ANGLOGOLD ASHANTI GLOBAL REMUNERATION POLICY

POLICY CUSTODIAN
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REMUNERATION STRATEGY

The AngloGold strategy drives the Remuneration Policy and can be clearly demonstrated in the variable pay objectives:

1. Maintain the strong foundation – Safety: Improve safety performance and reduce fatalities; People: Develop and retain the people who are the business; and Sustainability: ensure that we retain our social licenses to operate

2. Improving financial flexibility – Being prudent and proactive in balance sheet management by; improving earnings, returns and free cash flow; ensuring liquidity and headroom; and by mitigating refinancing risks

3. Optimise our cost base – Reduce direct operating costs, overheads and indirect spend and optimise annual total capital spend

4. Improve portfolio quality – A strong focus on selecting only key projects that add value to the portfolio

5. Maintain long term optionality, albeit at a reasonable cost – Ramp up the reef boring technology at the South African mines and focused greenfield exploration programmes at selected international assets

POLICY

Based on the alignment to our Remuneration Strategy, and the achievement of our remuneration objectives, this policy applies to all AngloGold Ashanti operations globally and sets out policies and parameters relating to the establishment and application of employee remuneration. In determining a holistic approach to employee remuneration AngloGold Ashanti takes into consideration:

- Remunerate such that the behaviours and performance of our employees and executives are aligned to the organisation, shareholder and employee strategic goals;
- Ensure that the performance metrics are demanding, measurable, sustainable and cover all aspects of the business including both the key financial and non-financial drivers;
- Structure remuneration ensuring that our values are maintained and the correct governance frameworks are applied across our remuneration decisions and practices;
- Apply the appropriate remuneration benchmarks; and
- Provide competitive rewards to attract, motivate and retain highly skilled executives and
staff vital to the success of the organisation.

In order to address the above considerations and to ensure that employees feel that they are equitably rewarded for their input AngloGold Ashanti applies the following framework:

- a pay curve designed according to the applicable Stratum(grade) and Substratum;
- pay for performance, differentiation in pay according to an employee’s deliverables;
- internal equity; and
- market benchmarking using the AngloGold Ashanti principle of positioning guaranteed pay at the median of the applicable markets and where there is a shortage of specialist and/or key technical skills paying higher than the median.

The policy should be followed and applied in conjunction with any local AngloGold Ashanti practices and government legislation.

1. Reward components

   - **Base salary**
     Is fixed compensation required to attract a given set of skills, competencies and experience. It is aligned to the applicable market comparators ensuring that the employees are rewarded fairly and competitively in the markets in which they operate. The base salary is used to determine other elements of compensation and benefits.

   - **Short-term Incentives (STI)**
     Short-term incentives form a key part of total remuneration and AngloGold Ashanti employees are eligible to participate in an incentive bonus plan. This is delivered either through the Bonus Share Plan (BSP) or a production bonus scheme. The short term incentive is performance based, and measured against pre-determined objectives which depending on the level and focus of the role are derived from company, regional, operation/mine plus individual performance.

     Short term cash incentives on the BSP are paid annually. For employees in Stratum III and above participating in the BSP, there is an equity deferral element to the bonus where an additional 120% of the cash bonus is delivered in BSP share awards (150% for Executive Committee members). The BSP share award comprises of fully paid shares that vest 50% after one year and 50% after two years. Employees below Stratum III participating in the BSP only receive the cash portion of the STI.

     In some instances, management level staff participate in production bonuses (paid quarterly or at frequent intervals). Where these bonuses are paid, employees in Stratum III and above will receive an allocation of BSP shares as though they were participating in the BSP Scheme.

     The BSP Scheme Rules were updated in 2013 as described above but the allocations for previous years remain on the previous BSP structure and performance conditions (i.e. 100% matching with vesting at 40% in year 1, 60% in year 2 and a 20% uplift if the shares are retained for a full three year period).
- **Long-term Incentive Plan (LTIP)**
  Long-term incentives are granted annually to employees in Stratum IV Mid and above (with discretionary allocations being approved for Stratum IV L participants, where applicable). LTIP grants comprise fully paid restricted stock grants in AngloGold Ashanti shares with typically a three-year vesting period. LTIP grants are subject to business performance and approval of the Remuneration and Human Resources Committee of the board. LTIP eligible employees are those senior level employees considered to contribute to the creation of value as reflected by share price and are intended to promote executive retention.

  The levels of the award are based on the executives’ Stratum level. The maximum award for any financial year for any executive is capped at 200% of base salary where the Chief Executive Officer can earn up to 250%.

  The LTIP grants allocated on an annual basis are therefore typically:
  - Chief Executive Officer: 160%- 250% of annual base salary
  - Chief Financial Officer: 140%- 200% of annual base salary
  - Executive Committee members: 140%- 200% of annual base salary
  - Senior management: 80% of annual base salary
  - Other management (discretionary): 60% of annual base salary

- **Co-investment Executive Share Plan (CIP)**
  Executive Committee members are required to hold a specified minimum number of shares in AngloGold Ashanti. To assist them in meeting the Minimum Shareholding Requirement (MSR) the Co-Investment Plan (CIP) allows Executive Committee members to invest 50% of their after-tax cash bonus in AngloGold Ashanti shares, and the company will then match their initial investment into the scheme at 150%, with vesting over a two-year period in two equal tranches.

- **Employee benefits and allowances**
  Other components of reward are detailed under separate AngloGold Ashanti policy documents. However, subject to local competitive practice and legislation AngloGold Ashanti policy is to provide, where appropriate, additional elements of compensation from the following list:

  - **Retirement schemes**
    Full or partially matched (with employee) contributions towards retirement savings.
• **Medical benefits**
  Comprising either a percentage contribution, reimbursement or company provided clinics and health care providers.

• **Life assurance**
  Comprising a fixed amount or a multiple of base salary.

• **Disability insurance (short or long term)**
  Comprising an amount to partially replace lost compensation during a period of medical incapacity or disability.

• **Accidental death and dismemberment cover**
  Usually comprising a schedule of fixed amounts or multiples of salary.

• **Relocation allowances**
  To enable an employee and their family to relocate for business purposes from one location to another. Allowances may be once only or extend over a determined period of time and cover such expenses as house sale and purchase, transportation of effects, costs of living, rental expenses and school fees.

It is no longer AngloGold Ashanti practice to provide post-retirement benefits i.e. medical care and life insurance to retired employees. Existing plans have been closed to new entrants or converted to employee paid plans.

2. **Compensation Structure**

AngloGold Ashanti uses the Stratum structure to determine the levels of work and the pay scales associated with those levels of work.

The pay ranges cover each stratum or level in the location in which jobs are situated. Each Stratum is divided into an upper, middle and lower section and a pay range is constructed for each. Determination of which Stratum a particular position is located is the subject of a separate policy.

Pay ranges represent the level of compensation paid to similar positions in the market. The median (50th percentile) of market comparators becomes the midpoint of the AngloGold Ashanti range and the minimum and maximum of the range is informed by the lower and upper market quartile.

An individual promoted to a particular position entering the appropriate range for that position typically receives a salary toward the minimum. Over time as they approach full competency they move toward the midpoint through annual salary awards (typically three-four years).

Increases above the midpoint will typically be lower as performance expectations become higher. Individuals approaching the maximum of their range would usually be candidates for promotion or are considered to be exceptionally competent and performing at a consistently
high level over long periods or have identified scarce skills. Only in special circumstances of particularly scarce skills or experience shortages may an individual be compensated beyond the maximum of the range.

An individual's salary relative to the midpoint of the range for the position occupied is referred to as the compa-ratio. Aggregated compa-ratios provide an indication of the populations' overall competitiveness.

For each pay range (i.e. each sub stratum level) a target short term incentive applies to the range. This will normally be expressed in percentage form (of base salary) with a midpoint level, a minimum and maximum.

For each applicable stratum (IV and above) a target LTI grant will also apply. Target grant levels are informed by market comparison and retention requirements and are set by the Remuneration and Human Resources Committee with approval from the Board.

3. Competitive positioning

Market comparison

For salary benchmarking purposes the Stratum levels are converted to the applicable market evaluation system. For executive management the Mercer Survey methodology known as international position evaluation (IPE) is used for market benchmarking. For senior management and below globally, benchmarking is done using locally available reputable surveys including, Remchannel (South Africa), Hay evaluation methodology and others. The executive comparison which includes all Executive Committee members and the selected global roles from Stratum IV and V are benchmarked against a select group of global competitors. These are listed in Appendix 1.

Each component of remuneration (base salary, short term incentives, long term incentives, CIP and benefits) is analysed and compared with the market information and the overall package is reviewed accordingly. The global market is used for the executive team and then dependent on level and global reach the Stratum V and IV employees are benchmarked against the relevant global and/or local markets. Typically for stratum III and below local benchmarking is done for the employees. This benchmarking is usually completed on an annual basis.

On the global benchmark survey, each executive's role is individually sized to ensure the best match possible. The comparison is then done on the same or similar roles irrespective of place of work (and includes a review of purchasing power parity between countries).

For the Stratum III and below surveys, the individual roles are matched to the survey data and measured against the local roles. The surveys must be done utilising reputable survey houses that have a sufficient spread of participants (typically more than 10) with a robust job matching and detailed validation process.
To determine competitive positioning in these surveys, guaranteed salaries are compared with guaranteed salaries paid for similar positions. STI targets are compared with recently paid incentives, profit sharing or bonus payments made by the competitive market place. LTI target grants are compared with those made by the market. AngloGold Ashanti measures LTI values on a grant present value basis using typically the Black Scholes methodology.

4. Expatriate compensation

Being a global organisation with a requirement for specialist skills AngloGold Ashanti employs a skilled workforce with members who are globally mobile to service the organisation primarily in remote locations or areas where the skill set is not available locally. The mobile workforce is tasked to develop and grow skills locally.

The mobile workforce is given expatriate benefits including housing, schooling, international medical aid, international pension funds (where appropriate) and home leave trips in line with the nature of the assignment that they are on, the duration and the location where they are based. Where appropriate tax equalisation is done for base pay (exclusive of shares and other benefits not agreed up front).

AngloGold Ashanti's mobility policy is contained in a separate policy document.

5. Retention

Retention is a key requirement for AngloGold Ashanti who operates in a Global arena where fewer people are moving into the mining industry and there is a limited talent supply.

A retention strategy is in place whereby AngloGold Ashanti can pay between 50% and up to one times base pay for identified retention risks that require additional pay due to external offers or similar situations, delivered in cash (or shares where approved by the Board) over a period of 12 – 36 months to employees identified as key skills who are identified retention risks. All retention payments are approved by the Executive Vice President – People and Organisational Development and noted by the Remuneration and Human Resources Committee.

6. Minimum shareholder requirements

To ensure that executive and shareholder objectives are aligned, a minimum shareholder requirement (MSR) applies to all Executive Committee members on the following basis:

• Within three years of appointment (or the introduction of the rule in February 2013 for existing executives), executive directors are required to accumulate AngloGold Ashanti shares to the value of 100% of net annual base salary, and within six years, they are expected to hold the value of 200% of net annual base salary in AngloGold Ashanti shares; and
• Within three years of appointment (or the introduction of the rule for existing executives), Executive Committee members are required to accumulate AngloGold Ashanti shares to the value of 75% of net annual base salary and within six years they are expected to hold the value of 150% of net annual base salary in AngloGold Ashanti shares.

7. Governance

• Budgeting Compensation Increases

As part of the business planning and operational budgeting cycle, annual compensation increases are budgeted for. The budgeted amount takes into consideration the current average consumer price index (CPI) (where applicable) as well as AngloGold Ashanti’s overall market competitiveness and industry trends. Approval for these increases is in line with the business planning and budget cycle.

Remuneration and Human Resources Committee

The primary purpose of the Remuneration and Human Resources Committee is to operate in an independent role as an overseer of remuneration and human resources matters with the accountability of the Board. In performing this function, the Committee discharges its oversight responsibilities relating to all compensation, including annual base salary, annual incentive compensation, long-term incentive compensation, employment contracts, severance pay and on-going perquisites or special benefit items and equity compensation of the Company’s Executive Management team and management, including the CEO as well as retention strategies, the design and application of material compensation programmes, and share ownership guidelines. The committee also has oversight of talent management and succession planning strategies; transformation and localisation strategies and any other human resources issues considered strategic in nature. This is accomplished by:

• Reviewing and approving corporate goals and objectives relevant to the compensation of the Executive Management team, including the Executive Directors;
• Evaluating the performance of the Executive Management team in light of these goals and objectives annually and setting each Executive’s compensation based on such evaluation;
• Ensuring that the mix of fixed and variable pay, in base pay, shares and other elements of compensation meets the company’s requirements and strategic objectives;
• Linking individual pay with operational and company performance in relation to strategic objectives;
• Considering the sentiments and views of the Company’s investors;
• Overseeing and reviewing all aspects of any share option scheme operated by or to be established by the Company;
• Regularly reviewing incentive schemes to ensure continued contribution to shareholder value and ensure that these are administered in terms of the rules; and
• Legislation

The Remuneration Policy is adhered to in line with the AngloGold Ashanti policy and local government legislation; where local legislation deviates from policy the applicable legislation should be applied.

• Approval

Any variation to the Remuneration Policy must be approved by the Executive Vice President – People and Organisational Development in line with Remuneration and Human Resources Committee mandates and should have sufficient supporting documentation or rational for the approval of the variation.

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REMUNERATION POLICY
Comparator Benchmark Companies

AngloGold Ashanti aligns executive compensation (typically for Stratum IV and above) at total compensation (i.e. base salary, short-term incentive and long-term incentive) against the median compensation paid by the following companies (approved by the Remuneration and Human Resources Committee):

<table>
<thead>
<tr>
<th>Name</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anglo Platinum</td>
<td>South Africa</td>
</tr>
<tr>
<td>Barrick Gold Corporation</td>
<td>Canada</td>
</tr>
<tr>
<td>Goldcorp</td>
<td>Canada</td>
</tr>
<tr>
<td>Goldfields Limited</td>
<td>South Africa</td>
</tr>
<tr>
<td>Harmony</td>
<td>South Africa</td>
</tr>
<tr>
<td>Implats</td>
<td>South Africa</td>
</tr>
<tr>
<td>Kinross Gold Corporation</td>
<td>USA</td>
</tr>
<tr>
<td>Lonmin</td>
<td>South Africa</td>
</tr>
<tr>
<td>Mondi</td>
<td>South Africa</td>
</tr>
<tr>
<td>Newmont Mining Corporation</td>
<td>Canada</td>
</tr>
<tr>
<td>Randgold</td>
<td>South Africa</td>
</tr>
<tr>
<td>Sasol limited</td>
<td>South Africa</td>
</tr>
<tr>
<td>Sibanye</td>
<td>South Africa</td>
</tr>
<tr>
<td>Yamana</td>
<td>Canada</td>
</tr>
</tbody>
</table>

The benchmark list of comparator companies is reviewed on an annual basis to ensure that they remain appropriate. In reviewing the participants the Remuneration and Human Resources Committee considers:

- global spread and complexity;
- nature of business; and
- size.
- The peer group should also be large enough to create a sufficient benchmark to draw information and to not create any concerns from an antitrust legislative perspective.