

# Corporate

## governance

### REFERENCE CHECKLIST

Key category	Key indicator	Key information	Reference/additional information
Board leadership	Chairman	<b>Mr Russell Edey</b> Appointed: 1 May 2002	Independent director and chairman. The chairman does not serve as chairman of any other public listed company on the JSE. Independent director and deputy chairman.
	Deputy chairman	<b>Dr James Motlatsi</b> Appointed: 1 May 2002	
Board of directors	Independent non-executive directors	<p><b>Mr Frank Arisman</b> Appointed: 1 April 1998</p> <p><b>Mr Reginald Bannerman</b> Appointed: 10 February 2006</p> <p><b>Mr Russell Edey</b> Appointed: 1 April 1998</p> <p><b>Mr Joseph Mensah</b> Appointed: 4 August 2006</p> <p><b>Dr James Motlatsi</b> Appointed: 1 April 1998</p> <p><b>Mr Bill Nairn</b> Appointed: 1 January 2000</p> <p><b>Prof Wiseman Nkuhlu</b> Appointed: 4 August 2006</p> <p><b>Mr Siphon Pityana</b> Appointed: 13 February 2007</p>	<p>All non-executive directors of the board are independent in terms of the Listings Requirements of the JSE Limited.</p> <p>The definition of independence has been amended by the board during the year and all non-executive directors meet the new criteria. Details of the new definition of independence are available on page 143.</p> <p>Mr Nairn resigned from Anglo American in 2004 and has subsequently served his three-year cooling-off period. He is now considered an independent director. During 2008, Mrs Elisabeth Le R Bradley retired from the board, effective 6 May 2008; and Mr Simon Thompson resigned from the board effective 28 July 2008.</p>
	Executive directors	<p><b>Mr Mark Cutifani (CEO)</b> Appointed to board: 17 September 2007 Appointed CEO: 1 October 2007</p> <p><b>Mr Srinivasan Venkatakrishnan(CFO)</b> Appointed: 1 August 2005</p>	
Board of directors	Appointment and retirement of directors	<p>Directors retire by rotation every three years. At the annual general meeting of shareholders held on 6 May 2008 shareholders resolved to limit the rotation of directors to non-executive directors only. The board has the power to appoint new directors on recommendation from the Nominations Committee. All directors appointed by the board must resign and stand for election at the next annual general meeting following their appointment to the board.</p> <p>A curriculum vitae of each director who stands for election or re-election is provided in the notice of meeting to shareholders prior to the annual general meeting.</p> <p>There is no mandatory retirement age for non-executive directors.</p>	<p>The following directors were re-elected or elected at the annual general meeting on 6 May 2008: Dr James Motlatsi Mr Bill Nairn Mr Simon Pityana Mr Mark Cutifani</p> <p>The following directors will stand for re-election at the annual general meeting to be held on 15 May 2009: Mr RP Edey Mr JH Mensah</p>

Key category	Key indicator	Key information	Reference/additional information
	Board of directors	<p>10 directors</p> <p>Independent chairman and deputy chairman</p> <p>Eight independent non-executive directors; and two executive directors</p> <p>The Board Charter, which was approved by the board on 30 July 2003 and amended on 27 October 2004 sets out the powers, responsibilities, functions, delegation of authority, and the areas of authority expressly reserved for the board.</p>	<p>2008: 6 board meetings and 6 sub-committee meetings.</p> <p>Number of board committees: 8.</p> <p>Full biographical details, including each director's qualifications and year of appointment to the board, are available in the directors and executive management section from page 109.</p>
Board Committees	Audit and Corporate Governance Committee	<p>Members:</p> <p><b>Prof Wiseman Nkuhlu</b> (Chairman)</p> <p><b>Mr Frank Arisman</b></p> <p><b>Mr Russell Edey</b></p> <p><b>Mr Joseph Mensah</b></p>	<p>Fully independent committee in terms of the JSE Limited's Listings Requirements and the United States' Sarbanes-Oxley Act.</p> <p>See page 147 for details on the committee.</p> <p>Retirements/resignations during 2008: Mrs Elisabeth Le R Bradley</p> <p>Financial expert for purposes of the Sarbanes-Oxley Act: Prof Wiseman Nkuhlu</p> <p>2008: 4 committee meetings and 3 sub-committee meetings</p>
	Transformation and Human Resources Development Committee (formerly the Employment Equity and Development Committee)	<p>Members:</p> <p><b>Dr James Motlatsi</b> (Chairman)</p> <p><b>Mr Frank Arisman</b></p> <p><b>Mr Reginald Bannerman</b></p> <p><b>Mr Mark Cutifani</b></p> <p><b>Mr Bill Nairn</b></p> <p><b>Mr Siphon Pityana</b></p>	<p>See page 149 for details on the committee.</p> <p>2008: 4 committee meetings.</p>
	Executive Committee	<p>Members:</p> <p><b>Mr Mark Cutifani</b> (Chairman)</p> <p><b>Mr Srinivasan Venkatakrishnan</b></p> <p><b>Dr Charles Carter</b></p> <p><b>Mr Richard Duffy</b></p> <p><b>Mr Graham Ehm</b></p> <p><b>Mr Ron Largent</b></p> <p><b>Mr Robbie Lazare</b></p> <p><b>Mr Mark Lynam</b></p> <p><b>Mr Tony O'Neill</b></p> <p><b>Mr Thero Setiloane</b></p> <p><b>Mrs Yedwa Simelane</b></p> <p><b>Mr Nigel Unwin</b></p>	<p>The Executive Committee is chaired by the Chief Executive Officer and membership comprises executive directors, executive vice presidents, vice president – finance, treasury and company secretarial and vice president – government relations.</p> <p>Meetings are held at least monthly.</p> <p>Appointments during 2008:</p> <p>Mr Mark Lynam</p> <p>Mr Tony O'Neill</p> <p>Retirements/resignations during 2008: Mr Peter Rowe</p>

# Corporate governance *cont.*

## REFERENCE CHECKLIST *CONT.*

Key category	Key indicator	Key information	Reference/additional information
Board Committees <i>Cont.</i>	Investment Committee	Members: <b>Mr Russell Edey</b> (Chairman) <b>Mr Mark Cutifani</b> <b>Mr Joseph Mensah</b> <b>Mr Bill Nairn</b> <b>Mr Sipho Pityana</b> <b>Mr Srinivasan Venkatakrisnan</b>	See page 150 for details on the committee. 2008: 3 committee meetings. Retirements/resignations during 2008. Mrs Elisabeth Le R Bradley Mr Simon Thompson
	Nominations Committee	Members: <b>Mr Russell Edey</b> (Chairman) <b>Mr Frank Arisman</b> <b>Mr Reginald Bannerman</b> <b>Mr Joseph Mensah</b> <b>Dr James Motlatsi</b> <b>Mr Bill Nairn</b> <b>Prof Wiseman Nkuhlu</b> <b>Mr Sipho Pityana</b>	Fully independent in terms of the JSE Limited's Listings Requirements. See page 150 for details on the committee. 2008: No meetings were held as there were no appointments to the board. Retirements/resignations during 2008: Mrs Elisabeth Le R Bradley
	Political Donations Committee	Members: <b>Dr James Motlatsi</b> (Chairman) <b>Prof Wiseman Nkuhlu</b> <b>Mr Sipho Pityana</b> <b>Mr Bill Nairn</b> was appointed to the committee effective 5 February 2009	Fully independent committee. Policy on political donations* See page 150 for details on the committee. 2008: No meetings. Retirements/resignations during 2008: Mrs Elisabeth Le R Bradley
	Remuneration Committee*	Members: <b>Mr Sipho Pityana</b> (Chairman) <b>Mr Frank Arisman</b> <b>Mr Reginald Bannerman</b> <b>Mr Russell Edey</b> <b>Dr James Motlatsi</b> <b>Prof Wiseman Nkuhlu</b>	See page 151 for details on the committee. 2008: 3 committee meetings Appointments during 2008: Mr Pityana took over the chairmanship from Mr Edey on 1 August 2008
	Safety, Health and Sustainable Development Committee	Members: <b>Mr Bill Nairn</b> (Chairman) <b>Mr Mark Cutifani</b> <b>Mr Joseph Mensah</b> <b>Dr James Motlatsi</b> <b>Mr Sipho Pityana</b>	See page 152 for details on the committee. 2008: 4 committee meetings Retirements/resignations during 2008: Mr Simon Thompson
Sub-Committees of the Board Committee	Treasury Committee	Members: <b>Prof Wiseman Nkuhlu</b> (Chairman) <b>Mr Frank Arisman</b> <b>Mr Srinivasan Venkatakrisnan</b> <b>Mr Robert Hayes</b> <b>Ms Charlotte Hoad</b> <b>Mr Mark Lynam</b> <b>Mr John Staples</b>	The Treasury Committee is a sub-committee of the Audit and Corporate Governance Committee Has its own charter and its main function is to monitor and mitigate financial risks 2008: 3 committee meetings

Key category	Key indicator	Key information	Reference/additional information
Special Purpose Board Committee	Financial Analysis Committee	Members: <b>Mr Frank Arisman</b> (Chairman) <b>Mr Russell Edey</b> <b>Prof. Wiseman Nkuhlu</b> <b>Mr Sipho Pityana</b>	This Special Purpose committee was formed in March 2008 to address the funding requirements of the company (namely the rights offer) Meetings: 5 The committee was dissolved on 7 July 2008, following the close of the rights offer.
<b>POLICIES</b>			
Directors' policy	Directors' induction policy*	Approved by the board on 30 January 2004	No changes to the policy were made by the board during the year.
	Fit and proper standards for directors and company secretaries policy*	Approved by the board on 30 January 2004	No changes to the policy were made by the board during the year.
	Professional advice for directors policy*	Approved by the board on 30 January 2004	No changes to the policy were made by the board during the year.
Insider trading	Market abuse (Insider trading) policy*	Policy approved by the board on 30 October 2002; amended 28 April 2005	No changes to the policy were made by the board during the year.
Code of ethics for employees	Code of ethics for employees*	Principles of Business Conduct approved by the board on 30 January 2003	No changes to the policy were made by the board during the year. See page 155 for details on the code of ethics.
Code of ethics for senior financial officers	Code of ethics for the chief executive officer, principal financial officer and senior financial officers*	Code approved by the board on 30 July 2003. Amended July 2006.	No changes to the policy were made by the board during the year. See page 155 for details on the code of ethics.
Whistle blowing	Confidential reporting policy*	Policy approved by the board on 30 January 2004	No changes to the policy were made by the board during the year. See page 155 for details on the policy.
Disclosures	Disclosures policy*	Policy approved by the Executive Committee on 6 December 2004	No changes to the policy were made by the board during the year. See page 154 for details on the policy.

\* Group policies, committee charters, and the board charter and codes of practice are available at the company's website: [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com) under > About > Corporate governance > Guidelines.

# Corporate

## governance *cont.*

### INTRODUCTION

Corporate governance is the responsibility of the board as a whole and is guided by the company's Memorandum and Articles of Association, the Board Charter, the South African Companies Act 61 of 1973, as amended, and the United States' Sarbanes-Oxley Act of 2002, the listing requirements of the JSE Limited and other stock exchanges on which the company is listed, as well as various corporate governance guidelines such as those provided by the King Code and the Global Reporting Initiative. Various other legislations and governance standards also guide the company's legal and disclosure obligations.

Day-to-day responsibility for corporate governance is overseen by management which regularly reports to the various committees of the board. The board chairman and the chairman of the Audit and Corporate Governance Committee play an active role in the corporate governance issues faced by the company through regular interaction with executive directors, senior management and other interested parties where necessary.

The JSE Limited's Listings Requirements require the company to disclose its compliance with the King Code and explain any areas of non-compliance. The King Code is a set of guidelines on best practice in corporate governance aimed at promoting the highest standards of governance in South Africa. AngloGold Ashanti complies with all material aspects of the King Code.

Significant corporate governance milestones achieved by AngloGold Ashanti during the year:

- inclusion in the JSE Sustainability Index 2008 and was nominated as one of the sixteen "Best Performers" in the 2008 index; and
- overall winner of the Southern African Institute of Chartered Secretaries and Administrators and the JSE Limited's Annual Report Award.

### THE BOARD OF DIRECTORS

The board has a unitary structure and comprises 10 members who assume overall responsibility for the activities of the company, including the entire risk management framework and corporate governance of the company. The board has a written charter that governs its powers, functions and responsibilities and covers the following pertinent areas:

- Authority of the board
- Directors' appointments
- Role and responsibility of the board
- Procedures of the board
- Board committees
- Matters reserved for board decision
- Management of risks
- Corporate governance
- Remuneration issues
- Evaluation of board performance and induction of new directors
- Declaration of interests

The board contains the mix of skills, experience and knowledge required of a multinational gold mining company.

Directors' retirement follows a staggered process with one-third of non-executive directors retiring at least every three years at the annual general meeting. A curriculum vitae of each director standing for election or re-election is made available to shareholders prior to the annual general meeting to assist in their deliberations. The board is authorised by the company's articles of association to appoint new directors, on recommendation by the Nominations Committee, provided such appointees retire at the next annual general meeting and stand for election by shareholders.

Executive directors are appointed by the board to oversee the day-to-day running of the company. Executive directors are held accountable by regular reporting to the board, and their performance is measured against pre-determined criteria.

Only executive directors have contracts of employment with the company. There are no contracts of service between the directors and the company, or any of its subsidiaries that are terminable at periods of notice exceeding one year or that require payment of compensation on termination. Non-executive directors do not hold service contracts with the company. Details on the remuneration of executive and non-executive directors are presented in the Remuneration Report from page 192.

Non-executive directors provide the board with advice and experience that is independent of management and the executive. The presence of independent directors on the board, and the critical role they play as board representatives on key committees such as the Audit and Corporate Governance, Nominations, Political Donations and Remuneration committees, ensures that the company's interests are served by impartial views that are separate from those of management and shareholders.

In October 2008 the board reviewed its definition and criteria for determining which of its members qualify as being independent from a corporate governance perspective. That definition is replicated below:

*Policy on determining the independence of board members*

AngloGold Ashanti subscribes to a policy of sound corporate governance practices informed by the requirements set in terms of applicable stock exchanges on which the company is listed, and particularly that of the Johannesburg and New York Stock Exchanges, as well as legislative imperatives of securities and companies laws and governance standards such as the King Code. The board will at all times comply with the requirement to consist of a majority of independent directors and this policy statement will describe the criteria that will guide the board in determining which of its members are independent from a corporate governance point of view. The board retains an inherent discretion to determine the independence of its directors on a case by case basis taking into account the totality of the facts and the criteria established in this policy. Where the board, exercising its discretion and having considered all relevant facts, determines a director to be independent despite not meeting the criteria established in this policy, the board will fully disclose its reasoning in appropriate public reports.

# Corporate

## governance *cont.*

### *Policy on determining the independence of board members (continued)*

The test of independence that will be used by the board of AngloGold Ashanti Limited to determine the independence of its members is based on the following:

1. An independent director is a non-executive director of the board who:
  - a. Is not a representative or officer of a significant shareholder of the company. For purposes of this policy the term "significant shareholder" means a shareholder who owns, directly or indirectly, more than 5% of the company's issued share capital or a shareholder who has the ability to influence the decisions of the board and/or management. The term "officer" shall mean a director or company secretary of the shareholder, any person identified as an officer according to the requirements of any relevant laws; any person who has the capacity to influence significant business and/or financial decisions of the shareholder (including decisions affecting the relationship with AngloGold Ashanti) or who is appointed to any capacity within the shareholder by its board or any of its board committees;
  - b. Has not been employed in an executive capacity by the company or the group for the preceding three financial years. For purposes of this policy the term "executive capacity" means any employee whose appointment requires the approval of the Remuneration Committee, Nominations Committee or the Audit and Corporate Governance Committee of the board;
  - c. Has not been the auditor of the company for the preceding three financial years;
  - d. Is not a professional adviser to the company other than in his or her capacity as a director of the company;
  - e. Does not have a material interest in a contract with the company or is not employed by a company that has a material interest in a contract with the company. For purposes of this policy the term "material interest in a contract" means, as a guideline, any contract which is:
    - (i) The greater of 0.5% of AngloGold Ashanti's total gross revenue in the preceding financial year or \$20 million whichever is the greater; and
    - (ii) Even if the limit mentioned in (i) above is not exceeded, the board will consider whether the contract is deemed material to either contracting side taking into account all relevant facts including (but not limited to) the value of the contract relative to the total business of each party and the importance of the business relationship to the parties.
  - f. Is free of any other business or other relationship which could be perceived to materially interfere with the individual's capacity to act independently of other board members, management or the individual's own interests;
  - g. Receives remuneration for services as a director in the form of cash and shares (but not share options); and
  - h. Objectively conducts himself or herself in a manner displaying independence of thought, judgement and action.

2. For purposes of determining the independence of directors the criteria above will apply mutatis mutandis to the immediate family members of the director. For purposes of this policy the term "immediate family member" shall include any of the following persons who are related to the director in question: spouse, children and grandchildren; parents, parents-in-law and grandparents; siblings and the children, spouses and grandchildren of any of these siblings.
3. The board will annually review which of its members are independent having regard to this policy and relevant facts.

The board will annually review this policy as part of its own performance evaluation process.

The board, its committees, and individual directors completed an annual evaluation process in February 2009 to review their effectiveness and determine measures that will help improve the performance of the board and its committees. The chairman of each committee and the chairman of the board led the processes to evaluate the committees and the board respectively. There was a separate review of the chairman's performance led by the deputy chairman of the board whereby each director evaluated his performance during the year. The company secretary and compliance manager play a critical role in this process.

The performance evaluation of executive directors is conducted by the Remuneration Committee. For full details, see Remuneration Committee from page 192.

As an example of the content of an appraisal form, the board effectiveness evaluation covered the following topics:

- Setting of performance objectives
- Board contribution to development of strategy
- Board response to crisis
- Board awareness of developments in regulatory environment and market
- Effectiveness of board committees
- Evaluation of the relationship between the board and management, shareholders and among members of the board itself
- Succession plans for senior executive management
- Definition of independent directors
- Corporate governance and legal issues facing the board/company

The vice president – finance, treasury and company secretarial and the company secretary have been appointed to assist the board in its deliberations, informing members of their legal duties and ensuring, together with the executive directors and senior management, that its resolutions are carried out. Together with the investor relations department, the company secretarial function also provides a direct communications link with investors and liaises with the company's share registrars on all issues affecting shareholders. The company secretarial function, in consultation with other departments, furthermore, provides mandatory information required by various regulatory bodies and stock exchanges on which the company is listed. The vice president – finance, treasury and company secretarial and the company secretary are responsible for compliance with all the statutory requirements related to the administration of the Share Incentive Scheme. They also ensure that minutes of all shareholders, board and board committee meetings are properly recorded in accordance with the South African Companies Act 61 of 1973 as amended. The company secretarial and compliance functions also play a crucial role in the induction of new directors.

# Corporate

## governance *cont.*

### *Policy on determining the independence of board members (continued)*

A compliance office has been established to assist the board and management to determine their statutory duties, ensure legal compliance and advise on issues of corporate governance.

All members of the board have access to management and the records of the company, as well as to external professional advisers should the need arise.

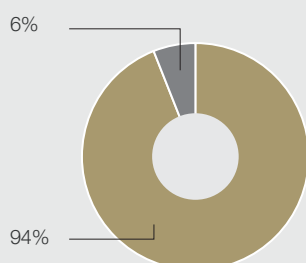
Directors and employees of AngloGold Ashanti with access to price sensitive information are not permitted to trade in the company's shares during closed periods. In addition, they are prohibited from dealing in warrants and derivatives of the company at any time. Directors and key employees are required to follow a formal process before trading in the company's shares. Closed periods are in effect from the end of the reporting period to and including the date of publication of the quarterly, half-yearly and year-end results. Where appropriate, a closed period is also effective during periods when major transactions are being negotiated and a public announcement could be imminent.

Six board meetings and six sub-committee meetings took place during the course of 2008. The board meeting attendance graph is provided below.

### *Significant issues faced by the board in 2008*

The biggest issue faced by the board of AngloGold Ashanti during 2008, was and continues to be the global financial crisis and the prospect of a worldwide recession. The current economic climate has several implications for resource companies as commodity prices slide downwards and impact essential financial and capital project plans. More relevant to AngloGold Ashanti was the need to refinance the company's convertible bond which matured in February 2009. The company's initial plan to refinance the bond from proceeds of an equity linked instrument became non-viable due to the global credit crunch that resulted from the financial crisis, posing a significant risk to the company's activities. The refinancing problem was resolved when, in November 2008, the company secured a US\$1.0 billion term facility to refinance the bond.

The board also regularly reviewed the company's strategy of reducing the hedge book and its performance in respect of safety.



Board: proportion of meetings attended by members

■ Not attended  
■ Attended

Board Members during 2008	No. of meetings not attended	No. of meetings attended/total
Mr R P Edey (Chairman)		6/6
Dr T J Motlatsi	1	5/6
Mr F B Arisman		6/6
Mr R E Bannerman		6/6
Mrs E Le R Bradley*	1	3/4
Mr M Cutifani		6/6
Mr J H Mensah		6/6
Mr W A Nairn		6/6
Prof W L Nkuhlu		6/6
Mr S M Pityana	2	4/6
Mr S R Thompson**		4/4
Mr S Venkatakrishnan		6/6

\* retired 6 May 2008

\*\* resigned 28 July 2008

## BOARD SUB-COMMITTEES

To facilitate its activities and deliberations, the board has established a number of subcommittees, comprising members of the board, with written terms of reference governing the powers, functions and activities of these sub-committees. There are eight committees of the board including the Executive Management Committee. As and when required, the board may establish Ad Hoc committees to address issues of current concern.

Members of board committees have access to management and the records of the company, as well as to external professional advisers should the need arise. Details of each sub-committee are provided below.

### *Audit and Corporate Governance Committee*

Membership of the Audit and Corporate Governance Committee, including its chairman, comprises only independent non-executive directors, in compliance with the Sarbanes-Oxley Act. The Sarbanes-Oxley Act requires the board to identify a financial expert from within its ranks. The board has resolved that the committee's chairman, Prof Wiseman Nkuhlu is the board's financial expert. All four members of the committee have considerable financial knowledge and experience to help oversee and guide the board and the company in respect of the audit and corporate governance disciplines. In relation to independent directors' membership of the committee, AngloGold Ashanti complies with both the guidelines of the King Code and the requirements of the Sarbanes-Oxley Act.

The group internal audit manager has unrestricted access to both the chief executive officer and the chief financial officer, the board chairman and the chairman of this committee, and is invited to attend and report on his department's activities at all committee meetings. The board is confident that the unfettered access of the group internal audit manager to key board members, and the direct and regular reporting to the committee, enables him to discharge his duties as required by law and in fulfilment of his obligations to the company. The function, duties and powers of the internal audit department, for which the group internal audit manager is responsible, are governed by a formal internal audit charter approved by the committee. In addition, the group internal audit manager meets with committee members in the absence of management.

The committee meets regularly with the external audit partner, the group's internal audit manager and the chief financial officer to review the audit plans of the internal and external auditors and ascertain the scope of the audits, and to review the quarterly financial results, significant legal matters affecting the company, the preliminary announcement of the annual results and the annual financial statements, as well as all statutory submissions of a financial nature, prior to approval by the board.

In relation to risk management, the committee reviews the risk policies of the company with respect to risk identification and the risk management process, ensuring that the guidelines of the King Code and the requirements of the US Sarbanes-Oxley Act are met, as well as advising the board on the effectiveness of the risk management system.

# Corporate

## governance *cont.*

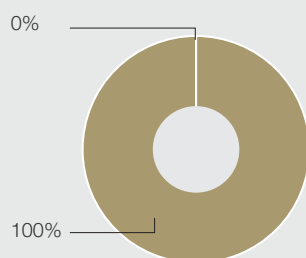
### *Audit and Corporate Governance Committee (continued)*

The committee is further responsible for:

- the appointment and dismissal of the external auditors;
- determining and approving external auditors' fees;
- ensuring that the external auditors report regularly to the committee;
- overseeing the work of the external auditors;
- fees paid to the external auditors in respect of audit fees were \$6 million and \$1 million relating to other assurance services. The percentage of non-audit fees as a portion of total fees paid to the external auditors for 2008 was about 14%;
- overseeing the internal audit function:
  - receiving regular report back from the group internal audit manager; and
  - the appointment and dismissal of the group internal audit manager;
- assessing and reviewing the company's risk management framework;
- monitoring the group's corporate governance practices in relation to regulatory requirements and guidelines; and
- determining all non-audit work of the external auditors including consulting work, and pre-approving non-audit fees to be paid to the external auditors. The non-audit activities performed by the external auditors during the year were in respect of:
  - tax services;
  - training services; and
  - assurance services in respect of United States Securities and Exchange Commission (US SEC) regulatory filings.

The external auditors also meet with committee members in the absence of management. The Audit and Corporate Governance Committee, after due consideration, is satisfied that the external auditor is independent of the company and was so during the financial period under review to and including the date of this report.

The committee met on four occasions during 2008. Mrs E Le R Bradley retired from the board on 6 May 2008 and ceased to be a member of the committee at that date. The committee's meeting attendance graphs is provided below.



Audit and Corporate Governance Committee: proportion of meetings attended by members

- Not attended
- Attended

Members of the Audit and Corporate Governance Committee during 2008	No. of meetings not attended	No. of meetings attended/total
Prof W L Nkuhlu (Chairman)		4/4
Mr F B Arisman		4/4
Mrs E le R Bradley*		1/1
Mr R P Edey		4/4
Mr J H Mensah		4/4

\* retired on 6 May 2008

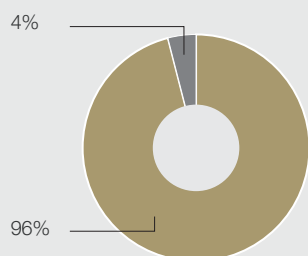
The NYSE listing rules require that the board determine whether a member of the committee's simultaneous service on the audit committees of more than three public companies impairs the ability of such a member to effectively serve on a listed company's audit committee. Professor Nkuhlu, the chairman of the committee, is a member of two (2007: two) other public companies' audit committees but is the chairman of none of these committees (2007: nil).

Prof Nkuhlu is a qualified chartered accountant with considerable experience in both accounting and auditing and is a past president of the South African Institute of Chartered Accountants. The board is confident that the experience and calibre of Prof Nkuhlu and his active contribution and regular attendance at meetings of the committee and the board demonstrates his commitment to the company. The simultaneous service on other audit committees and membership on the Financial Crisis Advisory Group of the IASB and FASB by Prof Nkuhlu has not impaired his ability to diligently execute his responsibilities to the committee and the board of AngloGold Ashanti. The members of the Audit and Corporate Governance Committee were all re-appointed to serve as members of the committee by the board to hold office for the next financial year.

*Transformation and Human Resources Development Committee (formerly Employment Equity and Development Committee)*

The name of this committee was changed during 2008. The committee is responsible for overseeing the company's performance in respect of employment equity, transformation and staff development by taking into account the legal requirements of applicable legislation and the monitoring of targets set by the company, including the monitoring of the Mining Charter in its entirety and all legislative requirements impacting on the company's right to mine at all its operations. The committee is also responsible for employee skills development in a manner that seeks to develop and retain talent, and to provide employees with the opportunity to enhance their skills and knowledge. The committee met on four occasions during 2008. Details of the company's employment equity practices and performance during the year, as well as the many challenges the company faces in this regard are provided for in this report under the Employment Equity and Development section below.

The committee's meeting attendance graph is provided below.



Transformation and Human Resources Development Committee: proportion of meetings attended by members

- Not attended
- Attended

Members of the Transformation and Human Resources Development Committee	No. of meetings not attended	No. of meetings attended/total
Dr T J Motlatsi (Chairman)		4/4
Mr FB Arisman		4/4
Mr R E Bannerman		4/4
Mr M Cutifani		4/4
Mr W A Nairn		4/4
Mr S M Pityana	1	3/4

# Corporate

## governance *cont.*

### *Executive Committee*

This committee is chaired by Mr Cutifani, the chief executive officer and comprises members of the executive team as detailed on page 109. The committee is responsible for overseeing the day-to-day management of the company's affairs and for executing the decisions of the board. It meets at least monthly and is actively involved in the strategic review of the company's values, safety performance, operation and exploration profiles and financial status.

### *Investment Committee*

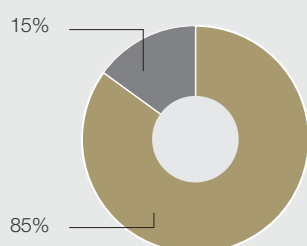
This committee is responsible for overseeing and reviewing AngloGold Ashanti's strategic investments which includes the acquisition and disposal of assets, capital expenditure and projects. Mrs E Le R Bradley and Mr Thompson resigned from the committee on 6 May 2008 and 28 July 2008 respectively. The committee met on three occasions during 2008 and the attendance graph is provided below.

### *Nominations Committee*

The appointment of directors is a matter for the board as a whole but the Nominations Committee, whose membership comprises solely of independent non-executive directors, is responsible for identifying and recommending suitable candidates for appointment to the board. The fit and proper standards policy for directors guides this process. The committee is also responsible for establishing and reviewing succession plans for members of the board, particularly those of the chief executive officer and board chairman. Mrs E Le R Bradley resigned from the committee on 6 May 2008. No meetings of the committee took place during 2008.

### *Political Donations Committee*

The membership of the Political Donations Committee comprises the South African resident independent non-executive directors, and is chaired by the deputy chairman of the board, Dr TJ Motlatsi. The committee determines the funding of political parties in South Africa in accordance with principles set out in the political donations policy adopted by the board on 29 April 2003. No meetings of the committee took place during 2008.



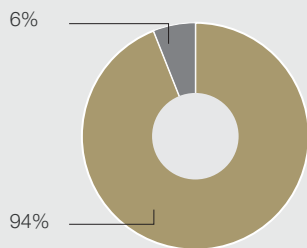
Investment Committee:  
proportion of meetings attended  
by members

- Not attended
- Attended

Members of the Investment Committee during 2008	No. of meetings not attended	No. of meetings attended/total
Mr R P Edey (Chairman)		3/3
Mrs E le R Bradley*		1/1
Mr M Cutifani	1	2/3
Mr J H Mensah		3/3
Mr W A Nairn	1	2/3
Mr S Pityana	1	2/3
Mr S R Thompson**		1/1
Mr S Venkatakrisnan		3/3

\* retired 6 May 2008

\*\* resigned 28 July 2008



Remuneration Committee:  
proportion of meetings attended  
by members

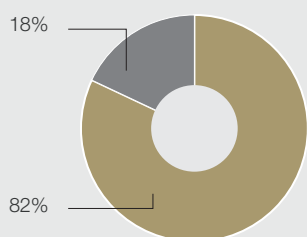
- Not attended
- Attended

Members of the Remuneration Committee during 2008	No. of meetings not attended	No. of meetings attended/total
Mr S M Pityana (Chairman)	1	2/3
Mr F B Arisman		3/3
Mr RE Bannerman		3/3
Mr RP Edey		3/3
Dr TJ Motlatsi		3/3
Prof W L Nkuhlu		3/3

### Remuneration Committee

The Remuneration Committee comprises only non-executive directors and is responsible for evaluating the performance of executive directors and executive management, and for setting appropriate remuneration for such officers of the company. Full details of the company's remuneration philosophy, the committee's deliberations during 2008, remuneration payments for all directors and information on the Share Incentive Scheme are available in the Remuneration Report from page 192 of this report.

The performances of the executive directors are assessed relative to the prevailing business climate and market conditions, as well as to annual evaluations of the achievement of key predetermined objectives. Bonuses paid to executive directors are a reflection of the performance of each of the directors and the company as a whole. The fees of non-executive directors are fixed by shareholders at the annual general meeting and, other than the fees they receive for their participation on board committees and an allowance for travelling internationally to attend board meetings, non-executive directors receive no further payments from the company and are precluded from participation in the company's share incentive scheme. Mr Edey resigned as chairman of this committee on 31 July 2008, but remains a member and Mr Pityana assumed the chairmanship on 1 August 2008. The committee met on three occasions during 2008 and its meeting attendance graph is provided above.



Safety, Health and Sustainable Development Committee:  
proportion of meetings attended  
by members

- Not attended
- Attended

Members of the Safety, Health and Sustainable Development Committee	No. of meetings not attended	No. of meetings attended/total
Mr WA Nairn (Chairman)		4/4
Mr M Cutifani		4/4
Mr J H Mensah	1	3/4
Dr T J Motlatsi	1	3/4
Mr S M Pityana	1	3/4
Mr S R Thompson*	1	1/2

\* resigned 28 July 2008

# Corporate

## governance *cont.*

### *Safety, Health and Sustainable Development Committee*

This committee is tasked with overseeing the company's performance regarding safety, health and sustainable development, and for establishing targets in relation to each of these areas. Membership of the committee comprises non-executive directors and the chief executive officer. Its meetings are attended by several members of the executive team and other officers of the company. During 2008 the committee deliberated on the safety concerns faced by the company's South African mines in particular, and on the strategies and methodologies that will enhance the safety and security of all company employees. AngloGold Ashanti recently implemented the "Safety is our first value" campaign aimed at giving greater focus to safety issues. The committee met on four occasions during 2008. The members of the committee visited the Moab Khotsoeng mine where they went underground and had a presentation from mine management. Mr Thompson resigned from the committee on 28 July 2008. The committee's meeting attendance graph is provided on page 151.

### *EMPLOYEE AND OTHER STAKEHOLDER ENGAGEMENT*

The company has in place, a variety of strategies and structures designed to promote constructive engagement with employees and other stakeholders. Details of the company's initiatives and practices in respect of stakeholder engagement are contained in the AngloGold Ashanti Report to Society 2008, which is available on the company's website, or the 2008 annual report website, [www.aga-reports.com](http://www.aga-reports.com).

### *EMPLOYMENT EQUITY AND DEVELOPMENT*

As required by the South African Employment Equity Act (the Act), AngloGold Ashanti submitted its eighth annual employment equity report as at 1 August 2008 on progress made with the implementation of the company's employment equity plan in respect of its South African operations to the Department of Labour in October 2008. The 2008 report indicates that some progress has been made year-on-year. Employment equity governance structures and monitoring processes are in place at company and business unit levels. The implementation of the Mining Charter undertakings is subjected to external and internal audits.

Challenges and opportunities in respect of employment equity:

- In the mining industry, technical skills that are linked with disciplines such as mining, metallurgy, and engineering are seen as key to continued operations. To this end, AngloGold Ashanti has over the years placed emphasis on ensuring a continued supply of these key skills by among others, sponsoring bursaries and facilitating learnerships as applicable within these fields of study. Study in these fields to a point of competency is however accomplished over a long period of time as the knowledge component of learning needs to be complemented with on-the-job training before an individual acquires the necessary level of skill to perform the job on his/her own. As these skills are portable, and in demand both locally and internationally, one of the biggest challenges remains retention of the skills developed by the company.
- The impact that this has had on the company's employment equity initiatives is that, whilst the intake ratios on bursars is set at a 70:30 historically disadvantaged South Africans (HDSA): White male ratio, it takes a fair amount of time for learners, irrespective of race or gender to be developed into a management position whereby they are able to work independently. As demand for these skills by industry far exceeds supply, employment equity candidates are highly marketable following their training, resulting in a high turnover of these skilled employees.
- Skills development is largely managed from the perspective of operational need based on life-of-mine plans with some development being addressed from a broader skills development perspective including community training, educational assistance for fields of study outside an employee's current field of employment. AngloGold Ashanti has over the years spent on average 4-5% of its annual payroll towards skills development. Talent is identified via interaction at line management level through e.g. performance management interventions. Opportunity to develop such talent is offered via a variety of mechanisms such

as in-house and external training courses and correspondence studies. Career development plans are also used as a means to allow individual aspirations and company goals to materialise within specified timeframes.

- With the commodity boom, AngloGold Ashanti lost a substantial number of skilled employees. As this is of concern to the company, a number of retention initiatives have been initiated in an attempt to curb the skills loss. Within the South African Division in particular, in respect of retention strategies, the company has embarked on an initiative aimed at selected occupations in the Officials ranks (Geosciences, Shift bosses, Engineering and Metallurgical Foremen and selected others such as Training Officers in the technical fields and Rock Engineering Officers) as well as the Miners & Artisans ranks. The initiative for the selected Officials resulted in an increase in their remuneration. In respect of the Miners & Artisans, a two-pronged approach was followed, consisting of a salary increase and the payment of a retention bonus. Since the introduction of these initiatives, the company has seen a significant decrease in the turnover rates of these categories.
- Given the skills losses, inclusive of HDSA losses, meeting the company's employment equity targets has been challenging, especially when considering the fairly long development opportunities that were provided by the company with a view to developing talent over a long term period. Having identified a need to establish a focused drive to deliver on the company's employment equity targets, a plan specific to each business unit within the South African Division has been established to deliver on short term goals by April 2009. A new five-year Employment Equity Plan is currently being established based on what is believed to be realistically achievable targets within that time frame and is aimed at achieving a broader demographic representation of the workforce.

Below is a summary of the 2008 employment equity report as required by section 22(1) of the Employment Equity Act of 1998 based on occupational levels for the South Africa region broken down according to number of employees within each category. The table includes the following: white (W), coloured (C), Indian (I) and African (A) population groups including persons with disabilities.

2008	Male			Female			White male	Foreign nationals		Total	
	A	C	I	A	C	I	W	M	F		
Occupational levels											
Top management	1	0	0	1	0	0	0	7	2	0	11
Senior management	12	3	5	1	1	1	13	132	5	0	173
Professionally qualified and experienced specialists and mid-management	93	16	21	25	5	10	112	515	17	3	817
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1,578	48	4	319	16	10	440	2,037	352	3	4,807
Semi-skilled and discretionary decision making	1,142	13	0	505	19	1	211	174	157	3	2,225
Unskilled and defined decision making	13,934	47	0	1,441	7	0	10	122	10,264	34	25,859
<b>Total permanent</b>	<b>16,760</b>	<b>127</b>	<b>30</b>	<b>2,292</b>	<b>48</b>	<b>22</b>	<b>786</b>	<b>2,987</b>	<b>10,797</b>	<b>43</b>	<b>33,892</b>
Non-permanent employees	41	0	1	16	1	0	28	38	4	0	102
<b>Grand total</b>	<b>16,774</b>	<b>127</b>	<b>31</b>	<b>2,308</b>	<b>49</b>	<b>22</b>	<b>814</b>	<b>3,025</b>	<b>10,801</b>	<b>43</b>	<b>33,994</b>

Key: A = African C = Coloured I = Indian W = White M = Male F = Female

# Corporate

## governance *cont.*

### SUSTAINABLE DEVELOPMENT

The AngloGold Ashanti Report to Society 2008 is a reflection of the company's commitment to report on its impact and obligations in respect of its employees, the environment, economies and communities in which it operates. This report seeks to report on these issues to a wide range of stakeholders including shareholders, investors, communities, employees and their representatives, local and national governments and other interested parties. The report has been designed in line with the guidelines of the Global Reporting Initiative and its contents, includes several major case studies, which have been assured by independent auditors. In addition, the report incorporates a range of case studies and country reports available only as web-based interactive documents available from the company's website, [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com), or the 2008 Annual Report website, [www.aga-reports.com](http://www.aga-reports.com). A limited number of hard copies of the main report are available on request from the Corporate Affairs department.

The company once again qualified for the JSE Socially Responsible Investment Index 2008, demonstrating its commitment to balancing the social, environmental and economic impacts of its business with its financial imperatives. The company was nominated as one of the sixteen "Best Performers" in the 2008 index.

### DISCLOSURES POLICY

AngloGold Ashanti subscribes to a policy of full, accurate and consistent communication in respect of both its financial and operating affairs. To this end, the company has adopted a Disclosures Policy, the object of which is to ensure compliance with the rules of the various exchanges on which it is listed and to provide timely, accurate and reliable information to all stakeholders, including investors (and potential investors), regulators and analysts. The policy is available on the company's website at [www.anglogoldashanti.com/about/corporategovernance/guidelines](http://www.anglogoldashanti.com/about/corporategovernance/guidelines).

### COMPLIANCE WITH SECTION 303A.11 OF THE NYSE RULES

Section 303A.11 of the NYSE Rules requires a foreign-listed company on the exchange to identify significant differences between its corporate governance practices and those of a US company listed on the NYSE. In previous years the board did not comprise a majority of independent directors as the company's primary listing on the JSE does not require this. Nevertheless the company's board now does comprise a majority of independent directors.

In compliance with NYSE rules and JSE Listings Requirements, the company has fully independent Nominations and Remuneration committees.

### ELECTRONIC PARTICIPATION AT MEETINGS BY SHAREHOLDERS

Shareholder participation and empowerment are critical to the company's corporate governance strategy and practices. During the run-up to the annual general meeting in 2007 the company implemented a system that enabled South African based shareholders to make use of the internet to electronically vote on resolutions to be put forward for approval at the annual general meeting. This system, run by iProxy, performed exceptionally well. The company is examining the feasibility of expanding iProxy beyond the South African shareholder base.

The company also makes use of electronic voting, run by Computershare, since its annual general meeting on 4 May 2007.

## COMMUNICATIONS WITH DIRECTORS

In addition to any anonymous and confidential report, business and other interested parties may wish to make use of the whistle-blowing policy detailed below (under “Codes of ethics and whistle-blowing policy”), or they may address any issue, complaint or concern directly to the chairman of the board, the chairman of any board committee or any director. Unless clearly addressed to a specific director and marked “Confidential”, all correspondence will be screened by the company secretary to determine to which director or board committee chairman the correspondence should be directed. The following contact details should be used:

Name of director, board committee, chairman of the board to be sent c/o Company Secretary, AngloGold Ashanti Limited, PO Box 62117 Marshalltown 2107 South Africa or by Facsimile: +27 11 637 6677 (Attention: Company Secretary) or Email: CompanySecretary@AngloGoldAshanti.com

## ANGLOGOLD ASHANTI'S VALUES LAUNCH

The revised vision, values and mission of the company can be found on page 2 of this annual report and is also available on the internet at <http://www.anglogoldashanti.com/Values/Values.htm>.

## CODES OF ETHICS AND WHISTLE-BLOWING POLICY

In order to comply with the company's obligation in terms of the Sarbanes-Oxley Act and the King Report, and in the interests of good governance, the company has systems and procedures to introduce, monitor and enforce its ethical codes and has adopted a code of ethics for employees, a code of ethics for senior financial officers, and a whistle-blowing policy that encourages employees and other stakeholders to confidentially and anonymously report acts of an unethical or illegal nature that affect the company's interests. Senior management oversee compliance with the ethical code by means of several mechanisms including:

- Assessing the integrity of new appointees in the selection and promotion process;
- Adherence to the policy on the delegation of authority;
- Induction of directors and employees on the company's values, policies and procedures; and
- Compliance with a strict disciplinary code of conduct.

AngloGold Ashanti has a whistle-blowing policy that provides a channel for the reporting of practices that are in conflict with AngloGold Ashanti's business principles, unlawful conduct, financial malpractice, or are dangerous to the public and the environment. The process encourages reports to be made in good faith in a responsible and ethical manner. Employees are encouraged to discuss issues with their direct managers first (if appropriate) and then, if not resolved, to report these through the whistle-blowing line or directly to the internal audit or legal departments. The codes and the whistle-blowing policy are available on the company's website at [www.anglogoldashanti.co.za/About/Gov+Policies.htm](http://www.anglogoldashanti.co.za/About/Gov+Policies.htm). There are several mediums by which reports can be made such as through the intranet, internet, telephone, fax and post. An initiative is being undertaken to implement short messaging system (sms) as a medium for reporting as well.

All reports made in terms of the whistle-blowing policy are administered by a third party, Tip-Offs Anonymous, which ensures all reports are treated confidentially or anonymously depending on the preference of the caller. The information is relayed to management and internal audit for investigation. Feedback on reports is given when requested. A report is provided to the Executive Committee and the Board Audit and Corporate Governance Committee on a quarterly basis. Both the code of ethics and the whistle-blowing policy are available on the company's website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com). In total, there were 50 reports received in terms of the whistle-blowing policy as at October 2008 (2007: 39 and 2006: 29), of which, twenty-three are in progress.

Whistle-blowing issues are categorised on the basis of information that is made available regarding the alleged offence. A category such as “irregularities” pertains to issues where a specific categorisation of the offence has not been made in the report received and or possible transgressions of policy and procedures has been reported.

# Corporate

## governance *cont.*

### REPORTS RECEIVED JANUARY 2008 TO OCTOBER 2008

Category	Completed	In progress	Total
Bribery and corruption	1	–	1
Conflict of interest	–	2	2
Enquiry	5	1	6
Fraud	8	6	14
Irregularities	5	7	12
Misconduct	6	4	10
Theft	–	2	2
Unethical behaviour	–	1	1
Unfair labour practice	2	–	2
Total	27	23	50

### RESULTS OF CASES COMPLETED JANUARY 2008 TO OCTOBER 2008

	Allegations could not be proven	Allegations unfounded	Counselling	Criminally reported	Disciplined	Employee resigned	Enquiry	Independent review conducted	Information provided	Non-AngloGold Ashanti issue	Resolved with department	Total
Bribery and corruption		1					4		1			1
Enquiry				4				3			1	5
Fraud						1				1	2	8
Irregularities			1			1					1	5
Misconduct	2				2	1					1	6
Unfair labour practice									1		1	2
Total	2	1	1	4	2	2	4	3	2	1	5	27

### EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

The Extractive Industries Transparency Initiative (EITI) was launched by the then UK Prime Minister, Mr Tony Blair at the World Summit on Sustainable Development in Johannesburg in September 2002. The initiative is a partnership of governments, international organisations, companies, non governmental organisations (NGOs), investors, business and industrial organisations. Its aim is to increase transparency in transactions between governments and companies in the extractive industries in order to improve public awareness of the revenues from these transactions, thus increasing the likelihood that these companies will contribute to sustainable development and poverty reduction.

During 2006, AngloGold Ashanti formally became an organisational supporter of the EITI. While the company had been an active supporter of the initiative since its inception, both via the company's membership of the International Council of Mining and Metals and individual corporate action, it was felt timely to unambiguously state the company's support.

As a matter of principle AngloGold Ashanti has established a practice of disclosing all payments made to governments in its annual Report to Society, regardless of whether the country is a formal supporter of the EITI (see the company's annual Reports to Society.) Furthermore, in countries where governments have indicated a desire to be a part of the process, AngloGold Ashanti is actively involved in contributing to the success of the initiative. These countries include Ghana, Guinea, Mali and the Democratic Republic of the Congo.

### ACCESS TO INFORMATION

The company has complied with its obligations in terms of the South African Promotion of Access to Information Act of 2000. The company's access to information manual is available on the company's website and from the company secretarial department.

### SPONSOR

UBS Limited acts as sponsor to the company in compliance with the Listings Requirements of the JSE Limited.