

SECTION 1: REMUNERATION AND HUMAN RESOURCES COMMITTEE: CHAIRPERSON'S LETTER

ENSURING FAIR, RESPONSIBLE AND TRANSPARENT REMUNERATION

Maria Richter / Chairperson: Remuneration and Human Resources Committee



Dear Shareholders,

I am pleased to present the AngloGold Ashanti remuneration report for the year ended 31 December 2020. We continue to aim for transparent and fulsome disclosure that provides an accurate overview of the Company's remuneration and human resource policy and practices, and how these are aligned with the company's strategic objectives. The Remuneration and Human Resources Committee's aim is to ensure that the remuneration policy plays a key role directing the efforts and behaviours of employees and leaders, to ensure safe and sustainable creation of value for stakeholders over the long term in a manner that is fair, responsible, and transparent.

A number of important considerations have informed our decisions taken this year, including: financial and non-financial performance in both relative and absolute terms; the views and expectations of our stakeholders; differing contributions of our mine sites to the Group's improved financial resilience; continued focus on capital projects and production; ongoing support for host communities; and the impact of the COVID-19 pandemic.

As ever, we have been guided in our decision making by the principles of fair and responsible pay, with particular emphasis on recognising the contribution of all employees within AngloGold Ashanti. I believe our remuneration policy achieved its intended objectives during an especially challenging period.

Performance on safety and employee well-being

The health and safety of our workforce and communities, remains our priority. We saw marked year-on-year improvements in the health of our employees, with the lowest-ever rate of occupational illness. The all injury frequency rate, the broadest measure of workplace safety, ended the year at 2.39 injuries per million hours worked. This is the lowest injury rate on record, and below the 3.2 average rate recorded by members of the International Council on Mining and Metals in 2019. Low injury rates also indicate the robustness of systems and the durability of an organisational culture.

This performance was, however, marred by six workplace fatalities. These losses are devastating for the families of the deceased and the organisation. The previous period of almost two years passed without a single workplace death. The safety and operating teams are particularly focused on preventing these 'low-frequency, high-consequence' events, which are a focal point of a safety strategy review conducted at the end of last year and implemented at

the start of 2021. Notwithstanding the improved injury rates, the committee adjusted the all injury frequency rate safety metric of 2020 DSP incentive pay-out to nil, in light of the workplace fatalities. (See page 172).

The all occupational disease frequency rate continued its long-term improvement, almost halving from 1.36 cases per million hours worked in 2019, to 0.80 in 2020. The health team, led by a public health specialist, developed a suite of new health standards aimed at further reducing long-term exposures that may be harmful to employees and communities. The health team furthermore played an instrumental role in assisting the organisation's response to the pandemic, developing and adapting prevention protocols, and designing standard operating procedures that helped ensure business continuity throughout the year.

Changes to our remuneration policy

We made amendments to the remuneration policy to more closely align management and shareholder interests and strengthen corporate governance. This included increasing the minimum shareholding requirement (MSR) and enhancing the performance management policy by increasing the weighting of the company's performance from 60% for executive management members and 70% for the Chief Executive Officer to 80% for both, with a commensurate reduction in the individual performance rating, in determining the Deferred Share Plan (DSP) pay-out.

Changes made to improve corporate governance included:

- Further amplifying malus and claw-back provisions: Including additional firmer provisions; permitting the committee to exercise discretion by reducing the number of shares to be received on the vesting of an award; and ensuring that value may be clawed back up to two years after vesting of an award
- The recruitment policy has been tightened, with respect to eligibility criteria for awards granted in lieu of forfeiture at the employee's former employer

Our response to the COVID-19 pandemic

As with most of the world, this year was one of the most challenging in the life of this organisation. The COVID-19 outbreak evolved with dizzying speed, from a localised outbreak in Wuhan, China at the end of 2019, to a full-blown pandemic by late March of 2020. By the end of the year, it had claimed over two million lives. Governments around the world took unprecedented steps to curb the outbreak and flatten the infection curve, including imposing

curfews, border closures and lockdowns of entire countries. Supply chains were disrupted, people were stranded far from home and workplaces, and economies were placed under severe stress as the struggle to protect lives was balanced by the need to resume normal activities and safeguard livelihoods.

The committee is extremely proud that AngloGold Ashanti did an exceptional job navigating through the crisis, implementing a comprehensive suite of risk management protocols that prioritised safety while allowing essential activities to continue safely. Striking this delicate balance was no easy task, and on careful reflection we believe it was managed in a manner that was a credit to the business. The company ended 2020 in a strong position, including strengthening the goodwill of many important stakeholders.

Corporate and operating teams worked closely with the authorities in each of our operating jurisdictions to ensure that much-needed support was made available to communities that struggled with the public health and economic hardships caused by the pandemic. Two hospitals were provided for the exclusive use of authorities in South Africa, with the aim of bolstering the medical response of two provincial governments, while donations of sanitisers, personal protective equipment, ventilators, emergency food aid and an array of other essential products and services, were made across our operating jurisdictions.

As a committee, we have been pleased to see the management team reflecting the organisation's culture and values in ensuring that no employee lost wages or benefits at any point, despite mine closures and business interruptions caused by virus outbreaks, precautionary stoppages and lockdowns ordered by the authorities. We did not access governmental support schemes and no colleagues were made redundant due to the impact of COVID-19. Arrangements were also made to provide lifelines and support to suppliers.

Non-executive directors waived an inflationary fee increase for the sixth consecutive year. Significant donations were made by non-executive directors to COVID-19 relief funds, notably South Africa's Solidarity Fund, a public and private partnership that has done excellent work in the country's response to the ravages of the pandemic.

The management team – with the support of the board – understands that this public health crisis has some way to run yet, and that 2021 will see more demands made on the resources of the company to assist our host communities in responding to the crisis. It is against this backdrop that the Interim Chief Executive Officer and numerous executive management members have donated their 2021 inflationary salary increases towards the AngloGold Ashanti Global COVID-19 fund.

In summary, AngloGold Ashanti's management and employees demonstrated – in myriad ways – a clear commitment to the company's values during an immensely challenging period.

Management performance and achievements

- All-injury frequency rate improved 28% to a record 2.39 injuries per million hours worked
- Recycled 73% of the total water requirement for mining and processing operations

- Ore Reserve increased 6.1Moz on a gross basis, increasing reserve life to about 11 years
- Free cash flow rose more than fivefold to \$743m from 2019
- Adjusted net debt reduced to its lowest level in ten years, at \$597m
- Annual guidance met or improved upon for the eighth consecutive year
- Annual dividend increased fivefold
- Commercial production achieved at Obuasi Phase 1; Phase 2 is 90% complete
- Achieved commercial underground production at Tropicana's Boston Shaker - on schedule and within budget
- Provided multi-year guidance and indicative outlook on production, costs and capital, showcasing longer-term potential
- Streamlined the portfolio with the sale of the South Africa and Mali operating assets

The company has been led, from 1 September by Interim Chief Executive Officer (CEO), Christine Ramon, who assumed her role when Kelvin Dushnisky resigned. The committee commends Christine for her leadership, and the executive and senior leadership teams across the organisation who helped deliver on the company's objectives during a challenging period.

While the overall performance in 2020 was solid, there are – as always – areas for improvement, notably in eliminating workplace fatalities and injuries, in further improving environmental stewardship, and – within the bounds of responsible operatorship – ensuring improved efficiency of our operations.

Incentive scheme: Deferred Share Plan pay-outs

The pandemic will have far-reaching and long-term consequences for our economies and societies. In this context, the committee faced difficult decisions regarding the most appropriate way to remunerate AngloGold Ashanti's employees and leadership for outstanding work delivered in a turbulent year. Work routines were disrupted, with sites reduced to essential personnel only and others, who could work remotely for most of the year. Employees balanced their often-increased work responsibilities with challenging home environments, altered by home schooling responsibilities and other challenges created by the pandemic. Throughout this period, the morale of the organisation remained positive, and an already-strong culture of teamwork and joint problem solving reached a new level. The result was a strong financial and operating performance, delivered in a manner which we can all be proud of.

Our 'pay-for-performance' philosophy was once again a key driver in rewarding our employees. The DSP incentive scheme with its financial and non-financial metrics aims to ensure a fair reward outcome, balancing strong fundamental performance with the impact of uncontrollable factors, such as gold price and currency fluctuations. We aim for transparency in disclosing the link between remuneration and value creation (page 153), showing the achievement of performance against the board approved metrics for 2020.

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The committee applied downward discretion in the DSP, reducing the performance achievement of 122.57% to 116.57%. The safety award was eliminated in light of the fatal accidents at the South Africa and Ghana operations. The committee believes that the DSP incentive scheme pay-out is a fair reflection of the underlying corporate performance over the financial year. Important to note is that the DSP replaced all previous incentive schemes and is now the company's sole incentive plan. The last allocations granted under prior schemes have vested during 2020, leaving no further allocations or vestings outstanding.

The committee will continue to ensure target-setting that is congruent with our values and strategic priorities and will endorse pay-outs that are aligned to corporate performance, upholding AngloGold Ashanti's reputation and enhancing shareholder returns.

Competitive remuneration

Compensation at AngloGold Ashanti rewards superior performance and is aligned to our vision of creating value for shareholders, employees, our business and social partners by safely and responsibly exploring and mining our products. This is not only fundamental to our strategy, but also a key imperative during a year in which very strong metal prices – for gold, copper, iron ore and various platinum group metals – created an exceptionally tight market for key mining and associated skills.

It is vitally important to ensure that we can compete effectively in a competitive global mining industry, with increasingly exacting requirements from shareholders, civil society, regulators and our host governments. Clear remuneration guardrails exist, as detailed in the 2020 remuneration policy and structure on page 151 of the <IR>.

Disclosure and transparency

The Remuneration and Human Resources Committee (Remco) has fulfilled the requirements of its terms of reference. While we have focused on ensuring that our reporting is clear and transparent, we continue to look for improvement in this regard.

Notwithstanding the positive results of our non-binding advisory votes for our remuneration policy and implementation reports of 2019, we continued our engagement with a number of shareholders who provided constructive feedback in respect of both our policy and its implementation; no changes were recommended.

The remuneration policy and implementation report for reporting period 2019 were tabled for two separate, non-binding advisory votes at the Annual General Meeting (AGM) held on 10 June 2020, in line with the JSE Listings Requirements and King IV recommendations. The table below furthermore details the results of shareholder voting at the 2019 and 2018 AGMs.

| Votes | For | Against | Withheld |
|---|--------------|---------|----------|
| Remuneration policy | | | |
| 10 June 2020 | 88.04 | 11.96 | 0.35 |
| 9 May 2019 | 98.31 | 1.69 | 0.40 |
| 16 May 2018 | 98.35 | 1.65 | 0.21 |
| Remuneration implementation report | | | |
| 10 June 2020 | 87.52 | 12.48 | 0.35 |
| 9 May 2019 | 58.51 | 41.49 | 0.40 |
| 16 May 2018 | 98.96 | 1.04 | 0.21 |

Leadership changes

The company announced on 30 July 2020 that former CEO Kelvin Dushnisky was to step down effective 1 September 2020. Chief Financial Officer, Christine Ramon was appointed Interim CEO, and Ian Kramer, Senior Vice President: Group Finance was appointed Interim Chief Executive Officer (CFO). These interim appointments were effective from 1 September 2020.

Mr Dushnisky's remuneration was fully in line with Company policy and is reflected in the single total figure reporting on pages 162 to 165, aligned to JSE Listing Requirements, King IV guidelines and shareholder-approved standard conditions of employment. He received no ex-gratia payments.

An allowance aligned to the company's on acting allowances policy formed part of Ms Ramon and Mr Kramer's remuneration to recognise the additional responsibilities associated with these roles, for the period from 1 September 2020 to 31 December 2020.

Ms Maria Sanz Perez, Executive Vice President: General Counsel and Company secretary resigned effective 30 June 2020.

Ms Lizelle Marwick was promoted to the role of Executive Vice President: General Counsel and Acting Company secretary, effective 1 July 2020. Ms Marwick received an allowance in recognition of her acting Company secretary role, effective 1 July 2020 to 10 January 2021. The promotion of Ms Marwick illustrates the success of the strong bench strength and talent management within the company.

Mr Pierre Chenard, Executive Vice President: Strategy and Business Development, retired effective 31 January 2021.

Ms Tirelo Sibisi, Executive Vice President: Group Human Resources, resigned effective 1 April 2021; her last day of employment will be 30 September 2021.

The single total figure reporting on pages 162 to 165 provides the remuneration details aligned to the shareholder approved standard conditions of employment.

Areas of achievement for 2020 and remuneration areas of focus for 2021 are:

| 2020 | 2021 |
|--|---|
| Enhancement of remuneration policy by tightening recruitment eligibility criteria for awards granted in lieu of forfeiture | Further review of the DSP scheme, to ensure global best practice and continued close alignment with shareholders' interests |
| Enhancement of the malus and claw-back provisions | Continued focus on succession planning, talent management and development |
| Increased minimum shareholding requirements for members of the Executive committee | Continued engagement with shareholders |
| Enhanced performance management review process | Focus on the review of the organisational culture and a review and refresh of the company's values |
| Focus on health and well-being of our employees particularly in light of the COVID-19 pandemic | Continued focus on employee health and well-being |
| Continued focus on succession planning and development | Continued focus on equality of gender remuneration |
| Continued implementation of diversity framework | Review and refresh of company policies to ensure that they remain current and relevant |
| Enhancing our relationships with our shareholders | |

Expression of gratitude

In closing, I would like to thank the committee for its support during this challenging year and our shareholders for their constructive engagement and feedback. Thanks also to our management team for their unstinting efforts to create value for our stakeholders during an unprecedented time, and to our employees who worked tirelessly under difficult conditions. Finally, my special gratitude to the employees at the operations in South Africa and Mali, for the enormous contributions made to this company over so many years.

The committee's priorities for 2021 will remain the continued implementation of fair and responsible pay. We will continue to monitor market trends to ensure that the remuneration of all our employees across the Group remains competitive, in the context of improved performance and productivity. We will continue to assess our Remuneration policy, especially our DSP scheme to ensure global best practice and continued close alignment with shareholders' interests.

Sincerely,

Maria Richter
Chairperson: Remuneration and Human Resources Committee

26 March 2021