

Remuneration report

The Remuneration Committee sets and monitors executive remuneration for the company, in line with the Executive Remuneration Policy. This policy has as its objectives to:

- attract, reward and retain executives of the highest calibre;
- align the behaviour and performance of executives with the company's strategic goals, in the overall interests of shareholders;
- ensure the appropriate balance between short-, medium- and long-term rewards and incentives, with the latter being closely linked to structured company performance targets and strategic objectives that are in place from time to time; and
- ensure that regional management is competitively rewarded within a global remuneration policy, which recognises both local and global market practice.

In particular the Remuneration Committee is responsible for:

- the remuneration packages for executive directors of the company including, but not limited to, basic salary, performance-based short- and long-term incentives, pensions, and other benefits; and
- the design and operation of the company's executive share option and other incentive schemes.

Remuneration Committee

For 2006, members of the Committee comprised the following non-executive directors:

- Russell Edey (Chairman)
- Reginald Bannerman (appointed 5 May 2006)
- Colin Brayshaw
- Tony Trahar

During the year, three meetings of the Remuneration Committee were held. Attendance by members or their designated alternates was as follows:

	Number attended
RP Edey	3
RE Bannerman*	2
CB Brayshaw	2
AJ Trahar	2

* Attended both meetings since appointment to committee

All meetings of the committee are attended by the chief executive officer and executive officer: human resources, except when their own remuneration or benefits are being discussed. The services of Deloitte & Touche are retained to act as independent, expert advisers on executive remuneration.

The following principles are applied in determining executive remuneration:

1. Annual remuneration is a combination of base pay and short-, medium- and long-term incentives, with salary comprising about 50% of annual remuneration.
2. Salary is set at the median for the relevant competitive market.
3. All incentive plans should align performance targets with shareholder interests.

Bonus Share Plan (BSP) and Long-Term Incentive Plan (LTIP)

Shareholders approved the introduction of two new schemes to replace the old share incentive scheme at the annual general meeting held on 29 April 2005. The purpose of both schemes is to align the interests of shareholders and the efforts of executives and managers.

To the extent that structured company performance targets are achieved, the BSP allows for the payment of an annual bonus, paid in part in cash and part in rights to acquire shares.

The LTIP allows for the granting of rights to acquire shares, based on the achievement of stretched company performance targets over a three-year period.

These targets are based on the performance of earnings per share (EPS) and relative total shareholder return (TSR), whereby the company will need to consistently outperform its gold company peers. Additionally, certain strategic business objectives will also need to be met, such as growing the reserve base of the company.

Executive director remuneration currently comprises the following elements:

1. **Basic salary**, which is subject to annual review by the Remuneration Committee and is set in line with the median of salaries in similar companies in the relevant markets both in South Africa and globally. The individual salaries of executive directors are reviewed annually in accordance with their own performance, experience, responsibility and company performance.

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2. **Annual bonus**, which is determined by the achievement of a set of stretching company and individual performance targets. The company targets include earnings per share, cost control, safety and global production. The weighting of the respective contribution of company and individual targets is 70% company and 30% individual. Failure to achieve safety improvement targets results in the reduction of bonuses for executive directors and executive officers. Fifty per cent of the bonus is paid in cash and 50% in the awarding of rights to acquire shares. The awards have a three-year vesting period.
3. **LTIP**: Executive directors are granted the right to acquire shares of value equivalent to their annual salaries, subject to the achievement of stretched company performance targets over a three-year period. These targets are based on the performance of EPS and TSR, whereby the company will need to consistently outperform its gold company peers.

Additionally, strategic business objectives will also need to be met. The first tranche of LTIP awards was made to executive directors in 2005.

4. **Pensions**: All executive directors who are South African citizens, are members of the AngloGold Ashanti Pension Fund, a defined benefit fund which guarantees a pension on retirement equivalent to 2% of final salary per year of service. All executive directors who are not South African citizens have other retirement benefit plans, to which the company contributes, to the level required by local practice. Death and disability cover reflects best practice amongst comparable employers in South Africa.
5. **Other benefits**: Executive directors are members of an external medical aid scheme, which covers the director and his immediate family.

Directors' service contracts

Service contracts of executive directors are reviewed annually. The contractual notice period in respect of Bobby Godsell, as chief executive officer, is 12 months, and for the other three executive directors, nine months. The contracts also deal with compensation if an executive director is dismissed or if there is a material change in role, responsibilities or remuneration following a new shareholder assuming control of the company. Compensation in these circumstances is pegged at twice the notice period earnings.

Non-executive directors' remuneration

The following table details fees and allowances paid to non-executive directors in 2006:

All figures stated to the nearest R000 ⁽¹⁾	Appointed with effect from ⁽²⁾	Resigned/ Retired with effect from ⁽²⁾	2006				2005			
			Directors' fees ⁽³⁾	Com- mittee fees	Travel ⁽⁴⁾	Total	Directors' fees ⁽³⁾	Com- mittee fees	Travel ⁽⁴⁾	Total
RP Edey (Chairman)			919	170	113	1,202	832	200	102	1,134
Dr TJ Motlatsi (Deputy chairman)			300	130	-	430	300	160	-	460
FB Arisman			113	150	113	376	102	170	77	349
RE Bannerman	10 Feb 06		113	37	59	209	-	-	-	-
Mrs E le R Bradley			110	160	-	270	110	190	-	300
CB Brayshaw ⁽⁵⁾			110	148	-	258	110	150	-	260
Dr SE Jonah ⁽⁶⁾ (President)	1 Aug 05		157	120	-	277	46	43	-	89
AW Lea		31 Jul 05	-	-	-	-	59	23	51	133
R Médori	1 Aug 05		111	3	-	114	44	17	-	61
JH Mensah	4 Aug 06		47	-	28	75	-	-	-	-
WA Nairn			110	130	-	240	110	130	-	240
Prof W L Nkuhlu	4 Aug 06		46	25	-	71	-	-	-	-
SR Thompson			111	80	-	191	102	80	102	284
AJ Trahar			110	50	-	160	110	80	-	190
PL Zim	4 Aug 06		83	60	-	143	110	80	-	190
Total – non-executive directors			2,440	1,263	313	4,016	2,035	1,323	332	3,690
Alternates										
DD Barber		4 Aug 06	-	-	-	-	-	-	-	-
A H Calver			-	-	-	-	-	-	-	-
PG Whitcutt			-	37	-	37	-	-	-	-
Total – Alternate directors			-	37	-	37	-	-	-	-
Grand total			2,440	1,300	313	4,053	2,035	1,323	332	3,690

⁽¹⁾ Where directors' compensation is in dollars, amounts reflected are the actual South African rand values at the date of payment.

⁽²⁾ Salaries are disclosed only for the period from or to which, office is held.

⁽³⁾ At the annual general meeting of shareholders held on 29 April 2004, shareholders approved an increase in directors fees with effect from 1 May 2004. Shareholders will be asked to approve an increase to directors fees at the annual general meeting of shareholders to be held on 4 May 2007. Fees payable in 2006 and 2005 as follows:

- Chairman - \$130,000 per annum
- Deputy chairman and president - R300,000 per annum (President's fee approved by shareholders on 5 May 2006)
- South African resident directors - R110,000 per annum
- Non-resident directors - \$16,000 per annum

⁽⁴⁾ A payment of a travel allowance of \$4,000 per meeting is made to non-executive directors who travel internationally to attend board meetings. In addition, AngloGold Ashanti is liable for the payment of all travel costs.

⁽⁵⁾ In addition, Mr Brayshaw was paid a fee of \$2,659 (R18,000) (2005: \$2,827 – R18,000) by AGRe Insurance Company Limited, a wholly-owned subsidiary, as chairman of its audit committee.

⁽⁶⁾ Dr Jonah resigned as an executive director with effect 31 July 2005, but remained a non-executive director. Dr Jonah resigned from the board with effect from 12 February 2007.

Rounding may result in computational differences

Executive directors do not receive payment of directors' fees or committee fees.

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Executive directors' and executive officers' remuneration – 2006

All figures in R000	Appointed with effect from ⁽¹⁾	Resigned/retired with effect from ⁽¹⁾	Salary	Performance related payments ⁽²⁾	Pension scheme contributions	Other benefits ⁽³⁾	Encashed leave ⁽⁴⁾	Sub total	Pre-tax gains on share options exercised ⁽⁵⁾	Total
Executive directors' remuneration 2006										
R M Godsell (Chief Executive Officer)			6,334	2,400	935	63	–	9,732	2,197	11,929
R Carvalho Silva			5,159	1,165	2,088	50	437	8,899	–	8,899
N F Nicolau			3,692	1,165	561	24	143	5,585	3,452	9,037
S Venkatakrishnan			3,801	1,165	646	–	–	5,613	–	5,613
K H Williams		6 May 06	1,186	–	175	88	–	1,449	–	1,449
			20,171	5,895	4,406	226	580	31,278	5,649	36,927
Executive officers' remuneration 2006										
Representing 16 executive officers			29,410	6,658	3,208	1,419	265	40,960	7,461	48,421
Total executive directors and executive officers remuneration – 2006										
			49,581	12,553	7,614	1,645	845	72,238	13,110	85,348

⁽¹⁾ Salaries are disclosed only for the period from or to which, office is held.

⁽²⁾ In order to more accurately disclose remuneration received/receivable by Executive Directors and Executive Officers, the tables above include the performance related payments calculated on the year's financial results.

⁽³⁾ Includes health care, personal travel and relocation expenses.

⁽⁴⁾ In 2005, AngloGold Ashanti altered its policy regarding the number of leave days that may be accrued. As a result, surplus leave days accrued are compulsorily encashed.

⁽⁵⁾ On exercising of options granted in terms of the AngloGold share incentive scheme, Messrs Godsell and Nicolau applied proceeds from the sale of the shares to acquire 3,833 (2005: 8,717) and 2,900 AngloGold Ashanti shares respectively.

Rounding may result in computational differences.

Executive directors' and executive officers' remuneration – 2005

All figures in R000	Appointed with effect from ⁽¹⁾	Resigned/retired with effect from ⁽¹⁾	Salary	Performance related payments ⁽²⁾	Pension scheme contributions	Other benefits ⁽³⁾	Encashed leave ⁽⁴⁾	Sub total	Pre-tax gains on share options exercised ⁽⁵⁾	Total
Executive directors' remuneration 2005										
R M Godsell (Chief Executive Officer)			5,951	1,891	867	25	625	9,359	3,627	12,986
J G Best		31 Jul 05	1,837	–	270	170	–	2,277	1,757	4,034
R Carvalho Silva	1 May 05		3,079	939	607	120	–	4,745	–	4,745
D L Hodgson		30 Apr 05	1,047	–	154	8	–	1,209	799	2,008
Dr S E Jonah		1 Aug 05	2,744	–	351	–	596	3,691	–	3,691
N F Nicolau	1 May 05		2,226	939	330	18	11	3,524	–	3,524
S Venkatakrishnan	1 Aug 05		1,619	1,055	188	–	–	2,862	–	2,862
K H Williams			3,258	960	481	23	2,185	6,907	587	7,494
			21,761	5,784	3,248	364	3,417	34,574	6,770	41,344
Executive officers' remuneration 2005										
Representing 18 executive officers			25,311	4,662	3,553	893	2,668	37,087	1,442	38,529
Total executive directors and executive officers remuneration – 2005										
			47,072	10,446	6,801	1,257	6,086	71,662	8,212	79,874

⁽¹⁾ Salaries are disclosed only for the period from or to which, office is held.

⁽²⁾ In order to more accurately disclose remuneration received/receivable by Executive Directors and Executive Officers, the tables above include the performance related payments calculated on the year's financial results.

⁽³⁾ Includes health care, personal travel and relocation expenses.

⁽⁴⁾ In 2005, AngloGold Ashanti altered its policy regarding the number of leave days that may be accrued. As a result, surplus leave days accrued are compulsorily encashed.

⁽⁵⁾ On exercising of options granted in terms of the AngloGold share incentive scheme, Mr Godsell applied proceeds from the sale of the shares to acquire 8,717 AngloGold Ashanti shares in his own name.

Rounding may result in computational differences.

Remuneration report *cont.*

Share incentive schemes

Options and rights to subscribe for ordinary shares in the company granted to, and exercised by, executive directors, executive officers and other managers during the year to 31 December 2006 and subsequent to year-end.

Executive directors, executive officers and other managers

	RM Godsell ⁽¹⁾	R Carvalho Silva
Granted and outstanding at 1 January, 2006		
Number	239,735	54,815
Average exercise/issue price per share	– R 117.58	168.98
Granted during the year ⁽²⁾		
Number	29,390	14,345
Average issue price per share	–	–
Exercised during the year		
Number	9,200	–
Average exercise/issue price per share	– R 104.00	–
Average market price per share at date of exercise	– R 343.62	–
Pre-tax gain before expenses at date of exercise	– R value 2,204,467.20	–
Lapsed during the year		
Number	–	–
Average exercise/issue price per share	– R –	–
Held at 31 December, 2006		
Number	259,925	69,160
Average exercise/issue price per share	– R 104.76	133.93
Subsequent to year end (to 31 January 2007)		
Exercised		
Number	–	–
Average exercise/issue price per share	– R –	–
Average market price per share at date of exercise	– R –	–
Pre-tax gain before expenses at date of exercise	– R value –	–
Lapsed		
Number	–	–
Average exercise/issue price per share	– R –	–
Held at 31 January 2007		
Number	259,925	69,160
Average exercise/issue price per share	– R 104.76	133.93
Latest expiry date	31 July 2016	31 July 2016

⁽¹⁾ On exercising of options granted in terms of the AngloGold share incentive scheme, Messrs Godsell and Nicolau applied proceeds from the sale of the shares to acquire 3,833 (2005: 8,717) and 2,900 AngloGold Ashanti shares respectively.

⁽²⁾ As a result in the change of status, the following movements to opening balances were made:

	Quantity	Average exercise
– From director status to other management:	117,230	188.10
– From other management to executive officer	33,080	142.06
– From executive officer to other management	12,000	287.12

⁽³⁾ Awards granted in 2005 and 2006 are granted at nil cost to participant.

Of the 4,199,820 options or rights granted and outstanding at 31 December 2006, 2,147,660 options are fully vested and 911,400 options will vest on 1 November 2007.

		Total Directors	Total Executive Officers ⁽²⁾	Total Other ⁽²⁾	Total Scheme
N F Nicolau ⁽¹⁾	S Venkatakrisnan				
56,635	14,865	366,050	423,415	3,607,690	4,397,155
139.24	-	123.85	147.84	199.43	188.17
14,345	14,725	72,805	88,470	409,510	570,785
-	-	-	-	-	-
17,600	-	26,800	35,700	335,899	398,399
147.69	-	132.69	131.38	127.73	128.39
345.00	-	344.52	341.75	329.82	331.88
3,472,640.00	-	5,677,107.20	7,510,106.73	67,884,192.29	81,071,406.22
-	-	-	6,306	363,415	369,721
-	-	-	-	210.22	206.64
53,380	29,590	412,055	469,879	3,317,886	4,199,820
99.04	-	101.39	123.24	180.89	166.64
-	-	-	494	1,124	1,618
-	-	-	-	80.43	55.87
-	-	-	325.15	333.23	330.76
-	-	-	160,624.10	284,153.00	444,777.10
-	-	-	-	-	-
-	-	-	-	-	-
53,380	29,590	412,055	469,385	3,316,762	4,198,202
99.04	-	101.39	123.37	180.93	166.68
31 July 2016	31 July 2016		31 July 2016	8 March 2016	