



## King IV Narratives - 2022

### Principle 1: The governing body should lead ethically and effectively.

The governing body (Board) demonstrates its ethical and effective leadership by following the core values of AngloGold Ashanti. These values guide all decisions made and actions taken in the conduct of our business, and link our business activities to our environmental, social and governance (ESG) goals and commitments. For example, the Board demonstrates accountability by complying with its obligations identified in the South African Companies Act, the Listing Requirements of the Johannesburg Stock Exchange and other exchanges, and following the principles set forth in the King IV Code on Corporate Governance.

However, effective leadership is not limited to compliance with the applicable laws and regulations. AngloGold Ashanti has also adopted non-binding rules, codes and standards that support AngloGold Ashanti being an effective and ethical corporate citizen. Without limitation, AngloGold Ashanti is a signatory of the United Nations Global Compact and a member of the International Council on Mining and Metals and the Extractive Industries Transparency Index. We are also a founding signatory to the International Cyanide Management Code, a signatory to the Voluntary Principles on Security and Human Rights, and have adopted the World Gold Council's Conflict-Free Gold Standard. Collectively, these commitments are indicia of the recognition that we ethically operate (and lead) in the triple context of the economy, society and the environment.

Effective leadership also requires competent and knowledgeable directors who understand and appreciate the complexities of a global mining company. To that end, many of our directors have deep and substantive experience in the mining sector. Board meetings are held in jurisdictions where we operate. Directors' enhance their mining knowledge with site visits and one-on-one sessions with key company leaders to understand the details of the business. Directors are also entitled to seek independent professional advice, at the cost of the Company, on key issues. Our Board also benefits from having a wealth of diversity in terms of gender, race, culture, age, field of knowledge, skills and experience, and geography. This diversity brings with it varied perspectives and approaches to the challenges that face AngloGold Ashanti, resulting in more effective leadership. The competence of the Board also ensures that matters receive proper consideration before any decisions are undertaken. There is healthy discussion and debate at every Board and Board committee meeting between directors and management. This is necessary for the Board to make ethical and effective decisions.

An integral part of effective and ethical leadership is having the courage to make difficult decisions in the best interest of the Company as a whole. For example, it has been necessary for the Board to authorise management to initiate international arbitrations against the countries where it operates, such as Tanzania, where government actions were contrary and detrimental to agreements reached as part of the Company's investment in those countries. Similarly, economic and efficiency needs have necessitated decisions to review the Company's operating model, with the resultant impact on our employees, specifically in South Africa. This process was governed by sections 189 and 189A of the Labour Relations Act.

The Board has not, and will not, compromise on safety – despite difficult microeconomic and macroeconomic challenges, employee safety remains our first value and a top priority of the Board. AngloGold Ashanti strives for a fatality-free workplace, but despite the efforts of all employees, accidents do occur from time to time. As a key part of our effective and ethical leadership model with respect to safety, the Board is represented on site when a significant injury or fatality occurs, often by executive and senior management. The Board's safety focus is well understood and supported by management, which ensures an open and honest dialogue that focusses on understanding the cause and developing sound solutions in the event of a major injury or fatality.

In furtherance of our core accountability value, the Board conducts evaluations at least every two years, and every alternate year, an opportunity is provided for consideration, reflection and discussion by the Board of its



performance and that of its committees, the chairperson and its members. Evaluation outcomes are discussed at Board meetings and action plans are developed and tracked to ensure that areas requiring further attention are addressed.

For further information, please refer to The Creating and Preserving Value Through Leadership section in Integrated Report.

**Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.**

The Social, Ethics and Sustainability (SES) Committee monitors the ethical conduct of AngloGold Ashanti, its Board of directors, executives and senior officers in terms of our Code of Business Principles and Ethics (Our Code). The Board adopted our Code to promote a culture of ethical and legally compliant performance. Our Code has been framed in line with the values of the Company and is a source of direction and guidance for our actions and decisions. Alongside our Code are related policies approved by the Board and/or the Executive Committee, including but not limited to, our Policies on Anti-Bribery and Anti-Corruption, Conflicts of Interest and Insider Trading. Collectively, our Code and related policies address key ethical risks, and are available on both the intranet and the internet so that our employees and external stakeholders understand the ethical culture of AngloGold Ashanti. Adherence to our Code and, where appropriate, the Supplier Code of Conduct, are among the policies incorporated into both supplier and employee contracts. Our Code and related policies are incorporated into both induction training of new hires as well as our online training programme for employees with computer access and our DVD and face-to-face training for employees without computer access.

We maintain robust disciplinary processes across the group to enforce compliance with our Code. In addition, the Company established the Serious Concerns Committee (SCC) with the mandate to review allegations and investigations of unethical behaviour concerning senior-level employees across the group. The principle underlying the formation of the SCC is that all individuals are accountable for violations of our Code, or any other related policy violations, regardless of seniority or position. The SCC meets quarterly and is chaired by the Vice President: Group Compliance. Members include the Senior Vice President: Group Internal Audit as well as three members of the Executive Committee: The Chief Financial Officer, the Chief Legal Officer and the Chief People Officer.

The Company has also established a whistleblowing platform, administered by a third-party, to which all employees, directors, officers and external parties have access via hotlines, email and web facilities. Reporting is anonymous unless the reporter specifically nominates to disclose his or her identity. All concerns are carefully investigated and, wherever possible and upon request of the person raising the concern, feedback is provided. Whistleblowing plays a key role in giving credence to the Board's commitment to ethical leadership and responsible corporate citizenship.

The SES Committee also monitors the implementation of AngloGold Ashanti's ethics programme, to include regular reporting on ethical issues by the sustainability, compliance and internal audit disciplines. Group Compliance also utilises the combined assurance process to perform regular compliance risk assessments at each site to validate the effectiveness of the ethics programme on a risk-based basis. In addition, the Remuneration and Human Resources Committee monitors employee feedback on a variety of issues, including ethical behaviour, via outcomes from employee engagement surveys, such as steps taken by management to address areas of opportunity identified through the surveys.



**Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.**

AngloGold Ashanti recognises that it is an integral member of society and a key corporate citizen in the jurisdictions in which we operate. To be sustainable in the long-term our business must operate according to our values, and this is reflected in the Board-approved five-pronged strategy - where the foundational strategic focus area is dedicated to safety, people and sustainability. Our sustainability strategy, which the SES Committee approves, and is validated during the annual Board strategy sessions, gives effect to the Company's sustainability strategic intent. Successful implementation of this strategy is paramount for AngloGold Ashanti to maintain our social license to operate.

The sustainability strategy is supported by an annual materiality workshop, where key sustainable development challenges and opportunities are identified with input from a wide array of sustainability and non-sustainability sources. In responding to these challenges and opportunities, our sustainability strategic framework drives integration of sustainable development into our business at three levels. Firstly, it enables a common language and approach across all the sustainability disciplines of safety, health, environment, security, human rights, community and government affairs. Secondly, sustainable development principles and practices are embedded into AngloGold Ashanti's critical business processes, such as operational excellence across the full mine cycle of the business, from greenfields exploration through to integrated and post closure of mining operations. Thirdly, the sustainable development approach is integrated into the value chain through, *inter alia*, supplier diligence assessments which ascertain whether suppliers are aligned to our values, and the extension of anti-bribery and anti-corruption training to third parties.

The sustainability strategy enables AngloGold Ashanti to compete on the new competitive frontiers, of access to capital, enhancing our ability to realise value from our Mineral Resource endowment and, talent management. More specifically, investors watch AngloGold Ashanti and provide their financial support based, in part, on how we conduct business; we need to be trusted and welcomed by the communities we seek to operate in; and potential and current employees want to work for a socially responsible gold mining company.

The SES Committee reviews the sustainability group's performance, using quarterly reports from each sustainability discipline. These reports present details on material risks and opportunities; progress in implementing strategic initiatives; operational performance and progress toward achieving objectives; analysis of any incidents, complaints, and grievances against AngloGold Ashanti which may have occurred; and progress toward achieving the SES Committee-approved goals for 2030. Underpinning these reports is an internal management system which uses various strategic tools such as strategy mapping and the use of balanced scorecards. Stakeholders can review AngloGold Ashanti's performance and adherence to our sustainability strategy and other sustainability requirements by reviewing our Annual Sustainability Report which is subjected to different levels of independent assurance both internally and externally.

AngloGold Ashanti's commitment to being a responsible corporate citizen, includes regulatory compliance as well as adherence to non-binding rules and standards, such as the Cyanide Code, the Extractive Industries Transparency Initiative, the International Council on Mining and Metals Sustainability Principles, the Voluntary Principles on Security and Human Rights and Business Leadership South Africa's Integrity Pledge to #crushcorruption. The Board, through the SES Committee, monitors adherence to these and other non-binding rules and standards, while the Audit and Risk committee monitors regulatory compliance.

**Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.**

The Board's approach to the value creation process is grounded in an understanding of the interlinked nature of our Board-approved five key business objectives: a focus on safety, people and sustainability; maintaining



long-term optionality; improving the portfolio quality; optimising overhead, costs and capital expenditure; and ensuring financial flexibility. These interlinked business objectives provide the triple- context of the economy, society and environment that drives our core strategic focus: to safely generate sustainable free cash flow and returns.

The Board vigorously and constructively discusses the value creation process at its annual strategy meeting, which is a separate meeting held outside the regular quarterly Board cycle. The Board then oversees how management has cascaded the Board-approved strategy into business plans and budgets to ensure a sustainable business is built and operated to the benefit of all stakeholders. The Board delegates the responsibility for implementing the operational plan to the Executive Committee and performance against this plan, as well as aspects of the key priorities, are incorporated into the key performance indicators of the members of the Executive Committee and their direct reports.

The Board exercises ongoing oversight of the implementation of AngloGold Ashanti's strategy and operational plan through, among other tools, the quarterly report by the Chief Executive Officer (CEO) to the Board. The CEO also provides formal plan updates and performance statistics to the Board between the regularly schedule Board meetings, as circumstances require. The various Board committees also receive feedback from senior management on a quarterly basis regarding material strategy implementation efforts pertaining to their areas of responsibility.

To meet its operational plan and key priority targets, AngloGold Ashanti must remain a going concern. To that end and in compliance with its obligations under the Companies Act, solvency and liquidity tests are regularly performed, with the chair of the Audit and Risk committee reporting to the Board regarding our status as a going concern.

The integral interplay between the various elements of the value creation process is further demonstrated through our discussion of AngloGold Ashanti's approach to applying the King IV principles.

**Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.**

Communication to the stakeholders of AngloGold Ashanti takes many forms and is influenced by regulatory requirements, good corporate governance and recognised reporting codes and standards. Timely reporting of relevant, valid and accurate information is the foundation on which management has developed an integrated internal control process to govern the reporting processes. The development and implementation of this process is overseen by the Audit and Risk Committee.

Every year, AngloGold Ashanti issues a suite of reports that deals with various aspects of the business from both an historical and forward-looking perspective. These annual reports are supplemented by quarterly market updates as well as interim results formally issued to the market.

The integrity of the reports issued by AngloGold Ashanti is achieved through internal control processes where reports are prepared and reviewed internally by the various disciplines accountable for the different reports. Once finalised these reports are issued to the Disclosure Committee that reviews these reports prior to being issued to the various Board committees for review and approval. The Disclosures Committee reviews and provides input into the reports either through a formal sitting or through electronic submissions by the members thereof. The members of the Disclosure Committee include the Chief Financial Officer, the Chief Operating Officer, members of the Executive Committee, members from Group Finance, Technical Accounting, Group Compliance and Investor Relations and the Lead Competent Person for the Group with attendance by Group Internal Audit, Corporate Finance, Company Secretarial and external legal counsel (where applicable). The



Disclosure Committee interrogates the process followed for the preparation of the various reports, receives feedback from both management and Group Internal Audit on any deficiencies in the internal control environment that may have impacted on the reporting process, and performs a review of the submitted reports to ensure that there is consistency between the various reports issued. Once reviewed and approved by the Disclosure Committee, the reports are submitted to the relevant Board committees which review the reports and receive confirmation around the process followed by management to finalise the reports and comments from the independent assurance providers who reviewed the reports and the underlying internal control processes used in their preparation. The Board committees then recommend the various reports to the Board for approval.

AngloGold Ashanti communicates through:

The **Integrated Report**, which is the primary report of the Group dealing with the salient matters and supported by the detailed reports. The preparation of the report is coordinated by Investor Relations which utilises a multi-disciplinary team to craft the report in a form and format that is driven primarily by material issues identified through regular interaction with stakeholders. The nature of the Integrated Report is such that it focusses on historical results, but also addresses forward-looking strategies and analyses these strategies from a risk perspective. The Integrated Report follows the requirements of the International Integrated Reporting Framework. The report is reviewed by Group Internal Audit for consistency with other reports issued. The Integrated Report includes letters from the Chairperson of the Board, the Chief Executive Officer, the Chief Financial Officer, as well as the Chairperson of the Remuneration and Human Resources Committee.

The Integrated Report is supported by a full suite of reports, which include:

**Financial reports** categorised in the following main categories:

**Annual Financial Statements** are prepared based on the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial reporting process is underpinned by a formal internal control environment that is independently assured by both the internal and external audit teams without unnecessarily duplicating assurance efforts. The preparation of the financial results is done considering a materiality threshold based on both a qualitative and quantitative assessment. The materiality thresholds applied for financial results reporting, as well as the internal control environment, are communicated to the Audit and Risk Committee annually by external audit and/or internal audit. All complex and non-routine accounting transactions are analysed and formally tabled at the Audit and Risk Committee, when these arise, for review and approval. The assurance obtained from the external auditors is included in the set of financial statements. In addition to submitting the Annual Financial Statements in South Africa with the Companies and Intellectual Property Commission (CIPC), the Annual Financial Statements are included in the Form 20-F filed with the United States Securities and Exchange Commission (SEC) in the United States. The Form 20-F is also subject to review and sign off by external audit and external legal counsel.

**Market updates** are issued on a quarterly basis to shareholders and are prepared, in accordance with the JSE requirements for the two quarters where neither half-year/interim results nor year-end results are published, following an internal review and approval process prior to release as described above.

**Half-year/ interim results** are prepared and published in accordance with the terms of IFRS and with the JSE listing requirements. They are subject to an independent review process prior to finalising and issuing the results.

The **Mineral Resource and Ore Reserve Report** is prepared annually in accordance with the minimum



standards prescribed in the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code, 2016). The Investment Committee obtains confirmation that the internal control environment associated with the Mineral Resource and Ore Reserve estimation process was effective, and that the appointed Competent Persons approved the Mineral Resource and Ore Reserve and reviewed and assessed the reasonableness of the year-on-year reconciliation of the Mineral Resource and Ore Reserve. For purposes of the filing of Form-20F with the United States Securities and Exchange Commission (SEC), the Mineral Resource and Reserve disclosures are reported in terms of SEC adopted Subpart 1300 (17 CFR 229.1300) of Regulation S-K (Regulation S-K 1300).

The **Sustainable Development Report** is issued on an annual basis using the G4 Reporting Principles and Standard Disclosures released by the Global Reporting Initiative (GRI). To ensure that the report is focused correctly, a formal process is followed where a multi-disciplinary steering committee identifies the material issues from a sustainable development and ESG point of view that need specific focus during the reporting process. The material issues identified and confirmed by the Executive Committee prior to the report being tabled and approved by the SES Committee. Aspects of the report are subject to independent assurance, through Group Internal Audit or and an appointed external assurance provider.

The **Notice of Annual General Meeting** (Notice) is prepared by the Company Secretary and contains the required resolutions to be considered at the Annual General Meeting. Once formalised, the resolutions are reviewed by the Chief Legal Officer, external legal counsel and the JSE Sponsor before being approved by the Board. The summarised financial information included in the Notice is reviewed by the finance team for consistency with the Annual Financial Statements.

**Trading statements** are required under the terms of the JSE Listing requirements as soon as a reasonable degree of certainty exists that the financial results for the next period to be reported upon will differ by more than 20% from the financial results for the previous corresponding period. These trading statements are reviewed and approved by the Audit and Risk Committee prior to release.

For ease of access by our stakeholders, the reports referred to above are available on the AngloGold Ashanti internet site.

#### **Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation.**

The Board stands at the center of all corporate governance activity in the organisation and delegates this accountability to management without abdicating it. The Board maintains oversight through a well thought out Board committee structure, allowing for the application of time and rigor to monitor the implementation and execution of its direction, which is provided to management through Board-approved policies, procedures and processes. On a quarterly basis the Board requires a broad array of management to attend its committee meetings and report on various corporate governance matters, including compliance, audit, finance, legal, sustainability, ethics, strategy, remuneration, risk management and the management of digital technology. The Board committees, probe and challenge reports received from management to ensure that management has properly delegated its corporate governance functions to the various management departments. The chairperson of each committee formally reports back to the full Board on matters on responsibilities delegated to it by the Board.

The Board sees corporate governance review and monitoring as a continuous responsibility, not only during quarterly meetings. To this end, the Board receives regular ad hoc communications on pertinent issues from the Chief Executive Officer and other members of executive management, between its regularly scheduled meetings. In fact, the Board holds two separate meetings, outside the regular Board cycle, to approve the Company strategy for the following year, and then to review how management has converted the Board-



approved strategy into business plans and budgets.

For further detail on the practical efforts that the Board has taken to ensure its primacy on corporate governance issues, please see the Chairperson's Letter and the CEO's review, as well as the committee letters from the Remuneration and Human Resources Committee contained in the Integrated Report, the Audit and Risk Committee letter contained in the Annual Financial Statements, and the Social, Ethics and Sustainability Committee in the Sustainability Report. These letters distil the analysis and assessment of corporate governance inputs provided to the Board throughout the year.

For further detail, including detail on the number of Board and committee meetings held during the year and attendance at said meetings, please see the Creating and Preserving Value Through Leadership Section in the Integrated Report.

**Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.**

AngloGold Ashanti, headquartered in Johannesburg, South Africa, has a portfolio of 10 operations in seven countries that includes long-life, relatively low-cost operating assets with differing orebody types, located in key gold-producing regions around the world. These operating assets were supported by three greenfields projects in a tenth country and a focused global exploration programme. This diverse footprint brings with it a diverse set of stakeholders each operating within a unique social, economic, political and regulatory context. The overriding role of AngloGold Ashanti's Board of directors is to ensure the long-term sustainability and success of the business for the mutual benefit of all its stakeholders. Pursuant to this, the Board is structured in a manner that mirrors this diversity, as detailed below. The Company is governed by a unitary Board of directors, the composition of which promotes the balance of power and of authority and precludes any one director from dominating decision-making.

With a clear goal of having the composition of the Board meet the diverse requirements of the group, the Board established a Nominations and Governance Committee (NomCo) that is tasked with ensuring that the Board collectively possesses the necessary skills, competence, experience and independence, taking into account the requirements of the Directors' Fit and Proper Standards of the Company. Each time a vacancy becomes available, NomCo prepares a detailed role description setting out, in detail, the composite requirements for the position to be filled. Various international search firms are involved in identifying potential candidates to be appointed to the Board. After a thorough interview process, NomCo recommends a suitable candidate to the Board for consideration and appointment. Candidates' backgrounds and their qualifications are independently verified by a third-party service provider. On appointment, the roles and responsibilities of the director are clearly set out in a formal agreement.

The current composition of the Board reflects the importance the Board places on diversity when it comes to knowledge and skills, age, culture, gender and race. The Board currently comprises 9 independent non-executive directors, including an independent chairperson who is elected on an annual basis, as well as the Chief Executive Officer and the Chief Financial Officer being the only two executive Board members.

The true significance of the Board composition lies in the breadth of the members' multi-jurisdictional and multi-disciplinary skills, experience and knowledge. AngloGold Ashanti recognises that strategy, performance, sustainability and risk are inseparable and the meticulously designed sub-structure of the Board involves the formation of expert committees aimed at grouping the members' skills, experience and knowledge in a manner that allows the Board to discharge its accountability for the wide array of governance matters in a responsible and effective manner, without abdicating its responsibilities. This process of formal delegation includes approved and documented terms of reference, which are reviewed on an annual basis, or more often if



circumstances require.

In terms of the Company's Memorandum of Incorporation (MOI), one third of the directors are required to retire at each annual general meeting and, if they are eligible – based, among other criteria, on the outcome of the ongoing performance assessments by the chair – and available for re-election, will be put forward for re-election by shareholders.

The Board has considered its composition and is satisfied that it has the necessary skill, competence, diversity and knowledge to ensure the long-term sustainability and success of the business for the mutual benefit of all its stakeholders. Refer to the Creating and Preserving Value Through Leadership section in the Integrated Report for more detail on the qualifications and experience of the directors, as well as their periods of service and other information.

**Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.**

The duties, responsibilities, composition and meeting procedures of the Board are set forth in the Board Charter, which is available on the Company website. The Charter is subject to the provisions of the South African Companies Act 2008, the Listing Requirements of the Johannesburg Stock Exchange, AngloGold Ashanti's memorandum of incorporation, the King IV Code on Corporate Governance and other applicable laws and regulations. Pursuant to the terms of the charter, the Board has formed committees to assist it in the execution of its duties, powers and authorities. These committees include the Audit and Risk Committee, the Social, Ethics and Sustainability Committee, the Nominations and Governance Committee, the Investment Committee and the Remuneration and Human Resources Committee. Note that the Audit and Risk Committee and the Social, Ethics and Sustainability Committee are statutory committees. Delegating authority to Board committees does not discharge the Board of its duties and responsibilities.

Each Board committee has a formal Terms of Reference aligned to best practice and statutory requirements where applicable, which are reviewed annually and are available on the Company website. Each committee is composed of members with skills, expertise and experience to fulfil the mandate of the relevant committee, to effectively assist in the decision-making process. The committees are entitled to seek independent professional advice, at the cost of the Company, when required and have identified invitees who attend scheduled meetings on a permanent or ad hoc basis and who provide detailed reports to further assist the members in the execution of their duties. Each committee makes recommendations to the Board for collective discussion and approval. A culture of open dissent is encouraged at both the Board and committee level, where members challenge one another's assumptions and beliefs in the interest of the Company. The structure and composition of the Board and its committees promotes the balance of power and authority so that no individual dominates decision-making and no undue reliance is placed on any individual. There is cross-membership of directors between committees and coordinated timing of meetings to support effective collaboration by directors.

AngloGold Ashanti also maintains a Board-approved group Delegation of Authority Policy (the DOA) that is reviewed annually by the Board and updated on an ongoing basis. The DOA explicitly enunciates the matters that are reserved for decision by the Board. The DOA also delegates specific stated decision-making authority to the Chief Executive Officer, Chief Financial Officer, the Chief Legal Officer, the Executive Committee and other members of senior management. The DOA also details the financial authority levels in relation to budgeted expenditure for the various levels of senior management. Board-approved policies provide further guidance to the executive and management in terms of their management responsibilities. Collectively, the DOA and Board-approved policies allow the executive and management the authority and guidance needed

to run the day-to-day business of the Company.

In addition to the Board Charter and Board committee Terms of References, AngloGold Ashanti publishes annual letters from the chairs of the Audit and Risk Committee in the Annual Financial Statements and the Remuneration and Human Resources Committee in the Integrated Report. The annual letter from the chair of the Social, Ethics and Sustainability Committee is published in the Sustainability Report. These letters explain how each of these committees have discharged their accountabilities in terms of their approved mandates. Further information on these committees, as well as the Nominations and Governance Committee and Investment Committee, including their composition, director attendance at meetings, key areas of focus and other information identified in King IV's recommended practices, are available in the annual financial statements, integrated reports, sustainability reports and/or other public disclosures.

**Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.**

In the diverse and everchanging environment in which the Company operates, the Board considers its relevance and effectiveness fundamental to the success of AngloGold Ashanti for its stakeholders. To give credence to its commitment to effectiveness and efficiency, the Board has tasked the Nominations and Governance Committee (NomCo) with the design and implementation of a full Board evaluation process.

With the input of the Company Secretary, NomCo designed a formal Board self-assessment questionnaire which is distributed electronically and performed on an annual basis. The questionnaire was designed to allow directors to rate each director against various performance criteria and similarly, rate the execution of the mandate of each committee, forcing a detailed comment for aspects rated at or below "effective". The assessments include questions concerning the performance and effectiveness of:

- the Board and that of each individual director;
- each Board committee and its chairperson by members of the committee; and
- the chairperson, Chief Executive Officer, Chief Financial Officer and Company Secretary.

On completion of the assessments and consolidation of the results, the results are discussed with the chairperson, who then provides personal feedback to each of the directors. Feedback on the performance of the chairperson is done by the lead independent director or a director appointed by NomCo for the purpose. A formal plan is also developed to address areas identified for action.

As shown above, the Board considers its evaluation programme a critical tool in monitoring and where necessary, improving its effectiveness as a Board and as individual directors.

**Principle 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.**

The Board, through its Charter, Board committees' Terms of Reference, Board- approved policies, statutory requirements and general best practice, ensures that its management appointment and delegation process contributes to role clarity and the effective exercise of authority (collectively, the AGA appointment and delegation framework). This framework is discussed in detail below.

Pursuant to the Board Charter, the Board appoints and evaluates the performance of the executive directors, being the Chief Executive Officer (CEO) and Chief Financial Officer. The Board also approves the CEO's contract, which sets forth his role and responsibilities. The CEO appoints the other members of executive management, in consultation with the Remuneration and Human Resources Committee (RemCo). Following



the Terms of Reference of the Remco, Remco assesses the effectiveness of the executive management team members through an annual evaluation of their performance against approved corporate goals and objectives. RemCo also determines the specific remuneration package for each executive director and executive officer of the Company and determines the long-term incentive component of each executive's compensation. Executive remuneration is subjected to a non-binding vote by the shareholders at the Annual General Meeting. The executive directors are also assessed by the Board as part of the annual assessment and evaluation of each Board member. The notice periods for the CEO and CFO are identified in the Remuneration Report, which is published as part of the Integrated Report.

The Audit and Risk Committee approves the appointment and removal of the head of internal audit, monitors and reviews the performance, expertise and effectiveness of certain key management functions, including the internal audit function and the financial function.

As discussed in Principle 8, AngloGold Ashanti also maintains a Board-approved group Delegation of Authority Policy (the DOA) that is reviewed annually by the Board and updated on an ongoing basis. The DOA explicitly enunciates the matters that are reserved for decision by the Board. The DOA delegates specifically stated decision-making authority to the Chief Executive Officer, Chief Financial Officer, the Chief Legal Officer, other Chief Officers and other members of senior management. The DOA also details the financial authority levels in relation to budgeted expenditure for the various levels of senior management.

The appointment of a Company Secretary is a statutory requirement for AngloGold Ashanti. The appointment and remuneration of the Company Secretary is approved by the Board. As per the Board Charter, the Company Secretary provides dedicated support to the Board and is a point of reference and support for all directors. The Board considers, on an annual basis, the competence, qualifications and experience of the Company Secretary, and confirms such action by reporting to shareholders in the Integrated Report the steps taken to make the annual assessment which confirms the actual competence, qualifications and experience of the Company Secretary. Further details on the Company Secretary can be found in the Integrated Report.

**Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.**

At AngloGold Ashanti, we embrace effective risk management as an intrinsic part of our business. Our risk management practices entail understanding threats and opportunities in pursuit of our strategic objectives and allows AngloGold Ashanti to pursue the opportunities needed to maximise organizational value. Risk profiles cover strategic risk, financial risk, operational risk, including project-specific risk. Our risk governance is reflected in our established oversight structures and the management of assigned risk accountabilities. The Board provides oversight of AngloGold Ashanti's risk management framework, policies and processes and has ultimate accountability for the development and implementation of the risk management strategy and plan. The Audit and Risk Committee is accountable for risk governance and oversight of the risk management system, approving on an annual basis the risk policy, standards, guidelines and determining the appropriate levels of risk appetite and tolerance and setting of annual limits.

The risk policy sets the overall objectives for risk management, including the acceptable risk scope. The risk appetite and tolerance statement describe the amount of risk that AngloGold Ashanti is willing to take in pursuit of our strategic goals. The risk standards document our risk principles and the minimum requirements to give effect to the risk management framework, while the risk guidelines identify the specific risk assessment and action processes and procedures utilised across the group. This risk management framework is reviewed and assessed on a continuous basis by Group Internal Audit through the combined assurance process and results reported to the Audit and Risk Committee. In addition, AngloGold Ashanti develops an annual risk workplan, which identifies the activities planned, in relation to risk identification and management, for the year at an operational level, including training, workshops, benchmarking exercises, maturity assessments and risk



views. This workplan is approved by the Audit and Risk Committee on an annual basis. Note that although the Audit and Risk Committee is the accountable Board committee for risk, risk management is integrated into the workings of all the Board committees, which draw on the risk management process to inform their decision-making.

AngloGold Ashanti has a dedicated risk management function that reports to the Chief Financial Officer, the executive risk owner. This function, led by the Head of Group Risk, has the mandate to ensure that there is an embedded process established for implementing the risk framework, delivering support and building risk capacity. Applying the ISO 31000 risk methodology, the risk management function has oversight of the risk processes implemented at the business unit and operator level. This methodology assists to identify, prioritise and evaluate risk, and thus develop suitable risk responses. AngloGold Ashanti's objective-based risk appetite tolerances inform the risk response, which includes treat, tolerate, terminate, or transfer of the risk. AngloGold Ashanti has developed a common risk language to assist in entrenching the management of risk into the day-to-day activities of the operations. The risk management process is administered through a risk system, AuRisk, allowing for the ongoing management of both threats and opportunities. In addition, AngloGold Ashanti has a business continuity standard, encapsulating emergency response, crisis management and business continuity, defined our business resilience.

AngloGold Ashanti discusses the top risks facing business in its annual Integrated Report. In addition, AngloGold Ashanti discloses the nature and extent of significant risk areas of our business, including major threats on the business, in its annual Form 20-F.

**Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.**

The Board firmly believes that complete, accurate and timely information is one of the key enablers for effective decision making and today's businesses rely on technology to have this information readily available. Leadership, organisational structure and processes are used to leverage Digital Technology (DT) resources to produce the information required and drive the alignment, delivery of value, management of risk, optimised use of resources, sustainability and the management of performance. Without abdicating its responsibility, the Board has delegated the oversight on the management of technology and information to the Audit and Risk Committee.

The Audit and Risk Committee oversees the detailed development and implementation of a DT Shared Services model for AngloGold Ashanti under the leadership of the Chief Digital and Information Officer (CDIO) that defines a formal governance structure covering DT. The DT governance framework allows management to direct, measure and evaluate the use of AngloGold Ashanti's DT resources in support of the achievement of its strategic objectives. To ensure a consistent approach in the execution of the DT strategy, the shared services model allows for all DT staff globally to report functionally into the CDIO and administratively to regional management structures.

The framework provides for the control of DT at a strategic, tactical and operational level. This requires engaging with various role players – both internally and externally – to ensure that (1) the proposed and planned IT projects are in line with the strategy of the Group; (2) investments in information technology will provide the required return to business; and (3) the needs of business are addressed in the most effective, efficient and economical manner. To achieve delivery against the strategic, tactical and operational objectives management implemented a governance structure that deals with various key activities. As examples, a Vendor Services Committee meets monthly with outsourced service providers to assess compliance to monitor performance in terms of set service level agreements. A Project Portfolio Committee regularly meets to assess projects against the medium and long-term strategy of AngloGold Ashanti and that of DT as well as the return on investment associated with the identified project.



Information, like technology, is a growing source of competitive advantage for the enhancement of the intellectual capital and safeguarding the Group from DT related risks has become a key area of focus at AngloGold Ashanti. Managing this process across all jurisdictions and time zones in which AngloGold Ashanti operates is challenging but through efforts such as the development of standard DT policies, processes and procedures, regular communication and awareness campaigns, a culture of understanding around the risks of compromise within the DT Function is created.

AngloGold Ashanti has adopted the COBIT 5 (Control Objectives for Information and Related Technologies) for its assessment of internal DT process and ITIL (Information Technology Infrastructure Library) as a set of detailed practices for IT service management that focuses on aligning DT services provided with the needs of business.

Formal disaster recovery testing for all critical enterprise systems is performed from back-ups within all areas of the business on a scheduled basis to provide the Audit and Risk Committee with the necessary assurance around business resilience. The existence of disaster recovery plans and the testing thereof is formally signed off by each of the regions within which AngloGold Ashanti operates through a formal governance process with dedicated resources taking accountability.

The Audit and Risk Committee receives quarterly updates from the CDIO on the implementation of the DT Strategy, operational matters, value derived from key DT projects and general governance issues. The Audit and Risk Committee is regularly updated on cyber security related matters. Each year the Audit and Risk committee identifies key risk/focus areas and monitors the effective management of these areas of focus.

**Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.**

Compliance at AngloGold Ashanti is not a mindless “tick-the-box” exercise where employees simply document procedures. Instead, we approach compliance mindfully, partnering with both the business and stakeholders to assess, manage and mitigate ethical and regulatory risk. Although compliance is an embedded function at AngloGold Ashanti, in that all employees are responsible for being compliant, the Board has delegated to management responsibility for implementing and executing the compliance programme. Both the Audit and Risk and the Social, Ethics and Sustainability Committees approve the compliance programme and proposed areas of focus during the reporting period. The Board committees also monitor the effectiveness of the compliance department and its activities in relation to both regulatory compliance and alignment with adopted non-binding codes and standards such as the principles set out in the United Nations Global Compact and the Organisation for Economic Co-operation and Development’s (OECD’s) Good Practice Guidance for compliance programmes. The compliance department is headed by the Vice President: Group Compliance, who reports to the Chief Legal Officer and the Audit and Risk Committee. The Vice President: Group Compliance also reports to the Social, Ethics and Sustainability Committee on a semi-annual basis. The Vice President: Group Compliance has full and unrestricted access to the chairpersons of both the Audit and Risk and Social, Ethics and Sustainability Committees.

The compliance programme at AngloGold Ashanti has informally adopted the components and relevant principles set forth in the COSO Internal Control – Integrated Framework of May 2013. Specifically, the programme focuses on (1) the control environment through “tone at the top” management support of compliance initiatives and embedding our ethical values; (2) on-site risk assessment via, among other tools, the combined assurance process managed by internal audit; (3) control activities through the development of policies and procedures; (4) information and communication through newsletter and group electronic communications; and (5) monitoring - to ensure integrity is maintained, we constantly monitor the effectiveness



of the programme through global web of compliance champions who assist in the implementation of compliance initiatives at the group, regional and operational level.

Board-level commitment to ethical leadership and responsible corporate citizenship includes approving and monitoring a whistleblowing programme, managed by the compliance department. Whistleblowing allows for the reporting of misconduct anonymously and confidentially, without fear of retaliation. The Vice President: Group Compliance also chairs the Serious Concerns Committee (SCC), an internal governance committee established with the mandate to review allegations and investigations of unethical behaviour concerning senior-level employees across the group. The principle underlying the formation of the SCC is that all individuals are accountable for violations of our Code or any other related policy violations, regardless of seniority or position.

The compliance programme also includes maintaining a register of material relevant laws and regulations and their related controls and compliance requirements. These are monitored on an ongoing basis. Departments and individuals responsible for compliance with key legislation are involved in updating the legal registers, which are accessible across the group. A non-compliance alert and a mechanism to elevate such non-compliances to the relevant management positions has been put in place.

Key areas of compliance include continued reviewing and updating of compliance policies and procedures, targeted training on ethics and compliance matters to key stakeholders, including government officials and community leaders across continental Africa, rolling out online training addressing a range of ethical issues, from anti-bribery and anti-corruption to conflicts of interest to political activities to the giving and receipt of gifts monitoring the provision and receipt of gifts and hospitality, assessing conflicts of interest and reviewing data protection, regulatory compliance, whistleblowing and bribery and corruption processes. Material regulatory penalties, sanctions or fines for contraventions of or non-compliance with statutory obligations, including non-compliance with environmental laws, are set forth in our public disclosure documents, including the Sustainability Report and Integrated Report.

**Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.**

Our employees are our business, and the AngloGold Ashanti Board believes that it remunerates its employees in a manner that retains and attracts a skilled workforce through fair, responsible, transparent and competitive remuneration. In ensuring that the necessary attention is given to remuneration, the Board has delegated the matter to a dedicated Remuneration and Human Resources Committee (RemCo) which is comprised only of independent non-executive directors. RemCo is governed by a formal Terms of Reference that sets out its mandate and is reviewed and updated on at least an annual basis.

AngloGold Ashanti's remuneration philosophy aims to create a sustainable remuneration framework for executives and other employees with alignment to shareholder views and interests, underpinned by both our strategic objectives over the short, medium and long-term and the core values of the Group. Furthermore, the remuneration framework aims to respond fairly to internal and external influences and events as well as relevant market dynamics.

To ensure we operate within the remuneration framework, AngloGold Ashanti has a remuneration policy which is reviewed annually and recommended to our shareholders for a non-binding vote at the Annual General Meeting. In fact, at the most recent AGM, 95.30% of the shareholders approved the remuneration policy. The policy provides guidance to ensure that AngloGold Ashanti remunerates and rewards the behaviour and performance of our employees and executives that is in line with our strategic objectives, our values and shareholder interests. The policy further ensures that performance metrics that are aligned to the Company's strategy, are challenging, sustainable and cover all aspects of the business including critical financial and non-



financial drivers. The aim of this policy is to ensure that AngloGold Ashanti provides competitive rewards so as to attract, motivate and retain highly skilled executives and staff, vital to the success of the organisation. Note that the policy allows for pre- and post-vesting forfeiture of the variable remuneration of executive management under the “malus” and “clawback” provisions.

To ensure that executive remuneration is fair and responsible, AngloGold Ashanti performs a biennial benchmarking exercise on the executive management team’s remuneration against a defined peer group. This assessment considers external influences, such as shareholder views and recommendations associated with executive remuneration, economic trends, competitive pressure and the labour market, as well as the wage differential (the annual total compensation of the CEO compared against the median of the annual total compensation of AngloGold Ashanti’s employees. This annual review is performed by PwC as an independent third party and is overseen by RemCo. The outcome is considered during RemCo’s review of prevailing remuneration practices.

Regular engagement with shareholders and reviews of the variable pay approach ensure that it remains relevant and focused on the correct strategic drivers.

The composition of the executive remuneration constitutes a base salary, pension, medical insurance and benefits, as well as variable remuneration including short-term and long-term incentives.

In line with AngloGold Ashanti’s strategic objectives, the short-term and long-term incentive metrics were designed to deliver on the key strategic areas as follows:

- Maintain a strong foundation – People are the foundation of our business. Our business must operate according to our values if it is to remain sustainable in the long term. This includes a drive to improve safety performance, reduce fatalities and retain key skills.
- Ensure financial flexibility
- Optimise overhead, costs and capital expenditure
- Improve portfolio quality
- Maintain long-term optionality, albeit at a reasonable cost

Senior management remuneration continues to be a sensitive topic. Balancing scarce skills and talent retention remain a challenge compounded by the need to remain globally competitive, particularly given the global trend towards disclosing senior management earnings and RemCo’s requirement that executive earnings are not out of line with those of their peers.

For further detail, please refer to the remuneration report that covers remuneration in depth and includes the remuneration policy and the implementation report.

### ***Non-executive director remuneration***

Given the complex and challenging business environment within which AngloGold Ashanti operates in and its global footprint, multi-skilled, multi-disciplined and multi-national Board members are critically important to facilitate the development and building of a sustainable business. The remuneration of non-executive directors is based on proposals from the Board, which are submitted to shareholders for approval.

The term of office of non-executive directors is governed by the memorandum of incorporation, which provides that a third of the directors must retire at each AGM and these directors are selected from those who have served the longest in office since their election or last re-election. Directors are elected by means of an ordinary resolution at the AGM.

Remuneration is compared with that of selected peer companies and is a market related adjustment based on

listed entities of a similar size and determined through a market related remuneration study and an independent market survey. Non-executive director remuneration is paid quarterly, based on an annual retainer fee as well as for ad hoc meetings attended. Fees are approved annually at the annual general meeting and applied with effect from the date of said meeting. There are no short or long-term incentive schemes or pension benefits for non-executive directors.

**Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.**

AngloGold Ashanti's Board has delegated the responsibility for effective and efficient assurance activities to the Audit and Risk Committee through an approved Terms of Reference reviewed annually and updated when required. In executing its mandate, the Audit and Risk Committee appointed the Senior Vice President: Group Internal Audit as the assurance coordinator for the Group to ensure that assurance processes do not result in duplicate effort and are focused on the correct areas of risk. AngloGold Ashanti's combined assurance model comprises of two distinct elements, generally referred to as the "top-down" and "bottom-up" approaches. The "top-down" approach deals with the collation and independent assessment of the assurance received around the key strategic control strategies designed and implemented to manage those risks that can prevent AngloGold Ashanti from achieving its strategic goals. The "bottom-up" element of the model deals with the assurances received on the detailed operational risks faced by the various business and operating units linked to the strategic objectives of the Company. All assurance outcomes are consolidated and presented in a heat map format to the Audit and Risk Committee.

Specifically, the AngloGold Ashanti combined assurance model collates the assurances received from an array of assurance providers internal and external to the organisation. Based on an assessment performed on various factors including, for example, the assurance providers' independence, objectivity, methodologies, continuing education and reporting. Group Internal Audit differentiates assurance providers using a three-tier "level of defense" ranking and also assesses the level of reliance to be placed on the assurance received from the various assurance providers. In summary, the levels of defense would be management's self-audits and review activities at level 1, with regional and more independent assurance activities such as regional reviews, risk and compliance at level 2 and all independent assurance providers, including the "bottom-up" assurance, defined as level 3 assurance.

All assurance results are consolidated and considered in reaching a conclusion on the following 5 pillars that form the basis for the overall opinion on the effectiveness of the internal control environment:

- Ethical leadership and corporate citizenship;
- Governance of risk management;
- Governance of compliance to laws, regulations and non-binding codes;
- Governance of information technology; and
- Effectiveness of the internal controls over financial reporting.

***Internal Audit***

Group Internal Audit is a key independent assurance and consulting business partner within AngloGold Ashanti under the leadership of the Senior Vice President: Group Internal Audit. The Senior Vice President: Group Internal Audit is appointed by the Audit and Risk Committee which also evaluates his performance annually based on the approved internal audit charter and agreed performance areas. The SVP: Group Internal Audit has direct access to the chairpersons of the Audit and Risk Committee, the Social, Ethics and Sustainability Committee and the Board. The Audit and Risk Committee assesses the effective functioning of the internal audit department through regular quarterly meetings and is satisfied that the internal audit function is independent and appropriately resourced. The annually reviewed and approved internal audit charter addresses the independence, objectivity, duties and reporting responsibilities of the internal audit



function, as well as compliance to the standards of the Institute of Internal Auditors.

The Senior Vice President: Group Internal Audit meets with the chairpersons of the Audit and Risk Committee and the Social, Ethics and Sustainability Committee prior to each scheduled quarterly meeting.

The outcome of the audit work performed in terms of the approved combined assurance and risk based internal audit plan, is summarised in an internal control heatmap which is presented to the Audit and Risk Committee on a quarterly basis. Internal audit also tracks and monitors the implementation of significant audit recommendations through a formal tracking process.

Group Internal Audit has implemented a process of continuous review and improvement of its processes, including the combined assurance model and performs ongoing assessments and peer reviews to identify areas for improvement and refinement. This ongoing assessment is then supplemented with a formal external assessment on a five-yearly basis. The outcome of this assessment is reported on and discussed at the Audit and Risk Committee.

### ***Assurance of external reports***

Under the direction of the Audit and Risk Committee, AngloGold Ashanti has implemented a suite of internal controls to verify and safeguard the integrity of its Integrated Report, Annual Financial Statements, Sustainability Report and Mineral Resource and Ore Reserve Report. The assurance processes are described in more detail in our narrative for Principle 5 (Reporting), as well as in the Overview section of the Integrated Report.

### **Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.**

AngloGold Ashanti has a wide range of internal and external stakeholders, including (without limitation) shareholders, the resource owners, communities, employees, providers of capital, civil society and our joint venture partners. We view our internal and external stakeholders as inherently important partners and critical to both our legal right to mine and our social license to operate, and we strive to interact with them directly and in a pro-active manner wherever possible. Our stakeholder engagement processes involve direct and indirect interaction with these parties, to mutually understand and manage expectations, share our objectives, policies and standards, and demonstrate how our performances will impact stakeholders.

We strive to conduct these engagements – with the people and organisations that impact on our business and upon whom we have an impact – in dynamic, honest, transparent and inclusive ways. Given the wide range of stakeholders, this engagement takes place in different ways, including visiting community and government stakeholders in and around our operations, meeting potential and current investors at investor conferences, coordinating community focus groups in the regions in which we operate, community grievance procedures and mechanisms, and seeking employee comment through tools like our group-wide engagement survey and “town hall” meetings. We aim to ensure that this engagement continues throughout the life cycle of an operation, from exploration through to integrated closure.

Stakeholder relations are reflected in our Board-approved stakeholder relations strategy. Stakeholder engagements are discussed at the Board level through each of the Board committees. We carry out stakeholder engagement at various levels within the Company, including the Executive Committee, operational management, and community and government outreach. The Board maintains oversight of material issues concerning stakeholders.

AngloGold Ashanti’s commitment to stakeholder interaction is reflected in the group’s sustainability performance, which includes the community development work carried out in the areas within which we



operate. These are reflected in our Sustainability Report, the Integrated Report and the Social Labour Plans which are disclosed on our website: <http://www.anglogoldashanti.com/>.

Our consistent engagement with stakeholders, including our host governments and communities, is also backed by our actions on the ground, where we demonstrate our adherence to our values. For more information concerning AngloGold Ashanti's stakeholder engagement and key areas of focus during the reporting period, as well as future areas of focus, please see the "Stakeholder Engagement" section of the Integrated Report on: <https://www.anglogoldashanti.com/investors/annual-reports/>.