

REMUNERATION REPORT

SHORT- AND LONG-TERM INCENTIVE REVIEW AND REDESIGN

As advised in the 2015 annual report, the short-term incentive (STI) and long-term incentive (LTI) have been reviewed in line with international benchmarks and shareholder feedback.

Following an extensive benchmarking exercise and shareholder engagements a revised STI and LTI will be implemented on 1 January 2018, post shareholder approval which will be requested at the May 2017 annual general meeting. The proposed incentive structure will replace all the current short- and long-term components (cash, bonus share plan, long-term incentive plan, and the co-investment plan). The approach for the new incentive is to ensure simplification, transparency and create a sustainable scheme with increased alignment to shareholder views underpinned by regulatory compliance. Participation in the new share scheme has been reduced, ensuring that there will be reduced share dilution.

The revised plan will consist of:

- A single combined STI and LTI (“the Incentive”), determined on the basis of performance conditions that are either one-year or three-year averages
- A portion of the Incentive will be payable in cash
- The balance of the Incentive will be awarded as deferred shares, vesting equally over five years for executive committee members.

Key features of the new scheme:

- A single incentive scheme that covers both short and long objectives and performance
- The scheme will be cost neutral compared to the previous scheme but with greater scheme leverage
- The issue of shares will be limited to 1% of the issued share capital per annum
- Reduced participation in the share incentive, with consequently less dilution
- Introduction of claw back and amended leaver provisions
- No more than 5% of issued shares to be utilised in the scheme
- Settlement rules provide for issue of new shares, use of treasury shares, market purchase and/or cash
- Total shareholder return (TSR) adjusted but peer group will remain unchanged
- Minimum shareholding requirements will continue to apply
- Reduce the impact of uncontrollable factors such as the gold price and currencies

THE PROPOSED METRICS FOR THE SCHEME ARE AS FOLLOWS:

2018 performance measure		Target weight
Financial measures	Relative TSR*	10%
	NEW METRIC: Absolute TSR*	10%
	All-in sustaining costs	15%
Operational measures	NEW METRIC: Normalised cash return on equity (nCROE)*	15%
	Production	12.5%
	Ore Reserve additions pre-depletion and excluding asset sales and M&A*	6.25%
Sustainability measures	Mineral Resource additions pre-depletion and excluding asset sales and M&A*	6.25%
	Safety, health, environment, community*	20%
	People:	5%
	– Strategic coverage ratio	
	– Retention of top talent pool	
		100%

* These measures will be on a trailing three-year basis or a combination of annual and three year measures. The safety metrics will be broadly similar to the 2017 metrics as outlined in the remuneration policy of the <NOM>. The Remuneration Committee may re-assess these metrics based on 2017 performance and the 2018 sustainable development strategic priorities.

The shareholder roadshows held to discuss the proposed new scheme and scorecard were constructive with positive dialogue and feedback in all instances. More detail on the proposed scheme is provided in the <NOM>, for the May annual general meeting.

The rest of this Remco report relates to the existing remuneration design and structure for the period 1 January 2016 to 31 December 2016.

REMUNERATION REPORT (CONTINUED)

OVERVIEW OF REMUNERATION POLICY

AngloGold Ashanti's remuneration approach aims to create a sustainable executive remuneration structure for greater alignment with shareholder views and interests, underpinned by our strategic objectives and values.

At AngloGold Ashanti, our remuneration policy is robust and aims to align with our strategic objectives while working to deliver on both internal and external stakeholder requirements, in a manner that responds to both market lows and highs. This is accomplished by means of a governance and application framework that primarily aims to retain and attract a skilled workforce through fair, transparent and competitive remuneration.

KEY PRINCIPLES OF OUR REMUNERATION POLICY

In order to continue to support our remuneration approach, we have a remuneration policy that is based on the following key principles:

- Remunerate to drive and reward the right behaviour and performance of our employees and executives
- Alignment with our strategic objectives and shareholder interests
- Ensure that performance metrics are challenging, sustainable and cover all aspects of the business including critical financial and non-financial drivers
- Ensure that our remuneration structure is aligned with our values and that the correct governance frameworks are applied across our remuneration decisions and practices
- Apply the appropriate global remuneration benchmarks
- Provide competitive rewards to attract, motivate and retain highly skilled executives and staff vital to the success of the organisation.

REMUNERATION DESIGN

When determining appropriate remuneration, the Remuneration Committee (Remco) considers:

1. The potential maximum total remuneration that each member of the executive management team could earn related to their performance
2. External influences, primarily being:
 - shareholder views and recommendations associated with executive remuneration
 - economic trends
 - competitive pressure
 - the labour market and the pay gap between the executive management team and the rest of the employee population in the company
3. Market benchmarks, choosing appropriate benchmarks in a market with similar attributes including complexity, size and geographic spread

Our remuneration practices are designed to be fair, transparent and compliant with legislative requirements within all the jurisdictions in which we operate.



REMUNERATION REPORT (CONTINUED)

2017 REMUNERATION POLICY AND STRUCTURE

The table below sets out the summary of the remuneration policy that applies to the executive management team in 2017, to be approved by shareholders at the 2017 annual general meeting. The table details each component's link to the company strategy, objectives, performance measurements and the maximum opportunity associated with each component.

Remuneration element and link to strategy	Operation and objective	Maximum opportunity	Performance measures
Base salary			
A competitive salary is paid to executives to ensure that their experience, contribution and appropriate market comparisons are fairly reflected	<ul style="list-style-type: none"> • Base salaries are reviewed annually and are effective from 1 January each year • Executive base salaries are determined by considering their performance; market conditions against companies with a similar geographic spread; market complexity, size and industry, and internal peer comparisons • The CEO makes recommendations on the team's remuneration but does not make recommendations on his own base salary, which is reviewed by Remco and approved by the board 	Executive base salary increases and increases for all non-bargaining unit employees are closely aligned where practical. This is informed by inflation, which can be matched directly or above/below consumer price index (CPI) adjustments can be applied	Individual performance, on a scale of 1 to 5, measured against specific key performance indicators (KPIs), are reviewed by Remco. A CPI increase pool is approved annually by Remco. In high-inflation countries, individual increases may be differentiated according to each individual's performance rating. In low-inflation countries, a flat CPI is applied to all executives and employees
Pension			
Provides post-retirement benefit aligned with the schemes in the respective country in which the team member operates	<ul style="list-style-type: none"> • Funds vary depending on jurisdiction and legislation • Defined benefit funds are not available for new employees, in line with company policy 	24.75% of base salary for the CEO and lower contributions for others, depending on the scheme	Not applicable
Medical insurance			
Provides medical aid assistance aligned with schemes in the respective country in which the team member operates	<ul style="list-style-type: none"> • Provided to all executives through either a percentage of fee contribution, reimbursement or company provided healthcare providers 	In line with approved policy	Not applicable

REMUNERATION REPORT (CONTINUED)

Remuneration element and link to strategy	Operation and objective	Maximum opportunity	Performance measures
Benefits			
Provided to ensure broad competitiveness in the respective markets	Benefits are provided based on local market trends and can include items such as life assurance, disability and accidental death insurance, assistance with tax filing, cash in lieu of untaken leave (above legislated minimum leave requirements) and occasional spousal travel as per the executive travel guidelines	In line with approved policy	Not applicable
Short-term incentives			
<p>The short-term incentive plan (STIP) is also known as the Bonus Share Plan (BSP) and is designed to focus executives on delivering key priorities for the year by achieving the defined company objectives</p> <p>Performance objectives are reviewed and selected annually, based on their short to medium-term impact on the company</p>	<p>STIP metrics are defined annually and weightings are applied to each measure. The metrics are defined against the objectives that most strongly drive company performance and are heavily weighted to production, cost and safety</p> <p>Each metric is weighted and has a threshold, target and stretch definition based on the company budget and the desired stretch targets for the year</p> <p>At the end of each financial year, company and CEO's performances are assessed by Remco and the board against the defined metrics to determine the award to be granted</p>	<p>CEO: Maximum award – 200% of base salary (cash 80% + deferred equity/cash award 120%)</p> <p>Target award – 100% (cash 40% + deferred equity/ cash award 60%)</p> <p>Threshold award – 50% (cash 20% + deferred equity/ cash award 30%)</p> <p>Below threshold achievement results in no payment.</p>	<p>CEO: Performance measures: 70% of company objectives</p> <p>30% individual KPIs (as reviewed by the board)</p> <p>Both company and individual performance assessed over the financial year</p>

REMUNERATION REPORT (CONTINUED)

Remuneration element and link to strategy	Operation and objective	Maximum opportunity	Performance measures
Short-term incentives (continued)			
	<p>Stratum III employees and above, who are not on production bonuses, qualify for participation</p> <p>Participation in the STIP is at the discretion of Remco</p> <p>The STIP is delivered as a cash element and a deferred equity element, which is fully realised after 24 months</p> <p>The deferral is intended to be delivered in equity but Remco retains the discretion to deliver in cash should there be a requirement, for example, where the shares available for issue are below the required amount to satisfy employee allocation needs</p> <p>Where applicable these attract a cash equivalent dividend payment settled at vesting</p>	<p>CFO: Maximum award – 175% (cash 70% + deferred equity/cash award 105%) Target award is 87.5% (cash 35% + deferred equity/cash award 52.5%) Threshold award is 43.75% (cash 17.5% + deferred equity/cash award 26.25%) Below threshold achievement results in 0% payment</p> <p>Exco: Maximum award – 150% (cash 60% + deferred equity/cash award 90%) Target award is 75% (cash 30% + deferred equity/cash award 45%) Threshold award is 37.5% (cash 15% + deferred equity/cash award 22.5%) Below threshold achievement results in 0% payment</p>	<p>CFO and Exco: Performance measures: 60% of company objectives 40% individual KPIs (as reviewed by the CEO, Remco and the board)</p> <p>Both company and individual performances assessed over the financial year</p> <p>Company metrics measured are:</p> <ul style="list-style-type: none"> • Production • All-in sustaining costs • Adjusted free cash flow • Safety, health and environment • Ore Reserve pre-depletion • Project delivery/capital expenditure <p>Full details of the BSP metrics are provided in the remuneration policy, and are included in the <NOM> for the May annual general meeting</p>
Co-Investment Plan			
<p>The Co-Investment Plan (CIP) is a retention plan designed to assist executives to achieve their minimum shareholding requirements. This is accomplished by encouraging them to invest their cash bonus in equity, which will be matched by the company in the short to medium term</p>	<p>The CIP is offered annually to create shareholdings held by executives to meet their minimum shareholding requirements (introduced in 2013). These were implemented to achieve alignment of shareholder and executive interests)</p> <p>Executives invest up to 50% of their net cash bonuses in company shares. After 12- and 24-month periods, the company offers an equity match of shares purchased on market, provided the executive remains in employment and retains the original investment</p>	<p>150% of the equity originally invested over a deferred 24-month period</p>	<p>The quantum is based on STIP achievement</p>

REMUNERATION REPORT (CONTINUED)

Remuneration element and link to strategy	Operation and objective	Maximum opportunity	Performance measures
Long Term Incentive Plan			
<p>The primary intention of the Long Term Incentive Plan (LTIP) is to ensure that the medium to long-term interests of the executive and shareholders are aligned, providing reward to the executive and wealth creation to shareholders when the strategic performance drivers are achieved</p> <p>The strategic drivers used to define the LTIP metrics are depicted in the strategy diagram on page 155</p>	<p>The LTIP metrics are reviewed and defined annually in accordance with the strategy. (It is important to note that any amendment would be applied on a go-forward basis to newly allocated awards with no retrospective metric changes to existing awards)</p> <p>Weightings are provided to the metrics which must be achieved over a three-year period</p> <p>The TSR is measured against a carefully selected peer group of 10 comparators recommended by Remco and approved by the board. The comparator group is retained for measurement for the full three-year review period</p> <p>The score against all relevant measures contributes towards the percentage of total awards that will vest at the end of the three-year period</p> <p>Only senior management from Stratum IV and above are eligible to participate in the LTIP</p> <p>A share under the LTIP is a fully paid ordinary share in the capital of the company, subject to performance vesting restrictions. The dilution may not exceed 5% of the company's ordinary share capital</p> <p>Where applicable these attract a cash equivalent dividend payment settled at vesting</p> <p>Participation in the LTIP is at the discretion of Remco</p>	<p>CEO: Range of award: 160-250% of base salary</p> <p>CFO: Range of award: 140-200% of base salary</p> <p>Exco: Range of award: 140-200% of base salary</p>	<p>The performance measures for 2017 have been updated to introduce metrics to be used for the 2018 proposed incentive scheme and shareholder requested performance metrics</p> <p>As a result two new metrics have been included:</p> <ul style="list-style-type: none"> • Absolute TSR against the existing relative TSR comparator group defined below • Normalised cash return on equity (nCROE), which will be measured based on the free cash flow generated by the group (company plus subsidiaries) and the group's share of joint ventures and associates cash flows, adjusted for non-sustaining capital expenditure and exploration costs (growth investment items) and for Remco-approved once-off abnormal items (adjusted for corresponding production and cost levels, as well as associated tax at average group rate), expressed as a percentage of the AngloGold Ashanti's average equity <p>Average equity is calculated as the average opening and closing shareholders' equity as per the Audited Financial Statements, adjusted for material impairments of the carrying value of assets and share issuances (excluding those related to the share incentive schemes)</p>

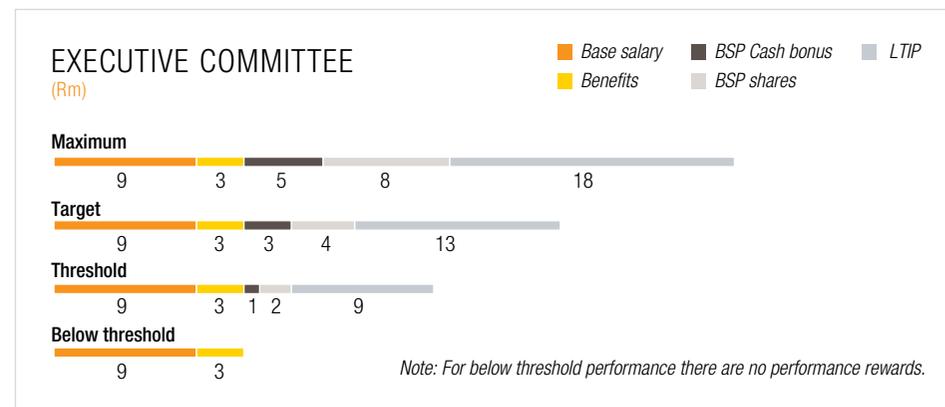
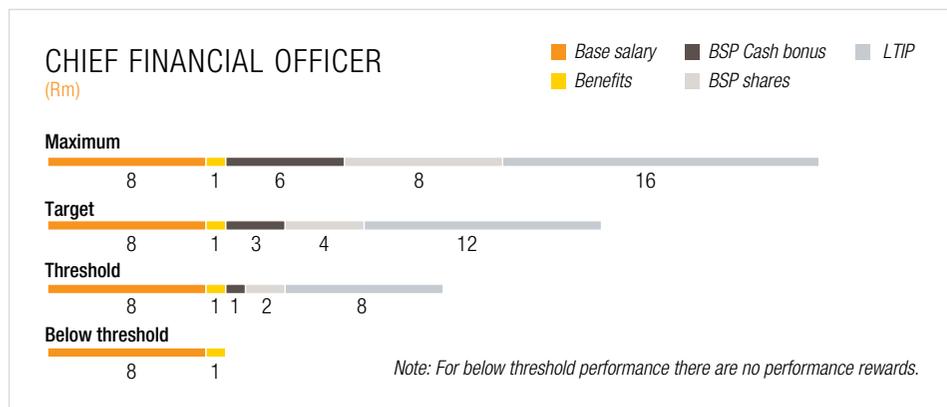
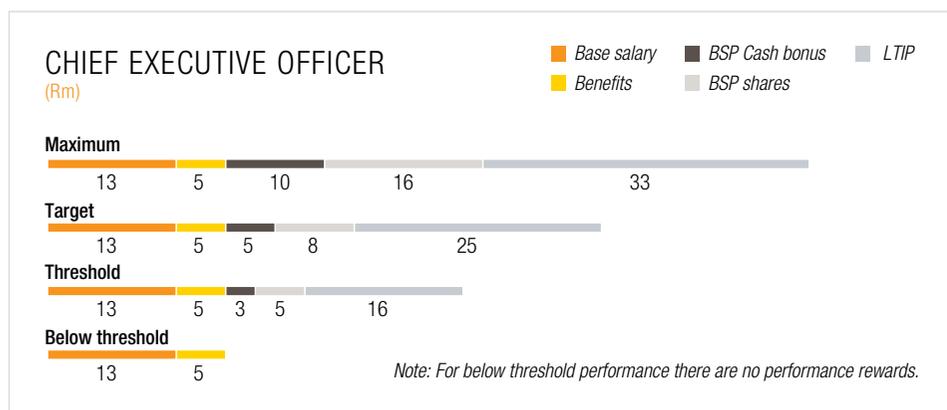
REMUNERATION REPORT (CONTINUED)

Remuneration element and link to strategy	Operation and objective	Maximum opportunity	Performance measures
Long Term Incentive Plan (continued)			
			<p>The additional 2017 metrics are:</p> <ul style="list-style-type: none"> • Relative TSR – this is calculated by the growth in capital from purchasing a share in the company, assuming that the dividends are reinvested each time they are paid. The TSR is then used to rank the performance of the company against its competitors (Barrick, Goldfields, Harmony, Kinross, Goldcorp, Newmont, Gold ETF (World Gold Council SPDR classification), Randgold, Newcrest and Sibanye) • Operational performance (measured through all-in sustaining cost, project delivery and asset optimisation) • Future optionality (measured by Mineral Resource, Ore Reserve and the delivery of the Colombian Ore Reserve) • Development and attraction and retention of people (measured by the succession cover ratio and talent retention) • A safety multiplier applied to the total score which can either enhance or detract from the final score by 20%. The safety multiplier cannot however increase the maximum pay-out above the defined caps <p>Full details of the LTIP company metrics are provided in the remuneration policy, included in the <NOM> for the May annual general meeting</p>

REMUNERATION REPORT (CONTINUED)

EXECUTIVE PAY MIX

The 2016 average executive pay mix, graphs for the CEO, CFO and Executive Committee are detailed below:



Note: the graphs do not include co-investment plan participation.

REMUNERATION REPORT (CONTINUED)

ALIGNMENT OF STRATEGY, PAY AND PERFORMANCE

In line with AngloGold Ashanti's strategic objectives, the BSP and LTIP metrics were designed to deliver on these key focus areas:

- **Maintain the 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.
- **Improve financial flexibility** – Ensuring that our balance sheet remains able to meet our funding needs.
- **Optimise our cost base** – Ensure that all spend is optimally structured and necessary to fulfil the core business objectives.
- **Improve portfolio quality** – Focus on a portfolio of assets that must be actively managed to improve the overall mix of our production base as we strive for a competitive valuation as a business.
- **Maintain long-term optionality, albeit at a reasonable cost** – Creating a competitive pipeline of long-term opportunities.



REMUNERATION REPORT (CONTINUED)

RECRUITMENT POLICY

When recruiting executives, a comparative benchmarking exercise is done to determine the size, nature and complexity of the role as well as skills availability in the market prior to presenting a competitive offer. For new appointments, the Remco may compensate for remuneration forfeited from the previous employer. The intention is to not grant more than the executive would have received in a 12-month period. However, Remco does have the discretion to compensate higher values if, through a fair valuation, it can be demonstrated that the amount forfeited exceeds that granted. Remco will compensate the amount forfeited through variable pay that can be a combination of equity and cash.

TERMINATION POLICY

The executive management team has open ended contracts (except where prescribed retirement ages apply) with termination periods defined in their contracts. In addition, incentive scheme rules clearly specify termination provisions by termination category. In the event of termination, the company has the discretion to allow the executive to either work out their notice or to pay the base pay for the stipulated notice period in lieu of notice.

REASONS FOR TERMINATION

	Voluntary resignation	Dismissal/ termination for cause	Normal and early retirement, retrenchment and death	Mutual separation
Base salary	Paid over the notice period or as a lump sum	No payment	Base pay is paid for a defined period based on cause and local policy as executives have different employment entities	Paid over the notice period or as a lump sum
Pension	Pension contributions for the notice period will be paid; the lump sum would not include pension contributions unless contractually agreed	Pension will be paid until time that employment ceases	Pension will be paid until employment ceases	Pension contributions for the notice period will be paid; the lump sum would not include pension contributions unless contractually agreed
Medical provisions	Where applicable, medical provision for the notice period will be paid; the lump sum would not include contributions unless contractually agreed	Medical provision/payment will be provided until such time that employment ceases	Medical provision/payment will be provided until employment ceases	Where applicable, medical provision for the notice period will be paid; the lump sum would not include contributions unless contractually agreed
Benefits	Applicable benefits may continue to be paid during the notice period but will not be paid on a lump sum basis	Benefits will fall away at such time that employment ceases	Benefits will fall away when employment ceases	Applicable benefits may continue to be paid during the notice period but will not be paid on a lump sum basis
STIP share awards	Unvested shares lapse	Lapse all awards (vested, unexercised and unvested)	Pro rata unvested shares are awarded based on the length of employment from the date of offer	Remco determines whether or not a pro rata portion may be granted

REMUNERATION REPORT (CONTINUED)

REASONS FOR TERMINATION (CONTINUED)

	Voluntary resignation	Dismissal/ termination for cause	Normal and early retirement, retrenchment and death	Mutual separation
BSP cash bonus	Forfeit, no bonus	No bonus	Discretion to pro-rate for the period worked	Discretion to pro-rate for the period worked
LTIP	Unvested awards lapse	Lapse all awards (vested, unexercised and unvested)	Pro-rata unvested awards, based on the length of employment from the date of offer by applying the last two years' average performance results (has no performance criteria applied)	Remco determines whether a pro-rata portion may be granted (or the board in the case of the executive directors)
CIP	Unallocated matching portion lapses	Forfeit matching portion of shares	Matching shares are granted based on the length of employment from the date of purchase	Remco determines whether a pro rata portion may be granted (or board in the case of the executive directors)

MINIMUM SHAREHOLDING REQUIREMENTS

With effect from March 2013, a minimum shareholding requirement (MSR) was introduced for the executive management team. Remco is still of the opinion that share ownership by executive management demonstrates their commitment to the success of the company, and serves to reinforce alignment between executive and shareholder interests.

The MSRs are outlined in the table below:

	Within three years of appointment/from introduction of MSR	Within six years of appointment/from introduction of MSR	Holding requirement
CEO and CFO	100% of net annual base salary	200% of net annual base salary	Indefinite
Exco	75% of net annual base salary	150% of net base salary	Indefinite

For the purpose of the MSR calculation, only fully owned and vested awards will count towards the determination of the MSR.

The following count towards an individual MSR:

1. JSE shares purchased on the market, either directly or indirectly, for personal reasons including shares purchased by an executive under CIP
2. Vested matching shares purchased by the company under the CIP
3. Vested shares from the company's share incentive schemes (BSP and LTIP and any historic schemes)

SERVICE CONTRACTS

All members of the executive management team have permanent employment contracts, which entitle them to standard group benefits as defined by specific region and participation in the company's BSP and the LTIP. All recently updated executive contracts include details of participation in the CIP.

South African-based executives are paid a portion of their remuneration offshore, which is detailed under a separate contract. This reflects global roles and responsibilities and takes account of offshore business requirements. All such earnings are subject to tax in South Africa.

REMUNERATION REPORT (CONTINUED)

CHANGE OF CONTROL AND NOTICE PERIODS

Executive management team contracts are reviewed annually and currently continue to include a change of control provision. The change of control is subject to the following triggers:

- Acquisition of all or part of AngloGold Ashanti
- A number of shareholders holding less than 35% of the company's issued share capital consorting to gain a majority of the board and make management decisions
- Executive management contracts either terminated or roles and employment conditions are curtailed

In the event of a change in control becoming effective, the executive will, under certain circumstances, be subject to the notice period and the change of control contract terms.

REMUNERATION CONSULTANTS

Where appropriate, Remco obtains advice from independent remuneration consultants. The consultants are employed directly by Remco and engage directly with them to ensure independence.

Following a tender process, Remco appointed PricewaterhouseCoopers

(PwC) to provide specialist independent remuneration advice on all forms of executive and non-executive pay.

Key focus areas for 2016 with which PwC assisted were:

- Share scheme design
- Gini co-efficient calculations and benchmarking
- Market trends, updates and best practice guidance
- Committee training where required

In line with best common practice, the Remuneration Committee of the board, which is comprised solely of independent non-executive directors, engages independent consultants in relation to remuneration related matters. The current advisor is PwC whose appointment, terms of reference and fees payable are determined solely by the Remuneration Committee. PwC is invited to attend all meetings of the committee and have regular access to the chairman and members of the committee. PwC informs and assists the committee's deliberations by drawing on their global reach and perspective on compensation matters and trends. They brief

the remuneration committee on regulatory developments in South Africa and major international markets. They comment on technical matters, and generally opine on the committee's work. Each year, the committee evaluates the performance of PwC as the independent adviser and sets their fees to reflect time commitment, value added and market norms. For the year ended on 31 December 2016, the fees payable to PwC amounted to ~R260,000 (2015: ~R310,000). During 2016/2017, PwC were also engaged by the committee on a project basis to assist with a comprehensive redesign of the executive incentive and retention scheme to be presented for Shareholder approval at the 2017 annual general meeting. For this project work, the committee agreed an estimated fee of R700,000 payable to PwC. Additionally, the committee avails itself of the services and output of Mercer, who provide global survey data and analysis. Mercer's charges amounted to ~R440,000 (2015: ~R565,000).

Mercer performs an independent bespoke executive survey and their advice is primarily around salary benchmarking for executive and non-executive director pay.

NON-EXECUTIVE DIRECTORS' REMUNERATION POLICY

The company's non-executive directors are paid on the basis of role and there is no differentiation in terms of nationality. The policy is applied using the following principles:

- A fee is paid for the six annual board meetings and board committee members receive annual committee fees for participation
- Fees are reviewed annually and increases are implemented in July. They are set using a global comparator group derived from companies of similar size, complexity and geographic spread
- Non-executive directors receive an allowance for travel outside of their home countries for site visits and board meetings
- Non-executive directors are not eligible to receive any short- or long-term incentives

For the third successive year, no increase to non-executive director fees will be requested at the 2017 annual general meeting.

The full remuneration policy, upon which the non-binding advisory vote is requested, is published in the notice of annual general meeting.

REMUNERATION REPORT (CONTINUED)

REMUNERATION IMPLEMENTATION REPORT: JANUARY TO DECEMBER 2016

This section of the Remuneration Report explains the implementation of our remuneration policy by providing details of the remuneration paid to executive and non-executive directors for the financial year ended 31 December 2016.

EXECUTIVE PAY

In 2016, the gold price remained relatively low while the share price remained volatile. Cost control remains a key imperative and the external market reflected similar challenges.

On behalf of AngloGold Ashanti, Mercer conducts an annual bespoke survey of executive remuneration. For 2016, Remco reviewed the comparator group against AngloGold Ashanti to ensure that changes in the market had not led to variances that made the current matches inappropriate. The review consisted of a detailed analysis of companies who it was felt were appropriate for inclusion in the benchmark. The companies included in the comparator group were ranked in terms of a number of criteria selected in a number of areas which were aligned with AngloGold Ashanti. The table alongside summarises the final comparator group. In the 2016 survey, an additional participant, South32, was included.

2016 COMPARATOR BENCHMARK RANKING

Comparator group	2016*
	Market capital USDm
Lonmin plc	743
Harmony Gold Mining Company Limited	1,327
Impala Platinum Holdings Limited	2,699
Sibanye Gold Limited	2,724
Gold Fields Limited	3,561
Yamana Gold incorporated	3,620
Kinross Gold Corporation	4,889
AngloGold Ashanti Limited	5,688
Anglo American Platinum Limited	5,998
Randgold Resources Limited	6,707
South32 Limited	10,229
Mondi Limited	11,290
Goldcorp Inc.	13,328
Sasol Limited	17,580
Newmont Mining Corporation	19,287
Barrick Gold Corporation	19,717

* Data as at October 2016.

In 2016, the January annual increases resulted in each member of the executive management team receiving an increase in line with the CPI in their jurisdiction with the exception of the CFO who received an additional adjustment of 2%.

During the year, the following changes to the executive management team occurred. Italia Boninelli, the Executive Vice President: People and Organisational Development retired effective the end of March 2016, and Tirelo Sibisi was appointed as Executive Vice President: Group Human Resources on 18 January 2016. The remuneration impact for Italia and Tirelo is as follows:

- Italia Boninelli received the standard payments as per policies currently in place for retirement at AngloGold Ashanti. She therefore received the following:
 - pro rata BSP shares for all unvested awards
 - pro rata LTIP shares for all unvested awards
 - 2015 short-term incentive for the full 12 months
- Tirelo Sibisi was appointed on an initial basic salary of R4,500,000 and received an adjustment in June, resulting in an increase of 22.2%, bringing her basic salary to R5,500,000.

In June 2016, Chris Sheppard's salary was reviewed in terms of the complexity of his role and the challenges currently facing him in terms of delivery. His pay was increased by 7.42%, bringing his basic salary to R6,800,000.

The table overleaf summarises remuneration of our executive director and prescribed officers remuneration for 2016. It comprises an overview of all the pay elements available to the executive management team in the 12 month period ended 31 December 2016.



REMUNERATION REPORT (CONTINUED)

The table below summarises our executive director and prescribed officer remuneration for 2016. It comprises an overview of all the pay elements available to the executive management team in the 12-month period ended 31 December 2016.

Figures in thousand	Appointed with effect from	Resigned/retired with effect from	Salary ⁽¹⁾	Performance-related payments (STIP) ⁽²⁾	Pension	Other benefits and encashed leave ⁽³⁾	Sub total	Exercised BSP share award value	Exercised LTIP share award value	Total SA rands	Total US dollars ⁽⁴⁾
Executive directors											
S Venkatakrisnan	2016	Full year	12,660	7,323	3,133	3,785	26,901	–	–	26,901	1,832
	2015	Full year	12,000	7,635	2,970	1,728	24,333	–	–	24,333	1,905
KC Ramon	2016	Full year	8,007	4,354	800	743	13,904	–	–	13,904	947
	2015	Full year	7,448	4,634	931	68	13,081	–	–	13,081	1,024
Prescribed officers											
I Boninelli	2016	31 Mar	1,607	–	161	10,124	11,892	12,704	12,291	36,887	2,513
	2015	Full year	6,092	3,066	647	799	10,604	–	–	10,604	830
CE Carter ⁽⁵⁾	2016	Full year	10,180	4,439	1,523	2,058	18,200	4,342	–	22,542	1,535
	2015	Full year	8,640	4,608	254	5,849	19,351	2,641	2,352	24,344	1,906
GJ Ehm ⁽⁶⁾	2016	Full year	9,466	3,740	381	3,781	17,368	4,910	2,570	24,848	1,693
	2015	Full year	7,877	5,639	335	2,627	16,478	644	806	17,928	1,404
RW Largent	2016	Full year	17,722	7,728	3,314	5,810	34,574	13,107	3,184	50,865	3,465
	2015	Full year	15,166	8,021	2,814	6,439	32,440	3,422	837	36,699	2,873
DC Noko ⁽⁷⁾	2016	Full year	6,432	2,805	643	4,227	14,107	–	–	14,107	961
	2015	Full year	6,097	4,213	648	1,505	12,463	–	–	12,463	976
ME Sanz Perez	2016	Full year	6,404	2,985	641	2,389	12,419	9,349	2,315	24,083	1,640
	2015	Full year	6,071	3,055	645	743	10,514	–	–	10,514	823
CB Sheppard ⁽⁸⁾	2016	Full year	6,604	2,965	674	339	10,582	–	–	10,582	721
	2015	1 June	3,500	1,552	438	1,028	6,518	–	–	6,518	511
TR Sibisi ⁽⁹⁾	2016	18 Jan	4,887	2,398	497	166	7,948	–	–	7,948	541
	2015		–	–	–	–	–	–	–	–	–

⁽¹⁾ Salaries are disclosed only for the period from or to which office is held, and include car allowances where applicable.

⁽²⁾ The performance related payments are calculated on the year's financial results.

⁽³⁾ Includes health care, pension allowance, cash in lieu of dividends, vested CIP match awards, secondment/relocation allowances, group personal accident, disability and funeral cover. Surplus leave days accrued are automatically encashed unless work requirements allow for carry over. The primary reason for the increase in other benefits year on year is the vesting of CIP match awards:
– I Boninelli: R4.5m – S Venkatakrisnan: R2.5m
– DC Noko: R2.2m – RW Largent: R3.8m
– ME Sanz Perez: R2m

⁽⁴⁾ For illustrative purposes only, values have been converted using the average annual exchange rate for 2016: R14.6812:\$1 (2015: R12.7719:\$1) to arrive at the US dollar equivalent.

⁽⁵⁾ Benefits for 2016 for C Carter include a dependant's scholarship award of \$2,500.

⁽⁶⁾ GJ Ehm's 2015 increase was delivered as a lump sum payment (2.5% adjustment) of R196,927 in January 2016. He received a project bonus in terms of delivering against the Obuasi Project Charter. The bonus was based on 60% of pay, of which 40% was paid in 2015 and the balance in February 2016, based on meeting of performance requirements. Other benefits included a secondment allowance for time spent in Ghana.

⁽⁷⁾ DC Noko received a project bonus in terms of delivering against the Obuasi Project Charter. The bonus was based on 60% of pay, of which 40% was paid in 2015 and the balance in 2016, based on meeting of performance requirements. Other benefits included a secondment allowance for time spent in Ghana.

⁽⁸⁾ CB Sheppard commenced employment on 1 June 2015 and as such his pay reflects 7 months of the year. A sign-on bonus was paid and is reflected under other benefits. The annual performance bonus was pro-rated.

⁽⁹⁾ TR Sibisi commenced employment on 18 January 2016 and as such her pay reflects just over 11 months of the year.

REMUNERATION REPORT (CONTINUED)

MINIMUM SHAREHOLDING ACHIEVEMENTS

For the purposes of the MSR calculation, only fully owned and vested awards will count towards the determination of the MSR.

Executive	Three-year target achievement date	Three-year MSR target achievement percentage	MSR holding as at 31 Dec 2016 as % of net base pay	Six-year MSR target percentage achievement
Executive directors				
S Venkatakrishnan ⁽¹⁾	March 2016	100%	1,046%	200%
KC Ramon ⁽²⁾	March 2018	100%	68%	200%
Prescribed officers				
CE Carter	March 2016	75%	188%	150%
GJ Ehm	March 2016	75%	277%	150%
RW Largent ⁽³⁾	March 2016	75%	122%	150%
DC Noko	March 2016	75%	364%	150%
ME Sanz Perez	March 2016	75%	200%	150%
CB Sheppard ⁽⁴⁾	March 2019	75%	0%	150%
TR Sibisi ⁽⁵⁾	March 2020	75%	0%	150%

⁽¹⁾ The executive director has retained all of his share exposure in the company (net of tax) since he joined AngloGold Ashanti during 2000.

⁽²⁾ The executive director joined the company 1 October 2014 and the three-year MSR achievement is only due in March 2018.

⁽³⁾ The prescribed officer was required to sell shares in order to pay for tax on vesting in the US, resulting in a reduced share holding.

⁽⁴⁾ The prescribed officer joined the company 1 June 2015 and the three-year MSR achievement is only due in March 2019.

⁽⁵⁾ The prescribed officer joined the company 18 January 2016 and the three-year MSR achievement is only due in March 2020.



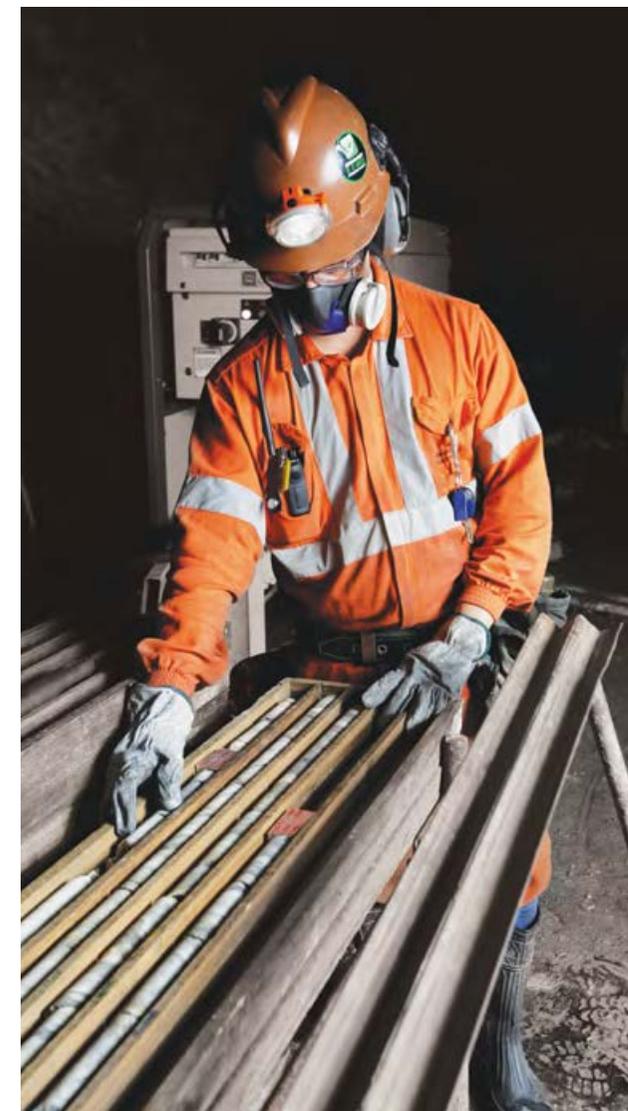
REMUNERATION REPORT (CONTINUED)

SHORT-TERM INCENTIVE PERFORMANCE OUTCOMES (BSP)

Safety was once again an important issue for AngloGold Ashanti in 2016. Of the 22% allocated to safety, health and environment, 15% of the measure is directly apportioned to safety. 2016 however provided a lower result with a 71.14% achievement out of 100%, compared to 81.47% in 2015.

The table below summarises AngloGold Ashanti's remuneration metrics, their weightings, and performance against these metrics applicable to the BSP during 2016:

BSP company performance measure 2016	Target weighting	Achievement	Actual achievement against measures	Threshold measures	Target measures	Stretch measures
Production (000oz)	20%	10.95%	3,628	3,600	3,745	3,831
All-in sustaining costs (\$/oz)	20%	13.15%	986	1,011	972	930
Adjusted free cash flow (\$m)	20%	20%	394	0	36	102
Project delivery/capex	8%	7.36%	Measured against a detailed project plan			
2016 Ore Reserve pre-depletion (Moz)	10%	10%	2.3	Plus 0.74	Plus 1.19	Plus 1.48
SAFETY, HEALTH AND ENVIRONMENT						
AIFR – three-year rolling average (7.36 per million hours worked)	5%	0%	7.71	≥5% performance improvement (6.99)	≥10% performance improvement (6.62)	≥20% performance improvement (5.89)
FIFR – three-year rolling average (0.043 per million hours worked)	5%	0%	0.056	≥5% performance improvement (0.04)	≥10% performance improvement (0.038)	≥20% performance improvement (0.034)
Major hazard management – identify, access and analyse major safety hazards (target for 2016 – 65), define controls and institute critical control regiments	5%	5%	65	90% of major hazards identified, accessed and controlled	95% of major hazards identified, accessed and controlled	100% of major hazards identified, accessed and controlled
High major or extreme environmental incidents as defined in the company incidents classification and reporting management standard	1.25%	0%	1	Target achievement is zero incidents		

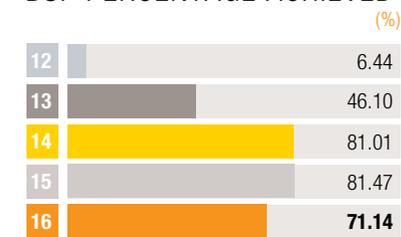


REMUNERATION REPORT (CONTINUED)

BSP company performance measure 2016	Target weighting	Achievement	Actual achievement against measures	Threshold measures	Target measures	Stretch measures
Environment: Three-year rolling average moderate environmental incidents	1.25%	0.5%	18	10% reduction in three-year rolling average moderate environmental incidents	20% reduction in three-year rolling average moderate environmental incidents	30% reduction in three-year rolling average moderate environmental incidents
Environment: site specific bow-tie analysis of generic environmental risks		0.68%	27	20 bow-tie analyses completed	30 bow-tie analyses completed	40 bow-tie analyses completed
Health: site compliance with the global safety standards on occupational environment and health, well-being and fitness for work	2.50%	2%	91%	85% compliance	90% compliance	95% compliance
Community: number of human rights violations	1%	0.5%	2 human rights violations	≤2 human rights violations	≤1 human rights violations	0 human rights violations
Production loss events as a result of community unrest	1%	1%	0%	≤0.5% of annual budgeted production	≤0.3% of annual budgeted production	≤0.15% of annual budgeted production
Total % for company performance	100%	71.14%				

The BSP company performance over the past five years is illustrated below.

BSP PERCENTAGE ACHIEVED



REMUNERATION REPORT (CONTINUED)

VESTING OUTCOMES OF THE 2014 LTIP AWARDS

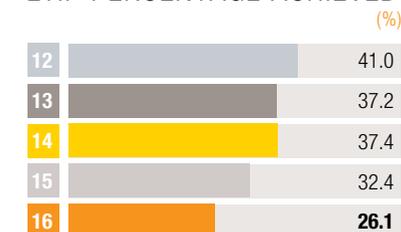
The LTIP reflects ongoing poor TSR performance over the three-year period. The table below summarises AngloGold Ashanti's 2014 LTIP metrics, weightings and performance against metrics. The LTIP awards will vest in 2017.

	2014 LTIP performance measure	Target weighting	Achievement	Threshold measures	Target measures	Stretch measures
Total shareholder return	Three-year relative ranking with the selected comparator group. The comparators are: Barrick, Gold Fields, Harmony, Newmont, Kinross, Goldcorp, Gold ETF (World Gold Council SPDR classification), Randgold, Newcrest and Sibanye	50%	0.0%	Sliding scale: 50% - 60%	Sliding scale: 60% - 80%	Sliding scale: 80% - 100%
Portfolio optimisation	Project delivery Kibali (4%); CC&V (3%); Mponeng (3%)	20%	13.6%	As per the project delivery matrix		
	Asset optimisation As defined by the management action plan			As defined by the management action plan		
Future optionality	Innovation South African technology	20%	5.4%	Measured against budget		
	Mineral Resource			Plus 7Moz	Plus 13Moz	Plus 16.5Moz
	Ore Reserve			Plus 2Moz	Plus 3.5Moz	Plus 5Moz
Core value: people	Strategic coverage ratio	10%	10.0%	1:0.50	1:0.60	1:0.75
	Retention of top talent pool			12% turnover pa	8% turnover pa	5% turnover pa
Sub-total		100%	29.0%			
Safety multiplier						
Core value: safety	Injury severity rate improvement	20%	-2.9%	>10% performance improvement	>15% performance improvement	>20% performance improvement
	Major hazard management			70% programme completion	85% programme completion*	Full programme completion*
Total		100%	26.1%			

* Programme covering all major safety risks identified through the fatal risk protocol.

The LTIP performance over the past five years is illustrated below:

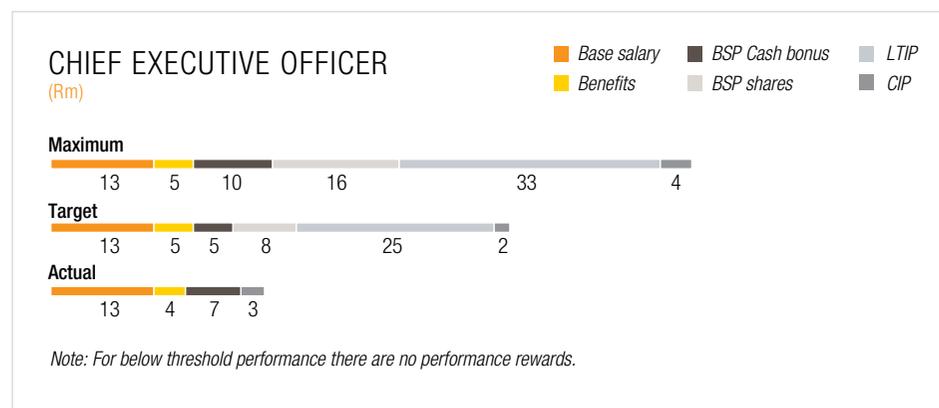
LTIP PERCENTAGE ACHIEVED



REMUNERATION REPORT (CONTINUED)

SRINIVASAN VENKATAKRISHNAN CHIEF EXECUTIVE OFFICER

Start date:	1 July 2000
Notice period:	12 months
Change of control: (as described in the Remuneration Policy section "Change of control and notice periods" on page 158)	12 months



The total actual pay for Venkat in 2016 that could result from the remuneration policy as stated above is shown in relation to target and maximum earning potential. As Venkat did not exercise shares in 2016, his actual pay only shows CIP matching.

PERSONAL PERFORMANCE ACHIEVEMENT

Maximum bonus opportunity: 80% (as % of base pay)	Final bonus result: 57.84% (as % of base pay)
<p>Key achievements in the year</p> <ul style="list-style-type: none"> • Delivery across all five strategic pillars of the group strategy consistently for four years, and in particular during 2016 • Marked improvements in safety and environmental performance in the business as evidenced by a 36% reduction in fatal accidents and reduction in environmental incidents, by 75% to one in 2016, both as compared to 2015 	<ul style="list-style-type: none"> • Strong free cash generation of \$278m for the year thereby reducing net debt further by 13% without recourse to dilution, and creating the flexibility to return to dividend paying status after a three year hiatus; • Strong turnaround in the second half of the year to deliver full year gold production of 3.628Mozs at an all-in sustaining cost of \$986/oz • Brought forward a strong organic pipeline of lower-capital, high-return brownfields projects to enhance margins, extend mine lives and improve production mix • Developed internal succession capability to key roles, improved succession cover ratio and retention of key talent • Met certain other strategic priorities set by the board for 2016

In 2014, the CEO started a bursary scheme in conjunction with University of Witwatersrand, South Africa. It is aimed at supporting the education of deserving historically disadvantaged South African students from our operating areas, with a strong bias in favour of female students. To date, the CEO has contributed R2.25m, which has been matched equally by the company.

So far the bursary has benefited eleven undergraduate students and ten post-graduate students who have completed their honours. Of the eleven undergraduate students, four graduated in 2016 and are currently enrolled for their honours degrees.

REMUNERATION REPORT (CONTINUED)

CEO'S PERFORMANCE BONUS OUTCOME – 2016

2016 performance year bonus outcome	Weighting	Outcome
Financial performance targets		
Production (000oz)	20%	10.95%
All-in sustaining costs (\$m)	20%	13.15%
Adjusted free cash flow (\$m)	20%	20.00%
Project delivery/capital expenditure	8%	7.36%
2016 Ore Reserve pre depletion	10%	10.00%
Safety, health and environment	22%	9.68%
Total % for company performance	100%	71.14%
		x
Organisational performance weighting		70.00%
		=
A – Organisational performance weighted outcome		49.80%
Individual performance results		
Actual individual targets and strategic individual performance weighting:		30.00%
		x
Maximum performance rating bonus correlation:		75.00%
		=
B – Maximum bonus opportunity based on individual performance		22.50%
Total % of maximum bonus pay opportunity (A + B)		72.30%
		x
Maximum bonus opportunity (as % of base pay)		80.00%
		=
Final bonus result (as % of base pay)		57.84%
		x
Base pay during the year		R12,660,000
		=
Annual bonus		R7,322,544



2014 LTIP performance measures	Weighting	Outcome
Total shareholder return	50%	0.00%
Portfolio optimisation	20%	13.60%
Future optionality	20%	5.40%
Core value: People	10%	10.00%
Sub-total	100%	29.00%
Core value: safety multiplier	+20%	-2.90%
A – LTIP performance measures:		26.10%
		x
B – Number of shares allocated in 2014		121,181
2014 number of shares allocated based on 200% of annual basic		x
C – Share price as at 24 February 2017		R153.20
		x
Value of 2017 vesting		R4,845,447

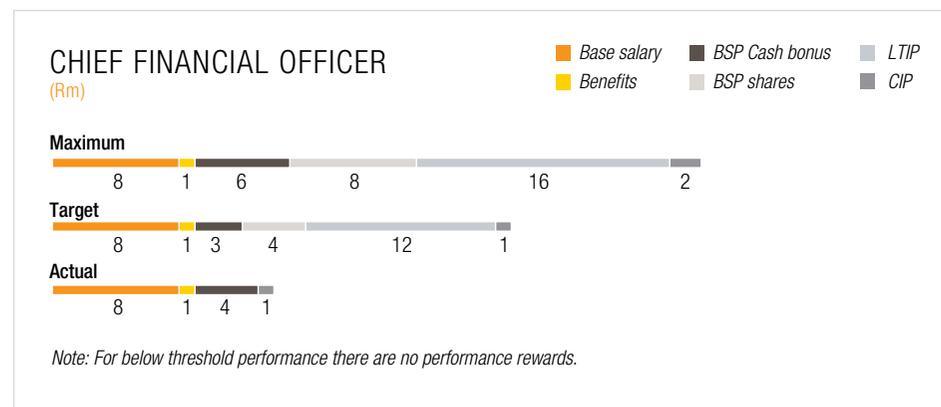
Note: The above value is an estimate and the actual value can only be determined based on the share price as at the date when the award is exercised.

REMUNERATION REPORT (CONTINUED)

CHRISTINE RAMON

CHIEF FINANCIAL OFFICER

Start date:	1 October 2014
Notice period:	6 months
Change of control: (as described in the Remuneration Policy section "Change of control and notice periods" on page 158)	6 months



Total actual pay for Christine in 2016 that could result from the remuneration policy as stated above is shown in relation to target and maximum earning potential. As Christine did not exercise shares in 2016 and as she joined the company in October 2014, pay only shows CIP matching for 2015.

PERSONAL PERFORMANCE ACHIEVEMENT

Maximum bonus opportunity: 70% (as % of base pay)	Final bonus result: 54.38% (as % of base pay)
<p>Key achievements in the year</p> <ul style="list-style-type: none"> • Strong leadership in managing capital investment and operating expenses, leading to cash flows exceeding target in spite of the depreciating rand • Further debt reduction and savings delivered for the 2016 year • Information technology execution with successful SAP results in Geita and Iduapriem 	

REMUNERATION REPORT (CONTINUED)

CFO'S PERFORMANCE BONUS OUTCOME – 2016

2016 performance year bonus outcome	Weighting	Outcome
Financial performance targets		
Production (000oz)	20%	10.95%
All-in sustaining costs (\$m)	20%	13.15%
Adjusted free cash flow (\$m)	20%	20.00%
Project delivery/capital expenditure	8%	7.36%
2016 Ore Reserve pre-depletion	10%	10.00%
Safety, health and environment	22%	9.68%
Total % for company performance	100%	71.14%
		x
Organisational performance weighting		60.00%
		=
A – Organisational performance weighted outcome		42.68 %
Individual performance results		
Actual individual targets and strategic individual performance weighting:		40.00%
		x
Maximum performance rating bonus correlation:		87.50%
		=
B – Maximum bonus opportunity based on individual performance		35.00%
Total % of maximum bonus pay opportunity (A + B)		77.68%
		x
Maximum bonus opportunity (as % of base pay)		70.00%
		=
Final bonus result (as % of base pay)		54.38%
		x
Base pay during the year		8,006,600
		=
Annual bonus		4,353,669

The 2014 LTIP was allocated to Christine Ramon in October 2014 and as such has not yet vested. This will be reflected in the 2017 Integrated Report.



REMUNERATION REPORT (CONTINUED)

NON-EXECUTIVE DIRECTORS' FEES AND ALLOWANCES

The table below summarises directors' fees for the period as well as the comparative totals for 2015 and 2014.

	Director fees	Committee fees	Travel allowance	Total	Total	Total
US dollars	2016				2015	2014
SM Pityana (chairman)	293,500	76,000	8,750	378,250	411,250	430,714
AH Garner	123,500	43,500	32,500	199,500	203,750	–
LW Nkuhlu	163,500	83,500	8,750	255,750	260,250	245,074
MJ Kirkwood	123,500	78,500	47,500	249,500	241,750	262,762
NP Janaury-Bardill	123,500	56,000	10,000	189,500	189,250	187,355
R Gasant	123,500	58,500	11,250	193,250	195,250	187,635
RJ Ruston	123,500	56,000	51,250	230,750	226,250	240,226
MDC Richter	123,500	43,500	32,500	199,500	204,250	–
DL Hodgson	123,500	43,500	8,750	175,750	180,250	125,015
Total	1,321,500	539,000	211,250	2,071,750	2,112,250	1,678,781

NON-BINDING SHAREHOLDER VOTE ON REMUNERATION POLICY AND PRACTICE

The table below sets out the results of the votes on the director's remuneration policy, as well as the vote on the annual report on remuneration at the 2016, 2015 and 2014 annual general meetings.

	Vote for %	Votes against %	Abstained %
Remuneration policy			
4 May 2016	87.17	12.83	0.30
6 May 2015	84.98	15.02	7.15
14 May 2014	84.08	15.92	3.99
Remuneration of non-executive directors			
4 May 2016	91.24	8.76	0.12
6 May 2015	89.21	10.79	0.77
14 May 2014	85.90	14.10	3.10

WAGE GAP AND GINI CO-EFFICIENT

Senior management remuneration continues to be a sensitive topic. Scarce skills and talent retention remain a challenge and this is compounded by the need to remain globally competitive in countries where labour rates are generally cheaper. Balancing these two elements has become challenging, particularly given the global requirement to disclose senior management earnings and Remco's requirement that executive earnings are not out of line with those of their peers.

AngloGold Ashanti tracks the Gini co-efficient from a South African perspective to ensure that the income dispersion between high- and low-income earners is not outside market norms. The analysis is done by PwC as an independent third party. Based on January 2017 analysis, PwC concluded that AngloGold Ashanti had a slightly lower level of income dispersion than that of South African companies in general as well as a lower Gini co-efficient when compared with the South African mining industry, which is a positive outcome.