020, 2019 and 2018 amounted to a US\$1,000 million loss, US\$49 million loss and a US\$963 million gain, respectively, and operating remeasurements were losses of US\$56 million, US\$102 million and US\$125 million, respectively.

The operating special items loss in 2020 of US\$1,000 million principally consists of net impairment charges of US\$589 million to operations at Barro Alto and the impairment charges of South African thermal coal of US\$149 million.

The operating special items loss in 2019 of US\$49 million principally consists of net impairment related credits of US\$131 million (principally comprising the impairment reversals of Minas-Rio of US\$1,033 million and the impairment charges of South African thermal coal of US\$585 million, Cerrejón of US\$334 million and Corporate assets of US\$30 million, and a loss of US\$180 million relating to the cost of terminating a long-term power supply contract in Copper.

The operating special items gain in 2018 of US\$963 million principally consists of net impairment related credits of US\$1,043 million (principally the impairment reversals of Moranbah North-Grosvenor and Capcoal operations by US\$876 million and US\$266 million respectively offset by the write-off of assets in De Beers' South African operations that are no longer expected to generate future economic benefit of US\$99 million) and a loss of US\$80 million relating to the cost to the Group of the transfer of liabilities and liquidations of a South African pension scheme.

Non-Operating Special Items

Non-operating special items (before tax and non-controlling interest) in 2020, 2019 and 2018 amounted to a US\$513 million gain, US\$7 million gain, and a US\$94 million loss, respectively.

The 2020 non-operating special items include US\$532 million gain principally relating to contingent consideration adjustments in respect of disposals of the Group's interests in Rustenburg and Union (Platinum Group Metals) completed in 2016 and 2018 respectively.

The 2019 non-operating special items include an impairment charge of US\$59 million relating to the announced equalization of ownership across the Group's integrated metallurgical coal operations at Moranbah North and Grosvenor in Australia (Coal). On entering into an agreement for the sale of a 12% interest in the Grosvenor mine to the same consortium partners for cash proceeds of US\$141 million, an impairment charge of US\$59 million was recorded to bring the carrying amount of the related net assets into line with its fair value less costs to sell based on the fair value of the sales consideration. Non-operating special items further included adjustments relating to former operations in respect of disposals completed in prior periods of US\$48 million gain, a US\$23 million gain on adjustments relating to business combinations in prior years and BEE transaction charges of US\$13 million.

The 2018 non-operating special items include an impairment of US\$85 million to the Group's investment in Bafokeng-Rasimone Platinum Mine, bringing its carrying value into line with its fair value less costs of disposal following the agreement to sell the investment, and a loss on disposal of US\$71 million on the disposal of the Group's interest in the Union platinum mine and Masa Chrome Company Proprietary Limited (Platinum Group Metals), partially offset by a gain on disposal of US\$84 million on the disposal of the Eskom-tied domestic coal operations in South Africa, and a gain on disposal of US\$34 million on the disposal of the Group's 88.17% interest in the Drayton mine (Coal). Non-operating special items further included adjustments relating to former operations in respect of disposals completed in prior periods of US\$18 million and BEE transaction charges of US\$36 million.

Share of Net Income from Associates and Joint Ventures

Our share of net income from associates and joint ventures in 2020, 2019 and 2018 was US\$103 million, US\$389 million and US\$728 million, respectively.

The US\$286 million decrease from 2019 to 2020 was principally due to decrease in net income from Samancor Holdings (see “—*Nickel and Manganese*”), Cerrejón (see “—*Coal*”) and Jellinbah (see “—*Coal*”) which in turn was driven by lower earnings: a US\$161 million, US\$84 million and US\$79 million decrease, respectively.

Net Finance Costs before Financing Special Items and Remeasurements

Net finance costs before financing special items and remeasurements in 2020, 2019 and 2018 were US\$775 million, US\$420 million and US\$380 million, respectively.

The increase from 2019 to 2020 of US\$355 million was principally driven by fair value losses on the revaluation of deferred consideration balances at PGMs relating to the Mototolo acquisition.

Financing Special Items and Remeasurements

Financing special items and remeasurements in 2020, 2019 and 2018 were losses of US\$8 million, US\$6 million and US\$134 million, respectively.

Financing special items and remeasurements in 2020 principally comprised a net fair value loss of US\$31 million in respect of bond buybacks completed in the year, offset by net gains on derivatives hedging net debt and fair value and currency movements on the related borrowings of US\$23 million.

Income Tax Expense before Special Items and Remeasurements

Income tax expense before special items and remeasurements in 2020, 2019 and 2018 was US\$1,790 million, US\$1,760 million and US\$1,490 million, respectively. Income tax expense is a function of profit before tax and the tax rates applicable in the various geographic locations in which the Group operates.

The effective rate of tax, before special items and remeasurements (including share of associates' tax before special items and remeasurements) – i.e. the underlying effective tax rate, in 2020, 2019 and 2018 was 31.2%, 30.8% and 31.3%, respectively.

The increase in the underlying effective tax rate from 2019 to 2020 was principally driven by the relative levels of profits arising in the Group's operating jurisdictions. The decrease in the underlying effective tax rate from 2018 to 2019 was principally driven by the relative levels of profits arising in the Group's operating jurisdictions.

Associates' and joint ventures' tax included within Net income from associates and joint ventures for the year ended December 31, 2020 is a charge of US\$156 million (2019: charge of US\$258 million). Excluding special items and remeasurements, this becomes a charge of US\$158 million (2019: charge of US\$258 million).

The table below summarizes the Group's tax expense before special items and remeasurements for the periods indicated.

	Year ended December 31, 2018			Year ended December 31, 2019			Year ended December 31, 2020		
	Before special items and remeasurements	Associates' and joint ventures' tax and non-controlling	Calculation of underlying effective tax rate	Before special items and remeasurements	Associates' and joint ventures' tax and non-controlling	Calculation of underlying effective tax rate	Before special items and remeasurements	Associates' and joint ventures' tax and non-controlling	Calculation of underlying effective tax rate
	<i>(US\$m)</i>								
Profit before tax	5,590	392	5,982	6,296	263	6,559	6,092	161	6,253
Tax	(1,490)	(380)	(1,870)	(1,760)	(258)	(2,018)	(1,790)	(158)	(1,948)
Profit for the financial year	4,100	12	4,112	4,536	5	4,541	4,302	3	4,305
Effective tax rate including associates			31.3 %			30.8 %			31.2 %

(1) This corresponds to the share of associates and joint ventures tax and non-controlling interests, presented net but not disclosed separately on the income statement.

Income Tax Expense – Special Items and Remeasurements

For 2020, of the total tax charge of US\$346 million, there is a net current tax credit of US\$32 million (2019: credit of US\$56 million) and a net deferred tax charge of US\$378 million (2019: credit of US\$140 million).

Tax on special items and remeasurements includes a tax remeasurement charge of US\$418 million and tax on special credit of \$72 million principally arising on Brazilian deferred tax s (2019: tax remeasurements charge of \$406 million and credit of \$602 million principally arising on Brazilian deferred tax).

Profit for the Financial Year

Profit for the financial years 2020, 2019 and 2018 was US\$3,328 million, US\$4,582 million and US\$4,373 million, respectively. The year on year movements are explained by reference to the movements of the component parts which are discussed above.

Business Segment Discussion — Full-Year Ended December 31, 2020, 2019 and 2018,

In this section, Group Revenue and underlying EBIT include the Group's share of revenue and EBIT from associates and joint ventures and excludes special items and remeasurements, unless otherwise stated. Capital expenditure relates to cash expenditure on property, plant and equipment in the year presented.

The table below sets forth the Group's underlying EBIT by business segment for the years presented:

	Year ended December 31, 2018		Year ended December 31, 2019		Year ended December 31, 2020	
		%		%		%
	<i>(US\$m unless otherwise stated)</i>					
De Beers	694	10.9	168	2.4	—	—
Copper	1,234	19.4	960	13.7	1,227	17.4
Platinum	705	11.1	1,672	23.9	2,270	32.2
Iron Ore	747	11.7	2,952	42.1	4,091	58.0
Coal	2,538	39.8	1,010	14.4	(632)	(9.0)
Nickel and Manganese	685	10.7	477	6.8	324	4.6
Crop Nutrients	—	—	—	—	1	—
Corporate and Other	(226)	(3.5)	(229)	(3.3)	(231)	(3.3)

De Beers

The following table summarizes the results of operations of De Beers for the years indicated:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m unless otherwise stated)</i>		
Group Revenue (including attributable share of associates' and joint ventures' revenue)	6,082	4,605	3,378
Underlying EBIT	694	168	—
Underlying EBITDA	1,245	558	417
Capital employed	8,349	8,800	8,967
Capital expenditure ⁽¹⁾	417	567	381
Share of Group EBIT	11 %	2 %	— %
Share of Group capital employed	26 %	25 %	24 %
Total production (thousand carats) – 100% basis ⁽²⁾	35,297	30,776	25,102

(1) Capital expenditure is defined as cash expenditure on property, plant and equipment, including related derivatives, and is presented net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests in order to match more closely the way in which it is managed.

(2) Except for Gahcho Kué, from which the Group's 51% attributable share is included.

The Group's share of underlying EBIT from De Beers in 2020, 2019 and 2018 was US\$0 million, US\$168 million and US\$694 million, respectively.

De Beers' underlying EBIT in 2020 was US\$0 million, which was principally driven by difficult market conditions due to COVID-19. This caused lower sales and a reduction in the rough price index, reducing margins in both the mining and trading business, particularly in the first half of the year. This was partly offset by cost saving measures and favourable FX rates. De Beers' underlying EBIT in 2019 reduced by 76%, which was principally driven by midstream challenges as a result of the carry-over of higher polished inventories from 2018 and caution due to macro-economic uncertainty. This resulted in a decline in the price index, which in conjunction with a lower value sales mix in response to the weaker demand for higher value diamonds curtailed both mining and trading margins. The reduction in underlying EBIT was partially offset by improved efficiencies and cost savings.

The Group's share of De Beers' revenue was US\$3,378 million, US\$4,605 million and US\$6,082 million for 2020, 2019 and 2018 respectively. The 27% decrease from 2019 to 2020 was principally driven by the challenging market conditions resulting from the COVID-19 pandemic, with rough diamond sales decreasing by 30% to US\$2.8 billion (2019: US\$4.0 billion). The 24% decrease from 2018 to 2019 was principally driven by challenging trading conditions, with rough diamond sales decreasing by 26% to US\$4.0 billion (2018: US\$5.4 billion). During the year, the average rough price index declined by 6%, in response to the weaker demand for rough diamonds. Stronger demand for lower-value rough diamonds and a weaker demand for higher value diamonds, together with the reduction in the rough price index, resulted in a 20% reduction in average realized price to US\$137/ct (2018: US\$171/ct). Retail revenue also decreased, driven primarily by a decline in high value jewellery sales at De Beers Jewellers, due to global economic uncertainty and some very high value stone sales in 2018.

Total De Beers rough diamond production on a 100% basis (with the exception of the Gahcho Kué joint venture, which is on an attributable 51% basis) was 25.1 million carats in 2020, 30.8 million carats in 2019 and 35.3 million carats in 2018. The 18% decrease from 2019 to 2020 was principally driven by lower demand due to the pandemic and COVID-19-related shutdowns in southern Africa during the first half of the year. The 13% decrease from 2018 to 2019 was principally driven by a reduction in South African production a result of the transition from open pit to underground. While trading conditions have improved somewhat since the third quarter of the year, production reduced in response to softer rough diamond demand conditions compared with 2018.

In 2020, Botswana (Debswana) production decreased by 29% to 16.6 million carats from 23.3 million carats. In 2020, production at Jwaneng decreased by 40% to 7.5 million carats (2019: 12.5 million carats). At Orapa, production decreased by 16% to 9.0 million carats (2019: 10.8 million carats). This was largely due to a nationwide lockdown in the first half of the year and the planned treatment of lower grade material in response to the lower demand. In Namibia (Namdeb Holdings), production decreased by 15% to 1.4 million carats in 2020 (2019: 1.7 million carats). Production from the marine operation was 13% lower, driven by the suspension of marine mining during part of the third quarter in response to lower demand. Production at the land operation decreased by 21% to 0.3 million carats in 2020 (2019: 0.4 million carats) principally as a result of the COVID-19-related shutdown. In South Africa (DBCM), production increased by 96% to 3.8 million carats (2019: 1.9 million carats) primarily due to increased grade from the last cut of the open pit which more than offset the reductions from the national shutdown in the first half of the year. In Canada, production decreased by 15% to 3.3 million carats in 2020 (2019: 3.9 million carats) principally reflecting Victor reaching the end of its life in the first half of 2019.

In 2019, Botswana (Debswana) production decreased by 4% to 23.3 million carats (2018: 24.1 million carats). In 2019, production at Jwaneng increased by 5% to 12.5 million carats (2018: 11.9 million carats) as throughput rose to partly offset a 12% decrease at Orapa to 10.8 million carats (2018: 12.2 million carats) owing to a delay in an infrastructure project and expected lower grades. In Namibia (Namdeb Holdings), production decreased by 15% to 1.7 million carats in 2019 (2018: 2.0 million carats). Production from the marine operation was 10% lower, principally due to routine planned vessel maintenance. Production at the land operations decreased by 29% to 0.4 million carats in 2019 (2018: 0.6 million carats) as a result of placing Elizabeth Bay onto care and maintenance in December 2018. In South Africa (DBCM), production decreased by 59% to 1.9 million carats (2018: 4.7 million carats), as the mining sequence in the final years of the Venetia open-pit requires higher volumes of waste to be mined so that the last remaining ore can be accessed. Production at Voorspoed ceased following the operation being placed onto care and maintenance in the final quarter of 2018. In Canada, production decreased by 13% to 3.9 million carats in 2019 (2018: 4.5 million carats) principally due Victor reaching end of life during the first quarter of 2019, resulting in a 55% decrease in output to 0.4 million carats (2018: 0.9 million carats). Gahcho Kué maintained output at 3.5 million carats (2018: 3.5 million carats), with a planned grade reduction offset by strong plant performance.

Copper

The following table summarizes the results of operations of the Copper business segment and average market price for copper for the years indicated:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m unless otherwise stated)</i>		
Group Revenue (including attributable share of associates' and joint ventures' revenue)	5,168	5,840	7,176
Underlying EBIT	1,234	960	1,227
Underlying EBITDA	1,856	1,618	1,864
Capital employed	6,463	8,238	9,128
Capital expenditure ⁽¹⁾	703	1,078	1,443
Share of Group underlying EBIT	19 %	14 %	17 %
Share of Group capital employed	20 %	23 %	24 %
Production (kilotonnes) ⁽²⁾	668.3	638.0	647.4
Copper (U.S. cents/lb) ⁽³⁾	296	272	280

(1) Of the total capital expenditure in FY2020 of US\$1,443 million, US\$788 million (2019: US\$494 million), relates to the Quellaveco project and is presented on an attributable basis after deducting direct funding from non-controlling interests. FY2020 capital expenditure in relation to the Quellaveco project on a 100% basis was US\$1,314 million, of which the Group's 60% share is US\$788 million. 2019 capex on a 100% basis was US\$1,338 million, of which US\$515 million was funded by cash from the Mitsubishi syndication transaction in 2018. Of the remaining US\$823 million, the Group and Mitsubishi funded their respective 60% and 40% shares via shareholder loans. FY2018 capital expenditure in relation to the Quellaveco project, on a 100% basis was US\$505 million. US\$187 million was spent prior to project approval on 26 July, 2018, of which Anglo American funded US\$131 million and Mitsubishi funded US\$56 million. A further US\$318 million was spent post-approval, of which Anglo American's 60% share was funded from the Mitsubishi syndication transaction and hence is not included in the reported capital expenditure.

(2) Total Copper segment production represents 100% of production for all operations except Collahuasi which represents 44%.

(3) Average LME price.

Copper business segment underlying EBIT in 2020, 2019 and 2018 was US\$1,227 million, US\$960 million and US\$1,234 million, respectively.

Underlying EBIT in 2020 increased by 28% primarily as a result of a 10% increase in the average realised copper price and record low unit costs.

Underlying EBIT in 2019 decreased by 22% primarily as a result of 5% lower production due to the ongoing severe drought conditions in Chile, mitigated to some extent by productivity improvements, including record copper in concentrate production at Collahuasi, and a 6% reduction in unit costs..

Group Revenue (including attributable share of associates' and joint ventures' revenue) in 2020, 2019 and 2018 were US\$7,176 million, US\$5,840 million and US\$5,168 million, respectively. Revenue increased by 23% from 2019 to 2020, principally driven by an increase in third-party sales and the increase in price towards the end of the year. Revenue increased by 13% from 2018 to 2019, also principally driven by an increase in third-party sales.

Sales of certain commodities are "provisionally priced" such that the price is not settled until a predetermined future date usually based on the average market price over a period defined in the contract. Revenue on these sales is initially recognized at the current market price and then marked to market until final settlement using the forward price for the period equivalent to that outlined in the contract (mark to market adjustments are recorded in revenue). A gain to revenue of US\$298 million was recorded in 2020 (2019: gain to revenue of US\$2 million, 2018: loss to revenue of US\$197 million) reflecting the favourable impact of provisionally priced sales, driven by the increase in price towards the end of the year .

At Los Bronces, production in 2020 decreased by 3% to 324,700 tonnes principally due to expected lower water availability and planned lower grades (2020:0.81% vs. 2019: 0.83%), partly offset by improved operational

performance. Production in 2019 decreased by 9% to 335,000 tonnes principally due to production losses owing to lower water availability due to unprecedented climate conditions.

At Collahuasi, Anglo American's attributable share of copper production was 276,900 tonnes in 2020, an increase of 11% principally due to improved plant performance as well as planned higher grades (2020: 1.24% vs. 2019: 1.19%). In 2019 Anglo American's attributable share of copper production was 248,800 tonnes, an increase of 1% principally due to planned lower grade (2019: 1.19% vs. 2018: 1.29%) fully compensated by a solid plant performance following the successful completion of planned three-month maintenance of Line 3 (responsible for 60% plant throughput) during the first half of the year.

Production at El Soldado decreased by 15% to 45,800 tonnes in 2020 due to planned lower grades (2020: 0.84% vs 2019: 0.93%) and water restrictions. Production increased by 3% to 54,200 tonnes in 2019 due to higher planned grades (2019: 0.93% vs 2018: 0.85%).

PGMs

The following table summarizes the results of operations of the Platinum business segment and the average basket price of metal sold for the years indicated:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m unless otherwise stated)</i>		
Group Revenue (including attributable share of associates' and joint ventures' revenue)	5,680	6,866	8,465
Underlying EBIT	705	1,672	2,270
Underlying EBITDA	1,062	2,000	2,555
Capital employed	4,058	4,045	4,967
Capital expenditure ⁽¹⁾	496	569	571
Share of Group EBIT	11%	24%	32%
Share of Group capital employed	13%	11%	13%
Platinum refined production (thousands of ounces)	2,402	2,211	1,201
Palladium refined production (thousands of ounces)	1,502	1,481	905
Rhodium refined production (thousands of ounces)	293	293	174
Average basket price (US\$/ PGM ounce)	1,030	1,347	2,035

(1) Capital expenditure is defined as cash expenditure on property, plant and equipment, including related derivatives, and is presented net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests in order to match more closely the way in which it is managed.

PGMs' business segment underlying EBIT in 2020, 2019 and 2018 was US\$2,270 million, US\$1,672 million and US\$705 million, respectively. The 36% increase from 2019 to 2020 was due to a 51% increase in the dollar basket price, driven primarily by higher prices for palladium and rhodium.

The 137% increase from 2018 to 2019 was largely a result of a 27% increase in the dollar basket price, driven primarily by palladium and rhodium.

Group Revenue (including attributable share of associates' and joint ventures' revenue) in 2020, 2019 and 2018 were US\$8,465 million, US\$6,866 million and US\$5,680 million, respectively. The 23% increase from 2019 to 2020 was principally due to the higher PGM basket price. The 21% increase from 2018 to 2019 was principally due strong PGM prices as stated above.

The average dollar price realized for the basket of metals sold by PGMs in 2020, 2019 and 2018 was US\$2,035, US\$1,347 and US\$1,030, per platinum ounce, respectively. The increase of 51% from 2019 was due to a 43% increase in the average palladium market price and a 187% increase in the average rhodium market price. The 31% increase from 2018 was due to a 50% increase in the average palladium price and a 77% increase in the average rhodium price, principally driven by automotive demand resulting from tighter emissions regulations in key markets.

The average market price for platinum in 2020, 2019 and 2018 was US\$885, US\$864 and US\$880 per ounce, respectively. The average market price for palladium in 2020, 2019 and 2018 was US\$2,197, US\$1,539, US\$1,029 and US\$871 per ounce, respectively. The average market price for rhodium in 2020, 2019 and 2018 was US\$11,220, US\$3,914 and US\$2,214 per ounce, respectively. The average market price for gold in 2020, 2019 and 2018 was US\$1,770, US\$1,392 and US\$1,269 per ounce, respectively.

Total PGMs production (metal in concentrate), including both own-mined production and purchase of concentrate, decreased by 14% to 3,808,900 ounces in 2020 (2019: 4,440,900 ounces) due to the temporary shutdown of operations in response to the COVID-19 pandemic during the second quarter of the year and their subsequent ramp-up. In 2019, total platinum production (metal in concentrate), including both own-mined production and purchase of concentrate, decreased by 14% to 4,440,900 ounces (2018: 5,187,000) due to the transition of a POC supplier onto a tolling agreement.

Refined platinum production decreased by 46% to 1,201 ounces in 2020 (2019: 2,211 ounces), while refined palladium output decreased by 39% to 905 ounces (2019: 1,481 ounces). The reduction was primarily attributable to the shutdown and rebuild of the Anglo Converter Processor (ACP) Phase A unit following an explosion within the converter, in the first quarter of the year. Refining performance had returned to normal levels by the end of the year. Refined platinum production decreased by 8% to 2,210,900 ounces in 2019 (2018: 2,402,400 ounces), while refined palladium output decreased by 1% to 1,480,500 ounces (2018: 1,501,800 ounces). The reduction was primarily attributable to the POC to tolling transition noted in the previous section.

The PGMs cash operating unit cost increased by 1% in 2020 to US\$713 per PGM ounce (2019: US\$703 per PGM ounce) as the impact of lower volumes was partially offset by the weaker South African rand. The platinum cash operating unit cost decreased by 1% in 2019 to US\$1,543 per platinum ounce (2018: US\$1,561 per platinum ounce) primarily due to a weaker average South African rand.

Iron Ore

Following a reassessment of the Group's reportable segments in 2018, the Group has presented the results of the Iron Ore businesses as the Iron Ore reportable segment. Manganese, which was previously reported with Iron Ore has been aggregated with Nickel as a single reportable segment. Comparative information has been restated to reflect this change.

The following table summarizes the results of operations of the Iron Ore business segment and average market price for iron ore for the years indicated:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m unless otherwise stated)</i>		
Group Revenue (including attributable share of associates' and joint ventures' revenue)	3,768	6,758	7,954
Underlying EBIT	747	2,952	4,091
Kumba	1,158	1,918	2,386
Iron Ore Brazil	(411)	1,034	1,705
Underlying EBITDA	1,177	3,407	4,565
Capital employed	6,929	8,363	8,472
Capital expenditure ⁽¹⁾	415	594	517
Share of Group underlying EBIT	12 %	42 %	58 %
Share of Group capital employed	21 %	24 %	22 %
Iron Ore Kumba production (Mt)	43.1	42.4	37.0
Iron Ore Brazil production (Mt) ⁽²⁾	3.4	23.1	24.1
Iron Ore (US\$/t) ⁽³⁾	69	93	109

- (1) Capital expenditure is defined as cash expenditure on property, plant and equipment, including related derivatives, and is presented net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests in order to match more closely the way in which it is managed.
- (2) Iron Ore Brazil production is Mt (wet basis)
- (3) Average iron ore market price for the year. Source: Platts (62% Fe, CFR). The Platts 62 Index is used for comparison purposes. Differing grades of iron ore product are priced using other indices.

Iron Ore business segment's underlying EBIT in 2020, 2019 and 2018 was US\$4,091 million, US\$2,952 million and US\$747 million, respectively. The 39% increase from 2019 to 2020 was principally driven by higher average realised iron ore price and favourable FX. The 295% increase from 2018 to 2019 was principally due high iron ore market prices alongside increased sales at Iron Ore Brazil ("**IOB**").

Group Revenue (including attributable share of associates' and joint ventures' revenue) in 2020, 2019 and 2018 were US\$7,954 million, US\$6,758 million and US\$3,768 million, respectively. The 18% increase in revenue from 2019 to 2020 was due to higher iron ore prices. The 79% increase in revenue from 2018 to 2019 was due to higher iron ore prices and increased sales at IOB.

Kumba

Underlying EBIT in 2020, 2019 and 2018 was US\$2,386 million, US\$1,918 million and US\$1,158 million, respectively. Underlying EBIT was 24% higher in 2020 than in 2019 principally due to 17% higher Platts 62% Fe iron ore market price and a 6% decrease in unit costs to \$31/tonne (2019: \$33/tonne), largely reflecting the weaker South African rand, partly offset by lower sales volumes. Underlying EBIT was 66% higher in 2019 than in 2018 principally due to the higher Platts 62% Fe iron ore market price, partially offset by reduced export and domestic sales due to port disruptions and reduced domestic demand.

Kumba's iron ore production for 2020, 2019 and 2018 was 37.0Mt, 42.4Mt and 43.1 Mt, respectively. The 13% decrease from 2019 to 2020 was primarily due to the impact of COVID-19 and logistical capacity constraints, as well as above average rainfall and operational issues at the Sishen crusher and Kolomela plant. The 2% decrease from 2018 to 2019 was primarily driven by the infrastructure upgrade of the dense media separation plant at Kolomela.

Iron Ore Brazil

Underlying EBIT in 2020 was US\$1,705 million principally due to the higher Metal Bulletin 66% iron ore market price, the impact of the weaker Brazilian real and higher sales volumes. Underlying EBIT in 2019 was US\$1,034 million principally due to the higher Metal Bulletin 66% iron ore market price as well as higher sales. Underlying EBIT in 2018 was US\$(371) million principally due to the suspension of all operations between March and December 2018 following a second leak in the 529 kilometre pipeline.

IOB production for 2020, 2019 and 2018 was 24.1 Mt, 23.1 Mt and 3.4 Mt respectively. The 4% increase from 2019 to 2020 was principally driven by steady performance throughout the year, despite a one-month planned stoppage to carry out routine internal scanning of the pipeline. In 2019 production was principally driven by the access to the Step 3 ore, after acquiring the mining license in December 2018. In 2018 production was suspended for nine months following the pipeline incident.

Minas-Rio project capital expenditure is estimated at US\$8.2 billion.

The Minas-Rio iron ore project in Brazil was acquired in two separate transactions in 2007 and 2008. Prior to 2016, impairment charges totalling US\$11.3 billion (before tax) were recorded against the carrying value of Minas-Rio. The valuation was reassessed as at December 31, 2019 and the previous impairment was partially reversed, resulting in a gain of \$1.0 billion. The carrying value as at December 31, 2020 has been assessed at \$5.2 billion. The valuation remains sensitive to economic and operational factors that provide both upside and downside risk, including price and the scheduling of required permits and licenses.

Coal

The following table summarizes the results of operations of the Coal business segments and average realized price for metallurgical and thermal coal for the years indicated:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m unless otherwise stated)</i>		
Group Revenue (including attributable share of associates' and joint ventures' revenue)	7,788	6,137	3,798
Underlying EBIT	2,538	1,010	(632)
Metallurgical Coal	1,722	1,079	(468)
South Africa	521	(94)	(81)
Correjón	296	25	(83)
Underlying EBITDA	3,196	1,832	35
Capital employed	4,131	3,787	3,967
Capital expenditure ⁽¹⁾	722	934	867
Share of underlying Group EBIT	40 %	14 %	(9)%
Share of Group capital employed	13 %	11 %	10 %
Export metallurgical coal production (Mt)	21.8	22.9	16.8
Australia thermal coal production (Mt)	1.4	1.4	2.0
RSA thermal coal export production (Mt)	18.4	17.8	16.5
RSA thermal coal domestic (non-Eskom) production (Mt)	10.9	10.0	14.0
RSA Eskom production (Mt)	2.8	—	—
Colombian export thermal production (Mt)	10.2	8.6	4.1
Export metallurgical price (US\$/t) ⁽²⁾	190	165	109
Australian export thermal (US\$/t) ⁽²⁾	103	70	58
Australian domestic thermal (US\$/t) ⁽³⁾	—	—	—
South Africa export thermal coal price (US\$/t) ⁽²⁾	87	61	57
South Africa domestic thermal coal price (US\$/t) ⁽³⁾	21	16	16
Colombia export thermal coal price (US\$/t) ⁽²⁾	83	56	46

(1) Capital expenditure is defined as cash expenditure on property, plant and equipment, including related derivatives, and is presented net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests in order to match more closely the way in which it is managed.

(2) Weighted average realized FOB sales price. Metallurgical coal and Australian thermal coal prices achieved at managed operations.

(3) Weighted average realized sales price.

Metallurgical Coal

Metallurgical Coal's underlying EBIT in 2020, 2019 and 2018 was US\$(468) million, US\$1,079 million and US\$1,722 million, respectively.

In 2020, underlying EBIT decreased by 143% to US\$(468) million, largely due to a 34% reduction in the weighted average realized price for metallurgical coal, a 25% decrease in sales volumes and the associated 37% increase in unit costs. In 2019, underlying EBIT decreased by 37% to US\$1,079 million, largely owing to a 13% reduction in weighted average realized price for metallurgical coal.

Total metallurgical coal production in 2020 decreased by 26%, driven principally by the suspension of operations at Grosvenor following the gas ignition incident underground in May, the fall of ground at Moranbah North in the first quarter as well as geotechnical challenges during the fourth quarter. Additionally, open cut operations were reduced at Dawson and Capcoal in response to reduced demand for lower quality metallurgical coal. Total metallurgical coal production in 2019 increased 5%, due to a 1.0Mt increase at Grosvenor, operational improvements leading to a 10% increase in wash plant throughput at Moranbah North, and a strong performance at

Dawson, due to productivity improvements that drove an increase in shovel and dragline performance, partially offset by the impact of an extended longwall move at Moranbah North.

Group Revenue (including attributable share of associates' and joint ventures' revenue) in 2020, 2019 and 2018 were US\$1,909 million, US\$3,756 million and US\$4,231 million, respectively.

The 49% decrease from 2019 to 2020 is due to a 34% reduction in the weighted average realized price for metallurgical coal and 25% decrease in sales volumes following the two underground operational incidents at Grosvenor and Moranbah North. The 11% decrease from 2018 to 2019 follows the 13% reduction in realized price for metallurgical coal.

Total production from the Australian mines decreased by 22% from 2019 to 2020 and Hard Coking Coal production decreased by 26% due to the above mentioned events impacting production. Thermal coal production increased 43% to 2.0 Mt in 2020.

South Africa and Cerrejón

Coal –South Africa and Cerrejón's underlying EBIT in 2020, 2019 and 2018 was US\$(164) million, US\$(69) million and US\$816 million, respectively.

Underlying EBIT in South Africa increased by 14% to US\$(81) million in 2020, driven largely by favourable foreign exchange movements and the closure of the more expensive Goedehoop South operation at the end of 2019, partially offset by a 7% decrease in the realized export thermal coal price and a 9% decrease in export sales volumes. Underlying EBIT in South Africa decreased by 118% to US\$(94) million in 2019 driven primarily by a 30% reduction in realized export thermal coal price.

The sale of the Eskom-tied domestic thermal coal operations, comprising New Vaal, New Denmark, and Kriel collieries, as well as four closed collieries, to Seriti Resources was completed on March 1, 2018. Production from these assets, until the date of completion, was 2.8 Mt in 2018.

Underlying EBIT at Cerrejón decreased to US\$ (83) million in 2020 (2019: US\$25 million) primarily due to the 48% reduction in sales volumes and a 18% decrease in realized price. Underlying EBIT at Cerrejón decreased 92% from 2018 to 2019 to US\$25 million (2018: US\$295 million). The decrease was primarily due to a 33% reduction in realized price.

Group Revenue (including attributable share of associates' and joint ventures' revenue) in 2020, 2019 and 2018 were US\$1,889 million, US\$2,381 million and US\$3,557 million, respectively.

Group Revenue in 2020 was 21% lower than 2019, largely driven by a 7% decrease in the realized export South Africa thermal coal price, a 18% decrease in the Cerrejón realized price, and lower export sales volumes following COVID-19 restrictions in South Africa and at Cerrejón, as well as the three-month strike at Cerrejón. Group Revenue in 2019 was 33% lower than 2018, largely driven by reduction in realized prices at South Africa and Cerrejón.

In 2020 the weighted average realized price for export thermal coal was 90% of the average market price due to quality discounts relative to the industry benchmark and timing differences. In 2019 the weighted average realized price for export thermal coal was 88% of the average market price due to timing and quality differences relative to the industry benchmark.

Total South Africa attributable production in 2020 increased by 9% to 30.5 Mt, largely due to additional domestic thermal coal production following the consolidation of Rietvlei in June. Attributable production in 2019 decreased by 13% to 27.8 Mt, largely due to the sale of Eskom-tied domestic thermal coal operations in 2018 and mine sections reaching their end of life at Khwezela and Goedehoop.

Export sales from South Africa at 16.6 Mt in 2020 were 9% below 2019, impacted by COVID-19 restrictions on operations and logistics infrastructure.

Export sales from South Africa at 18.1 Mt in 2019 were 1% below 2018, impacted by lower production volumes.

Anglo American's attributable output from its 33% shareholding in Cerrejón was 4.1 Mt in 2020 which was below the 8.6 Mt in 2019, principally due to COVID-19 restrictions on operations and the three-month strike. Attributable output was 8.6 Mt in 2019, which was 16% below 2018 levels.

Nickel and Manganese

Following a reassessment of the Group's reportable segments in 2018, the Group has presented the results of the Iron Ore businesses as the Iron Ore reportable segment. Manganese, which was previously reported with Iron Ore has been aggregated with Nickel as a single reportable segment. Comparative information has been restated to reflect this change.

The following table summarizes the results of operations of the Nickel and Manganese business segment and the average market price for nickel and manganese ore for the years indicated:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m unless otherwise stated)</i>		
Group Revenue (including attributable share of associates' and joint ventures' revenue)	1,707	1,498	1,269
Underlying EBIT	685	477	324
Nickel	75	89	79
Manganese	610	388	245
Underlying EBITDA	844	634	510
Capital employed	2,390	2,305	1,395
Capital expenditure ⁽¹⁾	38	42	33
Share of Group underlying EBIT	11 %	7 %	3 %
Share of Group capital employed	7 %	6 %	4 %
Nickel production (tonnes)	42,300	42,600	43,500
Manganese ore production (Mt) ⁽²⁾	3.6	3.5	3.5
Nickel price (U.S. cents/lb) ⁽²⁾	595	632	625
Manganese ore price (U.S. cents/dmtu) ⁽⁴⁾	7.24	5.58	4.67

(1) Capital expenditure is defined as cash expenditure on property, plant and equipment, including related derivatives, and is presented net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests in order to match more closely the way in which it is managed.

(2) Attributable share.

(3) Average LME price.

(4) Average Metal Bulletin 44% CIF China price.

Nickel and Manganese business segment underlying EBIT in 2020, 2019 and 2018 was US\$324 million, US\$477 million and US\$685 million, respectively. The 32% decrease from 2019 to 2020 was principally due to lower realised prices for both nickel and manganese ore and a 2% decrease in South Africa manganese ore sales, partially offset by improved operational stability and favourable foreign exchange movements. The 30% decrease from 2018 to 2019 was principally due to the lower manganese ore price and a decrease in attributable manganese alloy sales.

Group Revenue (including attributable share of associates' and joint ventures' revenue) in 2020, 2019 and 2018 were US\$1,269 million, US\$1,498 million and US\$1,707 million, respectively. The 15% decrease in revenue from 2019 to 2020 was primarily driven by the lower manganese ore price and a 2% decrease in South Africa manganese ore sales due to COVID-19 related production constraints. The 12% decrease in revenue from 2018 to 2019 was primarily driven by lower manganese ore price and a decrease in attributable manganese alloy sales.

Nickel

Underlying EBIT in 2020, 2019 and 2018 was US\$79 million, US\$89 million and US\$75 million, respectively. The decrease of US\$10 million in 2020 was due to a decrease in the average realized nickel price, partly offset by favourable FX.

Nickel production in 2020 of 43,500 tonnes was 2% above 2019, primarily due to improved operational stability. Nickel production in 2019 of 42,600 tonnes was 1% above 2018, primarily due to continued operational stability.

Manganese

Underlying EBIT in 2020, 2019 and 2018 was US\$245 million, US\$388 million and US\$610 million, respectively. The decrease of US\$143 million in 2020 was driven principally by the lower manganese ore price and a 2% decrease in manganese ore sales. The decrease of US\$222 million in 2019 was driven principally by lower manganese ore price and a decrease in attributable manganese alloy sales. The manganese ore production remained unchanged at 3.5 Mt from 2019 to 2020, primarily due to the impact of COVID-19 restrictions in South Africa in the first half of the year offset by increased Australian ore production due to improved mining and concentrator performance. The production of manganese alloys decreased by 41% in 2020 to 80,500 tonnes (2019: 137,200 tonnes), mainly as a result of the smelter in South Africa on care and maintenance since the COVID-19 lockdown.

Crop Nutrients

The following table summarizes the results of operations of the Crop Nutrients business segment for the years indicated:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m unless otherwise stated)</i>		
Group Revenue (including attributable share of associates' and joint ventures' revenue)	—	—	107
Underlying EBIT	—	—	1
Underlying EBITDA	—	—	1
Capital employed ⁽¹⁾	—	—	988
Capital expenditure	—	—	292
Share of Group underlying EBIT	— %	— %	— %
Share of Group capital employed	— %	— %	3 %

(1) Capital expenditure is defined as cash expenditure on property, plant and equipment, including related derivatives, and is presented net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests in order to match more closely the way in which it is managed.

During the first half of 2020, the Group completed the acquisition of Sirius Minerals Plc. Revenue, EBIT and EBITDA are generated from a 30% interest in the Cibra Group, a fertilizer distributor based in Brazil. In 2020, Crop Nutrients underlying EBIT was US\$1 million and Group Revenue was US\$107 million.

Corporate and Other

The following table summarizes the results of operations of the Corporate and Other business segment for the years indicated:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m unless otherwise stated)</i>		
Group Revenue (including attributable share of associates' and joint ventures' revenue)	3	121	191
Underlying EBIT	(226)	(229)	(231)
Exploration	(113)	(128)	(102)
Corporate activities and unallocated costs ⁽¹⁾	(113)	(101)	(129)
Underlying EBITDA	(219)	(43)	(145)
Capital employed	(51)	38	86
Capital expenditure ⁽²⁾	27	56	21
Share of Group underlying EBIT	(4)%	(3)%	(2)%
Share of Group capital employed	— %	— %	— %

(1) Corporate activities and unallocated cost includes other mining and industrial which has been disclosed separately in prior years.

(2) Capital expenditure is defined as cash expenditure on property, plant and equipment, including related derivatives, and is presented net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests in order to match more closely the way in which it is managed.

Corporate activities and unallocated costs

Underlying EBIT in 2020, 2019 and 2018 was US\$129 million, US\$101 million and US\$113 million, respectively. The increase of US\$28 million in 2020 was primarily driven by a reduction in profits on third-party shipping and transaction costs related to the acquisition of Sirius Minerals Plc. The decrease in the underlying EBIT loss of US\$97 million in 2018 was primarily driven by a gain recognized in the Group's self-insurance entity, reflecting lower net claims and settlements during 2018, as well as higher premium income.

Exploration

Exploration expenditure for 2020, 2019 and 2018 was US\$102 million, US\$128 million and US\$113 million, respectively. The decrease of US\$26 million from 2019 to 2020 reflects decreased exploration activities across most product groups, due to the impact of COVID-19-related restrictions. The increase from 2018 to 2019 reflects the increased exploration activities across most product groups, in particular, nickel, iron ore and metallurgical coal.

Liquidity and Capital Resources

Anglo American focuses on ensuring that there are sufficient committed loan facilities (including refinancing, where necessary) in order to meet near-term cash requirements, after taking into account cash flows from operations and our holding of cash and cash equivalents, as well as any existing restrictions on distributions. We believe that these facilities (including refinancing, where necessary), such as our Group-level \$4.5 billion revolving credit bank facility, and cash generation will be sufficient to cover our anticipated near-term cash requirements. It is our current intention that the commitments under the Group's \$2.0 billion revolving credit bridge facility will be cancelled on or prior to April 24, 2021, being the maturity date of such facility.

For more information on our borrowing arrangements and liquidity sources, see “—Cash Flow—Funding Sources” below, Notes 20 and 21 to the Group 2020 Consolidated Financial Statements, incorporated by reference herein.

We operate in some countries (principally South Africa) in which the existence of exchange controls may restrict the use of certain cash balances. The restrictions are not expected to have a material effect on our ability to meet our ongoing obligations. See "Regulation - Exchange Controls" for further details. In light of the multinational nature of our business, cash is held in a number of countries and currencies. The majority of our cash is held in U.S. dollars, South African rand, Brazilian real and Australian dollars.

Cash Flow

The tables below summarize our consolidated cash flow statement for the periods indicated:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m)</i>		
Cash flows from operations	7,782	9,260	7,998
Dividends from associates and joint ventures	737	520	226
Dividends from financial asset investments	1	—	
Income tax paid	(1,393)	(2,116)	(1,606)
Net cash inflows from operating activities	7,127	7,664	6,618
Net cash used in investing activities	(3,098)	(4,716)	(4,740)
Net cash used in financing activities	(4,977)	(3,116)	(716)
Net increase/(decrease) in cash and cash equivalents	(948)	(168)	1,162
Attributable free cash flow ⁽¹⁾	<u>3,140</u>	<u>2,287</u>	<u>1,209</u>

- (1) Definition is set out in the “Non-IFRS financial measures” section. A reconciliation of attributable free cash flow to “cash flows from operations”, the closest equivalent IFRS measure, is provided in the table below:

	Year ended December 31,		
	2018	2019	2020
	<i>(US\$m)</i>		
Cash flows from operations	7,782	9,260	7,998
Capital expenditure and other ⁽²⁾	(2,835)	(3,877)	(4,188)
Capital repayment of lease obligations	—	(272)	(195)
Cash tax paid	(1,393)	(2,116)	(1,606)
Dividends from associates, joint ventures and financial asset investments	738	520	226
Net interest ⁽¹⁾	(315)	(334)	(358)
Dividends paid to non-controlling interests	(837)	(894)	(668)
Attributable free cash flow	<u>3,140</u>	<u>2,287</u>	<u>1,209</u>

- (1) Includes cash inflows of US\$29 million for the year ended December 31, 2020 (2019: outflows of US\$214 million) relating to interest payments on derivative hedging net debt, which are included in cash flows from derivatives related to financing activities.

- (2) 2018 and 2019 comparatives have been restated to reflect the inclusion of expenditure on non-current intangible assets (excluding goodwill) in the definition of Attributable free cash flow. Capital expenditure was previously stated as US\$2,818 million and US\$3,840 million for 2018 and 2019 respectively. Expenditure on non-current intangible assets (excluding goodwill) was US\$63 million in 2020, US\$37 million in 2019 and US\$17 million in 2018.

Net cash inflows from operating activities in 2020, 2019 and 2018 were US\$6,618 million, US\$7,664 million and US\$7,127 million, respectively. The 14% decrease from 2019 to 2020 reflects a build-up in working capital partially offset by an increase in underlying EBITDA from subsidiaries and joint operations. The 8% increase from 2018 to 2019 was principally due to increased operating profits, excluding impairment and impairment reversals, and the reclassification, under IFRS 16, of the majority of lease payments from cash outflows from operating activities to cash outflows from financing activities.

Net cash used in investing activities in 2020, 2019 and 2018 were US\$4,740 million, US\$4,716 million and US\$3,098 million, respectively. The 1% increase from 2019 to 2020 was principally due to acquisition of Sirius Minerals and increased capital expenditures. The 52% increase from 2018 to 2019 was principally due to increased capital expenditure.

Net cash used in financing activities in 2020, 2019 and 2018 were US\$716 million, US\$3,116 million and US\$4,977 million, respectively.

The decrease in cash used between 2019 and 2020 of US\$2,400 million reflects higher proceeds from bonds and other borrowings by US\$3,421 million, lower dividends paid of US\$744 million and decrease in purchase of shares by Group companies by \$658 million. These were partially offset by higher repayment of bonds and borrowings of \$2,579 million.

The decrease in cash flows used between 2018 and 2019 of US\$1,861 million reflects lower repayments of bonds and borrowings of US\$2,926 million, increased proceeds received from the issue of bonds of US\$311 million and increased proceeds from other borrowings of US\$591 million. These were partially offset by the non-recurrence of one-off proceeds received in 2018 from the issue of shares to Mitsubishi in respect of the Quellaveco transaction of US\$851 million, the buyback of US\$777 million of ordinary shares under the Group's share buyback programme completed on March 2, 2020 and increased dividends paid to shareholders and non-controlling interests of US\$188 million.

Capital Expenditure

Capital expenditure is defined as cash expenditure on property, plant and equipment, including related derivatives, and is presented net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests in order to match more closely the way in which it is managed.

The following table summarizes capital expenditure by business segment for the periods indicated:

	Year ended December 31,		
	2018	2019	2020
	(US\$m)		
De Beers	417	567	381
Copper	703	1,078	1,443
Platinum.....	496	569	571
Iron Ore.....	415	594	517
Coal.....	722	934	867
Nickel and Manganese.....	38	42	33
Crop Nutrients	—	—	292
Corporate and Other	27	56	21
Capital expenditure on property, plant and equipment.....	2,818	3,840	4,125

Capital expenditure for 2020, 2019 and 2018 was US\$4,125 million, US\$3,840 million and US\$2,818 million, respectively. Capital expenditure in 2020 increased primarily due to increased expenditure on growth capital expenditures at Quellaveco and at the Woodsmith polyhalite project, partially offset by a decrease in sustaining capital expenditures driven by reduced stripping and development expenditure, principally at De Beers and Metallurgical Coal, completion of the life-extension investment in Khwezela thermal coal mine in South Africa, favourable foreign exchange rates, and deferrals as a result of COVID-19-related restrictions. 2019 capital expenditure level continue the underpin the planning and execution of all projects.

Capital expenditure in 2019 increased primarily due to higher sustaining capital driven by increased stripping and development expenditure at Kumba and De Beers, a life-extension investment in the Khwezela coal mine in South Africa, and an increase in growth capital expenditure, largely due to the Quellaveco expenditure.

For a description of the Group’s project pipeline, see “*Business Description—Strategy*”.

Net Debt

Net debt, including the impact of related hedges, as of December 31, 2020, 2019 and 2018 was US\$5,575 million, US\$4,626 million and US\$2,848 million, respectively. Net debt is calculated as follows:

	As at December 31,		
	2018	2019	2020
	(US\$m)		
Cash and cash equivalents	6,548	6,335	7,508
Short-term borrowings.....	(581)	(978)	(1,181)
Medium and long-term borrowings.....	(8,371)	(9,744)	(12,317)
Net debt, excluding the impact of hedges.....	(2,404)	(4,387)	(5,990)
Hedges	(444)	(239)	415
Net debt, including the impact of related hedges	(2,848)	(4,626)	(5,575)

Net debt movements are principally a function of cash flows from operating, investing and financing activities. In addition, non-cash items including fair value adjustments and exchange rate movements and hedges of debt also influence our net debt level.

Net debt as of December 31, 2020 increased by US\$949 million from US\$4,626 million as of December 31, 2019 to US\$5,575 million primarily driven by inventory cash outflows of \$1,560 million following ACP repairs at PGMs affecting refining activity during the year, as well as the impact of COVID-19 on demand for diamonds, particularly during the first half. Both inventory builds are expected to be released over 2021 and 2022.

Net debt as of December 31, 2019 increased by US\$1,778 million, from US\$2,848 million as of December 31, 2018 to US\$4,626 million principally due to US\$0.5 billion of additional debt arising on adoption of IFRS 16 on 1 January 2019, the purchase of US\$0.8 billion of ordinary shares under the share buyback scheme completed on March 2, 2020, and incorporation of Mitsubishi debt for the development of Quellaveco offsetting attributable free cash flow of US\$2.3 billion.

In September 2020, the Group issued US\$1,000 million 2.625% senior notes due 2030 and US\$500 million 3.950% senior notes due 2050 through accessing the U.S. bond markets. During September and October 2020, the Group completed a number of bond buy back transactions consisting of Euro and U.S. denominated bonds with maturities from March 2021 to September 2022. The Group retired US\$1,445 million of contractual repayment obligations (including derivatives hedging the bonds).

In April 2020, the Group issued US\$750 million 5.375% senior notes due 2025 and US\$750 million 5.625% senior notes due 2030 through accessing the U.S. bond markets.

In March 2019, the Group issued €500 million 1.625% senior notes due 2027 and £300 million 3.375% senior notes due 2029 under its EMTN programme.

In March 2018, the Group issued US\$650 million 4.5% senior notes due 2028 through accessing the U.S. bond markets. Between March and May 2018, the Group completed a number of bond buyback transactions consisting of Euro and U.S. dollar denominated bonds with maturities from April 2019 to April 2021. The Group used US\$2.24 billion of cash to retire US\$2.14 billion of contractual repayment obligations (including derivatives hedging the bonds).

Non-wholly owned subsidiaries, where possible, will maintain their own financing and funding requirements. In most cases, the financing is non-recourse to Anglo American. In addition, certain projects are financed by means of limited recourse project finance, if appropriate.

Funding Sources

The maturity profile of our debt obligations as of December 31, 2020 is set forth below:

	Within 1 year or on demand	Between 1 year and 2 years	Between 2 years and 5 years (US\$m)	After 5 years	Total
Secured					
Bank loans and overdrafts	25	6	18	9	58
Leases	179	75	115	174	543
Other loans	—	—	—	—	—
Total secured loans	204	81	133	183	601
Unsecured					
Bank loans and overdrafts	252	118	435	—	805
Bonds issued under EMTN programme	298	553	1,735	1,073	3,659
U.S. Bonds	193	369	2,133	4,537	7,232
Bonds issued under AMTN programme	—	—	—	—	—
Bonds issued under DMTN programme	72	—	—	—	72
Other loans	175	1	—	967	1,142
Total unsecured loans	990	1,040	4,303	6,577	12,910
Total borrowings	1,194	1,121	4,436	6,760	13,511

The Group had available undrawn committed borrowing facilities of US\$9,977 million as at December 31, 2020, US\$8,666 million as at December 31, 2019, and US\$7,314 million as of December 31, 2018.

The maturity profile of our undrawn committed borrowing facilities as of December 31, 2020 is set forth below:

	Within 1 year or on demand	Between 1 year and 2 years	Between 2 years and 5 years (US\$m)	After 5 years	Total
Undrawn committed borrowing facilities	2,228	615	7,087	47	9,977

Our available undrawn committed borrowing facilities of US\$9,977 million as of December 31, 2020 included undrawn rand facilities equivalent to US\$100 million in respect of facilities with a 364 day maturity which roll automatically on a daily basis, unless notice is served.

Financial Risk Exposure and Management

The Group is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors of Anglo American plc (the “**Board**”) approves and monitors the risk management processes, including documented treasury policies, counterparty limits, controlling and reporting structures. The risk management processes of Anglo American’s independently listed subsidiaries (including Anglo American Platinum and Kumba) are in line with Anglo American’s own policies.

Credit Risk

The Group’s principal financial assets are cash, trade and other receivables, investments and derivative financial instruments. The Group limits credit risk on liquid funds and derivative financial instruments through diversification of exposures with a range of financial institutions approved by the Board. Counterparty limits are set for each financial institution with reference to credit ratings assigned by S&P, Moody’s and Fitch Ratings, shareholder equity (in case of relationship banks) and fund size (in case of asset managers).

Given the diverse nature of the Group’s operations (both in relation to commodity markets and geographically), and the use of payment security instruments (including letters of credit from financial institutions), it does not have significant concentration of credit risk in respect of trade receivables, with exposure spread over a large number of customers. A provision for impairment of trade receivables is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Liquidity Risk

The Group ensures that there are sufficient committed loan facilities (including refinancing, where necessary) in order to meet short-term cash requirements, after taking into account cash flows from operations and its holding of cash and cash equivalents, as well as any group distribution restrictions that exist. In addition, certain projects are financed by means of limited recourse project finance, if appropriate.

Foreign Exchange Risk

As a global business, the Group is exposed to many currencies principally as a result of non-U.S. dollar operating costs incurred by U.S. dollar functional currency companies and, to a lesser extent, from non-U.S. dollar revenues. The Group’s policy is generally not to hedge such exposures given the correlation, over the longer term, with commodity prices and the diversified nature of the Group, although exceptions can be approved by the Group Management Committee.

The Group’s policy is generally not to hedge such exposures given the correlation, over the longer term, with commodity prices and the diversified nature of the Group, though exceptions can be approved by the Group Management Committee. In addition, currency exposures exist in respect of non-U.S. dollar approved capital expenditure projects and non-U.S. dollar borrowings in U.S. dollar functional currency entities. The Group’s policy is that such exposures should be hedged subject to a review of the specific circumstances of the exposure.

Interest Rate Risk

Interest rate risk arises due to fluctuations in interest rates which impact on the value of short term investments and financing activities. The Group is principally exposed to U.S. and South African interest rates.

Various inter-bank offer rates (IBOR) are expected to be replaced by alternative risk-free rates by the end of 2021 as part of the IBOR reform. The Group is managing the transition to alternative risk-free rates with respect to its hedging arrangements and any future transactions in the financial market.

The Group’s policy is to borrow funds at fixed rates of interest. The Group uses interest rate contracts to convert the majority of borrowings to floating rates of interest and manage its exposure to interest rate movements on its debt.

In respect of financial assets, the Group’s policy is to invest cash at floating rates of interest and to maintain cash reserves in short term investments (less than one year) in order to maintain liquidity.

Commodity Price Risk

The Group's earnings are exposed to movements in the prices of the commodities it produces. The Group's policy is to sell its products at prevailing market prices and is generally not to hedge commodity price risk, although some hedging may be undertaken for strategic reasons. In such cases, the Group generally uses forward contracts and other derivative instruments to hedge the price risk. Certain of the Group's sales and purchases are provisionally priced, meaning that the selling price is determined normally 30 to 180 days after delivery to the customer, based on quoted market prices stipulated in the contract, and as a result are susceptible to future price movements.

Derivatives and Hedging

The Group utilizes derivative instruments to manage certain market risk exposures as explained above. The Group does not use derivative financial instruments for speculative purposes; however it may choose not to designate certain derivatives as hedges for accounting purposes. Such derivatives are classified as non-hedges and fair value movements are recorded in the income statement. The use of derivative instruments is subject to limits and the positions are regularly monitored and reported to senior management. Derivatives are classified as current or non-current depending on the maturity of the derivative.

Off-Balance Sheet Arrangements

The Group enters into certain arrangements in the ordinary course of business that would be considered "off balance sheet". Such arrangements principally arise from the requirement, in several jurisdictions, to provide guarantees in respect of environmental restoration and decommissioning obligations. The Group has provided for the estimated cost of these activities, see Note 15 to the Group 2020 Consolidated Financial Statements.

Contractual Obligations and Commercial Commitments

As of December 31, 2020, the Group had contractual cash obligations arising in the ordinary course of business as follows:

	Total	Less than 1 year	Between 1 year and 2 years (US\$m)	Between 2 years and 5 years	More than 5 years
Debt obligations ⁽¹⁾	16,037	1,525	1,549	5,325	7,638
Lease obligations	676	198	103	135	240
Purchase obligations ⁽²⁾	4,327	2,183	1,395	712	37
Other liabilities ⁽³⁾	5,820	5,335	120	165	200
Total Contractual Obligations	26,860	9,241	3,167	6,337	8,115

(1) Debt obligations include the effect of related currency derivatives and interest rate swaps and the anticipated future interest payments on borrowings.

(2) Purchase obligations reflect the Group's capital commitments at December 31, 2020.

(3) Other liabilities include trade payables and other financial liabilities of the Group.

Information relating to the Group's post-retirement benefit obligations is provided in Note 27 of the Group 2020 Consolidated Financial Statements, incorporated by reference herein. On the basis of the levels of obligations described above, the Group's access to debt and equity capital markets, access to committed and uncommitted bank debt, the level of cash deposits and the level of currently anticipated free cash flow, we believe that the Group has sufficient short and long-term sources of funding available to meet our liquidity requirements.

Application of Critical Accounting Policies and Estimates

In the course of preparing our financial statements, management necessarily makes judgments and estimates that can have a significant impact on the financial statements. The most critical of these relate to estimation of Ore

Reserves, assessment of fair value and impairment of assets. The use of inaccurate assumptions in assessments made for any of these estimates could result in a significant impact on financial results.

For a detailed discussion of these critical accounting policies, judgments and estimates please see Note 7 to the Group 2020 Consolidated Financial Statements incorporated by reference in this document.

These accounting policies are consistent with those adopted and disclosed in the Group financial statements for the year ended December 31, 2018, except for the adoption of IFRS 16 Leases. IFRS 16 Leases became effective for the Group from January 1, 2019. On transition, the present value of liabilities for existing operating leases of US\$0.5 billion was included within net debt.

The accounting policies applied in the Group 2020 Consolidated Financial are consistent with those adopted and disclosed in the Group financial statements for the year ended December 31, 2019. A number of new accounting pronouncements, principally minor amendments to existing standards, also became effective on 1 January 2020 and have been adopted by the Group.

The adoption of these new accounting pronouncements has not had a significant impact on the accounting policies, methods of computation or presentation applied by the Group. The Group has not early adopted any other amendment, standard or interpretation that has been issued but is not yet effective. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date.

Differences Between IFRS and U.S. GAAP

The financial information included in this document in respect of the years ended December 31, 2020, 2019 and 2018 has been prepared and presented in accordance with IFRS. Certain differences exist between IFRS and U.S. GAAP, which might be material to the financial information herein.

In making an investment decision, investors must rely on their own examination of the Group, the terms of the offering and the financial information. Potential investors should consult their own professional advisers for an understanding of the differences between IFRS and U.S. GAAP, and how these differences might affect the financial information herein.

REGULATION

We are subject to government regulations that affect all aspects of our operations.

In most jurisdictions in which we operate, we enjoy the use of rights granted to us by the relevant government entity. These rights typically take the form of a lease or license that grants us the right to gain access to the land and to explore for and subsequently extract the minerals. Exploration rights typically include the obligation to spend a predetermined amount of money on the exploration or to undertake specific exploration activities. The terms of the leases or licenses, including the time period for which they are effective, are specific to the laws of the relevant governmental authority. Generally, we own the minerals that we extract and pay royalties or similar taxes to the relevant governmental authority.

We also have a number of joint venture arrangements with governments and private entities (including the Government of the Republic of Botswana and the Government of the Republic of Namibia), which are sometimes necessary in order to operate exploration and mining activities in certain jurisdictions.

In addition to reliance upon government grants of rights to explore for and extract materials, in certain jurisdictions we rely upon the relevant governmental authority to grant the rights necessary to transport and to treat the extracted minerals in order to prepare them for sale, as well as to export the raw or processed material.

Governments generally impose applicable regulations relating to, for example, environmental protection, water use, land rehabilitation, occupational health and safety, indigenous land title and socio-economic commitments, and we must comply with these regulations in order to continue to enjoy the right to conduct our operations within that jurisdiction. These obligations often require us to make substantial expenditure to minimize, to remediate or to rehabilitate the environmental impact of our operations, to ensure the safety of our employees and contractors and to meet defined socio-economic obligations.

South Africa

Requirements to obtain permits and licenses are imposed by various departments of the South African government. We strive to follow the required procedures in the application for these environmental, water and mineral permits and licenses.

Additionally, the transfer of a share of the ownership, management and benefits of the South African mining industry into the hands of people previously excluded from the economy is a longstanding government policy referred to as Black Economic Empowerment (“**BEE**”).

The MPRDA and the Mining Charter

Historical background

The South African Constitution expressly authorizes “...legislative and other measures designed to protect or advance persons ... disadvantaged by unfair discrimination ...”. There are many examples of such reparatory initiatives across the South African economy, some of which are statutory/regulatory in nature (“**Legal Instruments**”) while others are in the nature of policies or guidelines (“**Policy Instruments**”).

In the mining industry, the primary Legal Instrument is the Mineral and Petroleum Resources Development Act, 2003 (“**MPRDA**”), which vests custodianship of South Africa’s minerals in the state, which in turn regulates the right to prospect and mine in the form of prospecting rights or Mining Rights to applicants. The MPRDA contains within its objectives (section 2) the following (collectively referred to as the “**Transformation Objectives**”):

- Promoting equitable access to the nation’s mineral and petroleum resources to all the people of South Africa (section 2(c) of the MPRDA);
- Substantially and meaningfully expanding opportunities for historically disadvantaged persons, including women and communities, to enter into and actively participate in the mineral and petroleum

industries and to benefit from the exploitation of the nation’s mineral and petroleum resources (section 2(d) of the MPRDA); and

- Promoting employment and advancing the social and economic welfare of all South Africans (section 2(f) of the MPRDA).

Pursuant to the MPRDA, the Minister of Mineral Resources and Energy (“**Minister**”) and the Department of Mineral Resources and Energy (“**DMRE**”) are authorized to exercise the administrative discretion conferred under that Act such that the Transformation Objectives are advanced. Examples of this authority include, but are not limited to, the adjudication of applications for the award of new mining and prospecting rights and requests for consent for the transfer of existing mining and prospecting rights between parties. Under the MPRDA, the exercise of administrative discretion by the Minister and the DMRE must take into account the Transformation Objectives and any such exercise which failed to consider the Transformation Objectives would be unlawful and could be set aside upon review by the courts. The Transformation Objectives must be applied in a manner consistent with the Constitution of South Africa and any overreach by the Minister or the DMRE in applying the MPRDA is similarly subject to review by the courts.

The Policy Instrument supporting the Transformation Objectives is the “mining charter” provided for in section 100(2) of the MPRDA.

Section 100(2) provides that the Minister must develop a “broad-based socio-economic Charter” for the South African mining industry. The first of these mining charters was published in 2004. Although the MPRDA makes no provision for the amendment or substitution of the mining charter, there have been three revisions of the mining charter, the most recent having been published in the government gazette on September 27, 2018 (referred to as “**MCIII**”).

As a Policy Instrument, MCIII establishes a policy and guideline for the framing, measurement and implementation of each mining company’s contribution to the achievement of the Transformation Objectives. Accordingly, MCIII provides guidance on reparatory initiatives in relation to employment equity (the South African form of workplace affirmative action), human resource development, preferential procurement, corporate ownership, migrant labor, housing and living conditions for employees, beneficiation as well as mine community and rural development. This guidance includes descriptions of what initiatives would qualify for recognition, the targeted impact and timeline for implementation as well as the manner of measuring completion. Being a Policy Instrument, this guidance does not constitute a binding legal obligation. That said, we have always regarded continued performance in accordance with the mining charters as a responsibility arising from our commitment to the socio-economic development of South Africa. Since the promulgation of the MPRDA, we have consistently submitted our statutory annual returns to the DMRE, demonstrating our successful performance against the mining charter targets.

We are encouraged by MCIII which includes a number of improvements when compared to previous mining charters, most notably provisions exempting holders of existing mining rights from a requirement to undertake any further BEE transactions for the remainder of the duration of the mining right, but we have identified a number of ongoing concerns:

- The 2018 High Court of South Africa judgement in the matter of the Chamber of Mines of South Africa v Minister of Mineral Resources and Others affirmed the view that a mining charter gazetted under section 100 of the MPRDA is a Policy Instrument rather than a binding and enforceable Legal Instrument. The Minister had initially noted an appeal against this judgement, but withdrew that appeal in August 2020, with the result that the judgment now forms part of settled law. However, MCIII retains several provisions which are constructed as if MCIII were a Legal Instrument rather than a Policy Instrument. Until these provisions are revised by the DMRE (in line with the 2018 judgement) or reviewed by the Courts, their existence will continue to create confusion and, consequently, contribute to ongoing regulatory uncertainty;

- The purported application of MCIII to licenses and permits granted under the Precious Metals Act and the Diamonds Act, some of which must be renewed annually. The Precious Metals Act regulates certain aspects of our Anglo American Platinum business and the Diamonds Act regulates certain aspects of De Beers' South African operations; and
- The inclusion of provisions in MCIII suggesting that new and further BEE ownership transactions will need to be concluded at the point of renewal of a mining right, which is contrary to the provisions of the MPRDA.

The ongoing concerns with the content of MCIII listed above form the basis of an application for a judicial review of MCIII instituted by the Minerals Council against the Minister of the DMRE in the High Court of South Africa. That application was commenced in early May 2020. The Minister contended that the Minerals Council had failed to join certain parties to the application and this argument was successful. While the Court is yet to deal with the substance of the judicial review application, the Minerals Council has been ordered to join these additional parties and thereafter return to Court to argue the judicial review. A delay of up to six months in determining the judicial review is anticipated. We continue to engage with the Government of South Africa around resolving these concerns.

Recent developments

A new bill, the Upstream Petroleum Resources Development Act, was published on 24 December 2019 and seeks to excise the regulation of the petroleum and gas sector in South Africa from the MPRDA. It is anticipated that this bill will be under consideration for at least the next 12 months. The new bill has no impact upon our mining operations in South Africa, but we are closely monitoring its development as it may impact coal-bed methane gas exploration rights held by our Coal South Africa mining business.

Current status of our rights

The DMRE has to date granted our applications for conversion of our "old order" rights, i.e. mining rights as they existed prior to the promulgation of the MPRDA, and several new mining rights have also been granted. All of the licenses for our operating mines within Coal South Africa, Kumba, Anglo American Platinum and De Beers Consolidated Mines are in full grant.

New and converted mining rights are granted for a maximum period of 30 years, with renewals of up to 30 years each. The average remaining tenure of our existing mining rights is approximately 19 years. Prospecting rights are valid for a period of five years, with one renewal of up to three years. For gas exploration rights, the maximum period is three years with options of renewal for up to two years each. Furthermore, the MPRDA provides for a retention period after prospecting of up to three years with one renewal of up to two years, subject to certain conditions, such as non-concentration of resources, fair competition and non-exclusion of others.

Mining rights are transferable only with the approval of the Minister and are subject to various terms and conditions, including commencement of operations within specified periods, continuing and active operations and compliance with work programmes, social and labor plans, environmental authorizations and empowerment requirements.

Under section 47 of the MPRDA, mining rights can be suspended or cancelled by the Minister if the holder has breached its obligations under the terms of the rights and has failed to remedy such breach after written notice of the breach from the Minister and an opportunity for response. "Non-compliance" with MCIII is not grounds for the suspension or cancellation of a right.

The MPRDA imposes specific responsibilities on mining companies relating to environmental management and in respect of any environmental damage caused by prospecting, exploration or mining activities.

In accordance with the MPRDA, we are required to report annually to the DMRE on all aspects of our compliance with the MPRDA and on progress against the targets contained in MCIII. Our reports have all been accepted by the DMRE.

Exchange Controls

The following is a general outline of South African exchange control regulations (“Exchange Control Regulations”) and their impact on the Group’s business.

The current set of Exchange Control Regulations was promulgated on December 1, 1961. The administration of the Exchange Control Regulations has been delegated to the Financial Surveillance Department of the South African Reserve Bank (“SARB”). The SARB has broad discretion, but it acts within policies set by the South Africa’s Minister of Finance (“SA Finance Minister”) and the National Treasury in consultation with the SARB. Certain powers have been delegated to authorised dealers (banks licensed by the SARB to deal in foreign exchange) to approve applications for foreign exchange. Matters that are beyond these powers are referred to the SARB, which adjudicates applications on their merits in accordance with policy and national interests.

Under the current Exchange Control Regulation, most transactions of a revenue nature would not usually require prior SARB approval, although there are administrative and reporting requirements. These transactions would include the import and/or export of trade goods and the remittance of dividends to non-resident shareholders from profits earned in the normal course of business.

Generally, non-residents may freely invest in, or disinvest from, South Africa and income due to non-resident may be freely remitted.

All subsidiaries of the Group registered in South Africa are subject to South African Exchange Control Regulations. Any offshore transaction by these companies of a capital nature requires prior authorised dealer or SARB approval, depending on the value and specific circumstances of the transaction.

It is the stated intention of the South African authorities to move away from the current “negative” framework (exchange controls) to a “positive” framework (capital flow management measures) where all cross-border transactions will be allowed except for those that are subject to the capital flow management measures and/or pose a high risk of illegitimate cross-border financial flows. The aim of this shift is to create an enabling environment that makes it easier for foreign investors to invest in South Africa, and support to South Africa’s growth as an investment and financial hub for Africa.

Although a gradual relaxation of exchange controls has taken place over a number of years, and there have been recent announcements relating to the introduction of the capital flow management framework alluded to above and described in greater detail below, until this capital flow management framework is introduced, exchange controls will remain in place to control the flow of capital into and out of the member countries of the Common Monetary Area (comprising South Africa, Lesotho, Namibia and Swaziland) and generally to prevent the unauthorised export of capital by residents.

In his budget speech on February 26, 2020 (the “**2020 Budget Speech**”), the SA Finance Minister announced a number of measures to facilitate cross-border financial transactions, in support of trade and investment. The annexures to South Africa’s 2020 budget review provide additional detail, including a shift from the current policy of exchange controls to a risk-based capital flow management system that is in line with international best practice. This new system is expected to provide companies in South Africa, including Anglo American, with increased flexibility to manage cash resources to optimal effect.

Following the abovementioned announcement in the 2020 Budget Speech, the SA Finance Minister announced in the budget speech held on February 24, 2021 (the “**2021 Budget Speech**”), that much progress has been made to implement the new system, and that new regulations will be published by the SARB in the near future. In this regard, the SA Finance Minister stated that the South African National Treasury and the SARB will continue to develop the legislative framework for the new capital flow management system, which is expected to be substantively completed in 2021.

During the 2021 Budget Speech, the SA Finance Minister also announced that as from March 1, 2021, specific rules for companies with a primary listing offshore, including dual-listed structures, will be automatically aligned to current foreign direct investment rules. On March 1, 2021, the SARB published a circular to confirm this and stated

that the SARB will engage with individual companies affected. Current foreign direct investment rules permit dividend distributions through authorised dealers with no specific monetary threshold. The current rules require SARB approval of dividends to be distributed from South Africa to shareholders resident outside of South Africa from non-revenue reserves. However, proceeds from the sale of South African assets should be seen as freely transferrable.

SUSTAINABLE DEVELOPMENT (INCLUDING SAFETY, HEALTH, ENVIRONMENT AND SOCIAL)

Anglo American has long been known as a leader in responsible mining. Sustainability considerations are integrated into how we work and are central to our decision-making.

Safety

The safety of our people is always our priority and drives our policy and actions across our business. In 2020, we recorded the fewest injuries and lowest injury frequency rates on record. In the first eight months of the year, we experienced zero work-related loss of life incidents at our managed operations, the longest fatal-free period in our history.

Despite our best-ever safety performance, we reported the loss of two colleagues in work-related incidents at our managed operations. Three people were also fatally injured in separate incidents at our independently managed joint venture operations. A thorough investigation has taken place at each of our managed operations to identify the cause(s) of the incidents and to share lessons learned across the Group, with the aim of preventing repeat or similar incidents.

In 2020, we recorded 444 occupational injuries requiring medical treatment, 15% fewer than 2019 (529), improving our total recordable case frequency rate (TRCFR) by 2% to 2.15 (2019: 2.21). The improvement in our lost-time injury frequency rate was largely due to reduced working hours as a result of COVID-19.

Health

Supporting the overall health and well-being of our employees, mitigating workplace health risks and promoting community health are therefore critical and longstanding commitments for us, embedded in our Sustainable Mining Plan.

The total number of new cases of occupational disease fell from 39 in 2019 to 30 in 2020.

Our Total Health approach

Our Total Health approach to managing health and wellness is aligned with World Health Organization principles. It covers employee health, the physical work environment, community health, social context and workplace culture. Our concern for employee health also extends beyond the workplace. Under our Total Health strategy, our well-resourced health function applies evidence-based decision-making to health interventions. These are aimed at reducing health risks associated with unhealthy habits, such as smoking or following a poor diet.

Our focus on mental health

In line with the World Health Organization, our Total Health approach recognises our responsibility to support the mental health of our people.

Our Workplace Health Standard

In 2020, we published the Workplace Health Standard, expanding the scope of our 2019 Occupational Hygiene Standard. This defines the minimum that needs to be done to effectively manage occupational exposure risk, occupational diseases, occupational injuries, and overall well-being and mental health.

Fighting HIV/AIDS in the face of COVID-19

We have been a corporate leader in the fight against HIV/AIDS for more than 20 years. From providing free testing and treatment to all our employees, to making a Group-level policy commitment against stigma and HIV/AIDS discrimination, we have made a significant contribution to the elimination of HIV and AIDS. In 2020, 233 new cases of HIV were reported, and zero HIV/AIDS-related deaths.

“WeCare” response programme

Anglo American acted quickly at the onset of the pandemic to support the lives and livelihoods of our workforce and host communities through the health, social and economic effects of the COVID-19 pandemic through our global “WeCare” response programme.

Across our operational footprint and in those communities that are local to our operations, our “WeCare” programme provides information and extensive practical support across four main pillars of covering (a) physical health, (b) mental health, (c) direct employee support and (d) community support (such as providing public information campaigns aimed at health and hygiene; COVID-19 testing; food package distribution and regional development planning to enhance local economic activity for the long term).

Responsible Mine Closure and divestment

The end of a mine’s operational life is far from being the end of its social and environmental impact. Through effective closure planning and rehabilitation, we strive for our mines to leave a positive, healthy and sustainable legacy.

Mineral Residue Facilities Management

Management and storage of waste rock and the processed mineral residue known as tailings is a critical issue for our industry. We are determined to meet the social, safety and environmental challenges of mineral residue management, both by developing practical technological solutions, and encouraging industry-wide conversation on the subject, while implementing leading practice across our Group.

We are an industry leader in our approach to managing tailings safely and in being transparent about our tailings storage facilities (TSFs) around the world. Our Group Technical Standard addresses the risks of both tailings dams and water-retaining dams, as well as waste rock dumps. The Standard sets out requirements for design, monitoring, inspection and surveillance, which we follow as a minimum practice in each jurisdiction where we operate. While the Standard is recognised as industry-leading, it will continue to evolve.

The Global Industry Standard on Tailings Management (GISTM)

In August 2020, the Global Tailings Review – which was co-convened in March 2019 by the United Nations Environment Programme (UNEP), Principles for Responsible Investment (UNPRI) and the ICMM – published the Global Industry Standard on Tailings Management (GISTM). This was the result of a year-long multi-stakeholder process in which we were actively involved.. The standard is intended to be applied to existing and future tailings facilities, wherever they are found and to whoever operates them. We are currently in the process of updating our Group Technical Standard after conducting a gap analysis, which revealed that we needed to make some adjustments to fully align with the GISTM.

In 2020, we initiated a project to evaluate potential brittle (sudden) failure of tailings materials in upstream tailings dams. The project is currently underway and is currently expected to be completed in the third quarter of 2021. It will identify and validate an appropriate laboratory and field-testing procedure for evaluation of tailings materials that exhibit unusual brittle behaviour, which will then be included in stability analyses for our respective TSFs.

Inclusion and Diversity

Our goal is to create an inclusive workplace.

In 2020, we continued our global rollout of inclusive leadership training for all senior leaders and managers, expanding the programme to include inclusive team training. We updated our training toolkit, and continued to train all hiring managers with our inclusive recruitment training modules, ensuring that each step of the recruitment process is inclusive.

Sustainable Mining

Our Sustainable Mining Plan, integral to FutureSmart Mining™, commits us to a series of ambitious stretch goals over the next decade. These goals relate to three major areas of sustainability aligned to the UN's Sustainable Development Goals:

- (a) developing trust as a corporate leader, providing ethical value chains, policy advocacy and improved accountability;
- (b) building thriving communities with better health, education and levels of employment; and
- (c) maintaining a healthy environment that uses less water and delivers net-positive biodiversity outcomes, ultimately moving us closer to our vision of a carbon-neutral mine.

Environmental management

We classify incidents on five levels, according to their impact. Our Chief Executive reports all Level 3–5 incidents (from moderate to significant) to the Board, which addresses them through its Sustainability Committee.

In 2020, we recorded no Level 5 environmental incidents at our managed operations, for the fifth consecutive year, and no Level 4 incidents. There was one Level 3 incident at our PGMs business's Rustenburg Base Metals Refinery in South Africa, which related to water overflow. We carried out remediation activities and are taking action towards a long term solution for this repeat incident.

By the end of 2020, we achieved our 8% energy consumption savings and 22% GHG emission (Scope 1 and 2) savings targets, both against a 2016 baseline calculated relative to projected business as usual consumption levels.

Our Sustainable Mining Plan includes commitments to be a leader in environmental stewardship. By 2030, we aim to: (a) reduce absolute GHG emissions by 30% against a 2016 baseline; (b) improve energy efficiency by 30%; achieve a 50% net reduction in freshwater abstraction against a 2015 baseline; and (c) deliver net-positive impacts in biodiversity across Anglo American. In addition, by 2040, we are aiming to be carbon neutral (Scope 1 and 2) across our operations, including by aiming to use 100% renewables in Chile by 2021 and in Brazil by 2022.

Biodiversity

We have an ambitious Net Positive Impact (NPI) target that requires us to leave the biodiversity of an area in a better state than when we arrived. Going beyond a simple 'no net loss' principle, this requires a deep understanding of our operating ecosystem and a very deliberate land management strategy.

Our aim is for biodiversity to form part of the long term business plan for every one of our sites. We have incorporated site-specific indicators into our safety, health and environment performance management system, the SHE Way. In line with the ICMM's Position Statement on Mining and Protected Areas, we continue to uphold our 2003 commitment to neither explore nor develop new mines in World Heritage sites.

To achieve our biodiversity goals, we work in partnership with conservation agencies, governments, local communities and non-governmental organisations (NGOs) in delivering projects that appropriately balance our impact and deliver positive outcomes.

Climate change

Our commitment to helping address climate change is underpinned by our work to reduce our operational GHG emissions. We have set ambitious targets, which are subject to periodic review and re-evaluation. Having introduced a target in 2018 to reduce absolute GHG emissions by 30% and improve our energy efficiency by 30% by 2030 against a 2016 baseline, we are now targeting carbon neutrality (Scope 1 and 2) across our operations by 2040, with eight sites targeted to be carbon neutral by 2030.

The role of coal

At Anglo American we produce metallurgical coal for steel-making and thermal coal for power generation. We are committed to producing premium-quality metallurgical coal and to being part of a responsible supply and ethical value chain. We therefore work with our trade associations, suppliers and customers on how we can identify and support technologies and projects which can reduce our products' downstream carbon footprint.

Anglo American has reduced by more than a half its thermal coal production footprint since 2015.

Water

Water is fundamental for our operations and the communities around them. In 2020, our focus was on reviewing and updating our water-accounting methodology to ensure that all data is validated against water balances, and that consistent definitions are applied in accordance with ICMM guidelines. This supports our continuing commitment towards meeting the Sustainable Mining Plan's water goals and the FutureSmart Mining™ vision of a water-less mine.

Our approach to water is guided by our Group Water Policy and the Group Water Management Standard. Our water policy fundamentally focuses on reducing our water risks to ensure water resilient operations, while reducing our water footprint. By the end of 2020, all our sites had water balances in place for the purpose of water accounting and reporting. We continue to focus on installing critical monitoring instrumentation to improve the accuracy of these water balances and therefore the data we report.

Our water team continues to work with each of our operations and business units to identify opportunities to achieve our Sustainable Mining Plan goal of reducing our Group-wide fresh water withdrawals by 50% (against a 50% baseline) by 2030.

Circular economy

The term 'circular economy' refers to economic growth achieved without an ever-increasing consumption of finite resources. Rather, all types of waste are identified and eliminated, natural systems are regenerated, and products and materials are kept in use as much as possible. We are working to embed these principles into our way of working and decision-making, rethinking the mining value chain and our role within it to create value through more 'circular' activities.

Waste Management

Our ultimate aim is to not regard anything we generate as waste. The traditional approach of managing waste as a cost and liability overlooks the opportunity to create valuable new materials, new business opportunities, community employment and revenue and we seek to focus on creating valuable new materials.

Air Quality

Addressing the impact of air quality on human health is vital. Our Air Quality Incident Investigation Protocol ensures that, if an air quality incident occurs, we can minimise the impact on our communities. Our policy is to make a record and implement an investigation protocol to develop appropriate mitigation measures. We also investigate all air quality-related complaints that we receive.

BOARD OF DIRECTORS AND MANAGEMENT OF ANGLO AMERICAN PLC

Board of Directors

The Board provides leadership to the Group and is collectively responsible for promoting and safeguarding the long term success of the business. The Board is supported by a number of committees, to which it has delegated certain powers. Some decisions are sufficiently material that they can only be made by the Board as a whole (including, among other things, approval of business plans, budgets and material expenditure).

The Chairman, Stuart Chambers leads the Board, and is responsible for ensuring it works constructively as a team. Mark Cutifani is the chief executive and is responsible for the execution of strategy and the day-to-day management of the Group, supported by the Group Management Committee (“GMC”) which he chairs.

The Company has adopted the Statement of Division of Responsibilities between the Chairman and Chief Executive promulgated by The Chartered Governance Institute. It is the Board’s view that the Company has complied throughout the year with the UK Corporate Governance Code (the “Code”) issued by the Financial Reporting Council in July 2018.

The business is organized to reflect our values of integrity and accountability, helping us to work together while meeting the highest standards of governance. At the date of the annual report, just under two-thirds of the Board were independent non-executive directors. The Board determines all of the non-executive directors (other than the Chairman) to be independent of management and free from any business or other relationship which could materially interfere with their ability to exercise independent judgement. The Code does not consider a chairman to be independent due to the unique position the role holds in corporate governance. Stuart Chambers met the independence criteria contained in the Code when he was appointed as the Group’s chairman in 2017. In May 2021, Anne Stevens will have served on the Board for nine years. As a result, the assessment of her independence has been subjected to heightened scrutiny. The Board remains satisfied that Ms Stevens displays independence of thought, mindset and judgment in her role as a non-executive director and continues to demonstrate excellent stewardship as chair of the Remuneration Committee. Her continuity of service and commitment provide an in-depth knowledge and understanding of the Group that is valuable to the Board, Audit, Nomination and Remuneration Committees. The Board has a wide range of skills and experience which contribute to the long term sustainable success of Anglo American. The Board is supported by the Group general counsel and company secretary.

Conflicts of Interest

If directors become aware that they have a potential or actual direct or indirect interest in an existing or proposed transaction with Anglo American, they are required to notify the Board at the next Board meeting or by a written declaration. Directors and members of the GMC and its subcommittees have a continuing duty to update any changes in their interests.

No potential conflicts of interest exist between each of the Directors’ duties to Anglo American plc and his or her private interests or other duties other than as reflected above.

Composition of the Board of Directors

There were a number of changes to the Board in 2021 and 2020, as described below.

Elisabeth Brinton was appointed to the Board as a non-executive director, with effect from March 1, 2021.

Hilary Maxson will join the Board as a non-executive director and member of the Audit Committee, with effect from June 1, 2021.

Jim Rutherford retired as a non-executive director with effect from December 31, 2020. Upon stepping down from the Board, Mr Rutherford resigned from the Audit, Remuneration and Sustainability Committees.

At the conclusion of Anglo American's Annual General Meeting ("AGM") on May 5, 2020 Dr Mphu Ramatlapeng, a non-executive director since July 2013, stepped down from the Board. Upon stepping down from the Board, Dr Ramatlapeng resigned from the Sustainability Committee.

Nonkululeko Nyembezi joined the Board as a non-executive director on January 1, 2020.

The names and biographical details of the directors are set forth below. The business address of each Director is 20 Carlton House Terrace, London SW1Y 5AN, England.

Executive Directors

Mark Cutifani, Chief Executive, BE (Mining-Hons), FAusIMM, FEng, CEngFIMMM, DBA (Hon), DoL (Hon) (62), appointed to the Board as Chief Executive on April 3, 2013. Mark contributes to Anglo American over 40 years' experience of the mining industry across a wide range of geographies and commodities. Mark is chairman of the Group Management Committee (GMC), a non-executive director of Anglo American Platinum and chairman of De Beers. Mark was previously CEO of AngloGold Ashanti Limited, a position he held from 2007-2013. Before joining AngloGold Ashanti, Mark was COO at Vale Inco where he was responsible for Vale's global nickel business. Prior to this he held senior executive positions with the Normandy Group, Sons of Gwalia, Western Mining Corporation, Kalgoorlie Consolidated Gold Mines and CRA (Rio Tinto). Mark is also an independent director of Total S.A. and a member of the board of trustees of The Power of Nutrition, an independent charitable foundation.

Stephen Pearce, Finance Director, BBus (Acc), FCA, FGIA, FCG, MAICD (57), appointed to the Board as Finance Director on April 24, 2017. Stephen contributes to Anglo American 20 years of public company director experience and more than 30 years' experience in the mining, oil and gas, and utilities industries. Stephen became a member of the GMC in January 2017 and joined the Board in April 2017. He is also a non-executive director of Anglo American Platinum and De Beers. Before joining Anglo American, Stephen served as CFO and an executive director of Fortescue Metals Group from 2010 to 2016. Prior to that, he held the positions of managing director and CEO of Southern Cross Electrical Engineering Ltd and was CFO of Alinta Ltd. Stephen previously served as a non-executive director of Cedar Woods Properties Ltd. Stephen is also a non-executive director of BAE Systems plc.

Tony O'Neill, Technical Director, MBA, BSc (Eng), FEng, FIMMM (63), appointed to the Board as Technical Director on July 22, 2015. Tony contributes to Anglo American almost 40 years' experience in the mining industry across numerous geographies, and commodities spanning iron ore, copper, nickel and gold. Tony joined Anglo American in September 2013 and has responsibility for the Technical and Sustainability function. He is a member of the GMC and a non-executive director of Anglo American Platinum and De Beers. Tony was previously Executive Vice President – Business and Technical Development at AngloGold Ashanti Limited from 2008, where he served as joint acting CEO during 2013. His extensive career in the mining industry includes roles as Operations Executive at Newcrest Mining and Head of the Gold Business at Western Mining Corporation.

Non-Executive Directors

Stuart Chambers, Chairman, BSc (64), appointed to the Board on September 1, 2017 and as Chairman on November 1, 2017. He is also Chairman of the Nomination Committee and a member of the Sustainability Committee. Stuart contributes to Anglo American significant global executive and boardroom experience across the industrial, logistics and consumer sectors. He previously served as chairman of ARM Holdings plc and Rexam plc until 2016; and as a non-executive director on the boards of Tesco PLC (2010-15), Manchester Airport Group plc (2010-13), Smiths Group plc (2006-12) and Associated British Ports Holdings plc (2002-06). Stuart's executive career included 13 years at Pilkington plc and its subsequent parent company Nippon Sheet Glass until 2010, in a number of executive roles and ultimately as chief executive of both companies. Prior to that, he gained 10 years of sales and marketing experience at Mars Corporation, following 10 years at Shell as a chemical engineer. Stuart has current external appointments as Chairman of Travis Perkins plc (until March 31, 2021), and a member of the UK Takeover Panel.

Ian Ashby, BEng (Mining) (63), joined the Board on July 25, 2017 and is chair of the Sustainability Committee and a member of the Nomination and the Remuneration Committees. Ian contributes to Anglo American substantial knowledge of the minerals industry across a wide range of commodities, combined with global operating, major projects and capital development experience. Ian served as President of Iron Ore for BHP Billiton between 2006 and 2012, when he retired from the company. During his 25-year tenure with BHP Billiton, Ian held numerous roles in its iron ore, base metals and gold businesses in Australia, the US, and Chile, as well as projects roles in the corporate office. He began his nearly 40 year mining career as an underground miner at the Mount Isa Mines base metals operations in Queensland, Australia. Ian has previously served as chairman of Petropavlovsk plc, and a non-executive director of Alderon Iron Ore Corp, Nevsun Resources Ltd, New World Resources PLC and Genco Shipping & Trading, and in an advisory capacity with Apollo Global Management and Temasek.

Marcelo Bastos, MBA, BSc (Hons) Mech Eng (58), appointed to the Board on April 1, 2019 and is a member of the Nomination and Sustainability Committees. Marcelo contributes to Anglo American more than 30 years of operational and project experience in the mining industry across numerous commodities and geographies, particularly in South America. Marcelo served as chief operating officer of MMG between 2011 and 2017, responsible for the group's copper, zinc, silver, lead and gold operations, and sales and marketing. In this role, he also led the planning and development of the Las Bambas copper mine in Peru. Prior to MMG, Marcelo served as president of the BHP Mitsubishi Alliance joint venture (metallurgical coal), president of BHP's Cerro Matoso nickel operation in Colombia, president of nickel Americas, and president of Nickel West in Australia. His early career until 2004 at Vale included serving as general manager of the Carajás operations in northern Brazil and he was ultimately director for the company's base metals operations. Marcelo is a former non-executive director of Oz Minerals Ltd. Marcelo currently holds external appointments as non-executive director of Aurizon Holdings Ltd, Golder Associates, and Iluka Resources Ltd.

Dr. Byron Grote, Senior Independent Director, PhD Quantitative Analysis (73), appointed to the Board on April 19, 2013 and as Senior Independent Director on January 1, 2019. He is chair of the Audit Committee and a member of the Nomination and Remuneration Committees. Byron has over 35 years experience across the natural resources sector. He contributes to Anglo American broad business, financial and board experience in numerous geographies. Byron is designated by the Board to chair and engage with Anglo American's Global Workforce Advisory Panel. He served on the BP plc board from 2000 until 2013 and was BP's chief financial officer during much of that period. He was previously a non-executive director of Unilever NV and Unilever PLC. Byron has current external appointments of Vice chairman of the supervisory board of Akzo Nobel NV and a non-executive director of Standard Chartered PLC and Tesco PLC. A member of the European Audit Committee Leadership Network and an emeritus member of the Cornell University Johnson Advisory Council.

Hixonia Nyasulu, BA Hons (66), appointed to the Board on November 1, 2019 and is a member of the Nomination and Remuneration Committees. Hixonia contributes to Anglo American significant global board experience drawn from the natural resources, financial services and consumer industries. Hixonia has previously served as a non-executive director on the boards of Sasol, including five years as chairman, Nedbank, Unilever NV and Unilever PLC. She has also served as a member of the South Africa advisory board of JPMorgan and on the board of the Development Bank of Southern Africa. In 2004, Hixonia founded Ayavuna Women's Investments (Pty) Ltd, a female-controlled investment holding company. Prior to that, she ran T.H. Nyasulu & Associates, a strategy, marketing and research company, after starting her career at Unilever in South Africa. Hixonia was a founder member of the Advisory Group formed by the World Economic Forum to set up a community of global chairs. Hixonia currently holds external appointments as Senior independent director of Vivo Energy plc, as a member of the board of AGRA, and chairs the Africa Economic Challenge Fund, both not-for-profit organisations.

Nonkululeko Nyembezi, MSc, BSc, MBA (60), appointed to the Board on January 1, 2020 and is a member of the Audit and Sustainability Committees. Nonkululeko contributes to Anglo American great breadth of technical and strategic insights with a background in engineering and extensive experience spanning mining, steel, financial services and technology in South African and global organisations. Until June, 2020 Nonkululeko was chief executive officer of Ichor Coal. N.V. She has previously served as chair of Alexander Forbes Group and as a non-

executive director on the boards of Old Mutual plc, Exxaro Resources, Universal Coal plc and Denel, and as CEO of ArcelorMittal South Africa. In her earlier career, Nonkululeko was chief officer of M&A for the Vodacom group and chief executive officer of Alliance Capital, the then local subsidiary of a New York-based global investment management company. Nonkululeko has external appointments as Chairman of JSE Limited and Macsteel Service Centres SA, and a non-executive director of Standard Bank of South Africa Limited.

Anne Stevens, PhD, BSc (72), appointed to the Board on May 15, 2012 and is chair of the Remuneration Committee and a member of the Audit and Nomination Committees. Anne contributes to the Board a wealth of experience and wide-ranging commercial acumen from a number of global industries in North, Central and South America. Anne was chief executive of GKN plc from November 2017 to April 2018. She was formerly chairman and CEO of SA IT Services from 2011 until her retirement in December 2014. From 2006 to 2009, Anne was chairman and CEO of Carpenter Technology Corporation. Prior to this, she was COO for the Americas at Ford Motor Company until 2006, the culmination of her 16 year career with the company. Her early career was spent at Exxon Corporation, where she held roles in engineering, product development, and sales and marketing. Anne is a former non-executive director of Lockheed Martin Corporation, GKN plc and XL Catlin. Anne currently holds an external appointment as a non-executive director of Aston Martin Lagonda Holdings plc.

Elisabeth Brinton, BA (Hons) (53), appointed to the Board on March 1, 2021. Elisabeth will bring to the Board experience of developing clean energy strategies aligned with climate change reduction, and a clear commercial focus on the potential for digital technologies. Elisabeth is Executive Vice President of Global Renewables & Energy Solutions at Royal Dutch Shell plc. She joined Shell in 2018 from AGL Energy, one of Australia's largest energy companies, where she led their commercial new energies business and built at the time Australia's largest portfolio of renewables in partnership with the A\$3 billion Powering Australia Renewables Fund. Prior to that, Elisabeth spent 15 years in a number of senior technology roles in the U.S., leading the development of cloud-based customer solutions and broader digital transformations for the energy industry, having begun her career as a successful entrepreneur.

Hilary Maxson, BSc, MBA (42), will join the Board as an independent non-executive director on June 1, 2021. Hilary will bring to the Board experience in business, spanning finance, the capital markets, energy and technology, gained across her executive career in the US, Europe, Africa and Asia. Hilary is the CFO of Schneider Electric and a member of its executive committee, based in Paris. She previously served as CFO of their largest business unit, Energy Management, having joined the company in 2017 as CFO of the Building and IT business, situated in Hong Kong. Prior to joining Schneider Electric, Hilary spent 12 years with AES in a variety of finance, M&A and business development roles, based across the US, Cameroon and the Philippines, ultimately as CFO for Asia. Hilary began her career at Bank of America and Citigroup, in New York.

Audit Committee

The Board, in consultation with the Audit Committee chairman, makes appointments to the committee.

The roles and responsibilities of the Audit Committee include monitoring the integrity of financial reports, making recommendations to the Board concerning the adoption of the annual and interim financial statements reviewing the independence and effectiveness of the external auditors, approving the terms of reference of the internal audit function, monitoring the effectiveness of the risk management policy, reviewing the effectiveness of the Group's Code of Conduct and overseeing the Group's relations with external auditors, which in 2019 included conducting the tender process for the external audit services and making recommendations to the Board about the appointment, remuneration and terms of engagement of the external auditor. The Committee's recommendations are submitted to the Board for approval.

The Audit Committee presently consists of: Byron Grote (Chair), Nonkululeko Nyembezi and Anne Stevens, all of whom are independent non-executive directors. Jim Rutherford retired as a non-executive director and from the Audit Committee with effect from December 31, 2020. Hilary Maxson will join the Board as a non-executive director and member of the Audit Committee, with effect from June 1, 2021.

Remuneration Committee

The Remuneration Committee is responsible for establishing and developing the Group's general policy on executive and senior management remuneration including determining specific remuneration packages for the Chairman, executive directors, members of the Group Management Committee and other senior management for review and approval by the Board. The Remuneration Committee also has input and oversight on the reward policy for the broader workforce and consultation with the wider workforce, shareholders and other stakeholder regarding executive remuneration.

The Remuneration Committee presently consists of: Anne Stevens (Chair), Byron Grote, Ian Ashby and Hixonia Nyasulu (appointed February 23, 2021), all of whom are independent non-executive directors. Jim Rutherford retired as a non-executive director and from the Remuneration Committee with effect from December 31, 2020.

Nomination Committee

The Nomination Committee is responsible for agreeing a skills, diversity and experience matrix for all directors (with the approval of the Board) to identify and address any skills gaps when recruiting new directors, making recommendations to the Board as to the of the Board and its committees and the balance between executive and non-executive directors in order to maintain a diverse Board with the appropriate mix of skills, experience, independence and knowledge. With the assistance of external search consultants, the Nomination Committee is also responsible for identifying and reviewing, in detail, potential candidates available in the market and agreeing a 'longlist' of candidates for each directorship. Following further discussion and research, the Nomination Committee decides upon a shortlist of candidates for interview and ultimately makes a recommendation to the Board. The Committee ensures that the human resources function of the Group regularly reviews and updates the succession plans for the directors and senior managers. These are presented to the Board by the chief executive (in the absence of other executive directors) and discussed.

The Nomination Committee currently consists of: Stuart Chambers (Chair), Byron Grote, Anne Stevens, Ian Ashby, Hixonia Nyasulu and Marcelo Bastos (appointed February 23, 2021).

Sustainability Committee

The Sustainability Committee is responsible for overseeing, on behalf of the Board, material management policies, processes, and strategies designed to manage safety, health, environment and socio-political risks, to achieve compliance with sustainable development responsibilities and commitments and strive for an industry leadership position on sustainability. The committee is responsible for reviewing the causes of any fatal or significant sustainability incidents and ensuring learnings are shared across the Group.

At each meeting, the committee reviews detailed reports covering the Group's performance across a range of sustainability areas, including: safety; health and wellness; socio-political trends; human rights; climate change; and environmental and social performance. Significant social, safety, health and environmental incidents are reviewed at each meeting, as are the results from operational risk reviews.

The Sustainability Committee presently consists of: Ian Ashby (Chair), Marcelo Bastos, Stuart Chambers, Mark Cutifani, Nonkululeko Nyembezi and Tony O'Neill. Jim Rutherford retired as a non-executive director and from the Sustainability Committee with effect from December 31, 2020.

Management

The GMC is supported by the Corporate Committee, the Operational Committee, Innovation Committee, Marketing Risk Committee and the Investment Committee.

Composition of the Group Management Committee

The names and biographical details of the present members of GMC are set forth below. The business address of each such person is 20 Carlton House Terrace, London, SW1Y 5AN. No potential conflicts of interest exist between the duties of each such person to Anglo American plc and his or her private interests or other duties.

Mark Cutifani is chief executive of Anglo American plc, see “—*Composition of the Board of Directors—Executive Directors*”.

Stephen Pearce is finance director of Anglo American plc, see “—*Composition of the Board of Directors—Executive Directors*”.

Tony O’Neill is technical director of Anglo American plc, see “—*Composition of the Board of Directors—Executive Directors*”.

Didier Charreton, MSc (57), Didier joined Anglo American in December 2015. He has held a number of senior HR roles across his 30-year career. From 2007 until 2014, Didier was chief human resources officer for Baker Hughes, the U.S.-based oilfield services company. Prior to 2007, he was HR director at Coats plc in the UK, and before that held a number of HR roles at Schlumberger, based in the US, Argentina, Venezuela and France.

Bruce Cleaver, BSc, LLB, LLM (55), Bruce has served as CEO of De Beers Group since July 2016. He has previously served as Group Director, Strategy and Business Development at Anglo American, as well as Executive Head of Strategy and Corporate Affairs for De Beers, having joined the Group in 2005. Before joining De Beers, he was a partner at Webber Wentzel, Africa’s largest law firm, specialising in commercial matters.

Nolitha Fakude, BA (Hons) (56) Nolitha was appointed Group Director – South Africa in September 2019, and chairs Anglo American's South African management board. From April 2017 to August 2019, she served as a non-executive director on the Board of Anglo American plc. A former executive director and executive vice president of strategy and sustainability at Sasol Limited until 2016. Nolitha has held various other senior executive roles in retail and financial services. Nolitha is a non-executive director of JSE Limited and vice president of the Minerals Council of South Africa. She has served on the boards as a non-executive director in the mining, manufacturing and retail sectors.

Ruben Fernandes, MSc (Metallurgical Engineering), MBA (55) Ruben was appointed CEO of Base Metals in March, 2019. He previously served as CEO of Anglo American Brazil. Prior to joining the Group in 2012, Ruben was head of mining at Votorantim Metals in Brazil, responsible for projects and exploration activities around the world, as well as operations in Peru and Colombia. Between 2009 and 2011, he was COO at Vale Fertilizers, responsible for the fertilizer operations, sales and marketing. Ruben was also CEO of Kaolin Companies – Pará Pigments and Cadam—two subsidiaries of Vale, between 2007 and 2009, and held various analysis, marketing and project roles in Vale’s Base Metals business which he joined in 1999. Between 1988 and 1998, he held several leadership roles in the special alloys industry.

Seamus French, BEng (Chemical) (58) Seamus has responsibility for the Group’s Coal, Iron Ore and Nickel businesses. He is a non-executive director of Kumba Iron Ore. Seamus joined the Group in 2007 and was CEO of Metallurgical Coal between 2009 and 2013, and CEO of Coal until 2015. Prior to his career at Anglo American, Seamus joined WMC Resources in Australia in 1994 in a strategic planning and business development role, and progressed to various operational management roles, gaining extensive experience in the Gold and Nickel businesses before being appointed executive general manager of the Copper-Uranium division. Seamus joined BHP Billiton as Global Vice President, Business Excellence, following its takeover of WMC in 2005.

Anik Michaud, LL.L (Law) (53) Anik has served as Group Director – Corporate Relations since June 2015. Her remit includes corporate communication (including brand and employee engagement), international and government relations, social performance and engagement, sustainability, integration to drive delivery of the Group’s Sustainable Mining Plan, and the office of the chief executive. Anik joined Anglo American in 2008 as Group head of corporate communication. Prior to that, she was director of public affairs for Rio Tinto Alcan, following 10 years with the Alcan group.

Themba Mkhwanazi, BEng (Chemical) Hons (51) Themba has served as CEO of Kumba Iron Ore since September 2016. Prior to that, he was CEO for Anglo American's Thermal Coal business in South Africa, having joined the Group in 2014. He has extensive experience in the resources industry, including 18 years in his native South Africa, as well as in the US and Australia. Before joining Kumba, Themba was managing director for Huntsman Tioxide in South Africa until 2007, when he was appointed COO of Richards Bay Minerals, a joint venture between Rio Tinto and BHP Billiton. In 2011, he was seconded to Rio Tinto's Australian coal business, before taking up the role of regional general manager for the Americas in 2012.

Richard Price, LL.B, BA (Hons) (57) Richard joined Anglo American as Group General Counsel in May 2017 and was appointed as Company Secretary in March 2018. Prior to joining Anglo American, he was a partner at Shearman & Sterling, the international law firm working across EMEA, Asia and North America. In private practice, Richard acted for clients across the metals, mining, energy and financial services sectors, among others, assisting them with complex financing, corporate and compliance matters.

Natascha Viljoen, B Eng (extractive metallurgy) MBA (50) Natascha was appointed CEO of Anglo American Platinum in April 2020. Prior to that, she was Anglo American's Group Head of Processing, having joined the Group in 2014. Before joining Anglo American, Natascha spent six years at Lonmin, where she served on the executive committee as EVP of Processing, also with responsibility for several wider corporate functions including sustainability. Prior to that, Natascha worked for BHP's coal and chrome businesses in South Africa (including as general manager of BHP's Klipspruit Colliery), the Modikwa joint venture between Anglo American Platinum and African Rainbow Minerals, and AngloGold Ashanti Limited. Natascha began her career in 1991 at Iscor as a trainee engineer.

Duncan Wanblad, BSc (Eng) Mech, GDE (Eng Management) (54) Duncan led our Base Metals business as CEO from 2013 to 2019, and took on the Strategy and Business Development portfolio as Group Director in 2016. He is a non-executive director of De Beers and Kumba Iron Ore and chairs the Anglo American Foundation. Between 2009 and 2013, Duncan held the position of Group Director – Other Mining and Industrial. He was appointed joint interim CEO of Anglo American Platinum in 2007 (having served on the board since 2004), before taking over as CEO of Anglo American's Copper operations in 2008. Duncan began his career at Johannesburg Consolidated Investment Company Limited in 1990.

Peter Whitcutt, BCom (Hons), CA (SA), MBA (55) Peter has served as CEO of Marketing since January 2016. He is a non-executive director of De Beers. Peter joined the Group in 1990 within the Corporate Finance division. He worked on the merger of Minorco with Anglo American Corporation of South Africa, the listing of Anglo American plc in 1999 and the subsequent unwinding of the cross-holding with De Beers. Peter was appointed Group Head of Finance in 2003, CFO of Base Metals in August 2008 and from 2013 to 2015, he served as Group Director – Strategy, Business Development and Marketing.

Management Committees

Group Management Committee

The GMC is the principal executive committee. It is responsible for formulating strategy, setting targets and budgets and managing the Group's portfolio.

The names and biographical details of the current members are shown above. The business address of each member is 20 Carlton House Terrace, London SW1Y 5AN, England.

Corporate Committee

The Corporate Committee reviews corporate and ethical policies and processes, and financial performance and budgets at business unit level.

Operational Committee

The Operational Committee is responsible for driving operational best practices across the Group and the setting of technical standards.

Investment Committee

The Investment Committee is responsible for making recommendations on capital investment proposals.

Marketing Risk Committee

The Marketing Risk Committee is responsible for evaluating, monitoring, directing and controlling the management of risk associated with the sales and marketing activities of the Group.

Innovation Committee

The Innovation Committee is responsible for the governance of technology innovation projects.

Dates of Appointment and Re-election

Executive Directors⁽¹⁾

The following table summarizes the executive directors' date of appointment and the applicable date of re-election or election to the Board:

	Date of appointment	Next AGM re-election or election
Mark Cutifani (chief executive)	April 3, 2013	May 2021
Stephen Pearce (finance director)	April 24, 2017	May 2021
Tony O'Neill (technical director)	July 22, 2015	May 2021

(1) At each AGM all directors shall retire from office.

Non-Executive Directors⁽¹⁾⁽²⁾

All non-executive directors have letters of appointment with the Company for an initial period of three years from their date of appointment, subject to reappointment at the AGM.

The following table summarizes the non-executive directors' date of appointment and the applicable date of re-election or election to the Board:

	Date of appointment	Next AGM re-election or election
Hilary Maxson ⁽³⁾	June 1, 2021	May 2021
Elisabeth Brinton	March 1, 2021	May 2021
Nonkululeko Nyembezi	January 1, 2020	May 2021
Hixonia Nyasulu	November 1, 2019	May 2021
Marcelo Bastos	April 1, 2019	May 2021
Stuart Chambers	September 1, 2017	May 2021
Ian Ashby	July 25, 2017	May 2021
Byron Grote	April 19, 2013	May 2021
Anne Stevens	May 15, 2012	May 2021

(1) At each AGM, all directors shall retire from office.

(2) There is a one month notice period; however, the Group may in accordance with, and subject to, the provisions of the 2006 Companies Act, by Ordinary Resolution of which special notice has been given, remove any director from office. The Company's Articles of Association also permit the directors, under certain circumstances, to remove a director from office.

(3) Hilary Maxson's election as a director will be sought in May 2021 with effect from June 1, 2021.

EMPLOYEES

Our employees are essential to the long-term success of the Group. We continue to invest in the development of our people and strive to ensure that we are positioned to attract and retain the best mining and other talent.

The table below sets forth the average number of employees, excluding contractors and associates' employees and joint ventures' employees and including a proportionate share of employees within joint operations, by segment.

	Year ended December 31,		
	2018	2019	2020
	<i>(thousands)</i>		
De Beers	10	9	9
Copper	4	4	4
PGMs	33	31	32
Iron Ore.....	8	9	9
Coal.....	7	7	7
Nickel and Manganese.....	1	1	1
Crop Nutrients	—	—	—
Corporate and Other	1	2	2
Total.....	64	63	64

The table below sets forth the average number of employees excluding contractors and associates' and joint ventures' employees and including a proportionate share of employees within joint operations, by principal location of employment.

	Year ended December 31,		
	2018	2019	2020
	<i>(thousands)</i>		
South Africa.....	47	45	45
Other Africa.....	4	4	5
South America	8	8	8
North America	1	1	1
Australia and Asia	2	3	3
Europe.....	2	2	2
Total.....	64	63	64

For detail of the Group's retirement benefits, please see Note 27 to the Group 2020 Consolidated Financial Statements, which are incorporated by reference in this document.

RELATED PARTY TRANSACTIONS

The Group has a related party relationship with its subsidiaries, joint ventures and associates.

The Group, in the ordinary course of business, enters into various sale, purchase and service transactions with joint ventures and associates and others in which the Group has a material interest. These transactions are under terms that are no less favorable than those arranged with third parties.

Dividends received from associates and joint ventures during the year ended December 31, 2020 totalled US\$226 million. Dividends received from associates and joint ventures during the year ended December 31, 2019 totalled US\$520 million. Dividends received from associates and joint ventures during the year ended December 31, 2018 totalled US\$737 million.

At December 31, 2020, the Group had provided loans to joint ventures in total of US\$154 million. At December 31, 2019, the Group had provided loans to joint ventures of US\$230 million. At December 31, 2018, the Group had provided loans to joint ventures of US\$221 million.

There were no material related party transactions the Issuer entered into in 2020.

Related Party transaction with Siyanda

On February 1, 2018, the Group completed the sale of its interest in the Union platinum mine and its interest in MASA Chrome Company (Pty) Limited to a subsidiary of Siyanda Resources Proprietary Limited (“**Siyanda**”) for consideration comprising upfront cash of ZAR400 million (approximately US\$34 million) and deferred consideration based on the operation’s cumulative free cash flow generation over a ten year period. The transaction was a smaller related party transaction under FCA Listing Rules as Siyanda is a 30% associate of the Public Investment Corporation, a substantial shareholder of Anglo American, and Siyanda is a 49.9% shareholder in Masa Chrome Company (Pty) Limited, a subsidiary of Anglo American.

Related Party transaction with the Industrial Development Corporation

On August 1, 2018, the Group completed the sale, by its 73%-held subsidiary Anglo American Inyosi Coal (Proprietary) Limited, of New Largo in South Africa to New Largo Coal Proprietary Limited (the “**Purchaser**”), which is owned by Seriti Resources Proprietary Limited and Coalzar Proprietary Limited, two companies majority owned and controlled by HDSAs, and the IDC.

The consideration payable for New Largo was ZAR850 million (approximately US\$71 million). The transaction was a small related party transaction under FCA Listing Rules as the IDC, a substantial shareholder in Anglo American’s subsidiary Kumba, is a shareholder in the Purchaser. The Transaction was subject to the requirements of FCA Listing Rule 11.1.10R, due to aggregation with the related party transaction in respect of Union platinum mine and MASA Chrome Company (Pty) Limited involving the Public Investment Corporation, an associate of the IDC, both of which are ultimately controlled by the Government of South Africa.

Related Party Transaction with the Public Investment Corporation

On July 17, 2018 Anglo American reported that its 79.4% owned subsidiary, Anglo American Platinum Limited, announced its subsidiary, Anglo Platinum Marketing Limited (“**APML**”), had subscribed for interests in two UK based venture capital funds (the “**Funds**”), with a total aggregate commitment of US\$100 million. Anglo American Platinum’s commitment to the Funds was matched by a US\$100 million commitment from South Africa’s Government Employees Pension Fund represented by the Public Investment Corporation SOC Ltd (“**PIC**”). The transaction was a smaller related party transaction under FCA Listing Rule 11 as the PIC is a substantial shareholder in Anglo American. The transaction was therefore subject to the requirements of FCA Listing Rule 11.1.10R.

Related Party Transaction with Mitsubishi

Anglo American announced on July 26, 2018, that its Board had approved the development of the Quellaveco copper project in Peru. This follows the completion of the transaction announced in June 2018, whereby Mitsubishi

increased its interest in AAQSA, which owns the Quellaveco project, to 40% via the issuance of new shares. The capital cost will be funded on an attributable basis: 60% by Anglo American and 40% by Mitsubishi, with the initial subscription by Mitsubishi to increase its interest reducing Anglo American's share of capital contributions to AAQSA for the development of the Quellaveco project by US\$500 million and an additional US\$351 million to fund its initial share of capital expenditure, resulting in a total subscription of US\$851 million. The transaction was a smaller related party transaction under FCA Listing Rule 11 as Mitsubishi is a related party of Anglo American. The transaction was therefore subject to the requirements of FCA Listing Rule 11.1.10R.

Related Party Transactions with Key Management

Remuneration and benefits of key management personnel are given in Note 26 to the 2020 Group Consolidated Financial Statements. Information relating to pension fund arrangements is disclosed in Note 27 to the 2020 Group Consolidated Financial Statements.

DESCRIPTION OF THE NOTES AND THE GUARANTEES

The following is a summary of the material provisions of the Indenture and the Notes. Copies of the Indenture, the Guarantees and the Notes will be available for inspection during normal business hours at any time after the closing date of the offering of the Notes at the London offices of the Trustee, which are currently located at Citigroup Centre, Canary Wharf, London E14 5LB. Any capitalized term used herein but not defined shall have the meaning assigned to such term in the Indenture.

General

The US\$500,000,000 2.250% Senior Notes due 2028 (the “**2028 Notes**”) and the US\$500,000,000 2.875% Senior Notes due 2031 (the “**2031 Notes**”) and together with the 2028 Notes, the “**Notes**”) will be issued and treated as two separate series of debt securities under an Indenture dated as of April 8, 2009, as supplemented by the first supplemental indenture dated as of April 2, 2012 and the second supplemental indenture dated as of May 14, 2015 (together, the “**Indenture**”), among Anglo American Capital plc (the “**Issuer**”), Anglo American plc (the “**Company**”) and Citibank, N.A., as trustee (the “**Trustee**”), London paying agent and registrar (the “**Agent**”).

The Indenture is not required to be nor will it be qualified under the U.S. Trust Indenture Act of 1939, as amended (the “**Trust Indenture Act**”), and will not incorporate by reference any of the provisions of the Trust Indenture Act. Consequently, the Holders of Notes generally will not be entitled to the protections provided under such Act to holders of debt securities issued under a qualified indenture, including those requiring the Trustee to resign in the event of certain conflicts of interest and to inform the Holders of Notes of certain relationships between it and the Issuer or the Company. In this “*Description of the Notes and the Guarantees*”, the terms “**Holder**”, “**Noteholder**” and other similar terms refer to a “registered holder” of Notes, and not to a beneficial owner of a book-entry interest in any Notes, unless the context otherwise clearly requires.

ABN AMRO Securities (USA) LLC, Australia and New Zealand Banking Group Limited, Barclays Capital Inc., BofA Securities, Inc., Credit Agricole Securities (USA) Inc., and SMBC Nikko Securities America, Inc (together, the “**Initial Purchasers**”) propose to resell the Rule 144A Global Notes in registered form to certain institutions in the United States in reliance upon Rule 144A. The Rule 144A Global Notes may not be sold or otherwise transferred except pursuant to registration under the Securities Act or in accordance with Rule 144A or pursuant to Rule 904 of Regulation S thereunder or in a resale transaction that is otherwise exempt from such registration requirements, and will bear a legend to this effect. In light of current U.S. securities laws, subject to certain exceptions, an exemption should be available for a sale or transfer of a Rule 144A Global Note after its Specified Date. The “**Specified Date**” means, with respect to any Rule 144A Global Note, the date following the expiration of the applicable required holding period determined pursuant to Rule 144 under the Securities Act (such period, the “**applicable holding period**”) after the later of the date of acquisition of such Rule 144A Global Note from the Issuer, or an affiliate of the Issuer, or any resale of such Rule 144A Global Note in reliance on Rule 144 under the Securities Act for the account of either the acquirer or any subsequent holder of such Rule 144A Global Note, in each case demonstrated to the reasonable satisfaction of the Issuer or the Company (which may require delivery of legal opinions). Unless a Holder of a Rule 144A Global Note holds such Rule 144A Global Note for the entire applicable holding period, such Holder may not be able to determine the Specified Date because such Holder may not be able to determine the last date on which the Issuer, the Company or any affiliate thereof was the beneficial owner of such Holder’s Rule 144A Global Note. The registrars and the transfer agents for the Notes will not be required to accept for registration or transfer any Rule 144A Global Notes, except upon presentation of satisfactory evidence (which may include legal opinions) that the restrictions on transfer have been complied with, all in accordance with such reasonable regulations as the Issuer and the Company may from time to time agree with such registrars and the transfer agents.

For so long as any Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any registered Holder of Notes (or any Holder of a book-entry interest in such Notes designated by the registered holder thereof) in connection with any sale thereof and to any prospective

purchaser of Notes or a book-entry interest in Notes designated by such registered holder, in each case upon request of such registered holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act. As of the date of this document, the Company is exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

The Regulation S Global Notes will be resold by the Initial Purchasers only to non-U.S. persons located outside the United States in offshore transactions in reliance on Regulation S.

Principal, Maturity and Interest

The Notes will be unsecured and unsubordinated obligations of the Issuer and will be unconditionally guaranteed on a senior, unsecured basis by the Company (the “**Guarantees**”). The 2028 Notes and the 2031 Notes are initially issuable in aggregate principal amounts not to exceed US\$500 million and US\$500 million, respectively, and will mature on March 17, 2028 and March 17, 2031, respectively. The 2028 Notes and the 2031 Notes will bear interest at 2.250% and 2.875%, respectively, per annum from the date of the initial issuance of such Notes or from the most recent interest payment date to which interest has been paid or provided for. Interest on the Notes is payable semi-annually in arrears on March 17 and September 17, commencing September 17, 2021, to the person in whose name any 2028 Note or 2031 Note, as applicable, is registered at the close of business on March 1 or September 1 (whether or not a business day) immediately preceding such interest payment date (each, a “**record date**”), notwithstanding any transfer or exchange of such Notes subsequent to the record date and prior to such interest payment date, except that, if and to the extent the Issuer shall default in the payment of the interest due on such interest payment date and the applicable grace period shall have expired, such defaulted interest may, at the option of the Issuer, be paid to the persons in whose names Notes are registered at the close of business on a subsequent record date (which shall not be less than five days which are business days in New York City prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Issuer to the Holders (which term means registered holders) of the 2028 Notes or the 2031 Notes, as applicable, not less than fifteen days preceding such subsequent record date. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months and in the case of an incomplete month, the number of days elapsed. If the date on which any interest payment or principal payment is to be made is not a business day in New York City and the place of payment of such interest or principal, such payment will be made on the next day which is a business day in New York City and the place of payment of such interest or principal without any further interest or other amounts being paid or payable in connection therewith.

Form and Denomination

The Notes will be issued in fully registered form and only in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The Notes will be issued initially as Global Notes.

Further Issues

The Issuer may, from time to time, without notice to or the consent of the Holders of the Notes, issue as many distinct series of debt securities under the Indenture as it wishes. It may also from time to time, without notice to or the consent of the Holders of the Notes, “reopen” each series of the Notes and create and issue additional notes having identical terms and conditions as the 2028 Notes or the 2031 Notes, as the case may be, (or in all respects except for the payment of interest accruing prior to the issue date of such additional notes or except for the first payment of interest following the issue date of such additional notes) so that the additional notes are consolidated and form a single series of notes with the 2028 Notes or the 2031 Notes, as the case may be, (a “**Further Issue**”); *provided* that any additional notes which have the same CUSIP, ISIN or other identifying number as the outstanding Notes must be fungible with such outstanding Notes for U.S. federal income tax purposes.

The period of resale restrictions applicable to any Notes previously offered and sold in reliance on Rule 144A shall automatically be extended to the last day of the period of any resale restrictions imposed on any such additional notes.

Status of the Notes and the Guarantees

The Notes will be unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* in right of payment among themselves and with other unsecured and unsubordinated indebtedness of the Issuer (save for certain obligations required to be preferred by law). Upon issue, the Company will unconditionally guarantee, on a senior, unsecured basis, the due and punctual payment (and not collectability) of the principal of and interest on the Notes (and the payment of additional amounts described under “—*Payment of Additional Amounts*”) when and as the same shall become due and payable, whether at stated maturity, by declaration of acceleration, call for redemption or otherwise. The Guarantees will be an unsecured and unsubordinated obligation of the Company and will rank *pari passu* in right of payment with other unsecured and unsubordinated indebtedness of the Company (save for certain obligations required to be preferred by law).

Payment of Additional Amounts

The Issuer or, if applicable, the Company (pursuant to the terms of the Guarantees) will make payments of, or in respect of, principal, any premium and interest on the Notes or any payment pursuant to the Guarantees, as the case may be, without withholding or deduction for or on account of any and all present or future tax, levy, impost or other governmental charge whatsoever imposed, assessed, levied or collected (“**Taxes**”) by or for the account of a Relevant Jurisdiction (as defined below), unless such withholding or deduction is required by law.

If the Issuer or, if applicable, the Company is required by a Relevant Jurisdiction to deduct or withhold Taxes, the Issuer or, if applicable, the Company will pay to a Holder of a Note or the beneficial owner thereof such additional amounts (“**Additional Amounts**”) as may be necessary so that the net amount received by such Holder or beneficial owner will not be less than the amount such Holder or beneficial owner would have received if such Taxes had not been withheld or deducted; *provided, however*, that the Issuer or, if applicable, the Company shall not be required to pay any Additional Amounts for or on account of:

- (i) any Taxes that would not have been so imposed, assessed, levied or collected but for the fact that the Holder or beneficial owner of the applicable Note or Guarantee (or a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Holder or beneficial owner, if such Holder or beneficial owner is an estate, trust, partnership or corporation) is or has been a domiciliary, national or resident of, or engaging or having been engaged in a trade or business or maintaining or having maintained a permanent establishment or being or having been physically present in the jurisdiction in which such Taxes have been imposed, assessed, levied or collected or otherwise having or having had some connection with such jurisdiction, other than the mere holding or ownership of, or the collection of principal of, and interest on, a Note or the enforcement of a Guarantee, as the case may be;
- (ii) any Taxes that would not have been so imposed, assessed, levied or collected but for the fact that, where presentation is required in order to receive payment, the applicable Note or Guarantee was presented more than 30 days after the date on which such payment became due and payable or was provided for, whichever is later, except to the extent that the Holder or beneficial owner thereof would have been entitled to Additional Amounts had the applicable Note or Guarantee been presented for payment on any day during such 30-day period;
- (iii) any estate, inheritance, gift, sales, transfer, excise, personal property or similar Taxes;
- (iv) any Taxes that are payable otherwise than by deduction or withholding from payments on or in respect of the applicable Note or Guarantee;
- (v) any Taxes that would not have been so imposed, assessed, levied or collected but for the failure by the Holder or the beneficial owner of the applicable Note or Guarantee to comply (following a written request addressed to the Holder or beneficial owner, as applicable), with any certification, identification or other reporting requirements concerning the nationality, residence or identity of such Holder or beneficial owner or its connection with a Relevant Jurisdiction if compliance is required by

statute, regulation or administrative practice of such Relevant Jurisdiction as a condition to relief or exemption from such Taxes;

- (vi) any withholding or deduction required to be made from a payment pursuant to Sections 1471-1474 of the U.S. Internal Revenue Code of 1986, as of the issue date (or any amended or successor version) (the “Code”), any current or future regulations or official interpretations thereof, any intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing, any similar law or regulations adopted pursuant to such an intergovernmental agreement or any agreements entered into pursuant to Section 1471(b)(1) of the Code; or
- (vii) any combination of the Taxes described in (i) through (vi) above.

In addition, Additional Amounts will not be paid in respect of any payment in respect of the applicable Notes or Guarantees to any Holder or beneficial owner of the applicable Notes or Guarantees that is a fiduciary, a partnership, a limited liability company or any person other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of a Relevant Jurisdiction to be included, for tax purposes, in the income of a beneficiary or settlor with respect to such fiduciary, a member of such partnership, an interest holder in such limited liability company or a beneficial owner that would not have been entitled to such amounts had such beneficiary, settlor, member, interest holder or beneficial owner been the Holder of such Notes or Guarantees.

Whenever the Company refers in this document to the payment of the principal of any premium, any interest or other amounts to which a holder or beneficial owner is entitled, if any, on or in respect of the Notes or the Guarantees, unless the context otherwise requires, the Company means to include the payment of Additional Amounts to the extent that, in context, Additional Amounts are, were or would be payable.

Redemption

Optional Redemption

The Issuer may redeem each series of the Notes in whole or in part, at the Issuer’s option, at any time and from time to time, prior to, in the case of the 2028 Notes, January 17, 2028 (two months prior to the maturity date of the 2028 Notes) (the “**2028 Notes Par Call Date**”) and in the case of the 2031 Notes, December 17, 2030 (three months prior to the maturity date of the Notes) (the “**2031 Notes Par Call Date**”), at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed and (ii) as determined by the Independent Investment Banker, the sum of the present values of the applicable Remaining Scheduled Payments discounted to the date fixed for redemption (the “**Redemption Date**”) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months or in the case of an incomplete month, the number of days elapsed) at the Treasury Rate plus, in the case of the 2028 Notes, 20 basis points and in the case of the 2031 Notes, 20 basis points, together with, in each case, accrued and unpaid interest on the principal amount of the Notes to be redeemed to, but not including, the Redemption Date.

The Issuer may redeem the Notes in whole or in part, at its option, at any time and from time to time, on or after, in the case of the 2028 Notes, the 2028 Notes Par Call Date and in the case of the 2031 Notes, the 2031 Notes Par Call Date, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, together with accrued and unpaid interest on the principal amount of the Notes to be redeemed to, but not including, the Redemption Date.

In connection with such optional redemption, the following defined terms apply:

“**Treasury Rate**” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as at the third Business Day immediately preceding that Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that Redemption Date.

“**Comparable Treasury Issue**” means the United States Treasury security selected by the Independent Investment Banker that would be utilized, at the time of selection and in accordance with customary financial

practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the 2028 Notes or the 2031 Notes, as the case may be, assuming for such purpose that the 2028 Notes mature on the 2028 Notes Par Call Date and the 2031 Notes mature on the 2031 Notes Par Call Date, as applicable.

“Comparable Treasury Price” means, with respect to any Redemption Date, (i) the average of the Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest (or, if there is more than one such highest quotation, only one of such quotations) and lowest (or, if there is more than one such lowest quotation, only one of such quotations) of such Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker for the Notes obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by the Issuer to act as the “Independent Investment Banker”.

“Remaining Scheduled Payments” means, with respect to each Note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related Redemption Date but for such redemption, assuming for such purpose that the 2028 Notes mature on the 2028 Notes Par Call Date and the 2031 Notes mature on the 2031 Notes Par Call Date, as applicable; *provided, however*, that if that Redemption Date is not an interest payment date with respect to such Notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to that Redemption Date.

“Reference Treasury Dealer” means each of Barclays Capital Inc., BofA Securities, Inc., SMBC Nikko Securities America Inc., their respective successors and two other nationally recognized investment banking firms that are Primary Treasury Dealers specified from time to time by the Issuer; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in the United States (a **“Primary Treasury Dealer”**), the Issuer shall substitute therefor another nationally recognized investment banking firm that is a Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that Redemption Date.

Notice of any redemption will be given in accordance with “*Notices*” below at least 10 days but not more than 60 days before the Redemption Date to each Holder of the Notes to be redeemed. On and after any Redemption Date, interest will cease to accrue on the Notes or any portion thereof called for redemption. p

Upon presentation of any Note redeemed in part only, the Issuer will execute and instruct the Trustee to authenticate and deliver to or on the order of the Holder thereof, at the expense of the Issuer, a new Note or Notes, of authorized denominations, in principal amount equal to the unredeemed portion of the Note so presented.

On or before any Redemption Date, the Issuer shall deposit with the Trustee money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on such date. If less than all the Notes are to be redeemed, the Notes to be redeemed shall be selected by the Trustee by such method as the Trustee shall deem fair and appropriate. The redemption price shall be calculated by the Independent Investment Banker and the Issuer and notice of such redemption price shall be provided to the Trustee and the Holders at least two (2) business days prior to the Redemption Date, and the Trustee and any paying agent for the Notes shall be entitled to rely on such calculation.

Final Maturity

Unless previously purchased or redeemed by the Issuer or the Company or any of their Subsidiaries, and cancelled, the principal amount of the 2028 Notes and the 2031 Notes will mature and become due and payable on March 17, 2028 and March 17, 2031, respectively, in an amount equal to their principal amount, with accrued and unpaid interest to such date.

Reacquisition

There is no restriction on the ability of the Issuer or the Company or any of their respective Subsidiaries to purchase or repurchase Notes.

Redemption for Tax Reasons

Each series of the Notes is redeemable by the Issuer at the Issuer's option at any time prior to their maturity if due to a Change in Tax Law (as defined below) (i) the Issuer or, if applicable, the Company, in accordance with the terms of the applicable Notes or the applicable Guarantees, respectively, has, or would, become obligated to pay to the Holder or beneficial owner of any Note any Additional Amounts; (ii) in the case of the Company, (A) the Company would be unable, for reasons outside its control, to procure payment by the Issuer or (B) the procuring of such payment by the Issuer would be subject to withholding taxes imposed by a Relevant Jurisdiction; and (iii) the obligation described in (i) cannot be avoided by the Issuer or, if applicable, the Company taking reasonable measures available to it. In such case, the Issuer may redeem the Notes in whole, but not in part, upon not less than 30 nor more than 60 days' notice as provided in "Notices" below, at 100% of the principal amount of the Notes plus accrued and unpaid interest to, but not including, the applicable Redemption Date and any Additional Amounts payable with respect thereto; *provided* that (a) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, if applicable, the Company would be obligated to pay any such Additional Amounts were a payment in respect of the applicable Notes or the applicable Guarantees then due and (b) at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. The Issuer's right to redeem the Notes shall continue as long as the Issuer or the Company, as the case may be, is obligated to pay such Additional Amounts, notwithstanding that the Issuer or the Company shall have made payments of Additional Amounts. Prior to the giving of any such notice of redemption, the Issuer must deliver to the Trustee (1) a certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent counsel of recognized standing selected by the Issuer or the Company, as applicable, to the effect that the Issuer or the Company has, or would, become obligated to pay such Additional Amounts as a result of such change or amendment.

For purposes hereof, "**Change in Tax Law**" shall mean (i) any changes in, or amendment to, any law of a Relevant Jurisdiction (including any regulations or rulings promulgated thereunder) or any amendment to or change in the application or official interpretation (including judicial or administrative interpretation) of such law, which change or amendment is announced, if applicable, and becomes effective on or after March 15, 2021 or (ii) if the Issuer or the Company consolidates or merges with, or transfers or leases its assets substantially as an entirety to, any person that is incorporated or tax resident under the laws of any jurisdiction other than a Relevant Jurisdiction, as defined immediately prior to such consolidating merger or other transaction, and as a consequence thereof such person becomes the successor obligor to the Issuer or the Company in respect of Additional Amounts that may become payable (in which case, for purposes of this redemption provision, all references to the Issuer, or the Company hereunder, as applicable, shall be deemed to be and include references to such person), any change in, or amendment to, any law of the jurisdiction of incorporation or residence for tax purposes of such person or any successor entity, or any political subdivision or taxing authority thereof or therein for purposes of taxation (including any regulations or rulings promulgated thereunder) or any amendment to or change in the application or official interpretation (including judicial or administrative interpretation) of such law, which change or amendment becomes effective on or after the date of such consolidation, merger or other transaction.

Certain Definitions

Set forth below are certain of the defined terms used in the Notes and the Indenture. You should refer to the Notes and the Indenture for the full set of definitions.

"**Attributable Debt**" means, as to any particular lease under which any Person is liable at the time as lessee, and at any date as of which the amount of the payment is to be determined, the total net amount of rent required to be paid by such Person under such lease during the remaining term of such lease (including any period for which

such lease has been extended or may, at the option of the lessor, be extended), discounted from the respective due dates thereof to the date of determination at a rate per annum equivalent to the rate inherent in such lease (as determined by the directors of the Company) compounded semi-annually, excluding amounts required to be paid on account of or attributable to operating costs and overhead charges and including, in certain circumstances, any termination penalty in the case of a lease terminable by the lessee.

“**Business Day**” means any day which is not, in London, England, New York City, or the place of payment of interest or principal a Saturday, Sunday, a legal holiday or a day on which banking institutions in such places are authorized or obligated by law to close.

“**Company Jurisdiction**” means any of the jurisdictions of incorporation or residence for tax purposes of the Company or any successor entity, or any political subdivision or taxing authority thereof or therein.

“**Consolidated Net Tangible Assets**” means the aggregate amount of assets (less applicable provisions) after deducting therefrom (1) all current liabilities; (2) all goodwill, trade names, trademarks, patents, unamortized debt discount and financings costs and all similar intangible assets; and (3) appropriate adjustments on account of minority interests of other Persons holding stock in any Subsidiary of the Company, all as set forth on the most recent consolidated balance sheet of the Company and computed in accordance with IFRS.

“**Government Obligations**” means money or obligations issued by the United States government.

“**IFRS**” means International Financial Reporting Standards as adopted by the European Union.

“**Indebtedness**” means all obligations for borrowed money represented by notes, bonds, debentures or similar evidence of indebtedness and obligations for borrowed money evidenced by credit, loan or other like agreements.

“**Issuer Jurisdiction**” means any of the jurisdictions of incorporation or residence for tax purposes of the Issuer or any successor entity, or any political subdivision or taxing authority thereof or therein.

“**Mortgage**” means any mortgage, deed of trust, pledge, hypoth c, lien, encumbrance, charge or other security interest of any kind.

“**Person**” means any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Principal Property**” means the interest of the Company or any Subsidiary in any (a) mineral property or (b) manufacturing or processing plant, building, structure, dam or other facility, together with the land upon which it is erected and fixtures comprising a part thereof, whether owned as of the date of the Indenture or thereafter acquired or constructed by the Company or any Subsidiary, of which interest the net book value in each case, on the date as of which the determination is being made, is an amount which exceeds 10% of Consolidated Net Tangible Assets, other than (i) any such mineral property, manufacturing or processing plant, building, structure, dam or other facility which, in the opinion of the Board, is not of material importance to the total business conducted by the Company and its Subsidiaries as an entirety or (ii) any portion of any such property which, in the opinion of the Board, is not of material importance to the use or operation of such property.

“**Project Financing**” means the financing or refinancing of the acquisition, construction, expansion, improvement or development of any physical assets in which the providers of such finance or refinance solely look to the entity that owns and operates such assets, the equity interests in such entity, the assets themselves, and/or the revenues generated thereby as the source of repayment of the amounts financed or refinanced, without recourse to the Company or any Subsidiary (other than such entity) other than through a completion guarantee or other obligations that are customary in non-recourse financing or refinancing.

“**Relevant Jurisdiction**” means an Issuer Jurisdiction and/or a Company Jurisdiction.

“**Restricted Subsidiary**” means (1) any Subsidiary which owns or leases a Principal Property; and (2) any Subsidiary engaged primarily in the business of owning or holding securities of Restricted Subsidiaries.

“Sale and Leaseback Transactions” mean any arrangement with a bank, insurance company or other lender or investor (other than the Company or a Restricted Subsidiary) providing for the leasing by the Company or any Restricted Subsidiary of any Principal Property which has been or is to be sold or transferred, more than 180 days after the later of the acquisition, completion of construction or commencement of full operation thereof by the Company or such Restricted Subsidiary to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of that property or asset.

“Significant Subsidiary” means any Subsidiary that would be a “significant subsidiary” under the definition in Article 1, Rule 1-02(w)(2) of Regulation S-X (but as calculated pursuant to IFRS), promulgated pursuant to the Securities Act, as such Regulation is in effect on the date hereof.

“Subsidiary” means, at any relevant time, any person of which the voting shares or other interests carrying more than 50% of the outstanding voting rights attached to all outstanding voting shares or other interests are owned, directly or indirectly, by or for the Company and/or one or more Subsidiaries of the Company.

Covenants of the Issuer and the Company

Negative Pledge

Each of the Issuer and the Company will covenant under the Indenture that for so long as any of the Notes are outstanding under the Indenture, and subject to the provisions of the Indenture, it will not, and the Company will not permit any Restricted Subsidiary to, create, permit to exist, incur, issue, guarantee, assume or otherwise have outstanding any Mortgage on or over any Principal Property now owned or hereafter acquired by the Company or a Restricted Subsidiary to secure any Indebtedness of the Issuer, the Company or any Restricted Subsidiary, or on shares of stock or Indebtedness of any Restricted Subsidiary now owned or hereafter acquired by the Company or a Restricted Subsidiary to secure any Indebtedness of the Issuer, the Company or any Restricted Subsidiary, unless at the time thereof or prior thereto the Notes then outstanding under the Indenture are secured equally and ratably with (or prior to) any and all such Indebtedness for so long as such Indebtedness is so secured by such Mortgage; *provided, however*, such negative pledge will not apply to or operate to prevent or restrict the following permitted encumbrances:

- (1) any Mortgage on property, shares of stock or Indebtedness of any Person existing at the time such Person becomes a Restricted Subsidiary or created, incurred, issued or assumed in connection with the acquisition of any such Person;
- (2) any Mortgage on any Principal Property created, incurred, issued or assumed at or prior to the time such property became a Principal Property or existing at the time of acquisition of such Principal Property by the Company or a Restricted Subsidiary, whether or not assumed by the Company or such Restricted Subsidiary; provided that no such Mortgage will extend to any other Principal Property of the Company or any Restricted Subsidiary;
- (3) any Mortgage on all or any part of any Principal Property (including any improvements or additions to improvements on a Principal Property) hereafter acquired, developed, expanded or constructed by the Company or any Restricted Subsidiary to secure the payment of all or any part of the purchase price, cost of acquisition or cost of development, expansion or construction of such Principal Property or of improvements or additions to improvements thereon (or to secure any Indebtedness incurred by the Company or a Restricted Subsidiary for the purpose of financing all or any part of the purchase price, cost of acquisition or cost of development, expansion or construction thereof or of improvements or additions to improvements thereon) created prior to, at the time of, or within 360 days after the later of, the acquisition, development, expansion or completion of construction (including construction of improvements or additions to improvements thereon), or commencement of full operation of such Principal Property; provided that no such Mortgage will extend to any other Principal Property of the Company or a Restricted Subsidiary other than, in the case of any such construction, improvement, development, expansion or addition to improvement, all or any part of any other Principal Property on

which the Principal Property so constructed, developed or expanded, or the improvement or addition to improvement, is located;

- (4) any Mortgage on any Principal Property of any Restricted Subsidiary to secure Indebtedness owing by it to the Company, the Issuer or another Restricted Subsidiary;
- (5) any Mortgage on any Principal Property of the Company to secure Indebtedness owing by it to the Issuer or another Restricted Subsidiary;
- (6) any Mortgage on any Principal Property or other assets of the Company or any Restricted Subsidiary existing on the date of the Indenture;
- (7) any Mortgage on any Principal Property arising by operation of law (or an agreement solely evidencing otherwise applicable law) and (i) arising in the ordinary course of business or (ii) not securing amounts more than 90 days overdue or otherwise being contested in good faith;
- (8) Judgment Mortgages on any Principal Property not giving rise to an Event of Default;
- (9) any Mortgage on any Principal Property of the Company or any Restricted Subsidiary in favor of the government of any country or political subdivision thereof, or any instrumentality of any of them, securing the obligations of the Company or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes;
- (10) any Mortgage on or over all or any part of the interest of the Company or any Restricted Subsidiary in any joint venture, partnership or similar undertaking, including the revenues and assets derived by the Company or any Restricted Subsidiary from such joint venture, partnership or similar undertaking, or employed by the Company or any Restricted Subsidiary in such joint venture, partnership or similar undertaking, which is in favor of its co-ventures and/or the manager or operator of the joint venture, partnership or similar undertaking as security for the due payment of amounts payable under or in respect of such joint venture, partnership or similar undertaking;
- (11) Mortgages arising in connection with any Project Financing;
- (12) any Mortgage on any Principal Property or other assets of the Company or any Restricted Subsidiary created for the sole purpose of extending, renewing, altering or refunding any of the foregoing Mortgages (or any successive extension, renewal, alteration or refunding thereof); provided that the Indebtedness secured thereby will not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal, alteration or refunding, plus an amount necessary to pay fees and expenses, including premiums, related to such extensions, renewals, alterations or refundings, and that such extension, renewal, alteration or refunding Mortgage will be limited to all or any part of the same Principal Property and improvements and additions to improvements thereon and/or shares of stock and Indebtedness of a Restricted Subsidiary which secured the Mortgage extended, renewed, altered or refunded either of such property or shares of stock or Indebtedness;
- (13) Mortgages on any Principal Property subject to Sale and Leaseback Transactions described below in clause (1) or (3) of the section headed "Limitation on Sale and Leaseback Transactions"; or
- (14) any Mortgage on any Principal Property or on any shares of stock or Indebtedness of any Restricted Subsidiary created, incurred, issued or assumed to secure Indebtedness of the Company or any Restricted Subsidiary, which would otherwise be subject to the foregoing restrictions, in an aggregate amount which, together with the aggregate principal amount of other Indebtedness secured by Mortgages on any Principal Property or on any shares of stock or Indebtedness of any Restricted Subsidiary then outstanding (excluding Indebtedness secured by Mortgages permitted under the foregoing exceptions) and the Attributable Debt in respect of all Sale and Leaseback Transactions entered into after the date of the Indenture (not including Attributable Debt in respect of any such Sale and Leaseback Transactions described below in clause (1) or (3) of the section headed "Limitation on

Sale and Leaseback Transactions”) would not then exceed the greater of US\$4 billion or 15% of Consolidated Net Tangible Assets of the Company.

Limitation on Sale and Leaseback Transactions

Each of the Issuer and the Company will covenant under the Indenture that for so long as any of the Notes are outstanding under the Indenture, and subject to the provisions of the Indenture, it will not, and the Company will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction unless (1) such transaction involves a lease or right to possession or use for a temporary period not to exceed three years following such transaction, by the end of which it is intended that the use of such property by the lessee will be discontinued; (2) immediately prior to the entering into of such transaction, the Company or such Restricted Subsidiary could create a Mortgage on Principal Property subject to the Sale and Leaseback Transaction securing Indebtedness in an amount equal to the Attributable Debt with respect to the particular Sale and Leaseback Transaction; or (3) the proceeds of such transaction within 180 days after such transaction, are applied to either (A) the payment of all or any part of the purchase price, cost of acquisition, cost of development, cost of expansion or cost of construction of a Principal Property or cost of improvements or additions to improvements thereon or (B) the retirement of long-term debt ranking at least ratably with the Notes.

Limitation on Mergers and Consolidations

The Indenture will provide that for so long as any of the Notes are outstanding under the Indenture, each of the Issuer and the Company may not consolidate or amalgamate with or merge (including by way of a scheme of arrangement) into or with any other Person, or, directly or indirectly, sell, convey, transfer or lease its properties and assets as an entirety or substantially as an entirety to any Person (other than a Person satisfying the condition set forth in clause (i), below, that is directly or indirectly wholly owned by the Company), unless:

- (i) the Person formed by or continuing from such consolidation or amalgamation or into which the Issuer or the Company is merged or the Person which acquires or leases the Issuer’s or the Company’s properties and assets as an entirety or substantially as an entirety is organized and existing under the laws of the United States, the United Kingdom or any other country that is a member of the Organization for Economic Cooperation and Development, or the Republic of South Africa, Brazil or India;
- (ii) the successor Person assumes, or assumes by operation of law, the Issuer’s or the Company’s obligations under the Notes, the Guarantees and the Indenture to pay Additional Amounts;
- (iii) if the Issuer or Company, as applicable, is not the continuing entity, the successor Person expressly assumes or assumes by operation of law all of the Issuer’s or the Company’s obligations under the Notes, the Guarantees and under the Indenture;
- (iv) immediately before and after giving effect to such transaction, no Event of Default (as defined below) and no event which, after notice or lapse of time or both, would become an Event of Default, will have happened and be continuing; and
- (v) certain other conditions are met.

If, as a result of any such transaction, any of the Issuer’s or the Company’s Principal Properties become subject to a Mortgage, then, unless such Mortgage could be created pursuant to the Indenture provisions described under the section headed “*Negative Pledge*” without equally and ratably securing the Notes, the Issuer or the Company, simultaneously with or prior to such transaction, will cause the Notes to be secured equally and ratably with or prior to the Indebtedness secured by such Mortgage.

The Notes will not contain covenants or other provisions to afford protection to Holders in the event of a highly leveraged transaction or a change in control of the Issuer or the Company except as provided herein.

Upon certain mergers or consolidations involving the Issuer or the Company, or upon certain sales or conveyances of the respective properties of the Issuer or the Company as an entirety or substantially as an entirety,

the obligations of the Issuer or the Company, as the case may be, under the Notes or the Guarantees, as the case may be, shall be assumed by the Person formed by such merger or consolidation or which shall have acquired such property (except in the case of an acquisition of such property, for any such Person that meets the condition set forth in clause (i), above, that is directly or indirectly wholly owned by the Company) and upon such assumptions such Person shall succeed to and be substituted for the Issuer or the Company, as the case may be, and then the Issuer or the Company, as the case may be, will be relieved from all obligations under the Notes or the Guarantee, as the case may be. The terms “Issuer” and “Company”, as used in the Notes, the Guarantees and the Indenture, also refer to any such successors or assigns so substituted.

Provision of Financial Information

For so long as any Notes are outstanding, each Issuer and the Company shall deliver to the Trustee, or post on its website copies of any annual reports or periodic results announcements it files with each of the United Kingdom Financial Conduct Authority and the London Stock Exchange within 30 days after it files such documents with the United Kingdom Financial Conduct Authority or London Stock Exchange, as the case may be; *provided, however*, that this covenant shall not create any obligation under the Indenture to make any such filings or to make such filings in a timely manner. This covenant relates solely to the obligations of the Issuer and the Company under the Notes and is not intended to affect any obligations the Issuer or the Company may have under the UK Disclosure and Transparency Rules.

Change of Control Repurchase Event

If a Change of Control Repurchase Event occurs, unless the Issuer has exercised its right to redeem the Notes as described above, the Issuer or the Company will be required to make an offer to each holder of Notes to repurchase all or any part (equal to US\$200,000 or an integral multiple of US\$1,000 in excess thereof) of that holder’s Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of Notes repurchased plus any accrued and unpaid interest on the Notes repurchased to, but not including, the date of repurchase.

Within 30 days following any Change of Control Repurchase Event or, at the option of the Issuer or the Company, prior to any Change of Control, but after the public announcement of the Change of Control, the Issuer or the Company will mail, by first class mail or equivalent, a notice to each holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on a Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

The Issuer and the Company will comply with the requirements of the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, the Issuer and the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached their respective obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the repurchase date following a Change of Control Repurchase Event, the Issuer or the Company will, to the extent lawful:

1. accept for payment all Notes or portions of Notes properly tendered pursuant to the Issuer’s or the Company’s offer;
2. deposit an amount equal to the aggregate purchase price and accrued interest in respect of all Notes or portions of Notes properly tendered with the Agent (or with such other agent as agreed upon at such time); and

3. deliver or cause to be delivered to the Trustee the Notes properly accepted, together with an officers' certificate stating the aggregate principal amount of Notes being purchased by the Issuer or the Company.

The Agent will promptly mail to each holder of Notes properly tendered the purchase price for the Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any un-purchased portion of any Notes surrendered; *provided that* each new note will be in a principal amount of US\$200,000 or an integral multiple of US\$1,000 in excess thereof.

The Issuer or the Company will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirement for an offer made by the Issuer or the Company and such third party purchases all Notes properly tendered and not withdrawn under its offer.

For purposes of the foregoing description of a repurchase at the option of the holders, the following definitions are applicable:

“Below Investment Grade Ratings Event” means that the Notes cease to be rated Investment Grade by at least two of the three Rating Agencies on any date during the period commencing 60 days prior to, and ending 60 days after (which 60-day period will be extended so long as the rating of the notes is under publicly announced consideration for a possible downgrade by any Rating Agency) the earlier of (1) the occurrence of a Change of Control; or (2) public notice of the occurrence of a Change of Control or the intention of the Company to effect a Change of Control. Notwithstanding any of the foregoing, a Below Investment Grade Ratings Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Ratings Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the ratings event).

“Change of Control” means the occurrence of one or more of the following:

1. the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of consolidation, amalgamation or merger), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d)(3) of the Exchange Act), other than to the Company or one of its Subsidiaries;
2. the consummation of any transaction (including, without limitation, any consolidation, amalgamation, or merger or other combination (including by way of a scheme of arrangement)) the result of which is that any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company, measured by voting power rather than number of shares;
3. the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Company outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving Person immediately after giving effect to such transaction;
4. the first day on which the majority of the members of the board of directors of the Company cease to be Continuing Directors; or

5. the adoption of a plan relating to the liquidation, winding up or dissolution of the Company.

Notwithstanding the foregoing, a transaction will not be deemed to involve a change of control for the purposes of this definition only if (1) the Company becomes a direct or indirect wholly owned subsidiary of a holding company and (2)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of the Company's Voting Stock immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Ratings Event.

"Continuing Director" means, as of any date of determination, any member of the board of directors of the Company who:

1. was a member of such board of directors on the date of the Indenture; or
2. was nominated for election or elected to such board of directors with the approval of a majority of the Continuing Directors who were members of such board of directors at the time of such nomination or election.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"Fitch" means Fitch, Inc., a subsidiary of Fimalac, S.A., and its successors.

"Investment Grade" means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's); a rating of BBB- or better by S&P or Fitch (or its equivalent under any successor rating categories of S&P and Fitch); or the equivalent Investment Grade credit rating from any additional Rating Agency or Rating Agencies selected by the Issuer or the Company.

"Moody's" means Moody's Investor Services Ltd.

"Person" means any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Rating Agency" means each of Moody's, S&P and Fitch; *provided that* if any of Moody's, S&P or Fitch ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the Issuer's or the Company's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act, selected by the Issuer or the Company (as certified by a resolution of the Chief Executive Officer or Chief Financial Officer) as a replacement agency for Moody's, S&P or Fitch, or all of them, as the case may be.

"S&P" means S&P Global Ratings UK Limited.

"Subsidiary" means, at any relevant time, any person of which the voting shares or other interests carrying more than 50% of the outstanding voting rights attached to all outstanding voting shares or other interests are owned, directly or indirectly, by or for the Company and/or one or more subsidiaries of the Company.

"Voting Stock" of any specified "person" (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date means the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

The Change of Control Repurchase Event feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of the Company and, thus, the removal of incumbent management. Subject to the limitations discussed below, the Issuer or the Company could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of

Control under the Notes, but that could increase the amount of indebtedness outstanding at such time or otherwise affect the Issuer's or the Company's capital structure or credit ratings on the Notes.

The Issuer or the Company may not have sufficient funds to repurchase all the Notes, or any other outstanding debt securities that the Issuer or the Company would be required to repurchase, upon a Change of Control Repurchase Event.

Events of Default

Each series of the Notes will contain the following Events of Default (each an “**Event of Default**”) with respect to such Notes:

- (i) default in the payment of any installment of interest (excluding Additional Amounts) upon any such Note as and when the same shall become due and payable, and continuance of such default for 30 days; or
- (ii) default in the payment of the applicable Additional Amounts as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or
- (iii) default in the payment of all or any part of the principal of or premium on any such Note as and when the same shall become due and payable either at maturity, upon any redemption, by declaration or otherwise; or
- (iv) default in the performance or breach of any covenant of the Issuer or the Company in respect of such Notes or the Indenture (other than those described in paragraphs (i), (ii) and (iii) above), and continuance of such default or breach for a period of 90 days after there has been given a written notice, by registered or certified mail, to the Issuer and the Company by the Trustee or to the Issuer, the Company and the Trustee by the Holders of at least 25% in principal amount of the outstanding Notes affected thereby, specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” under the Indenture; or
- (v) (a) any present or future indebtedness of the Issuer, the Company or any Significant Subsidiary, other than such Notes, for or in respect of moneys borrowed is declared or becomes due and payable prior to its stated maturity as the result of any event of default (howsoever described), or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period or (c) the Issuer, the Company or any Significant Subsidiary fails to pay, within any applicable grace period therefor, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned in this paragraph (v) will have occurred (which indebtedness, guarantees or indemnities have not been repaid or paid and as to which such default has not been cured or such acceleration has not been rescinded or annulled) exceeds US\$100,000,000 or its equivalent; or
- (vi) a distress, attachment, execution or other legal process is levied or enforced against any assets of the Issuer, the Company or any Significant Subsidiary having a value exceeding US\$100,000,000 following upon a decree or judgment of a court of competent jurisdiction and (A) is not discharged or stayed within 90 days or (B) is the subject of a bona fide active dispute (for the avoidance of doubt, any such distress, attachment, execution or other legal process shall be deemed discharged upon any enforcement of a Mortgage on any such assets); or
- (vii) the Issuer, the Company or any Significant Subsidiary admits in writing that it is unable to pay its debts generally; a resolution is passed by the board of directors of the Issuer or the Company for such entity to be wound up or dissolved; the Issuer or Company is unable to pay its debts within the meaning of Section 123(2) of the Insolvency Act of Great Britain or makes a general assignment for the benefit of its creditors; an administrator is appointed in respect of, or an administration order is made in relation to, the Issuer or the Company; the Issuer or the Company stops payment of its

obligations generally or ceases to carry on its business or substantially all thereof; or an encumbrancer takes possession or an administrative or other receiver is appointed over the whole or any material part of the either the Issuer's or the Company's assets; or

- (viii) certain specified events in bankruptcy, insolvency or reorganization involving the Issuer, the Company or any Significant Subsidiary; or
- (ix) the Company ceases to own, directly or indirectly, all of the Voting Stock of the Issuer.

The Issuer and/or the Company shall promptly notify the Trustee in writing upon becoming aware of the occurrence of an Event of Default.

The Indenture provides that if an Event of Default occurs and is continuing in respect of a series of Notes, (x) then and in each and every such case (other than certain Events of Default specified in paragraphs (vii) and (viii) above with respect to the Issuer or the Company), unless the principal of all such Notes shall have already become due and payable, either the Trustee (at the direction of the Holders) or the Holders of not less than 25% in aggregate principal amount of such Notes then outstanding, by notice in writing to the Issuer and the Company (and to the Trustee if given by the Holders), may declare the entire principal amount of all such Notes issued pursuant to the Indenture and interest accrued and unpaid thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, without any further declaration or other act on the part of the Trustee or any Holder and (y) if certain Events of Default described in paragraph (vii) or (viii) above occur with respect to the Issuer or the Company and are continuing, the principal amount of and accrued and unpaid interest on all such Notes issued pursuant to the Indenture shall become immediately due and payable, without any declaration or other act on the part of the Trustee or any Holder. Under certain circumstances, the Holders of a majority in aggregate principal amount of such Notes then outstanding, by written notice to the Issuer, the Company and the Trustee, may waive defaults and rescind and annul declarations of acceleration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

The Holders of a majority in aggregate principal amount of the Notes of the relevant series then outstanding will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, subject to certain limitations to be specified in the Indenture.

The Indenture provides that no Holder of any Note may institute any action or proceeding at law or in equity or in bankruptcy or otherwise upon or under or with respect to the Indenture, or for the appointment of a trustee, receiver, liquidator, custodian or other similar official or for any other remedy under the Indenture (except suits for the enforcement of payment of overdue principal or interest) unless such Holder previously shall have given to the Trustee written notice of an Event of Default and continuance thereof and unless the Holders of not less than 25% in aggregate principal amount of the Notes of the relevant series then outstanding shall have made written request upon the Trustee to institute such action or proceedings in its own name as Trustee and shall have offered the Trustee reasonable indemnity, the Trustee shall not have instituted any such action or proceeding within 90 days of its receipt of such notice, request and offer of indemnity and the Trustee shall not have received direction inconsistent with such written request by the Holders of a majority in aggregate principal amount of the Notes of the relevant series at the time outstanding.

An Event of Default with respect to a given series of the Notes would not necessarily constitute an event of default with respect to the securities of any other series issued in the future under the Indenture.

The Indenture provides that each of the Issuer and the Company will each furnish to the Trustee on or before June 30 in each year, if Notes are then outstanding, a certificate from an officer as to his or her knowledge of the Issuer's or the Company's, as the case may be, compliance with all conditions and covenants under the Indenture.

Defeasance

The Indenture provides that the Issuer will have the option either (a) to be deemed (together with the Company) to have paid and discharged the entire indebtedness represented by, and obligations under, the applicable Notes and the Guarantees and to have satisfied all the obligations under the Indenture relating to the Notes, and the Guarantees (except for certain obligations, including those relating to the defeasance trust and obligations to register the transfer or exchange of Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain paying agencies) on the day after the applicable conditions described below have been satisfied or (b) to cease (together with the Company) to be under any obligation to comply with the covenants described under “—Covenants of the Issuer and the Company—Negative Pledge”, “—Covenants of the Issuer and the Company—Provision of Financial Information” and “—Covenants of the Issuer and the Company—Limitation on Sale and Leaseback Transactions” and the condition relating to the absence of any events of default under “—Covenants of the Issuer and the Company—Limitation on Mergers and Consolidations” under the Notes, and noncompliance with such covenants and the occurrence of certain events described above under “Events of Default” will not give rise to any Event of Default under the Indenture, at any time after the applicable conditions described below have been satisfied.

In order to exercise either defeasance option, the Issuer must deposit with the Trustee, irrevocably in trust, money or Government Obligations for the payment of principal of and interest (including Additional Amounts) on the outstanding Notes to and including the Redemption Date irrevocably designated by the Issuer on or prior to the date of deposit of such money or Government Obligations, and must (i) comply with certain other conditions, including delivering to the Trustee an opinion of U.S. counsel, or a ruling received from or published by the U.S. Internal Revenue Service, to the effect that beneficial owners of the Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of the exercise of such option and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same time as would have been the case if such option had not been exercised and, in the case of (a) above, such opinion must state that it is based on a change of law or final and binding ruling received from or published by the U.S. Internal Revenue Service after March 15, 2021 and (ii) pay in full all other amounts due and owing under the Indenture.

Modification and Waiver

Without Consent of Noteholders

The Indenture provides provisions permitting the Issuer, the Company and the Trustee, without the consent of the Holders of any of the Notes of the relevant series at any time outstanding, from time to time and at any time, to enter into an indenture or indentures supplemental to the Indenture or to otherwise amend the Indenture with respect to such Notes:

- to convey, transfer, assign, mortgage or pledge to the Trustee as security for such Notes any property or assets;
- to evidence the succession of another person to the Issuer or the Company, as the case may be, or successive successions, and the assumption by the successor person of the covenants, agreements and obligations of the Issuer or the Company, as the case may be, pursuant to the Indenture;
- to evidence and provide for the acceptance of appointment of a successor trustee, principal paying agent, registrar or transfer agent, as the case may be;
- to add to the covenants of the Issuer and the Company, as the case may be, such further covenants, restrictions, conditions or provisions as the Issuer and the Company, as the case may be, and the Trustee shall consider to be for the protection of the Holders of such Notes, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default under the Indenture permitting the enforcement of all or any of the several remedies provided in the Indenture, such Notes or the related Guarantees; provided that, in respect of any such additional covenant, restriction, condition or provision, such supplemental indenture may provide for a particular period of grace after default (which may be shorter or longer than that allowed in the case of other defaults) or may limit the remedies available to the Trustee upon such an Event of Default or may limit the right of Holders of a majority in aggregate principal amount of such Notes to waive such an Event of Default;

- to modify the restrictions on, and procedures for, resale and other transfers of such Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;
- to cure any ambiguity or to correct or supplement any provision contained in the Indenture which may be defective or inconsistent with any other provision contained therein or to make such other provision in regard to matters or questions arising under the indenture as the Issuer or the Company may deem necessary or desirable and which will not adversely affect the interests of the Holders of such Notes in any material respect (provided that any modification or amendment to conform language in the Indenture to that appearing in this description of notes shall be deemed not to adversely affect the interests of the Holders of such Notes in any material respect); or
- to issue as many distinct series of debt securities under the Indenture as the Issuer wishes or to “reopen” each series of notes and create and issue additional notes having identical terms and conditions as an existing series of Notes (or in all respects except for the payment of interest accruing prior to the issue date of such additional notes or except for the first payment of interest following the issue date of such additional notes) so that the additional notes are consolidated and form a single series with the applicable Notes.

With Consent of Noteholders

The Indenture provides provisions permitting the Issuer, the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes of a series at the time outstanding (including consents obtained in connection with a tender offer or exchange offer for the Notes), from time to time and at any time, to enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or any supplementary indenture or of modifying in any manner the rights of the Holders of the Notes or the Guarantees with respect to such Notes; *provided* that no such indenture may, without the consent of the Holder of each of the Notes so affected:

- change the stated maturity of the principal of or the date for payment of any instalment of interest on any Note;
- reduce the principal amount of or interest on any Note or Additional Amounts payable with respect thereto or reduce the amount payable thereon in the event of redemption or default;
- change the currency of payment of principal of or interest on any Note or Additional Amounts payable with respect thereto;
- change the obligation of the Issuer or the Company, as the case may be, to pay Additional Amounts;
- impair the right to institute suit for the enforcement of any such payment on or with respect to any Note;
- reduce the aforesaid percentage in principal amount of the outstanding Notes, the consent of whose Holders is required for any such supplemental indenture; or
- reduce the aforesaid aggregate principal amount of any Note outstanding necessary to modify or amend the Indenture or any such Notes or to waive any future compliance or past default or reduce the quorum requirements or the percentage of aggregate principal amount of any Notes outstanding required for the adoption of any action at a meeting of holders of such Notes or reduce the percentage of the aggregate principal amount of such Notes outstanding necessary to rescind or annul any declaration of the principal of and all accrued and unpaid interest on any Notes to be due and payable; provided that no consent of any Holder of any Note shall be necessary to permit the Trustee, the Issuer and the Company to execute supplemental indentures described under “Modification and Waiver—Without Consent of Noteholders” above.

Any modifications, amendments or waivers to the Indenture or to the conditions of the Notes will be conclusive and binding on all Holders of the Notes of the applicable series, whether or not they have consented to such action or were present at the meeting at which such action was taken, and on all future holders of such Notes, whether or not notation of such modifications, amendments or waivers is made upon such Notes. Any instrument given by or on behalf of any Holder of such a Note in connection with any consent to any such modification, amendment or

waiver will be irrevocable once given and will be conclusive and binding on all subsequent registered holders of such Note.

Prescription

Under New York's statute of limitations, any legal action upon the Notes in respect of interest or principal must be commenced within six years after the payment thereof is due. Thereafter the Notes and the Guarantees will become generally unenforceable.

Listing

The Issuer expects to make an application for Admission of each series of the Notes to listing on the Official List and to trading on the London Stock Exchange's Regulated Market, a regulated market.

The Issuer and the Company will use their reasonable best efforts to have such (i) Admission of the Notes to trading on the regulated market of the London Stock Exchange and (ii) listing of such Notes on the Official List become effective and then maintain such listing for so long as any of the Notes remain outstanding.

Notices

Notices to Holders of Notes will be mailed by first-class mail (or equivalent) postage prepaid to Holders of Notes at their last registered addresses as they appear in the Notes register. The Issuer and the Company will consider any mailed notice to have been given two Business Days after it has been sent.

In addition, for so long as a given series of the Notes is listed on the Official List and admitted to trading on the London Stock Exchange's Regulated Market, and the rules of the London Stock Exchange so require, the Issuer and the Company will publish notices to the Holders of such Notes in a leading newspaper having general circulation in London, England (which is initially expected to be the *Financial Times*) and immediately provide a copy thereof to the Trustee. The Issuer and the Company will consider any published notice to be given on the date of its first publication.

Consent to Service, Submission to Jurisdiction; Enforceability of Judgments

Each of the Issuer and the Company will appoint CT Corporation System, as its process agent for any action brought by a holder based on the Indenture or the Notes or Guarantees, as applicable, instituted in any state or federal court in the Borough of Manhattan, The City of New York.

Each of the Issuer and the Company will irrevocably submit to the non-exclusive jurisdiction of any state or federal court in the Borough of Manhattan, The City of New York in respect of any action brought by a holder based on the Notes, the Guarantees or the Indenture. Each of the Issuer and the Company will also irrevocably waive, to the extent permitted by applicable law, any objection to the venue of any of these courts in an action of that type. Holders of the Notes may, however, be precluded from initiating actions based on the Notes, the Guarantees or the Indenture in courts other than those mentioned above.

Each of the Issuer and the Company will, to the fullest extent permitted by law, irrevocably waive and agree not to plead any immunity from the jurisdiction of any of the above courts in any action based upon the Notes, the Guarantees or the Indenture.

Since a substantial portion of the assets of each of the Issuer and the Company is outside the United States, any judgment obtained in the United States against the Issuer or the Company, including judgments with respect to the payment of principal, premium, interest and any redemption price and any purchase price with respect to the Notes or payments due under the Guarantee, may not be collectable within the United States.

Governing Law

The Indenture, the Notes and the Guarantees shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws thereof.

Book-Entry System; Delivery and Form

Upon issuance, the Notes will be represented by beneficial interests in Global Notes. Each Global Note will be deposited with, or on behalf of, DTC and registered in the name of Cede & Co., as nominee of DTC. Except under the circumstances described below, Global Notes will not be exchangeable at the option of the holder for certificated notes and Global Notes will not otherwise be issuable in definitive form.

Upon issuance of the Global Notes, DTC will credit the respective principal amounts of the Notes represented by the Global Notes to the accounts of institutions that have accounts with DTC or its nominee (called participants of DTC), including Euroclear and Clearstream. The accounts to be credited shall be designated by the Initial Purchasers. Ownership of beneficial interests in the Global Notes will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interest in the Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to participants' interests) or by participants or persons that hold through participants. Such beneficial interest shall be in denominations of US\$200,000 and in multiples of US\$1,000 in excess thereof.

So long as DTC, or its nominee, is the registered owner or holder of the Global Notes, DTC or its nominee, as the case may be, will be considered the sole owner and holder of the Global Notes for all purposes under the Indenture.

Except as set forth below, owners of beneficial interests in the Global Notes:

- will not be entitled to have the Notes represented by the Global Notes registered in their names, and
- will not receive or be entitled to receive physical delivery of Notes in definitive form and will not be considered the owners or holders thereof under the Indenture.

Accordingly, each person owning a beneficial interest in the Global Notes must rely on the procedures of DTC, and indirectly Euroclear and Clearstream, and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Indenture.

Principal and interest payments on Global Notes registered in the name of or held by DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner or holder of the Global Note. None of the Issuer, the Company, the Trustee or any paying agent for such Global Notes will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC, upon receipt of any payments of principal or interest in respect of the Global Notes, will credit the accounts of the related participants (including Euroclear and Clearstream), with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Notes as shown on the records of DTC. Payments by participants to owners of beneficial interest in the Global Notes held through such participants will be the responsibility of the participants, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name".

Unless and until it is exchanged in whole or in part for Notes in definitive form in accordance with the terms of the Indenture, a Global Note may not be transferred except as a whole by the depositary to a nominee of the depositary or by a nominee of DTC to DTC or another nominee of DTC.

If any note, including a Global Note, is mutilated, defaced, stolen, destroyed or lost, such note may be replaced with a replacement note at the office of the registrar or any successor registrar or transfer agent, on payment by the Noteholder of such costs and expenses as may be incurred in connection with the replacement, and on such terms as to evidence and indemnity as we may reasonably require. Mutilated or defaced Notes must be surrendered before replacement Notes will be issued.

Exchanges of Global Notes for Definitive Notes

Global Notes shall be exchangeable for definitive notes registered in the names of persons other than DTC or its nominee for such Global Notes only if:

- DTC has notified the Issuer that it is unwilling or unable to continue as depository or has ceased to be a clearing agency registered under the Exchange Act, and in either case, we have failed to appoint a successor depository within 90 days of such notice, or
- there shall have occurred and be continuing an Event of Default (as defined in the Indenture) with respect to the Notes; or
- the Issuer shall have determined in its sole discretion that the Notes shall no longer be represented by the applicable Global Notes.

Any Global Note that is exchangeable for definitive notes pursuant to the preceding sentence shall be exchangeable for Notes issuable in denominations of US\$200,000 and in multiples of US\$1,000 in excess thereof and registered in such names as DTC shall direct. Subject to the foregoing, a Global Note shall not be exchangeable, except for a Global Note of like denomination to be registered in the name of DTC or its nominee. Bearer notes will not be issued.

Exchanges Between and Among Global Notes

The “distribution compliance period”, as defined in Regulation S, will begin on the closing date and end 40 days after the closing date of the offering.

Beneficial interests in one Global Note may generally be exchanged for interests in another Global Note. Depending on whether the transfer is being made during or after the distribution compliance period, and to which Global Note the transfer is being made, the Trustee may require the seller to provide certain written certifications in the form provided in the Indenture.

A beneficial interest in a Global Note that is transferred to a person who takes delivery through another Global Note will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other Global Note.

Transfers from Definitive Notes to Global Notes

Definitive notes, if any, may be transferred or exchanged for a beneficial interest in the relevant Global Note in accordance with the procedures described in the Indenture.

BOOK-ENTRY SETTLEMENT AND CLEARANCE

The Global Notes

Each series of the Notes will be issued in the form of several registered notes in global form, without interest coupons, which we refer to as the Global Notes, as follows:

- Notes sold to qualified institutional buyers under Rule 144A will be represented by one or more Rule 144A Global Notes; and
- Notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S will be represented by one or more Regulation S Global Notes.

Upon issuance, each of the Global Notes will be deposited with the Registrar and Transfer Agent as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in each Global Note will be limited to persons who have accounts with DTC, or DTC participants, or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

- upon deposit of each Global Note with DTC's custodian, DTC will credit portions of the principal amount of the Global Note to the accounts of the DTC participants designated by the Initial Purchasers; and
- ownership of beneficial interests in each Global Note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the Global Note).

Each Global Note and beneficial interests in each Global Note will be subject to restrictions on transfer as described under "Transfer Restrictions".

See "*Description of the Notes and the Guarantees—Book-Entry System; Delivery and Form*".

Book-Entry Procedures for the Global Notes

All interests in the Global Notes will be subject to the operations and procedures of DTC, Euroclear and Clearstream. We provide the following summaries of those operations and procedures solely for the convenience of investors. The information in this section concerning DTC, Euroclear and Clearstream, Luxembourg (referred to herein as Clearstream) and their book-entry systems has been obtained from sources that we believe to be reliable, but neither we nor the Initial Purchasers take any responsibility for or make any representation or warranty with respect to the accuracy of this information. DTC, Euroclear and Clearstream are under no obligation to follow the procedures described herein to facilitate the transfer of interest in Global Notes among participants and account holders of DTC, Euroclear and Clearstream, and such procedures may be discontinued or modified at any time. Neither we, the Company, the Trustee nor any paying agent will have any responsibility for the performance of DTC, Euroclear and Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

DTC has advised us that it is:

- a limited purpose trust company organized under the laws of the State of New York;
- a "banking organization" within the meaning of the New York State Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants.

DTC's participants include securities brokers and dealers, including the Initial Purchasers; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a Global Note, that nominee will be considered the sole owner or holder of the Notes represented by that Global Note for all purposes under the Indenture.

As a result, each investor who owns a beneficial interest in a Global Note must rely on the procedures of DTC to exercise any rights of a holder of Notes under the Indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium (if any) and interest with respect to the Notes represented by a Global Note will be made by the Paying Agent to DTC's nominee as the registered holder of the Global Note. Neither we nor the Paying Agent will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a Global Note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way under the rules and operating procedures of those systems.

Cross-market transfers between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream. To deliver or receive an interest in a Global Note held in a Euroclear or Clearstream account, an investor must send transfer instructions to Euroclear or Clearstream, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, as the case may be, will send instructions to its DTC depository to take action to effect final settlement by delivering or receiving interests in the relevant Global Notes in DTC, and making or receiving payment under normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant that purchases an interest in a Global Note from a DTC participant will be credited on the business day for Euroclear or Clearstream immediately following the DTC settlement date. Cash received in Euroclear or Clearstream from the sale of an interest in a Global Note to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account as of the business day for Euroclear or Clearstream following the DTC settlement date.

DTC, Euroclear and Clearstream have agreed to the above procedures to facilitate transfers of interests in the Global Notes among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither we nor the Trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

TAXATION

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes. Prospective holders of Notes are advised to consult their own tax advisors as to the tax consequences, under the tax laws of the country of which they are resident, of a purchase of the Notes, including, without limitation, the consequences of the receipt of interest and premium, if any, on any sale or redemption of the Notes or any interest therein.

UK Tax Considerations

The summary below is of a general nature and describes certain UK tax implications of acquiring, holding or disposing of Notes. It is not tax advice and is not intended to be exhaustive. The summary is based on current UK tax law, current UK H.M. Revenue and Customs ("HMRC") published practice, which may not be binding on HMRC and the terms of the double taxation treaty between the United States and the United Kingdom which entered into force on March 31, 2003 (the "Treaty"), all of which are subject to change at any time, possibly with retrospective effect. The comments relate only to the position of persons who are the absolute beneficial owners of their Notes and may not apply to certain classes of holders, such as dealers in securities and holders who are connected with the Issuer for UK tax purposes, and do not necessarily apply where the income in respect of the Notes is deemed for UK tax purposes to be the income of any person other than the holder of the Notes.

Please consult your own tax advisor concerning the consequences of acquiring, owning and disposing of the Notes under UK tax law and the laws of any other jurisdiction in which you may be subject to tax.

Interest Payments: Any premium payable on a redemption of the Notes at the option of the Issuer may, in certain circumstances, constitute interest for UK tax purposes and so be treated in the manner described below. References to "interest" in this section mean interest as understood in UK tax law. The statements below do not take account of any different definitions of interest which may prevail under any other law.

Payments of interest on Notes issued by the Issuer will not be subject to withholding or deduction for or on account of UK income tax because the Notes will be treated as "quoted Eurobonds" (within the meaning of section 987 of the Income Tax Act 2007 ("ITA 2007")), so long as the Notes are "listed on a recognised stock exchange" (within the meaning of section 1005 ITA 2007) or admitted to trading on a "multilateral trading facility" (within the meaning of section 987 ITA 2007). Section 1005 ITA 2007 provides that securities will be treated as "listed on a recognised stock exchange" if (and only if) they are admitted to trading on that exchange, and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a "recognised stock exchange". The London Stock Exchange is a "recognised stock exchange" for these purposes.

Even if the Notes do not qualify as "quoted Eurobonds", no withholding or deduction for or on account of UK income tax is required (subject to contrary direction from HMRC) in respect of payments to a holder who the Issuer reasonably believes is the beneficial owner of the interest payable on the Notes and is either a UK resident company or a non-UK resident company carrying on a trade in the United Kingdom through a UK permanent establishment where the payment is taken into account in calculating the UK corporation tax liability of that company, or falls within various categories enjoying a special tax status (including charities and certain pension funds), or is a partnership consisting of such persons.

In most other cases, payments of interest will generally be subject to withholding or deduction for or on account of UK income tax at the basic rate, which is currently 20%. Certain holders of Notes who are resident in the United States may be entitled to receive payments free of withholding or deduction for or on account of UK tax under the Treaty and HMRC may issue a direction to the Issuer to that effect. Holders of Notes who are resident in other jurisdictions may also be able to receive payment free of withholding or deduction for or on account of UK tax or subject to a lower rate of such withholding or deduction under an appropriate double taxation treaty and HMRC may issue a direction to that effect. However, any such direction will, in any case, be issued only on prior application to the relevant tax authorities by the holder in question. If such a direction is not in place at the time a

payment of interest is made, the Issuer will be required to withhold or deduct for or on account of UK tax, although a holder of Notes resident in another jurisdiction who is entitled to relief may subsequently claim from HMRC the amount, or proportion of the amount, withheld or deducted.

The interest on Notes issued by the Issuer will have a UK source for UK tax purposes and, as such, may be subject to UK tax by direct assessment (including self-assessment) even where paid without withholding or deduction for or on account of UK income tax. However, interest with a UK source received without withholding or deduction for or on account of UK income tax will not be chargeable to UK tax in the hands of a person (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that person carries on a trade, profession or vocation in the United Kingdom through a branch or agency (or, for holders who are companies, carries on a trade through a permanent establishment) in the United Kingdom in connection with which the interest is received or to which the Notes are attributable, in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the UK branch, agency or permanent establishment.

Disposal (including redemption): In general, a holder of Notes who is resident in a jurisdiction outside the United Kingdom will not be liable to UK chargeable gains taxation in respect of a disposal (including redemption) of a Note, any gain accrued in respect of a Note or any change in the value of a Note, unless at the time of the disposal, the holder carries on a trade, profession or vocation in the United Kingdom through a branch or agency (or, for holders who are companies, carries on a trade through a permanent establishment) and the Note was used in or for the purposes of that trade, profession or vocation or is attributable to the branch or agency or permanent establishment.

UK Corporation Tax Payers: In general, holders within the charge to UK corporation tax (other than certain authorized investment funds) will be treated for UK tax purposes as realizing profits, gains or losses in respect of the Notes on a basis which is broadly in accordance with their accounting treatment, so long as that accounting treatment is in accordance with generally accepted accounting practice (as that term is defined for UK tax purposes). Such profits, gains and losses whether attributable to currency fluctuations or otherwise will be taken into account in computing taxable income for UK corporation tax purposes.

Other UK Tax Payers: If the holder is an individual resident in the United Kingdom for UK tax purposes, he or she may have to account for UK capital gains tax in respect of any gains arising on a disposal (including a redemption) of a Note. Any such capital gains would be calculated by comparing the British pound values on purchase and disposal of the Notes, so a liability to UK tax could arise even where the non-British pound amount received on a disposal was less than or the same as the amount paid for the Notes.

The rules relating to “accrued income profits and losses” (contained in Part 12 ITA 2007) may apply to certain holders who are not subject to UK corporation tax, in relation to a transfer of the Notes. On a transfer of securities with accrued interest, the rules usually apply to deem the transferor to receive an amount of income equal to the accrued interest and to treat the deemed or actual interest subsequently received by the transferee as reduced by a corresponding amount.

Generally, persons who are not resident in the UK and who do not carry on a trade in the United Kingdom through a branch or agency in the United Kingdom for the purposes of which the Notes were used, held or acquired will not be subject to the rules relating to accrued income profits and losses.

Dependent, among other things, on the discount (if any) at which the Notes are issued, the Notes may be deemed to constitute “deeply discounted securities” for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. If the Notes are deemed to constitute deeply discounted securities, individual holders of Notes who are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable generally will be liable to UK income tax on any gain made on the sale or other disposal (including redemption) of the Notes. Holders of Notes are advised to consult their own professional advisors if they require any advice or further information relating to “deeply discounted securities”.

Special rules may apply to individual holders who have ceased to be resident for UK tax purposes in the United Kingdom and once again become resident for UK tax purposes in the United Kingdom after a period of non-residence. Such holders should consult their own tax advisors.

Stamp Duty and Stamp Duty Reserve Tax (“SDRT”): No UK stamp duty or SDRT should arise on the issue or transfer of a Note, or on its redemption.

Provision of Information: Holders of Notes should note that, in certain circumstances, HMRC has the power to obtain information (including details of the beneficial owners of the Notes (or the persons for whom the Notes are held) or the persons to whom payments derived from the Notes are or may be paid and information and documents in connection with transactions relating to the Notes) from, amongst others, the holders of the Notes, persons by or through whom payments derived from the Notes are made, persons who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. HMRC also has the power, in certain circumstances, to obtain information from any person in the UK who pays amounts payable on the redemption of notes that are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005, or receives such amounts for the benefit of another person (although HMRC published guidance indicates that it will only exercise its power having first announced widely that it will begin to require the reporting of this information). Any such information referred to in this paragraph may, in certain circumstances, be exchanged by HMRC with the tax authorities in other countries.

Certain U.S. Federal Tax Considerations

This section describes certain U.S. federal income tax consequences to a U.S. holder (as defined below) of owning or disposing of the Notes we are offering. It applies to you only if you acquire Notes in the offering at the initial offering price and you hold your Notes as capital assets for U.S. federal income tax purposes. This section does not describe all the U.S. federal income tax considerations that may apply to you if you are a member of a class of owners subject to special rules, such as:

- a dealer in securities or currencies;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a bank or other financial institution;
- an insurance company;
- a tax-exempt organization;
- a real estate investment trust;
- a regulated investment company;
- a U.S. expatriate;
- a person that owns Notes that are a hedge or that are hedged against interest rate risks;
- an accrual method taxpayer required to recognize income for U.S. federal income tax purposes no later than when such income is taken into account in applicable financial statements;
- a person who holds the Notes in connection with a trade or business outside the United States;
- a person that owns Notes as part of a straddle or conversion transaction for tax purposes; or
- a person whose functional currency for tax purposes is not the U.S. dollar.

If a partnership (or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. Partnerships holding Notes and their partners should consult their tax advisors with regard to the U.S. federal income tax treatment of an investment in the Notes.

This section is based on the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis. This section does not address alternative minimum tax consequences, U.S. federal estate and gift tax consequences, the applicability of the Medicare tax on net investment income or any U.S. state and local or non-U.S. tax consequences of acquiring, owning or disposing of Notes.

Please consult your own tax advisor concerning the consequences of owning these Notes in your particular circumstances under the Code and the laws of any other taxing jurisdiction.

You are a U.S. holder if you are a beneficial owner of a Note and you are for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (ii) a valid election is in place to treat the trust as a U.S. person.

Payments of Interest: You will be taxed on interest on your Notes (without reduction for any withholding tax) and, without duplication, any Additional Amounts, including the amount of any withholding tax on payments of Additional Amounts, as ordinary income at the time you actually or constructively receive the interest or when it accrues, depending on your method of accounting for U.S. federal income tax purposes.

Interest paid by us on the Notes is income from sources outside the United States for the purposes of the rules regarding the foreign tax credit allowable to a U.S. holder. The interest will, depending on your circumstances, be either “passive” or “general” income for purposes of computing the foreign tax credit.

If a Change of Control Repurchase Event occurs, the Issuer or Company will be required to make an offer to each holder of Notes to repurchase all or any part of that holder’s Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of Notes repurchased and any accrued interest (see “*Description of the Notes and the Guarantees—Change of Control Repurchase Event*”). Notwithstanding this possibility, we do not believe that the Notes are contingent payment debt instruments for U.S. federal income tax purposes, and, consequently, we do not intend to treat the Notes as contingent payment debt instruments. If, notwithstanding our view, any of the Notes were treated as contingent payment debt instruments, a U.S. holder may be required to accrue ordinary income at a rate that is different to the stated interest rate on such Notes and to treat as ordinary income (rather than capital gain) any gain recognized on a sale or other taxable disposition of such Notes. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes.

Disposition of a Note: You generally will recognize capital gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of your Notes equal to the difference between the amount you realize on the sale, exchange, redemption, retirement or other taxable disposition, excluding any amounts attributable to accrued but unpaid interest, which will be taxed as described above, and your tax basis in your Notes. Your tax basis in your Notes generally will be their cost. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The deductibility of capital losses is subject to limitations.

Information with Respect to Foreign Financial Assets: Certain owners of “specified foreign financial assets” with an aggregate value in excess of US\$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their U.S. federal income tax returns. “Specified foreign financial assets” generally include financial accounts maintained by foreign financial institutions, including those in which Notes may be held, and securities issued by non-U.S. persons, such as the Notes, if they are not held in

accounts maintained by financial institutions. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Notes.

Backup Withholding and Information Reporting: Backup withholding and information reporting requirements may apply to certain payments to U.S. holders of interest on the Notes and to the proceeds of a sale or other disposition of a Note. Backup withholding (currently at a rate of 24%) may be required if you fail (i) to furnish your taxpayer identification number, (ii) to certify that you are not subject to backup withholding or (iii) to otherwise comply with the applicable requirements of the backup withholding rules. Certain U.S. holders (including, among others, corporations) are not currently subject to the backup withholding and information reporting requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. holder generally may be claimed as a credit against such U.S. holder's U.S. federal income tax liability and any excess may result in a refund, provided that the required information is timely furnished to the Internal Revenue Service.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of a purchase agreement among the Issuer, the Company and the Initial Purchasers, the Issuer has agreed to sell to the Initial Purchasers, and each Initial Purchaser has severally agreed to purchase from the Issuer, the principal amount of Notes indicated in the following table.

Initial Purchasers	Principal Amount of 2028 Notes	Principal Amount of 2031 Notes
Barclays Capital Inc.	\$100,000,000	\$100,000,000
BofA Securities, Inc.	\$100,000,000	\$100,000,000
Credit Agricole Securities (USA) Inc.	\$100,000,000	\$100,000,000
SMBC Nikko Securities America, Inc.	\$100,000,000	\$100,000,000
ABN AMRO Securities (USA) LLC	\$50,000,000	\$50,000,000
Australia and New Zealand Banking Group Limited	\$50,000,000	\$50,000,000
Total	\$500,000,000	\$500,000,000

The obligations of the Initial Purchasers under the purchase agreement, including their agreement to purchase Notes from the Issuer, are several and not joint. The purchase agreement provides that the Initial Purchasers will purchase all the Notes if any of them are purchased.

The Initial Purchasers initially propose to offer and sell the Notes at the respective prices set forth on the cover page of this document. The Initial Purchasers may change such offering prices and any other selling terms at any time without notice. The offering of the Notes by the Initial Purchasers is subject to receipt and acceptance and subject to the Initial Purchasers' right to reject any order in whole or part. The Initial Purchasers may offer and sell Notes through certain of their affiliates.

In the purchase agreement, the Issuer and the Company have agreed to indemnify the several Initial Purchasers, their affiliates, directors, officers, employees and controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, and to contribute to payments that the several Initial Purchasers may be required to make in respect thereof.

The Initial Purchasers expect that delivery of the Notes will be made against payment therefore on the Settlement Date, which will be the second business day following the pricing date of the offering (this settlement cycle being referred to as "T+2").

The Notes and the Guarantees have not been, and will not be, registered under the Securities Act or qualified for sale under the securities laws of any state or any jurisdiction inside or outside the United States. The Initial Purchasers propose to resell the Notes and the Guarantees to qualified institutional buyers in reliance on Rule 144A and outside the United States to certain non-U.S. persons in reliance on Regulation S. Each purchaser of the Notes offered hereby in making its purchase will be deemed to have made by its purchase certain acknowledgments, representations, warranties and agreements as set forth under the sections entitled "Notice to Investors" and "Transfer Restrictions".

In connection with sales outside the United States, the Initial Purchasers have agreed that they will not offer, sell or deliver the Notes to, or for the account or benefit of, U.S. persons (i) as a part of the Initial Purchasers' distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the Notes are originally issued other than in accordance with Regulation S or another exemption from the registration requirements of the Securities Act. The Initial Purchasers will send to each broker or dealer to whom they sell such Notes during such 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until the expiration of the 40-day distribution compliance period referred to above, an offer or sale of the Notes within the United States by a broker/dealer, whether or not participating in this offering, may violate the registration requirements of the Securities Act if such sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

The Notes are a new issue of securities for which there currently is no market. The Issuer intends to make an application for Admission of each series of the Notes to listing on the Official List and to trading on the London Stock Exchange's Regulated Market, a regulated market. The Initial Purchasers have advised the Issuer that following the completion of this offering, they presently intend to make a market in the Notes. They are not obligated to do so, however, and any market-making activities with respect to the Notes may be discontinued at any time at their sole discretion without notice. In addition, such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, the Issuer cannot give any assurance as to the development of any market or the liquidity of any market for the Notes.

In connection with this offering, the Stabilizing Managers may engage in over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids. Over-allotment involves sales in excess of the offering size, which creates a short position for the Initial Purchasers. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Stabilizing Managers to reclaim a selling concession from a broker/dealer when the Notes originally sold by such broker/dealer are purchased in a stabilizing or syndicate covering transaction to cover short positions. Any of these activities may prevent a decline in the market price of such Notes, and may also cause the price of such Notes to be higher than it would otherwise be in the absence of these transactions. The Stabilizing Managers may conduct these transactions in the over-the-counter market or otherwise. If the Stabilizing Managers commence any of these transactions, they may discontinue them at any time.

In connection with the issue of the Notes, any one of the "Stabilizing Managers" or any person acting on behalf of a Stabilizing Manager may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Managers (or persons acting on their behalf) will undertake any stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the date on which the Issuer received the proceeds of the offering, or no later than 60 days after the date of the allotment of the Notes, whichever is the earlier. Any such stabilization or over-allotment must be conducted by the Stabilizing Managers (or persons acting on behalf of any Stabilizing Manager) in accordance with all applicable laws, regulations and rules and on the London Stock Exchange.

The Issuer and the Company have each agreed not to, for a period from the date hereof until the date of delivery of the Notes, without the prior written consent of the Initial Purchasers, directly or indirectly, issue, sell, offer to sell, grant any option for the sale of, or otherwise dispose of, any securities similar to the Notes, or any securities convertible into or exchangeable for the Notes or any such similar securities or the Guarantees, except for the Notes sold to the Initial Purchasers pursuant to the purchase agreement.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Initial Purchasers and their respective affiliates have provided, and may in the future provide, a variety of these services to the Issuer and the Company and to persons and entities with relationships with the Issuer and the Company, for which they received or will receive customary fees expenses. In particular, affiliates of certain of the Initial Purchasers are lenders under certain of our existing credit facilities, and proceeds from the sale of the Notes may be used to service or repay these facilities. Australia and

New Zealand Banking Group Limited as well as affiliates of ABN AMRO Securities (USA) LLC, Barclays Capital Inc. BofA Securities, Inc. and Credit Agricole Securities (USA) Inc. are lenders under the Group's \$2.0 billion revolving credit bridge facility and will have their commitments thereunder cancelled in an amount equal to the proceeds of the Notes not used to repay or redeem debt, in accordance with its terms.

In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments, including serving as counterparties to certain derivatives and hedging instruments, and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer or the Company (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer or the Company. Certain of the Initial Purchasers or their affiliates that have a lending relationship with the Issuer or the Company routinely hedge their credit exposure to the Issuer or the Company consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer or the Company, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

To the extent any Initial Purchaser that is not a U.S. registered broker dealer intends to effect any offers or sales of any Notes in the United States, it will do so through one or more U.S. registered broker dealers in accordance with the applicable U.S. securities laws and regulations.

European Economic Area

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive EU 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the EUWA.

Each Initial Purchaser has represented and agreed that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Company; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything in relation to the Notes in, from or otherwise involving the United Kingdom.

Hong Kong

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that Ordinance, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that Ordinance.

Singapore

This document has not been registered as a prospectus under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) by the Monetary Authority of Singapore, and the offer of the Notes in Singapore is made primarily pursuant to the exemptions under Sections 274 and 275 of the SFA. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor as defined in Section 4A of the SFA (an “**Institutional Investor**”) pursuant to Section 274 of the SFA, (ii) to an accredited investor as defined in Section 4A of the SFA (an “**Accredited Investor**”) or other relevant person as defined in Section 275(2) of the SFA (a “**Relevant Person**”) and pursuant to Section 275(1) of the SFA, or to any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with, the conditions of any other applicable exemption or provision of the SFA.

It is a condition of the offer that where the Notes are subscribed for or acquired pursuant to an offer made in reliance on Section 275 of the SFA by a Relevant Person which is:

- (a) a corporation (which is not an Accredited Investor), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an Accredited Investor; or
- (b) a trust (where the trustee is not an Accredited Investor), the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an Accredited Investor,

the securities or securities-based derivatives contracts (each as defined in Section 2(1) of the SFA) of that corporation and the beneficiaries’ rights and interest (howsoever described) in that trust, shall not be transferred within six months after that corporation or that trust has subscribed for or acquired the notes except:

- (1) to an Institutional Investor, an Accredited Investor, a Relevant Person, or which arises from an offer referred to in Section 275(1A) of the SFA (in the case of that corporation) or Section 276(4)(i)(B) of the SFA (in the case of that trust);
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or

- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of our obligations pursuant to Sections 309(B)(1)(a) and 309(B)(1)(c) of the SFA, we have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and “Excluded Investment Products” (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the notes. The notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering nor marketing material relating to the notes constitutes a prospectus pursuant to the FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Taiwan

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or any other regulatory authority of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which could constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or any other regulatory authority of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the Notes in Taiwan through a public offering or in any offering that requires registration, filing or approval of the Financial Supervisory Commission of Taiwan except pursuant to the applicable laws and regulations of Taiwan and the competent authority's rulings thereunder.

Japan

The securities offered hereby have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 as amended, the “FIEL”) and each Initial Purchaser has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

TRANSFER RESTRICTIONS

The Notes and the Guarantees have not been registered under the Securities Act or any other applicable securities laws, and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, except pursuant to an effective registration statement or in a transaction not subject to the registration requirements of the Securities Act or in accordance with an applicable exemption from the registration requirements and those other laws. Accordingly, the Notes and the Guarantees are being offered and sold only (i) to qualified institutional buyers in a private sale exempt from the registration requirements of the Securities Act pursuant to Rule 144A and any other applicable securities laws or (ii) outside the United States to non-U.S. persons in compliance with Regulation S.

Each purchase of Notes is subject to restrictions on transfer as summarized below. By purchasing Notes, each purchaser will be deemed to have made the following acknowledgements, representations to and agreements with us and the Initial Purchasers:

- (1) The purchaser understands and acknowledges that:
 - each of the Notes and the Guarantees have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and
 - unless so registered, the Notes and the Guarantees may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in paragraph (3) below.
- (2) The purchaser represents that it is not an affiliate (as defined in Rule 144 under the Securities Act) of the Company or the Issuer, that the purchaser is not acting on behalf of such persons and that either:
 - the purchaser is a qualified institutional buyer (as defined in Rule 144A), is aware that the sale to it is being made in reliance on Rule 144A and is purchasing Notes for its own account or for the account of another qualified institutional buyer; or
 - the purchaser is not a U.S. person (as defined in Regulation S) or is acquiring the Notes for its own account or as a fiduciary or agent for others in a transaction outside the United States pursuant to Regulation S.
- (3) The purchaser represents that it is purchasing Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act, subject to any requirement of law that the disposition of its property or the property of that investor account or accounts be at all times within its or their control and subject to its or their ability to resell the Notes pursuant to Rule 144A or any other available exemption from registration under the Securities Act. The purchaser agrees on its own behalf and on behalf of any investor account for which it is purchasing Notes, and each subsequent holder of the Notes by its acceptance of the Notes will agree, that until the end of the Resale Restriction Period (as defined below), the Notes may be offered, sold or otherwise transferred only: (a) to us; (b) under a registration statement that has been declared or has become effective under the Securities Act; (c) for so long as the Notes are eligible for resale under Rule 144A, to a person the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom notice is given that the transfer is being made in reliance on Rule 144A; (d) through offers and sales that occur outside the United States within the meaning of Regulation S; (e) to an institutional accredited investor (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that is purchasing for its own account or for the account of another institutional accredited investor, in each case in a minimum principal amount of Notes of US\$250,000; or (f) under any other available exemption from the registration requirements of the Securities Act; in each case in compliance with

any applicable state securities laws; subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller's or account's control.

The purchaser also acknowledges that:

- the above restrictions on resale will apply from the closing date until the date after which such Notes may be freely transferred pursuant to Rule 144 under the Securities Act (in the case of the Notes sold pursuant to Rule 144A) or 40 days (in the case of the Notes sold pursuant to Regulation S) after the later of the closing date and the last date that we or any of our affiliates were the owner of the Notes or any predecessor of the Notes (the "Resale Restriction Period"), and will not apply after the applicable Resale Restriction Period ends;
- if a holder of Notes proposes to resell or transfer Notes under clause (e) above before the applicable Resale Restriction Period ends, the seller must deliver to us and the Trustee a letter from the purchaser in the form set forth in the indenture which must provide, among other things, that the purchaser is an institutional accredited investor that is not acquiring the Notes for distribution in violation of the Securities Act;
- we and the Trustee reserve the right to require in connection with any offer, sale or other transfer of Notes under clauses (d), (e) and (f) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the Trustee; and
- each Note being sold pursuant to Rule 144A will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME OR BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF US\$250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (F) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (G) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION

REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E), (F) OR (G) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/ OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. each Note being sold pursuant to Regulation S will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, UNLESS SUCH NOTES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE. THIS LEGEND WILL BE REMOVED AFTER THE EXPIRATION OF FORTY DAYS FROM THE LATER OF (i) THE DATE ON WHICH THESE NOTES WERE FIRST OFFERED AND (ii) THE DATE OF ISSUE OF THESE NOTES.

- (4) The purchaser has received a copy of the prospectus relating to the offering of the Notes and the Guarantees and acknowledges that (a) neither we nor the Initial Purchasers or any person representing us or the Initial Purchasers have made any representation to it with respect to us or the offering and the sale of the Notes and the Guarantees other than the information contained in and incorporated by reference into this document and (b) it has had access to such financial and other information and has been offered the opportunity to ask questions of us and received answers thereto, as it deemed necessary in connection with the decision to purchase Notes.
- (5) The purchaser understands that we, the Company, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and agrees that if any of the representations and acknowledgements deemed to have been made by it by its purchase of the Notes are no longer accurate, the purchaser shall promptly notify us and the Initial Purchasers. If the purchaser is acquiring the Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing representations, acknowledgements and agreements on behalf of such account.
- (6) The purchaser: (a) is able to fend for itself in the transactions contemplated by document; (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the Notes; and (c) has the ability to bear the economic risks of its prospective investment and can afford the complete loss of such investment.
- (7) By acceptance of a Note, each purchaser and subsequent transferee will be deemed to have represented and warranted that either (a) no portion of the assets used by such purchaser or transferee to acquire or hold the Notes constitutes assets of any employee benefit plan that is subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), a plan, individual retirement account or other arrangement that is subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "Code") or provision under any federal, state, local, non-U.S. or other laws, rules or regulations that are similar to such provisions or ERISA or the Code (collectively, "Similar Laws") or entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement or (b) the purchase and holding of the Notes will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Laws.

LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for us by Shearman & Sterling (London) LLP, as to matters of United States federal law, New York State law and English law. Certain legal matters in connection with this offering will be passed upon for the Initial Purchasers by Davis Polk & Wardwell London LLP, as to matters of United States federal and New York State law.

INDEPENDENT AUDITORS

The consolidated financial statements of the Group as at and for the year-ended December 31, 2020, prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, IFRS Interpretations Committee (IFRS IC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS and the requirements of the Disclosure and Transparency rules of the Financial Conduct Authority in the United Kingdom as applicable to periodic financial reporting, have been audited by PwC, as stated in their report incorporated by reference herein. The consolidated financial statements of the Group as at and for the year-ended December 31, 2019 and for the year-ended December 31, 2018, prepared in accordance with IFRS as adopted by the European Union, have been audited by Deloitte LLP, independent auditors, as stated in their reports incorporated by reference herein. For the period commencing January 1, 2020, PwC are successor auditors to Deloitte LLP, and are our independent auditors.

The audit reports of Deloitte LLP, with respect to the consolidated financial statements of the Group in accordance with guidance issued by The Institute of Chartered Accountants in England and Wales, include the following limitations: “This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.”

The audit report of PwC, in accordance with guidance issued by The Institute of Chartered Accountants in England and Wales, includes the following limitations: “This report, including the opinions, has been prepared for and only for the parent Company’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.”

DESCRIPTION OF ANGLO AMERICAN CAPITAL PLC

Incorporation, Registered Office and Purpose

Anglo American Capital, a wholly owned subsidiary of Anglo American, was incorporated and registered in England and Wales under the registered number 04658814 on February 6, 2003 and operates under the Companies Act 2006 as a public limited company. Its registered office is at 20 Carlton House Terrace, London SW1Y 5AN. Anglo American Capital was formed as a special purpose company solely for the purposes of issuing debt securities and has no subsidiaries.

Anglo American Capital's authorized share capital is £50,000 and US\$1,000,000,000 divided into 50,000 3% cumulative preference shares of £1.00 each and 1,000,000,000 ordinary shares of US\$1.00 each, of which 50,000 3% cumulative preference shares and 5,700 ordinary shares are in issue and fully paid up. All of Anglo American Capital's issued shares are beneficially owned by Anglo American.

Board of Directors

The Directors of Anglo American Capital and their functions and principal directorships outside Anglo American Capital are as follows:

Name	Title	Principal Directorships outside Anglo American Capital
Alan Macpherson	Director	None
Stephen Pearce	Director	Anglo American plc, De Beers, Anglo American Platinum Limited, BAE Systems plc
.....		
Clare Davage	Director	None
Elaine Klonarides	Director	None
Richard Price	Director	None
Matthew Walker	Director	None
Zahira Quattrocchi	Director	None
Aaron Field	Director	None

The business address of each of the above is 20 Carlton House Terrace, London SW1Y 5AN and the telephone number of Anglo American Capital's registered office is: +44 (0) 20 7968 8888.

No potential conflicts of interest exist between the Directors' duties to Anglo American Capital and their private interests or other duties.

Financial Statements

PwC audited Anglo American Capital's accounts in accordance with International Standards on Auditing (UK and Ireland) from January 1, 2020 to December 31, 2020. Deloitte audited Anglo American Capital's accounts in accordance with generally accepted auditing standards in the United Kingdom for the period from February 6, 2003 (Anglo American Capital's date of incorporation) to December 31, 2004 and in accordance with International Standards on Auditing (UK and Ireland) from December 31, 2005 to December 31, 2019. Audit reports issued by Deloitte on these financial statements were without qualification.

GENERAL INFORMATION

Authorization

The issue of the Notes, or, in the case of the Company, the giving of the guarantee, has been duly authorized by the resolutions of the Board of Directors of Anglo American plc dated March 5, 2021 and of the Board of Directors of Anglo American Capital plc dated March 5, 2021.

Legal Entity Identifiers

The Legal Entity Identifier of the Issuer is TINT358G1SSHR3L3PW36.

The Legal Entity Identifier of the Guarantor is 549300S9XF92D1X8ME43.

Listing

Application has been made to the FCA for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and is expected to be effective as of March 22, 2021, subject only to the issuance of the Global Notes. The listing of the Notes on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). Prior to listing of the Notes on the Official List and Admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working date after the day of the transaction.

The Issuer's and the Company's out-of-pocket expenses in relation to Admission to trading of the Notes on the London Stock Exchange's Regulated Market are expected to amount to approximately £300,000.

Clearing Reference Numbers

The Notes have been accepted for clearance through DTC's book-entry settlement system. The CUSIP and ISIN numbers for the Notes are as follows:

2028 Notes distributed pursuant to Rule 144A: CUSIP 034863 AZ3 / ISIN US034863AZ38

2031 Notes distributed pursuant to Rule 144A: CUSIP 034863 BA7 / ISIN US034863BA77

2028 Notes distributed pursuant to Regulation S: CUSIP G0446N AU8 / ISIN USG0446NAU84

2031 Notes distributed pursuant to Regulation S: CUSIP G0446N AV6 / ISIN USG0446NAV67

The address of DTC is The Depository Trust Company, 55 Water Street, New York, NY 10041-0099, USA.

Financial Performance and Position and Prospects

There has been no significant change in the financial performance and financial position of the Group since December 31, 2020, being the date of its last published audited financial statements.

Save as discussed under "*Recent Developments—COVID-19 Pandemic*", there has been no material adverse change in the prospects of the Group since December 31, 2020, being the date of its last published audited financial statements.

There has been no significant change in the financial performance and financial position of the Issuer since December 31, 2020, being the date of its last published audited financial statements.

Save as discussed under "*Recent Developments—COVID-19 Pandemic*", there has been no material adverse change in the prospects of the Issuer since December 31, 2020, being the date of its last published audited financial statements.

Litigation

Proceedings in South Africa

Silicosis class action

Anglo American South Africa Limited ("AASA"), a wholly owned subsidiary of Anglo American plc, was named as one of 32 respondents in a consolidated class certification application filed in the South Gauteng High Court (Johannesburg) on behalf of former mineworkers (or their dependants or survivors) who allegedly contracted silicosis or tuberculosis as a result of having worked for various gold mining companies including some in which AASA was a shareholder and to which AASA provided various technical and administrative services.

The parties reached a settlement agreement in May 2018. This settlement (i) required approval by the High Court of South Africa, and (ii) contained a provision that no more than 2,000 people opt out of the approved settlement agreement. The settlement agreement was approved by the High Court in July 2019, and the final condition precedent was achieved in December 2019, when it was confirmed that fewer than 2,000 persons elected to opt out of the settlement agreement.

The settlement accordingly became effective on December 10, 2019. As a result, the independent trust has been constituted, and is responsible for tracking and tracing potential claimants, conducting benefit evaluations to determine whether the claimants qualify for benefits and the disbursements of compensation to qualifying claimants. The compensation from the trust will be in addition to the statutory benefit the claimants may receive. The trust is established on a defined benefit model, with compensation payable to all potentially qualifying claimants. Funding for payment of compensation will be provided on a drip feed model over the 13-year duration of the trust.

AASA's anticipated 21% share of the total cost of implementing the agreement is currently estimated at circa US\$101 million. The ultimate cost of the settlement will depend on the number of eligible claimants, claim history and disease prevalence. The assumptions underpinning the financial provisions remain unchanged. The provided amount has been amended to take into account payments made in 2019, foreign exchange fluctuations, discounting to current values, and allocations to current and non-current liabilities.

Kabwe

In October 2020, an application was filed in the Gauteng Local Division (Johannesburg) of the High Court in South Africa to seek the certification of two classes of claimants in a legal action against AASA.

The legal action relates to lead contamination in the vicinity of a former lead mine in Kabwe, Zambia, which is alleged to have resulted from the operation of the mine, specifically between 1925 and 1974. AASA held a shareholding in the company that operated the mine during this period while other entities within the Anglo American Group at the time, and on occasion AASA, provided services to the mine during the period.

The mine was then nationalised and continued to operate for 20 years until its closure in 1994.

The claim fails to take into account the existence of a number of parties that had roles in the ownership and operation of the mine between the inception of the mine and 1994, and in the post-closure management of the mine site during the 27 years which have passed since its closure in 1994. The industrial processing of metals continues at and around the mine site to this day, as does significant informal mining activity.

The central allegation in the case is that lead emissions from operational and waste management activities undertaken at the mine in the period from 1925 to 1974 have made a material contribution to lead-related health impacts experienced by members of the local community, giving rise to alleged actionable claims against AASA.

The application seeks to certify two classes of claimants, the first consisting of children from the Kabwe District and the second of women of child-bearing age from the Kabwe District. The claimants' lawyers allege that members of each class have suffered actionable injury as a result of exposure to lead. The application proposes that the first stage of the claim (where common issues will be decided) should proceed on an 'opt-out' basis (meaning anyone who meets the criteria for one of the classes is automatically included as a claimant unless they opt-out) while the second stage (where claimants will need to prove their individual claims) should proceed on an 'opt-in' basis (where individuals will need to actively 'opt-in' to become a claimant). There are 13 individuals representing the two classes and at the time of the application there were said to be 1,071 individuals who have signed up to bring individual claims as part of the second opt-in stage, in the event that the classes are certified and the claim

proceeds beyond the first stage. The application contends that it is likely that a substantial number of additional potential claimants would seek to join the claim at the second stage. The claimants' lawyers have estimated that the two classes of claimants, as they are currently defined, could ultimately comprise approximately 142,000 individuals.

The claimants are seeking compensation for alleged personal injury and the costs of remediation, however no indication of the amount of damages being sought (either on a per claimant or total basis) has been provided in the application.

AASA has noted its intention to oppose the class certification application, and will defend itself against the allegations made. It is currently investigating the detailed allegations and is due to file its response to the application in April 2021. The class certification hearing is likely to take place in the last quarter of 2021, alternatively in the first half of 2022.

This litigation is subject to significant uncertainty, and it is not currently possible to make a reasonable estimate of the outcome, quantum or timing of any potential future determination, and therefore no provision has been recognised.

Other than as disclosed in this section, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company or the Issuer is aware), during the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

Nature of Financial Information and Auditors

PricewaterhouseCoopers LLP has made a report under Chapter 3 of Part 16 of the Companies Act 2006 on the statutory accounts of the Company and the Issuer ended for the year 2020 (incorporated by reference in this Offering Memorandum), which was unqualified and did not contain any statement as is described in Section 498(2) or (3) of the Companies Act 2006. Deloitte LLP has made reports under Chapter 3 of Part 16 of the Companies Act 2006 on the statutory accounts of the Company and the Issuer for the years ended December 31, 2019 and 2018 (each incorporated by reference in this document), which were unqualified and did not contain any statement as is described in Sections 498 (2) or (3) of the Companies Act 2006. Any financial information included in this document (other than the statutory accounts incorporated by reference in this document) do not constitute the statutory accounts of the Company or the Issuer within the meaning of Section 435 (1) and (2) of the Companies Act 2006 for any period presented. Statutory accounts of the Company and the Issuer have been delivered to the Registrar of Companies in England and Wales for the year-ended December 31, 2020 in accordance with, and as required by, UK law.

The independent auditors of the Company and the Issuer for the year ended December 31, 2020 were PwC of 1 Embankment Place, London WC2N 6RH, who are registered to carry out audit work by the Audit Inspection Unit of the Professional Oversight Board of the Financial Reporting Council in the United Kingdom, whose address is Eighth Floor, 1 Canada Square, Canary Wharf, London E14 5AG. PwC has no interest in the Issuer or the Company.

The independent auditors of the Company and the Issuer for the years ended December 31, 2019 and 2018 were Deloitte of 2 New Street Square, London EC4A 3BZ, who are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and regulated by the Audit Inspection Unit of the Professional Oversight Board of the Financial Reporting Council in the United Kingdom, whose address is Eighth Floor, 1 Canada Square, Canary Wharf, London E14 5AG.

Yield

The projected yield of the 2028 Notes will be 2.339% and of the 2031 Notes will be 2.904%. Such projection has been calculated on the basis of the offering prices as at the date of this document and is not an indication of actual future returns for investors.

Interests of Natural and Legal Persons Involved in the Issue

Save for any fees payable to the Initial Purchasers, so far as the Company and the Issuer are aware, no person involved in the issue of the Notes has an interest material to the offer.

Documents

For the life of this document, copies of the following documents will be available for inspection at (i) in the case of the documents listed in (a) and (d), <https://www.angloamerican.com/investors/fixed-income-investors/usd-investor-downloads> (ii) in the case of the documents listed in (b), <https://www.angloamerican.com/investors/fixed-income-investors/issuer-document-downloads> and (iii) in the case of the documents listed in (c), at the websites listed in the section entitled “*Incorporation of Certain Information by Reference*”:

- (a) this document;
- (b) the Memorandum and Articles of Association of Anglo American plc and Anglo American Capital plc;
- (c) The Group 2020 Consolidated Financial Statements, the Group 2019 Consolidated Financial Statements, the Group 2018 Consolidated Financial Statements, the Issuer 2020 Financial Statements, the Issuer 2019 Financial Statements and the Issuer 2018 Financial Statements ; and
- (d) the Indenture.

DEFINED TERMS

Defined Term	Definition
“2028 Notes”	2.250% Senior Notes due 2028
“2031 Notes”	2.875% Senior Notes due 2031
“AA Sur”	Anglo American Sur SA
“AAIC”	Anglo American Inyosi Coal Proprietary Limited
“AASA”	Anglo American South Africa Proprietary Limited
“Agent”	Citibank, N.A.
“ANM”	National Mining Agency
“Anglo American”, “Company” and “Guarantor”	Anglo American plc
“Anglo American Capital” and “Issuer”	Anglo American Capital plc
“Anglo American Group”, “Group”, “us”, “we” and “our”	Anglo American, together with its subsidiaries, joint ventures and associates
“Anglo American Platinum”	Anglo American Platinum Limited
“Atlatsa”	Atlatsa Resources Corporation
“Australian dollar” and “AUD”	The lawful currency of Australia
“BBBEE”	Broad-Based Black Economic Empowerment
“BEE”	Black Economic Empowerment
“Brazilian real” and “BRL”	The lawful currency of Brazil
“British pound” and “GBP”	The lawful currency of the United Kingdom
“Canadian dollars” and “CAD”	The lawful currency of Canada
“Cerrejón”	Carbones del Cerrejón Limited, Cerrejón Zona Norte SA and CMC - Coal Marketing Company DAC
“CFEM”	Calculation of mining royalties
“Chilean peso” and “CLP”	The lawful currency of Chile
“CMA”	Competition and Markets Authority
“CRA Regulation”	Regulation (EC) No. 1060/2009
“c/lb”	U.S. cents per pound
“DBCM”	De Beers Consolidated Mines Limited
“De Beers”	DB Investments Plc and De Beers Plc together with their subsidiaries, joint ventures and associated companies
“Debswana”	Debswana Diamond Company, a 50:50 joint venture with the GRB
“Deloitte”	Deloitte LLP
“DNPM”	National Department of Mineral Production
“DMRE”	South African Department of Mineral Resources and Energy
“DTC”	The Depository Trust Company
“Eskom”	Eskom Holdings Limited (the South African electrical utility operator)
“Euro” and “EUR”	The lawful common currency of the EU member states who have adopted the Euro as their sole national currency

“Exchange Act”	The United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“FCA”	the Financial Conduct Authority acting under Part VI of the Financial Services and Markets Act 2000
“Ferroport”	Ferroport Logística Comercial Exportadora SA (formerly referred to as LLX Minas-Rio Logística Comercial Exportadora SA or LLX Minas-Rio Logística SA)
“FIEL”	Financial Exchange Law of Japan (Law No. 25 of 1998, as amended)
“FSMA”	The Financial Services and Markets Act 2000
“GEMCO”	Groote Eylandt Mining Company Pty Limited
“GHG”	Greenhouse gases
“GMC”	Group Management Committee
“GRB”	The Government of the Republic of Botswana
“GRN”	The Government of the Republic of Namibia
“Group 2018 Consolidated Financial Statements”	The audited consolidated financial statements of the Anglo American Group and notes thereto prepared in accordance with IFRS and Company financial statements prepared in accordance with UK GAAP, together with the related independent auditor’s audit report, as at and for the year-ended December 31, 2018
“Group 2019 Consolidated Financial Statements”	The audited consolidated financial statements of the Anglo American Group and notes thereto prepared in accordance with IFRS and Company financial statements prepared in accordance with UK GAAP, together with the related independent auditor’s audit report, as at and for the year-ended December 31, 2019
“Group 2020 Consolidated Financial Statements”	The audited consolidated financial statements of the Anglo American Group and notes thereto prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and Company financial statements prepared in accordance with UK GAAP, together with the related independent auditor’s audit report, as at and for the year-ended December 31, 2020
“H1 2020”	Six months ended June 30, 2020
“HDSA(s)”	Historically Disadvantaged South Africans
“Hotazel”	Hotazel Manganese Mined and Metalloys
“IAS 34”	International Accounting Standard 34 Interim Financial Reporting
“IFRS 11”	International Financial Reporting Standard 11 Joint Arrangements
“IFRS”	International Financial Reporting Standards as adopted for use by the European Union
“IMF”	International Monetary Fund

“Indenture”	The Indenture, dated April 8, 2009, as supplemented by first supplemental indenture dated as of April 2, 2012 and the second supplemental indenture dated as of May 14, 2015, under which the Notes will be issued, among the Issuer, Anglo American and Citibank, N.A.
“Indicated Mineral Resource”	An Indicated Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
“Inferred Mineral Resource”	An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration
“Initial Purchasers”	ABN AMRO Securities (USA) LLC, Australia and New Zealand Banking Group Limited, Barclays Capital Inc., BofA Securities Inc., Credit Agricole Securities (USA) Inc. and SMBC Nikko Securities America, Inc.
“Iron Ore Brazil”	The business unit containing the Minas-Rio Project
“Issuer 2018 Financial Statements”	The audited financial statements of Anglo American Capital and notes thereto prepared in accordance with UK GAAP, together with the related independent auditor’s audit report, as at and for the year-ended December 31, 2018
“Issuer 2019 Financial Statements”	The audited financial statements of Anglo American Capital and notes thereto prepared in accordance with UK GAAP, together with the related independent auditor’s audit report, as at and for the year-ended December 31, 2019

“Issuer 2020 Financial Statements”	The audited financial statements of Anglo American Capital and notes thereto prepared in accordance with UK GAAP, together with the related independent auditor’s audit report, as at and for the year-ended December 31, 2020
“Joint Bookrunners”	ABN AMRO Securities (USA) LLC, Australia and New Zealand Banking Group Limited, Barclays Capital Inc., BofA Securities, Inc., Credit Agricole Securities (USA) Inc. and SMBC Nikko Securities America, Inc
“JORC Code”	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition
“kt”	Denotes kilotonnes
“Kumba”	Kumba Iron Ore Limited
“lb”	Denotes pounds
“Measured Mineral Resource”	A Measured Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
“MiFID II”	Directive 2014/65/EU
“Minas-Rio”	Anglo American Minério de Ferro Brasil SA (previously Anglo Ferrous Minas-Rio Mineração SA)
“Minas-Rio Project”	Minas-Rio together with Ferroport
“Mineral Resource”	A Mineral Resource is a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
“Mining Charter”	The Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry

“Mining Right”	The Mining Right granted by the South African Department of Mineral Resources and Energy in accordance with the provision of MPRDA to undertake or conduct mining activities for a defined period in relation to the area and the mineral to which the Mining Right relates and in accordance with the terms and conditions imposed by the Mining Right and the MPRDA.
“Minorco”	Minorco Société Anonyme, a Luxembourg based company
“Mondi”	Mondi Group
“MPRDA”	The South African Mineral and Petroleum Resources Development Act, 2002
“Mt”	Denotes million tonnes
“Mtpa”	Denotes million tonnes per annum
“Namdeb Holdings”	Namdeb Holdings (Proprietary) Limited
“Niobium”	Anglo American Nióbio Brasil Limitada (previously Mineração Catalão de Goiás Limitada, “Catalão”)
“Notes”	The 2028 Notes together with the 2031 Notes
“Official List”	The official list of the FCA
“old order mining” or “prospecting rights”	Prospecting, mining and mineral rights formerly regulated under the South African Minerals Act 50 of 1991 of the RSA and South African common law
“Operating Model”	A model for how we set targets, plan, manage, execute and improve our work, bringing consistency of approach to everything we do
“Ore Reserves”	An Ore Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.
“oz”	Denotes ounces or, in the case of PGMs, troy ounces
“PCI”	Pulverized coal injection
“Peace River Coal”	Peace River Coal Incorporated
“PGM(s)”	Platinum group metal(s)
“Phosphates”	Anglo American Fosfatos Brasil Limitada

“Probable Ore Reserves”	A Probable Ore Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.
“Proved Ore Reserves”	A Proved Ore Reserve is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified
“RBCT”	The Richards Bay Coal Terminal
“RPM”	Rustenburg Platinum Mines Limited
“RSA”	The Republic of South Africa
“Samancor”	Samancor Holdings together with GEMCO, TEMCO and Samancor Marketing
“Samancor Holdings”	Samancor Holdings Proprietary Limited
“Samancor Marketing”	Samancor Marketing Pte. Ltd
“SARB”	South African Reserve Bank
“SARS”	South African Revenue Service
“Scaw Metals”	Scaw South Africa (Proprietary) Limited together with, in respect of periods prior to 2011, the Scaw Metals International business
“Scope 1”	Scope 1 emissions include CO ₂ e emissions from fossil fuels, coal seam gas fugitive emissions, renewable fuels and operational processes. Process emissions include those associated with on-site and managed sewerage facilities, on-site water-treatment facilities, the use of carbonates in acid leaching processes at copper -
“Scope 2”	Scope 2 emissions include CO ₂ from electricity purchased and reported in millions of tonnes of CO ₂ e.
“SIOC”	Sishen Iron Ore Company (Proprietary) Limited
“Sirius”	Sirius Minerals plc (renamed Anglo American Woodsmith Limited)
“South African rand”, “ZAR”	The lawful currency of the Republic of South Africa
“TEMCO”	Tasmanian Electro Metallurgical Company Pty Limited
“tonnes”	Denotes metric tonnes (1,000 kilograms)
“Trustee”	Citibank, N.A.

“Trust Indenture Act”	The U.S. Trust Indenture Act of 1939, as amended
“UK GAAP”	Generally Accepted Accounting Practice in the United Kingdom
“U.S. GAAP”	Generally Accepted Accounting Principles in the United States
“US\$” and “U.S. dollar”	The lawful currency of the United States of America

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this document. You must not rely on any unauthorized information or representations. This document constitutes a prospectus that has been prepared solely for the purpose of Admission of the Notes and does not constitute an offer for sale of Notes. The information contained in this document is current only as of its date.

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US\$1,000,000,000



Prospectus

Anglo American Capital plc

**US\$500,000,000 2.250% Senior Notes
due 2028**

**US\$500,000,000 2.875% Senior Notes
due 2031**

Guaranteed by Anglo American plc

Joint Bookrunners

Barclays

BofA Securities

Credit Agricole CIB

SMBC Nikko

ABN AMRO

ANZ
