

STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES

We identify, prioritise and respond to stakeholder issues by reviewing these and taking into account: Executive Committee and board comments, our operating environment, and our business risks and opportunities. We build relationships with all our stakeholders – an integral part of our ability to secure and protect our licence to operate, protect and grow value.

Our stakeholder engagement process involves:

- direct and indirect interaction
- understanding and managing expectations
- sharing our objectives, policies and standard; and our performances that impact stakeholders.

Engagement that is dynamic, honest, transparent and meaningful is a prerequisite to establishing mutually-beneficial relationships with stakeholders. AngloGold Ashanti's stakeholder engagement programme is an inclusive, continuous two-way process between our company and the people or organisations impacted by our business. Establishing and sustaining mutually-beneficial stakeholder relationships are essential to maintaining our social licence to operate.

Our stakeholders are those who are affected, either directly or indirectly, by our business activities and also those who can affect the outcomes of our operations and projects. Our stakeholders include, among others:

Employees, their families and unions	Communities, their representatives, NGOs and other civic and religious organisations	Governments and regulators
Shareholders, investors and financiers	Suppliers, industry peers and joint venture partners	The media

Our stakeholder engagement process continues throughout the life cycle of an operation, from exploration through to closure and encompasses a range of activities and approaches.

AngloGold Ashanti has a wide range of stakeholders. Among the most critical to our business are governments and regulators, employees and communities, both individually and through affiliations such as organised labour, communities within which we operate, community-based organisations (CBOs) and non-governmental organisations (NGOs). We view our stakeholders as important partners and we strive to interact with them directly.

At AngloGold Ashanti, we value close co-operation and engagement with all stakeholders in the mining industry. Engagement takes place either at corporate level, for the entire AngloGold Ashanti group, with stakeholders whose interests require

them to have an overview of the business as a whole, or at an operating level, where each site is responsible for its stakeholders and for understanding the impact the operation has on these stakeholders, and of their potential to influence the business.

In identifying issues of material concern that affected the company during the 2016 reporting year, we were guided by the International Integrated Reporting Council and its related framework, the GRI's G4 guidelines and the Accountability AA1000 Stakeholder Engagement Standard. Our internal review process involved:

- A review of the previous year's material issues
- Identification of emerging issues
- Prioritisation of issues based on, among others, their relevance to the company and their potential impact on our social licence to operate



STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES (CONTINUED)



ENGAGING WITH GOVERNMENTS AND REGULATORS

Mitigating regulatory and political risk

In engaging with governments and regulators, we aim to establish regulatory certainty and create an environment conducive to mining sector investment and development as law-abiding citizens. Our responses in navigating political and regulatory uncertainty are framed by an ethical approach, and applied within accepted regulatory frameworks. Our actions generally fall into one of three types:

- Engaging proactively in policy development, regulatory proposals and conflict resolution, seeking mutually beneficial and sustainable outcomes
- Enhancing our internal systems and activities to meet the requirements of any regulatory obligations or changes
- Disputing and seeking recourse where we believe that we have been treated unfairly and/or outside of accepted regulatory prescriptions

Governments also seek to engage with us to ensure compliance with all laws and regulations and to ensure that the benefits of mining flow through to the state at national, local and community levels. In addition to job

creation, taxes, royalties, and investment, the benefits of mining at a local level include employment, skills development, local procurement, enterprise development and service and infrastructure development.

During 2016, we engaged with government and regulators in:

- South Africa, regarding: amendments to the MPRDA; the Mining Charter; the proposed carbon tax; the proposed mine closure-related regulations; National Health Insurance; and the Gold Working Group on OLD to develop, in conjunction with key stakeholders, a comprehensive solution to silicosis litigation and related statutory compensation. We also engaged on the implementation of occupational exposure levels for diesel particulate matter in a mining environment. Extensive engagement also took place concerning the company's safety performance and safety-related stoppages.
- Colombia, relating to various innovative projects which are likely to shape policy development such as the artisanal and small-scale mining (ASM) co-existence project.
- Ghana, despite the declaration of force majeure when Obuasi was overrun by illegal miners and a request for arbitration, the company continued to engage proactively with stakeholders, including the

relevant government authorities at all levels, regional and municipal authorities, with the aim of peacefully bringing an end to the occupation of the site. We also engaged with industry bodies, the traditional authorities and local communities.

- Tanzania, where we continue to engage proactively and constructively with authorities and ASMs for a co-existence plan while empowering the communities. See the Continental Africa regional review.
- Various countries in the Continental Africa region and in the Americas on facilitating training and capability building outside the business in areas such as human rights, and anti-bribery and anti-corruption measures.



ENGAGING WITH COMMUNITIES

Managing community expectations, upholding human rights and ensuring security (of assets and the community)

Our community engagement aims to establish partnerships for shared value creation, to enable communities to participate in the development process and to eventually claim ownership of initiatives begun by the company. In engaging with communities we are guided by our global Engagement Management

Standard that requires each operation to prepare and implement an engagement strategy that is, among others, forward-looking and that identifies potential areas of concern to stakeholders.

Engagement covers a wide range of issues, often specific to the local context. Community dynamics vary in each of our operating jurisdictions, but common features involve increasing levels of socio-economic inequality, social fragmentation, youth unemployment, the availability of small arms and the rise of petty and organised crime. As a resident in host communities, AngloGold Ashanti is not only exposed to conflict and socio-economic dissatisfaction but often faces challenges in securing our tenements amidst community conflicts.

We have also observed a link between public sector weakness and the marginalisation of communities. Our focus is aimed at circumventing any uncertainty in the relationship between business, government and communities, as well as public sector service delivery failures which may create conflict or a breakdown in trust between the three groups. Increasingly, pressure is placed on mining companies to address the service delivery shortfalls and to contribute more to local development. While the company acknowledges its responsibility to contribute

STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES (CONTINUED)



meaningfully to local development, our proactive engagements strive to ensure that we work with governments as they deliver on their legitimate accountability for key services to communities and society at large. Conflict may arise through the government's slow pace of implementing policy. Such delays often create misalignment between community expectations and service delivery.

In South Africa, community engagement included ad hoc meetings with youth groups. The main areas of concern were unemployment levels and employment opportunities. The youth groups were made aware of the portable skills training and development available for young people in our communities through the enterprise development centres being established by AngloGold Ashanti, in addition to our annual bursaries and internship programmes.

Quarterly briefing sessions were held with small enterprises, communities and non-governmental organisations involved in projects run by AngloGold Ashanti within their communities.

Engagements with local municipalities took place at quarterly committee meetings which addressed rates and water surcharges and included discussion about the company's home ownership scheme. With regard to the surcharges, to avoid further disputes with the

municipality, we are now planning to install prepaid meters in company-owned houses. The home ownership scheme that we are currently working on aims to give employees a chance to own the houses they live in and is expected to be structured in an affordable way as most employees do not qualify for mortgages from the banks. Interactions are underway with municipalities to expand this project by donating underutilised mine property to communities.

In addition, we engaged with communities in:

- Colombia, where growing anti-mining sentiment in Ibagué, near our La Colosa project, resulted in a referendum being called for the local population to vote on whether or not mining projects should continue in the region. The referendum has since been postponed.
- Brazil, where our Good Neighbourhood programme aims to strengthen the company's relationship with communities by nurturing open and transparent dialogue through regular meetings.
- Guinea, there were disputes over the resettlement of the Kintinian village located within the Sigüiri mine concession. With the aim of settling these disputes, AngloGold Ashanti has engaged over a number of months with two Guinean non-governmental organisations (NGOs): MDT and CECIDE, and the Project Affected Persons on the

resettlement process. AngloGold Ashanti has provided comprehensive input on each of the NGO's findings.

AngloGold Ashanti's responses to the enquiries from the two NGOs are available here: www.anglogoldashanti.com/en/sustainability/Pages/Other-Reports.aspx.

The company is satisfied that adequate and fair compensation was paid, in line with our policies and standards. All the necessary infrastructure has been put in place in the new resettlement site for use by the community. The resettlement site includes replacement houses, the design of which was agreed with the community and approved by the Director of Town Planning.

Refer to page 73 in the Continental Africa regional review for more details.



ENGAGING WITH EMPLOYEES AND THEIR UNIONS

Mitigating safety risk by stressing the importance of safety and health to employees, ensuring stable labour relations and security (of people and assets)

Regular employee engagement is aimed at ensuring a work environment in which people are valued and supported and able to give of their best. Employee engagement, which is a two-way interaction, is aimed at promoting

STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES (CONTINUED)

good labour relations, increasing productivity and maintaining a focus on our strategic objectives. We believe it is crucial to the well-being of all employees that engagement is not only professional and respectful, but also in line with the laws and regulations that govern the sector in our various operational jurisdictions. Furthermore, good labour relations encourages a collaborative approach to problem-solving in the workplace.

In line with our values and strategic objectives, a critical focus of employee engagement is safety. Regular, continuous engagement, using a variety of media and forms, emphasises and reinforces the importance of safety in the workplace, and compliance with safety procedures and standards. Employee engagement also covers health and wellness, indebtedness and employee security, and our performance in terms of our strategic objectives, as well as topics specific to each operation.

During 2016, a new subject of employee engagement was employee security. Our Duty of Care programme is intended to preserve life and ensure the safety of employees. During 2016, we designed and implemented an online training programme aimed at raising awareness and equipping individuals to

recognise and avoid potential threats to their safety. The training also forms part of pre-travel communication to ensure employees are aware of risks before leaving their home country.

The South Africa region is facing some tough realities, including a volatile operating environment, margins under pressure, reduced production, high unit costs and our vast operational and infrastructural footprint.

In a move to ensure that our cost base is tailored to suit our lower production levels, we are revising our operating model. This revised model has the ultimate aim of creating a more sustainable and cost-effective business that will preserve jobs in the long term. This is an important objective for all stakeholders in terms of employment, taxes, foreign exchange revenue and returns on investment. Job cuts are always a last resort and we will effect any employee reductions in close consultation with staff and their organised labour representatives, in line with all relevant regulations.

As part of our ongoing engagement efforts, we initiated dialogue with all South African employees on the constraints facing our business. Engagements are being managed in a dedicated forum involving representatives from human resources and organised labour.

This forum, which met several times during the year, will oversee development of the proposed transition framework that will guide management on the revised operating model's impact on employees. In addition, the Chief Operating Officer: South Africa briefed all management employees and engaged with the leadership of organised labour.

At Geita in Tanzania, negotiations for a one-year wage agreement for 2016 were successfully concluded (reported in 2015 report), largely due to the collaborative working relationship between management and the majority union, as well as the capacity-building training workshops attended by both management and union representatives prior to the start of negotiations. Management and the union further renewed their commitment to continue to co-operate through existing forums in resolving and concluding any outstanding collective bargaining items.

At Iduapriem in Ghana, the 2016/2017 wage negotiations were conducted bilaterally between AngloGold Ashanti and the Ghana Mineworkers Union (GMWU) at company level. Iduapriem and the GMWU successfully finalised a review of selected existing collective bargaining items and agreed a two-year collective agreement for 2016 and 2017.

The Chamber of Mines in Ghana has shown a strong desire to pursue a proposed unitary negotiation concept (negotiating wage increases and other collective bargaining items at an industry level) and will continue working with the GMWU and other relevant stakeholders in Ghana for successful implementation.

At Obuasi, in terms of the standing agreement negotiated between the company and the GMWU, there were no wage negotiations with organised labour for 2016 as the mine is on care and maintenance. With the support of the GMWU, the Anyinam Lodge (Obuasi) redundancy and retrenchment exercise was successfully completed in 2016.

At Siguiri in Guinea, despite a confrontational union relations climate and sporadic protest action sanctioned by the union delegation, management invested considerable time and effort in promoting and strengthening relations with organised labour. The 2016 annual wage negotiations were successfully concluded and disputes were resolved amicably.

At Sadiola in Mali, the 2016 annual wage negotiations between management and the union committees for a one-year wage agreement were successfully concluded. A stable and peaceful labour relations climate was maintained during the year.

STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES (CONTINUED)



ENGAGING WITH THE INVESTMENT COMMUNITY

Reporting on progress made in meeting strategic objectives and targets

Regular engagement with the investment community, which includes financiers, shareholders and prospective investors, the providers of capital, is conducted in compliance with legislation in South Africa, the country in which we have our primary listing and where we are registered as an entity, and with the regulations of the various exchanges on which we are listed. This stakeholder grouping is geographically diverse, ever-changing, with varying investment strategies. Regular, reliable, transparent engagement takes place in person and by email, at our interim and annual results presentations, via conference calls, site visits, investor conferences and at one-on-one meetings.

The aim of engagement with the investment community is principally to report on our operational and financial performance; on progress made in delivering on our strategic objectives; on material matters that may impact our performance, such as regulatory and political risk; corporate activity by way of

acquisitions or sales; and labour relations, to name a few.

Such engagement can enhance the valuation and credit rating of our company and our access to cost-efficient capital, and is particularly important during periods when commodity prices are low and investment sentiment is negative towards resources stocks. AngloGold Ashanti has credit ratings from Moody's and S&P, and strives to maintain and improve its credit ratings in order to provide further comfort to credit investors. It is important that the investment community understands what is being done to manage the company in such circumstances. In these engagements, it is also critical for the investment community to get a reinforcement of the company's strategy and how management delivers on it.



ENGAGING WITH SUPPLIERS, INDUSTRY PARTNERS AND JOINT VENTURE PARTNERS

To promote the long-term sustainability of the company and industry

Such engagement is aimed at building mutually beneficial relationships with those entities with whom we collaborate and interact in the course of conducting our business.

Suppliers – important to our economic viability. Engagement with suppliers is vital as we ensure their alignment with our values and in our endeavour to and in support of delivery on our strategy. Our supplier code of conduct encourages suppliers, including contractors, to align their businesses with our internal policies and codes of ethical behaviour, particularly in terms of human rights, labour, the environment, our anti-corruption policies and safety procedures, policies and standards. Our supply chain strategy incorporates the environmental, social and governance (ESG) factors, in terms of which suppliers are assessed on their governance conduct in addition to their socio-economic objectives. In addition, we work closely with suppliers regarding capacity building, promoting local procurement and transformation, especially in South Africa, in support of the national development goals.

Industry partners – we collaborate with our peers in the sector and industry bodies, such as the Chamber of Mines, to engage governments, labour and other key stakeholders on new developments to promote the future of the industry. These industry partners also include the World Gold Council, and the International Council on Mining and Metals (ICMM).

Joint venture partners – we work together to optimise performance and the mine life of those operations on which we have partners. We also investigate potential partnership opportunities for exploration projects or existing operations to spread the country and financial risks, while sharing opportunities and benefits.



ENGAGING WITH THE MEDIA

Complements engagement with many other stakeholders

Transparent media engagement on a range of matters facilitates understanding of AngloGold Ashanti and of our activities and achievements, and promotes accurate reporting and constructive relationships with other stakeholders. Engagement with the media augments and underpins communication, in certain instances, with other stakeholders such as communities, investors and government, and other interested entities.

Constructive media engagement is fundamental to the management of our reputation and thus our social licence to operate as well as our credibility. It can be used to address speculation and misinformation in the public domain.