



ANGLO AMERICAN PLATINUM LIMITED

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Annual General Meeting

12th May 2022

Financial Year End: 31st December 2021

Proxies voted
The Ditikeni Trust
The Lewis Foundation

We are embedding ESG at the centre of our strategy with particular focus on Sustainable community livelihoods and Carbon neutrality is the bold claim in the Anglo American Platinum (Amplats) Integrated Annual Report (Report). This is highly commendable and the Report makes frequent reference to the company being a leader in ESG (Environment, Social & Governance). Amplats aims to be carbon neutral by 2040. The urgency of addressing our impact on the natural environment cannot be underestimated – given this statement we would like to see a more aggressive target for carbon neutrality.

We are making a fundamental shift in how we engage and support our communities, with respect at the centre of this change. Again, this is most commendable, and the company reports in detail on these efforts. The number of employees declined slightly by approximately 1%. We find that the executive remuneration is very high and this does not sit easily with the company's stated objective of reducing inequality. Without a reduction in poverty and inequality many of the well-meaning objectives around society and the environment will be impossible to achieve.

The company states that it is *committed to global best governance practices*, however we find that 53% of shareholders other than Anglo American opposed the Remuneration Implementation Report in 2021, yet the company states that this outcome reflects its ongoing commitment to engagement with shareholders. Anglo American holds 78.8% of shares, and as such the company will never be obliged to consult with shareholders, but such a high level of opposition certainly does not reflect an ongoing commitment to engagement.

The ESG report is extensive and detailed and covers all bases, we did not find a clear and detailed measure of existing GHG (Green House Gas) emissions measured against the company's plan to be carbon neutral by 2040 but there is a great deal of information on the plans and efforts to reduce emissions as well as actual annual emissions.

The Report is presented in portrait format and clearly designed to be printed rather than read on a computer screen. There are website references but no links but no hyperlinks within the Report. The Report makes use of double page spreads and some text is vertical which really does not work on a computer screen, a very poor show. Amplats states that it is a leader in ESG and as such we would expect a Report that is designed to be read on screen rather than printed.

	Resolution	Rationale	Vote	Outcome of AGM
	Presentation of the financial statements	<p>It is not a legal requirement to present the Annual Financial Statements (AFSs) for shareholder approval. It is however best practice to do so. Amplats does not present the AFSs for approval.</p> <p>We have no concerns regarding the auditor's independence and they state that the AFSs fairly present the financial results and financial position of the company.</p>		
	Presentation of the social, ethics and transformation committee report	<p>The social, ethics and transformation committee report is rather short but it forms part of a more comprehensive ESG report. We would like to see the full ESG report tabled and a resolution or resolutions for shareholders to indicate their support for the company's ESG policies and results.</p> <p>The ESG Report is very comprehensive and we deal with the various issues in the order in which they are included in that Report.</p> <p>The targets for mining goods and mining services respectively are extraordinarily low and for Amplats to congratulate itself and reward executives against these targets is a poor show. For example, the mining goods target for BEE compliance is only 7.4% with the company achieving 71%.</p> <p>The company notes it's spend on the YES4Youth programme but it set extraordinarily low targets for youth employment, despite the statement by the CEO that <i>unemployment – particularly among the youth – poses a systemic risk.</i></p> <p>The company did not meet its targets on energy usage or CO² and we would like to see a more aggressive target from the 30% CO² reduction by 2030. The effects of climate change are now apparent to all.</p> <p>The company is involved in the piloting of Hydrogen as a major source of green energy, commendable as this maybe, we note that this is not so much an ESG objective but a serious business opportunity.</p> <p>We are pleased that Amplats believes in a Just Transition which it defines as <i>one that simultaneously addresses social challenges such as poverty, employment, health and food security.</i></p> <p>Safety is critical in mining and a great deal of the report focuses on this, the company notes it had zero fatalities in its own mines, but there was</p>		

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		<p>an uptick in recordable safety incidents. It also reports on TB, HIV, work induced hearing impairment and of course Covid.</p> <p>Housing plans for all mines are produced as required and reported on. The company has an excellent track record with regard to Tailings and Mineral Residue and the report states that it will comply with new international standards by the required deadline. These standards provide for extreme circumstances.</p> <p>Nevertheless, we would like to see a detailed tailings dam report given local and international tailings dam disasters. The ESG Report states that details of tailings facilities are available on their website but there is no link or link address and we could not find those details.</p> <p>The company notes that 66% of all non-mineral waste is recycled which is a positive step towards a circular economy. However, this does exclude certain classes of waste and as such is not as fine as it sounds.</p> <p>Measures to improve air quality and reduce gaseous and particular matter emissions are reported on and the company is working to improve these.</p> <p>The company has provided for mine closure as required but we note that there are serious problems in the issuing of mine closure certificates (this is not reported on).</p> <p>An extremely comprehensive ESG Report.</p>		
	Ordinary Resolution			
1	Re-election of directors	<p>Before considering the appointment of individual directors, it is proper to first consider the overall composition of the board. The key issues which we consider are: Independence, Continuity, Skills, & Diversity. Anglo American PLC holds 78.8% of the shares in Amplats and as such board independence is difficult to balance with control. The company does say that it complies with the King Code, thus at least 50% of the board should be independent non-executive directors. We</p>		

	Resolution	Rationale	Vote	Outcome of AGM
		<p>favour a board with more than 50% independence particularly if the Chairman is not independent.</p> <p>The Chairman Mr Mbazima is not classified as independent, in addition 3 non-executive directors of Anglo American PLC (Anglo) serve on this board. This is perhaps a rather heavy level of controlling shareholder involvement. We note that 2 of the Anglo directors stepped down in 2021 and, with his impending retirement, we anticipate that the third (the Anglo CEO) will step down in the near future. Two other Anglo executives have been appointed to this board, thus ensuring that Anglo retains its high level of representation. The 4 directors above (3 current executives and the Chairman) plus the 2 Amplats executive directors make 6 out of 12 directors who are not independent.</p> <p>The remaining 6 directors are classified as independent, however 1 director has served for 9 years and 3 have served for 8 years. The King Code requires a director's independence be questioned after 9 years' service.</p> <p>Independence is not as we would wish to see it.</p> <p>Continuity is a problem. The CEO has served on the board for 1 year, the CFO for 2 years, 2 of the Anglo appointees have served for less than 1 year and the third retires in mid-2022.</p> <p>The independent directors have 4 with long service (approaching 9 years or already 9 years) and the need for independence must see some or all of those retiring in the near future. The remaining 2 directors have 1 years' service each.</p> <p>There seems to be a lack of succession planning.</p> <p>The board has a good mix of skills with a reasonable number of engineers and accountants as well as other qualifications and experience.</p> <p>Diversity at management level must be improved but the board has a good mix of race and gender.</p>		

	Resolution	Rationale	Vote	Outcome of AGM
		<p>The Report states that 1 director has served for more than 9 years and that <i>Directors who have served for more than nine years must retire annually</i>, Mr Vice has served 9 years and Mr Cutifani has served 10 years. Neither are put forward for re-election. It is not clear whether Mr Cutifani has retired from this board – we do know that he retires later this year from his role as CEO of parent company Anglo American. The only thing that we are told is that Mr Cutifani is a director at the date of the Report.</p> <p>We expect better governance than this especially from a company that states that it is a leader in ESG.</p> <p>The Report makes no mention of the impending retirement of Mr Cutifani as a director nor are we told that he will step down from this board. We are asked to vote for the incoming CEO of Anglo as a member of this board.</p> <p>Poor disclosure and it is unclear as to whether Anglo will now have 7 directors on the board leaving less than 50% independent directors as required.</p>		
1.1	N Mbazima	<p>Mr Mbazima, 63, has been a director for 3 years. The details of directors' attendance at meetings are not provided but we are told that total attendance at all board and committee meetings was 100%. Mr Mbazima has many years' experience with Anglo American and its subsidiary companies and is an appointee of that company. He is suitably skilled and experienced.</p>	FOR	FOR 99.7%
1.2	C Miller	<p>Mr Miller, 48, is the CFO and has served on the board for 2 years. We know of no reason to question his competence as CFO.</p>	FOR	FOR 99.9%
1.3	D Naidoo.	<p>Ms Naidoo, 49, has served on the board for 8 years. We note above that attendance at all meetings was 100%. She is suitably skilled and experienced, we do have a concern regarding her level of commitments but this is not such that we oppose her reappointment.</p>	FOR	FOR 98.9%

	Resolution	Rationale	Vote	Outcome of AGM
2	Election of directors appointed since the previous AGM			
2.1	N Fakude	Ms Fakude, 57, chairs the Anglo American South Africa board. She is suitably skilled and experienced, we have a concern regarding her level of commitments but this is not such that we oppose her appointment.	FOR	FOR 99.7%
2.2	A Michaud	Ms Michaud, 54, is an Anglo American PLC employee and is nominated to the board by that company. She is suitably skilled and experienced and does not appear to be over-committed.	FOR	FOR 99.9%
2.3	D Wanblad	Mr Wanblad, 55, is the incoming CEO of Anglo American PLC. As noted above the Report is silent on when and if the existing CEO of Anglo American PLC will step down from this board.	FOR	FOR 99.7%
3	Appointment of members of the audit and risk committee	Given the dominance of this board by Anglo American PLC appointed directors, it is of especial importance that the audit committee be and be seen to be independent. All appointees are independent directors but all have very long service which is of concern. Mr Vice has served for 9 years the point at which a director's independence is questioned. Given that the other directors on this committee each have 8 years' service, it would be appropriate to appoint a director with shorter board tenure. It appears from the Audit Committee Report, that the Chairman of the board attends meetings of the committee by standing invitation, we do not favour this. The Chairman of the board may not serve on this committee and should only attend as and when required. Audit fees increased 11% which is significant enough to warrant an explanation but the Audit Committee did not comment on this.		
3.1	NP Mageza	Mr Mageza, 67, has been a director for 8 years. He is the Lead Independent Director, a position we trust he will relinquish next year when he will have served for 9 years. The Chairman of the board is not classified as independent and as such the company is required to appoint a Lead Independent Director. He is suitably skilled and experienced to serve on this committee, we do have a concern regarding his level of commitments but this is insufficient to oppose his reappointment.	FOR	FOR 99.9%

	Resolution	Rationale	Vote	Outcome of AGM
3.2	J Vice	<p>Mr Vice, 69, has been a director for 9 years.</p> <p>As noted under the introduction above, we are concerned about independence of this committee and the fact that all 3 directors on the committee have long service does not enhance independence.</p> <p>The King Code requires that a director's independence be examined after 9 years' service.</p> <p>The company policy is that a director stand for reappointment after 9 years' service, which Mr Vice has not done.</p> <p>As the longest serving director on this committee, we oppose Mr Vice's reappointment.</p>	AGAINST	FOR 99.7%
3.3	D Naidoo, subject to the passing of resolution 1.3	<p>Ms Naidoo, 49, has been a director for 8 years. She is suitably skilled and experienced. We do have a concern regarding her independence but this is insufficient to oppose her reappointment.</p>	FOR	FOR 99.0%
4	Appointment Pricewaterhouse Coopers (PwC) as auditor of the company	<p>PwC have been auditors for 2 years and we have no concerns regarding their independence.</p> <p>We note the increase of 11% in audit fee over last year.</p> <p>PwC are one of the big international audit firms and are suitably skilled and experienced to carry out the audit of Amplats.</p>	FOR	FOR 99.9%
5	General authority to allot and issue authorised but unissued shares	<p>We do not favour broad and general resolutions. This resolution is broader and more general than most similar resolutions. The only limitation is that it is limited to 3% of the issued shares and that it is subject to the laws and regulations.</p> <p>No reasons are provided for this resolution.</p>	AGAINST	FOR 98.5%
6	Authority to implement resolutions	<p>This is an administrative matter.</p>	FOR	FOR 100%
7	Advisory resolutions on the Remuneration policy and Implementation reports	<p>Should 25% or more of the shareholders oppose either of these advisory resolutions, the company is obliged to enter into consultations with shareholders.</p> <p>Anglo American hold more than 75% of the shares in the company and the outcome of these resolutions is assured.</p> <p>We expect that if a significant number of independent shareholders oppose these resolutions the company would do the right thing and enquire why this is so and would attempt to address valid concerns.</p>		

	Resolution	Rationale	Vote	Outcome of AGM
		The Remco chair states that <i>We believe that the voting outcome over the past two years reflects recognition of our ongoing commitment to engage with our shareholders and act on concerns where necessary.</i> This statement is extraordinary given that 53% of shareholders other than Anglo American voted against the Remuneration Implementation Report at the 2021 AGM, and there was no engagement reported on.		
7.1	Approval of the Remuneration Policy Report	<p>We do not agree with the classification of Ms Fakadu as an independent director (pg 44 of the Notice of the AGM). Nevertheless, we find the Remuneration Committee (Remco) sufficiently independent.</p> <p>Executives are paid a base salary, a Short Term Incentive (STI) and Long Term Incentive (LTI). This is the usual practice in companies of the size of Amplats.</p> <p>Base salary is benchmarked and the companies used in benchmarking are provided and seem reasonable.</p> <p>The STI is capped at 250% and 160% of annual base salary for the CEO and CFO respectively; of which half is paid in cash and the other half in deferred shares. We do favour the fact that half is in deferred shares but find that 250% and 160% of base salary are very high percentages and are higher than most peer group companies.</p> <p>STI metrics and weighting are not clearly outlined in the Remuneration Policy Report but are clear in the Implementation Report. The metrics for the CEO and CFO are:</p> <ul style="list-style-type: none"> 70% for Business Unit results which is split: Financial 27%; Production 16%; Cost 7%; Safety/Health/Environment 20%. <p>We are told that the financial targets are linked to budgeted metal prices and exchange rates. This is good as these are beyond the control of executives but the information provided is insufficient to properly assess the effectiveness of these adjustments. We would also like to see more information on the Safety/Health/Environment metric but are pleased to see the inclusion of this.</p>	FOR	FOR 98.6%

	Resolution	Rationale	Vote	Outcome of AGM
		<ul style="list-style-type: none"> • 30% Critical Tasks. This is rather vague, but a scorecard is provided for the CEO and CFO. We would like to see more detail on how these are assessed as it does seem the assessment could be subjective. <p>The LTI consists of shares awarded at face value equivalent to 150% or 125% of annual base salary for the CEO and CFO respectively. Given the fact that the STI includes the equivalent of 125% of annual base salary as deferred share awards, this is a high level of medium term award.</p> <p>The awards are not subject to conditions but the vesting of the shares over 3 years is subject to conditions. We consider 3 years to be a relatively short term and would like to see the vesting spread over a longer period, particularly given that half the STI is deferred.</p> <p>The vesting conditions and weighting are:</p> <ul style="list-style-type: none"> • 50% on TSR (Total Shareholder Return). We do not consider TSR to be a suitable measure in particular for resources companies as the share price and dividends are subject to significant swings based on resource prices. The Report does refer to the <i>TSR peer group</i> companies so it appears that this is a Relative TSR which we favour. This is not sufficiently clear and more detail should be provided. • 50% on a Balanced Scorecard which is split: 15% ROCE (Return on Capital Employed); 15% on Attributable Free Cash Flow; and 20% on ESG measures which is pleasing. The ESG metric is split equally between: Energy efficiency; CO² emissions; Water; and Social sustainability and transformation. We commend this but would like to see more detail. <p>The remuneration policy is short of detail in a number of places and we find that the variable component of remuneration at 400% of annual base salary for the CEO and 285% for the CFO to be extremely generous. Despite these shortcomings the policy is fair and we support the policy report.</p>		

	Resolution	Rationale	Vote	Outcome of AGM
7.2	Approval of the Remuneration Implementation Report	<p>The CEO's base pay increased by 19.6% but as she was only appointed to this position in April 2020 this is not a fair comparison. We are confused what her actual increase was as the Report states that the US\$ portion of her salary increased by 3.5% and the GB£ amount by 2%. We are not told why her salary is paid in those currencies or the basis of the split between the currencies.</p> <p>The CFO's salary increased by 3.5% which is reasonable.</p> <p>The base salary including retirement funding of the CEO and CFO respectively was R 10.456m and R 8.772m. In addition, an amount labelled <i>other</i> of R 1.142m was paid to the CEO. We could find no explanation of what this <i>other</i> amount was.</p> <p>The STI total amount paid to the CEO and CFO respectively amounted to R 17.349m and R 9.617m of which 50% is paid in deferred shares.</p> <p>The STI amounts were based on the policy above in terms of which the CEO and CFO were assessed at 76.3% and 79.2% which is then applied to the 250% and 160% of base salary. As noted under the policy we consider this to be very generous.</p> <p>The face value of the LTI awards which will vest subject to vesting conditions were R 13.694m for the CEO and R 9.485m for the CFO. The CEO was only appointed in 2020 and therefore no LTI awards vested during the year.</p> <p>The value of LTI awards due to the CFO which vested during the year was R 11.716m.</p> <p>We find the rewards due to senior executives to be very high and there are significant unexplained amounts. We do not support this resolution.</p>	FOR	FOR 98.2%

	Resolution	Rationale	Vote	Outcome of AGM
	Special Resolutions			
1	Non-executive directors' fees	The Chairman, Lead Independent Director and Chairs of the Sustainability Committee and Governance Committee see no increases in their fees. However, basic board fees increase 14% with increases in all other fees of up to 20%. No explanation is provided for the increases and we are given no information at all on the basis of calculating directors' fees. Extraordinarily poor disclosure.	AGAINST	FOR 99.8%
2	Authority to provide financial Assistance to: Any present or future subsidiary and/ or any other related or interrelated company; Any of the directors or prescribed officers (or any person related to them), or to any person who is a participant in any share plans or other employee incentive schemes	This is an extraordinarily broad resolution to provide financial assistance to subsidiaries or interrelated companies to purchase securities in the company or its subsidiaries; and to provide financial assistance to directors or others to take part in share plans or other incentive scheme. The resolution specifically provides for such assistance to directors (or any person related to them), but then specifically excludes directors. This is most confusing, we presume the intention is to provide loans to executive directors but to exclude non-executive directors. A poor resolution which we do not support.	AGAINST	FOR 99.0%
3	General authority to repurchase company securities	General resolutions of share repurchases are likely to be prejudicial to minority shareholders and it is out policy to oppose such general resolutions.	AGAINST	FOR 95.3%

OUTCOME OF THE AGM

With Anglo American holding 78.8% of the shares the outcome of the resolutions was never in doubt. However, the general authority to repurchase company securities (Special Resolution 3) saw 26% of non-Anglo American shareholders vote against the resolution.

Attendance was just under 96% of all shares voted.