

CORPORATE GOVERNANCE

Good corporate governance is an integral part of the group's sustainability. Adherence to the standards and recommendations set out in the King III Report and other relevant laws and regulations is vital to achieving our strategic priorities.

Corporate governance forms an overarching framework in which the business operates and AngloGold Ashanti is committed to promoting good governance and ethics within all areas of the business. To achieve this, the group continues to enhance and align its governance structures, policies and procedures to support its operating environment and strategy.

APPLICATION OF KING III PRINCIPLES

Application of and adherence to the King III principles continues to be a key focus. AngloGold Ashanti reviewed its application of the King III principles against the JSE Listings Requirements through the Governance Assessment Instrument tool of the Institute of Directors in Southern Africa and is satisfied that it has applied the King III principles. A detailed analysis of the company's compliance with the King Code of Governance for South Africa, dated March 2017, is available on the company's website, www.anglogoldashanti.com.

GOVERNANCE REVIEW

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. The board is supported by its committees and has delegated certain functions to these committees without abdicating any of its own responsibilities. This process of formal delegation involves approved and documented terms of reference, which are reviewed when required, or at least annually.

It is the responsibility of the board to exercise oversight of governance throughout the organisation. We acknowledge that sound governance principles and practices underpin the creation of value and the sustainability of the business, and are thus crucial to the achievement of the business objectives. AngloGold Ashanti also recognises that strategy, performance, sustainability and risk are inseparable. Our values-driven culture and code of ethics underpins AngloGold Ashanti's governance structures and processes, committing the company to high standards of business integrity and ethics in all its activities.

The governance of the company is guided by internal policies and external laws, rules, regulations and best practice guidelines.

Governance structures and processes are reviewed regularly and adapted to accommodate internal developments and to reflect national and international best practices.

THE BOARD OF DIRECTORS

ROLE OF THE BOARD

The overriding role of the board is to ensure the long-term sustainability and success of the business, for the mutual benefit of all stakeholders. Its overall role is one of strategic leadership. This includes the setting, monitoring and review of strategic targets and objectives, the approval of capital expenditure, acquisitions and disposals, and oversight of governance, internal controls and risk management. The duties, responsibilities and powers of the board, the delegation of authority and matters reserved for the board's authority are all set out in the board charter, which is available on the company's website, www.anglogoldashanti.com.

COMPOSITION OF THE BOARD OF DIRECTORS

Board membership at year-end comprised eleven directors, nine independent non-executive directors and two executive directors. The independence of non-executive directors is contingent upon an evaluation as prescribed by King III.

The board appointed Wiseman Nkuhlu as Deputy Chairman in March 2014. The principal

role of the Deputy Chairman is to act when the board Chairman is not present or is unable to perform his duties for any other reason, and to serve as liaison between the non-executive directors and the board Chairman.

The group's Chief Executive Officer, Srinivasan Venkatakrishnan, is responsible for the execution of the company's strategy and reports to the board. He chairs the Executive Committee that comprises nine members, and is responsible for the day-to-day management of the group's affairs. The committee's work is supported by country and regional management teams as well as by group corporate functions.

The group has a Chief Financial Officer. This position is held by Christine Ramon. As required by the JSE Listings Requirements, the Audit and Risk Committee annually considers and expresses its satisfaction at the level of expertise and experience of the Chief Financial Officer.

The Audit and Risk Committee concluded that Christine Ramon, together with other members of the financial management team, had effectively and efficiently managed the group's financial affairs during the period under review as detailed in the Chief Financial Officer's report, which is included in the [<AFS>](#).

CORPORATE GOVERNANCE (CONTINUED)

APPOINTMENT AND ROTATION OF DIRECTORS

New directors are appointed pursuant to the recommendations of the Nominations Committee, which conducts a rigorous assessment of the credentials of each candidate. Several factors including the requirements of relevant legislation, best practice recommendations, qualifications and skills of prospective board members and the requirements of the Directors' Fit and Proper Standards of the company, as well as regional demographics are considered in appointing board members.

During the year, the board approved a policy on the promotion of gender diversity at board level which aims to ensure that at least 30% of the board comprises of women when the composition of the board and succession planning is considered. In line with the gender diversity policy, the board announced the appointment of Sindi Zilwa as an independent non-executive director with effect from 1 April 2017, subject to shareholder approval at the next annual general meeting (AGM).

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 and available for re-election, will be put forward for re-

election by shareholders. Those directors eligible for re-election at the forthcoming AGM are, Sipho Pityana, Rodney Ruston and Maria Richter. Professor Nkuhlu shall retire from office at the AGM in accordance with the company's MOI and does not offer himself for re-election. See the <NOM>.

Following the abovementioned changes to the board, 36% of the board will comprise of women against the voluntary target of 30%.

DIRECTORS' INTERESTS

Directors are required to declare their interests annually and to disclose any conflicts of interest, if and when they arise, to determine whether there are any that conflict with their duties at AngloGold Ashanti. Once a conflict has been disclosed, it is managed appropriately by the board. A Declaration of Interest form is updated by the Company Secretary and any new interest is declared at each meeting.

DIRECTORS' DEALINGS IN SHARES AND CLOSED PERIODS

The Company Secretary informs the board and AngloGold Ashanti employees of its closed periods, during which trade in AngloGold Ashanti shares by directors, senior divisional management and by restricted participants in the company's various share incentive schemes is prohibited.

All directors' dealings require the prior approval of the Chairman and the Company Secretary who retains a record of all such share dealings.

INDEPENDENCE OF DIRECTORS

Determination of director independence is guided by King III, the Companies Act, the requirements of the JSE and the NYSE independence test, the company's internal policy on independence, as well as best practice. All directors were found to be independent in terms of character and judgement.

BOARD AND COMMITTEE EVALUATIONS

The performance of the board is evaluated annually and includes:

- an assessment of the performance and effectiveness of the board as a whole and that of individual directors
- an evaluation of each committee by members of the committee as well as an evaluation of the chairperson of the committee
- the Company Secretary

An external board evaluation is conducted every third year and for the other two years, the Company Secretary facilitates the process.

In 2016 an internal assessment was conducted, the results of which were discussed by the Nominations Committee and the board in

February 2017 and an action plan developed for areas of refinement.

COMPANY SECRETARY

The Company Secretary, Maria Sanz Perez, is responsible for developing, implementing and maintaining effective processes and procedures to support the board and its committees in the discharge of their duties and responsibilities. She advises the board and individual directors on their fiduciary duties and on corporate governance requirements and best practices.

In line with the JSE Listings Requirements, the board evaluated the qualifications, competence and experience of the Company Secretary in December 2016 and was satisfied that Maria Sanz Perez is qualified to serve as Company Secretary. The board also confirmed the Company Secretary's independence and that the Company Secretary maintains an arms-length relationship with the board when carrying out her duties. The Company Secretary is not a director of the company and has no personal associations with any of the directors. Maria Sanz Perez's qualifications and experience can be viewed in the sections entitled The board and Executive Management in this report and on the website, www.anglogoldashanti.com.

CORPORATE GOVERNANCE (CONTINUED)

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

Brief summary of responsibilities:

The Audit and Risk Committee oversees the integrity of financial reporting, the existence of proper internal controls, the integrity of the <IR> and risk management processes and assesses the company's continuing ability to operate as a going concern. The committee assists the board with the oversight of IT governance, risk management and the implementation of a group ethics and regulatory compliance programme. It ensures the company has qualified external auditors and internal auditors.

More detailed information on the committee's achievements is available in the committee chairman's report in the <AFS>.

The latest approved Audit and Risk Committee Terms of Reference, containing detailed information regarding the committee's responsibilities and mandate, are available on the company's website, www.anglogoldashanti.com/en/About-Us/corporategovernance/Pages/default.aspx

SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE

Brief summary of responsibilities:

The key responsibility of the Social, Ethics and Sustainability Committee is to assist the board in monitoring matters relating to safety, health, the environment and ethical conduct and to ensure that the company develops and behaves as a responsible corporate citizen. The committee ensures that the sustainability strategy positions the company as a leader in mining and that sustainability objectives are effectively integrated into the business.

The latest approved Social, Ethics and Sustainability Committee Terms of Reference, containing detailed information regarding the committee's responsibilities and mandate, are available on the company's website, www.anglogoldashanti.com/en/sustainability/policies/Pages/default.aspx

REMUNERATION AND HUMAN RESOURCES COMMITTEE

Brief summary of responsibilities:

This Remuneration and Human Resources Committee assists the board in ensuring that AngloGold Ashanti's remuneration policies are in its long-term interests. The committee ensures that in terms of the decisions made, non-executive directors, executive directors, senior management and all other employees are fairly and responsibly remunerated and that shareholder value is delivered. It assists the board in the development of the company's human resources environment.

More information on the achievements of the committee is available in the Remuneration Report.

The latest approved Remuneration and Human Resources Committee Terms of Reference, containing detailed information regarding the committee's responsibilities and mandate, are available on the company's website, www.anglogoldashanti.com/en/About-Us/corporategovernance/Pages/default.aspx

NOMINATIONS COMMITTEE

Brief summary of responsibilities:

The Nominations Committee consists of three independent non-executive directors and is chaired by the Chairman of the board. The committee develops processes to identify, assess and recommend board candidates for appointment as executive and non-executive directors, including the Chairman, Deputy Chairman, Chief Executive Officer and the Company Secretary, and at the same time gives full consideration to succession planning and leadership in the group. It reviews board composition, including the balance of skills, experience and independence. The committee develops and implements the annual evaluation processes, whether internal or external.

The latest approved Nominations Committee Terms of Reference, containing detailed information regarding the committee's responsibilities, mandate and policy on appointments to the board are available on the company's website, www.anglogoldashanti.com/en/About-Us/corporategovernance/Pages/default.aspx

CORPORATE GOVERNANCE (CONTINUED)

INVESTMENT COMMITTEE

Brief summary of responsibilities:

The Investment Committee assesses individual capital projects and investment and divestment opportunities to ensure that investments, divestments and financing proposals are in accordance with AngloGold Ashanti's primary objective of creating shareholder value on a sustainable long-term basis.

The latest approved Investment Committee Terms of Reference, containing detailed information regarding the committee's responsibilities and mandate, are available on the company's website, www.anglogoldashanti.com/en/sustainability/policies/Pages/default.aspx

BOARD AND COMMITTEE MEETING ATTENDANCE

The board meets at least six times a year, with additional meetings arranged when necessary. AngloGold Ashanti's corporate strategies are discussed and agreed with executive management in an annual strategy session.

The directors' attendance at the board and committee meetings during 2016 is disclosed in the table below:

	Board	Audit and Risk Committee	Investment Committee	Remuneration and Human Resources Committee	Social, Ethics and Sustainability Committee	Nominations Committee
Number of meetings in 2016	8	5	4	4	5	3
SM Pityana	8	n/a	n/a	4	5	3
LW Nkuhlu	8	5	4	4	n/a	3
R Gasant	8	5	4	n/a	n/a	n/a
DL Hodgson	8	n/a	4	n/a	5	n/a
NP January-Bardill	8	n/a	n/a	4	5	n/a
MJ Kirkwood	8	5	n/a	4	n/a	3
A Garner	8	5	4	n/a	n/a	n/a
RJ Ruston	8	5	4	n/a	n/a	n/a
M Richter	8	5	n/a	4	n/a	n/a
S Venkatakrisnan	8	n/a	n/a	n/a	5	n/a
KC Ramon	8	n/a	4	n/a	n/a	n/a

CORPORATE GOVERNANCE (CONTINUED)

ETHICAL LEADERSHIP AND RESPONSIBLE CORPORATE CITIZEN

The board ensures at all times that the company is, and is seen to be, a responsible corporate citizen. The board not only considers the financial performance of the company, but also strives to enhance and invest in the economic life of the communities in which it operates, society in general and the environment. The Executive Committee is responsible for ensuring these values are adhered to. The board's Social, Ethics and Sustainability Committee ensures the application of these principles.

The Code of Business Principles and Ethics (Our Code), launched in 2010, is the defining document on AngloGold Ashanti's values and ethics. The board and management recognise the importance of ethical behaviour by all employees, directors and related parties at all times as we strive to generate competitive shareholder returns and create value for all stakeholders. The principles of King III facilitate the monitoring of the company's performance from an ethical perspective.

Our Code provides a framework and sets requirements for the implementation of key corporate policies and guidelines. Among other areas, it addresses fraud, bribery and corruption, conflict of interests, gifts, hospitality and sponsorships, use of company assets,

privacy and confidentiality, disclosures and insider trading.

Our Code has been translated into four languages and is available on the corporate website, www.anglogoldashanti.com, the intranet and DVD.

AngloGold Ashanti holds all employees, directors and officers accountable for complying with Our Code and policies, in addition to applicable laws, regulations, standards and contractual obligations in the countries in which AngloGold Ashanti does business. Failure to live up to Our Code may result in disciplinary action being taken, up to and including dismissal. No employee, director or officer will be disciplined or otherwise victimised for raising a concern in good faith.

We have promoted our whistleblowing communication channels that include hotlines, text messaging, email and web facilities, which are administered by a third party. Use of these facilities is promoted by means of posters at all locations. Employees, directors, officers and external parties may use the hotlines, anonymously if they wish, to report concerns. All concerns are carefully investigated and, wherever possible, feedback is provided to the person raising the concern upon request.

Sustainability is an integral part of how AngloGold Ashanti does business. Our commitment to achieving operational excellence



in a safe and responsible way benefits all our stakeholders, including our employees, government and the communities in which we operate. Our efficient use of resources, together with the provision of a safe and healthy working environment, contributes to the sustainability of our business and the environment.

LEGAL, ETHICAL AND REGULATORY COMPLIANCE

The group's geographical spread makes its legal and regulatory environment diverse and complex. Given the critical importance of compliance in building a sustainable business, group compliance plays an essential role in co-

ordinating compliance with laws and regulations, standards and contractual obligations and in assisting and advising the board and management on designing and implementing appropriate compliance policies and procedures.

During 2016, group compliance undertook activities aimed at enhancing the company's governance. Key among these activities were:

- the continued global roll-out of awareness training on Our Code and anti-bribery and anti-corruption measures by means of both online training, DVD training for those without computer access, and "in person" training on key risk areas

CORPORATE GOVERNANCE (CONTINUED)

- continued development of a compliance programme aligned with “best practice” principles identified by, among others, bodies responsible for the prosecution of violations of key extra-territorial legislation such as the US Foreign Corrupt Practices Act, and that are adaptable at an operational level to enhance the effectiveness of the compliance framework
- investigations into high-risk issues, including certain whistleblowing and related investigations
- continued implementation of a risk-based third party due-diligence process for both suppliers and agents/intermediaries
- development and utilisation of a methodology for continuous improvement in compliance and a review of compliance policies as well as the use of compliance metrics as part of our combined assurance audit programme
- specific training on various anti-bribery and anti-corruption issues, including conflicts of interest and payments to government officials
- revision and issuance of new policies, procedures and guidance, including a revised anti-bribery and anti-corruption policy, related guidance and a revised conflicts of interest policy
- regular assessment of the automated registers for group gifts, hospitality and sponsorship and conflicts of interest

- enhanced communication on compliance initiatives across the group through, among other channels, bi-monthly newsletters and other corporate communications
- additional efforts to provide automated access to track and monitor compliance with laws and regulations, including self-certification processes and legal registers, by country.

EXTERNAL AND INTERNAL STANDARDS AND REGULATIONS

AngloGold Ashanti adheres strictly to legislative and regulatory compliance, including several external and voluntary standards which are listed below.

The company is a member of and a signatory to the:

- International Council on Mining and Metals
- Principles of the United Nations Global Compact
- Extractive Industries Transparency Initiative (EITI)
- United Nations Guiding Principles on Business and Human Rights
- Voluntary Principles on Security and Human Rights
- World Gold Council's Conflict-Free Gold Standard

The company is committed to complying with the following standards:

- Universal Declaration on Human Rights
- International Bill of Human Rights
- International Labour Organization (ILO) standards

In addition, we have group policies and charters to which we adhere. Increasingly, customers and consumers want assurance that the gold they are purchasing has not contributed to conflict or human rights abuse. This has resulted in a number of measures being introduced by industry-related organisations which we are part of, to prevent gold and other commodities from being used to fund conflict and other violations of human rights.

By virtue of its shares or depository receipts being registered with the Securities and Exchange Commission (SEC) in the United States, AngloGold Ashanti is also subject to the various laws regarding securities that are applicable in that country. This in addition to being subject to the various listing requirements applicable in all the stock exchanges that the company is listed on. These are the JSE, Ghana and the Australia stock exchanges.

SOUTH AFRICAN EMPLOYMENT EQUITY ACT 55 OF 1998

In compliance with Section 21 of the Employment Equity Act 55 of 1998, the company is obliged to file with the Department of Labour, the employment equity statistics for its South African workforce. A report was filed with the Department of Labour on 10

December 2015, covering the period 1 August 2013 to 31 July 2015. A copy of the report is available on the AngloGold Ashanti website, www.anglogoldashanti.com/sustainability, in the section entitled “Employment Equity Reports”.

GOVERNANCE – SUPPLY CHAIN MANAGEMENT AND PROCUREMENT POLICIES

Supply chain management is about more than just procuring the right product, at the right time and in the right quantities. Effective supply chain management, undertaken with integrity and in line with our values and governance principles, can add value to our business by improving efficiency, relationships and reputation and, ultimately, can affect our long-term sustainability. As a global company operating on most of the world's continents, responsible management of the supply chain is an increasingly important ethical and human rights consideration for our business. External ratings agencies and customers are ever more aware of the implications and importance of ethical conduct in the supply chain.

Responsible supply chain management has the potential to add value to communities, local governments and society as a whole, and particularly so in developing countries. We have adopted a cross-functional approach to supply chain management to ensure best practice while complying with international human rights and labour standards and ensuring the economic participation of local stakeholders.

CORPORATE GOVERNANCE (CONTINUED)

OUR APPROACH TO TAX

TAX STRATEGY AND TAX MANAGEMENT POLICY

Our tax strategy, which is aligned with AngloGold Ashanti's strategy and business objectives, is to manage all our global taxes in a transparent, responsible and sustainable manner, within the governance framework established by our Tax Management Policy, respecting the differing interests of all our stakeholders.

We recognise that AngloGold Ashanti must earn and maintain its social licence to operate through a partnership with government and community stakeholders, thus contributing towards their sustainable future in the countries where we operate. Aligned with our vision, mission and values, we acknowledge our obligations as a responsible corporate citizen and that our operations contribute material tax revenues, in terms of both taxes borne and taxes collected, to the economies of the countries in which we conduct our business.

AngloGold Ashanti is a member of the EITI, a global Standard to promote open and accountable management of natural resources. The group is committed to reporting amounts paid to government in respect of operations in countries that have implemented the Standard.

The principles governing the tax strategy and policy have been reviewed and approved by the board of directors of AngloGold Ashanti who, together with the Audit and Risk Committee, monitor adherence to the policy.

Our tax policy governs the management of tax throughout AngloGold Ashanti and confirms the defined parameters within which the board-approved tax strategy is applied. This governance framework utilises a combination of suitably skilled resources, internal processes, together with internal and external controls.

Our overall objective is to act responsibly in ensuring efficiency in our tax affairs in all countries in which AngloGold Ashanti operates, always in full compliance with the law, taking into account, however, that such laws may be subject to regular amendment and differing interpretations and practices prevailing from time to time.

AngloGold Ashanti has adopted and is guided by the following principles:

- as fiscal considerations in all investment decisions and commercial transactions are taken into account, tax efficiency is always aligned with a sound business purpose

- any tax position adopted must be based on the premise of full disclosure and compliance with the tax laws of the relevant countries
- tax positions adopted must involve an assessment of all risks, including reputational risk, i.e. how our decision might be viewed by stakeholders, including governments and investors
- tax risks, including uncertain tax positions, are managed through the use of a combination of skilled internal resources and external tax advisors to enable AngloGold Ashanti to exercise its judgement to arrive at appropriate decisions and provisions

The Audit and Risk Committee considers tax risks, which may arise as a result of our business operations, on a quarterly basis:

- in line with our values, we endeavour to maintain respectful and co-operative relationships of trust with the tax and other fiscal authorities in all countries in which we operate
- we strive to furnish full and transparent disclosure under global financial reporting standards and other applicable regulations.

Responsibility for ensuring effective implementation of the tax management policy and adherence to its principles rests with the Chief Executive Officer, who holds the Chief Financial Officer accountable for ensuring compliance with the policy. The Chief Financial Officer, in turn, holds the Vice President: Global Taxation accountable for ensuring that there are adequate resources, internal structures, policies, processes and controls in place at group level. The Vice President: Global Taxation is responsible for monitoring and co-ordinating compliance with the tax policy. The Chief Financial Officer and Vice President: Global Taxation report on AngloGold Ashanti's tax position to the Audit and Risk Committee of the board, on a quarterly basis.