

The Remuneration Committee sets and monitors executive remuneration for the company. This is achieved through an Executive Remuneration Policy which has as its objectives to:

- attract, reward and retain executives of the highest calibre;
- align the behaviour and performance of executives with the company's strategic goals, in the overall interests of shareholders;
- ensure the appropriate mix of short-, medium- and long-term rewards and incentives, with the latter being closely linked to structured company performance targets and strategic objectives that are in place; and
- ensure that regional management is competitively rewarded within a global remuneration policy, which recognises both local and global market practice.

In particular the Remuneration Committee is responsible for:

- the remuneration packages for executive directors of the company including, but not limited to, basic salary, performance-based short- and long-term incentives, pensions, and other benefits; and
- the design and operation of the company's executive share option and other incentive schemes.

Remuneration Committee

For 2005, members of the Committee comprised the following non-executive directors:

- Russell Edey (Chairman)
- Colin Brayshaw
- Tony Trahar

During the year, four meetings of the Remuneration Committee were held. Attendance by members or their designated alternates was as follows:

	Number of meetings held	Number attended
RP Edey	4	4
CB Brayshaw	4	3
AJ Trahar	4	4

All meetings of the committee are attended by the chief executive officer and executive officer: human resources, except when their own remuneration or benefits are being discussed. The services of Deloitte & Touche are retained to act as independent, expert advisers on executive remuneration.

The following principles are applied in determining executive remuneration:

1. Annual remuneration should be a combination of base pay and short-, medium- and long-term incentives, with salary comprising about 50% of annual remuneration.
2. Salary should be set at the median for the relevant competitive markets.
3. All incentive plans should align performance targets with shareholder interests.

Bonus Share Plan (BSP) and Long-Term Incentive Plan (LTIP)

Shareholders approved the introduction of two new schemes to replace the old share incentive scheme at the annual general meeting held on 29 April 2005. The intention behind both schemes is to provide direct linkage between the interests of shareholders and the efforts of executives or managers.

To the extent that structured company performance targets are achieved, the BSP allows for the payment of an annual bonus, paid in part in cash and part in rights to acquire shares.

The LTIP allows for the granting of rights to acquire shares, based on the achievement of stretched company performance targets over a three-year period.

These targets will be based on the performance of earnings per share (EPS) and relative total shareholder return (TSR), whereby the company will need to outperform its gold company peers consistently. Additionally, strategic business objectives will also need to be met, such as the successful integration of Ashanti into AngloGold.

Executive director remuneration currently comprises the following elements:

1. **Basic salary**, which is subject to annual review by the Remuneration Committee and is set in line with the median of salaries in similar companies in the relevant markets both in South Africa and globally. The individual salaries of executive directors are reviewed annually in light of their own performance, experience, responsibility and company performance.
2. **Annual bonus**, which is determined by the achievement of a set of stretching company and individual performance targets. The company targets include earnings per share, cost control and global production. The weighting of the respective contribution of company and individual targets is 70% company and 30% individual. Failure to achieve safety improvement targets results in the reduction of bonuses for executive directors. Fifty per cent of the bonus is paid in cash and 50% in the awarding of rights to acquire shares. The awards have a three-year vesting period.
3. **LTIP**: Executive directors are granted the right to acquire shares of value equivalent to their annual salaries, subject to the achievement of stretched company performance targets over a three-year period. These targets are based on the performance of EPS and TSR, whereby the company will need to outperform its gold company peers consistently.

Additionally, strategic business objectives will also need to be met. The first tranche of LTIP awards was made to executive directors in 2005.

4. **Pensions**: All executive directors who are South African citizens, are members of the AngloGold Ashanti Pension Fund, a defined benefit fund which guarantees a pension on retirement equivalent to 2% of final salary per year of service. All executive directors who are not South African citizens have other retirement benefit plans, albeit that the company contributes to such plans, to the same extent as provided for their South African citizen peers. Death and disability cover reflects best practice amongst comparable employers in South Africa.
5. **Other benefits**: Executive directors are members of an external medical aid scheme, which covers the director and his immediate family.

REMUNERATION REPORT

Directors' service contracts

Service contracts of executive directors are reviewed annually. The contractual notice period in respect of Bobby Godsell, as chief executive officer, is 12 months, and for the other four executive directors, nine months. The contracts also deal with compensation if an executive director is dismissed or if there is a material change in role, responsibilities or remuneration following a new shareholder assuming control (50% + 1 share) of the company. Compensation in these circumstances is pegged at twice the notice period.

Executive directors' and executive officers' remuneration

All figures in R000 ^{(4) (5)}	Appointed with effect from	Resigned with effect from	Salary	Performance-related payments ⁽¹⁾	Pension scheme contributions	Other benefits ⁽²⁾	Sub total	Pre-tax gains on share options exercised ⁽³⁾	Total
Executive directors' remuneration 2005									
RM Godsell (chief executive officer)			5,951	1,891	867	650	9,359	3,627	12,986
JG Best		31/07/05	1,837	–	270	170	2,277	1,757	4,034
R Carvalho Silva	01/05/05		3,079	939	607	120	4,745	–	4,745
DL Hodgson		30/04/05	1,047	–	154	8	1,209	799	2,008
Dr SE Jonah ⁽⁶⁾		01/08/05	2,744	–	351	596	3,691	–	3,691
NF Nicolau	01/05/05		2,226	939	330	29	3,524	–	3,524
S Venkatakrisnan	01/08/05		1,619	1,055	188	–	2,862	–	2,862
KH Williams			3,258	960	481	2,208	6,907	587	7,494
			21,761	5,784	3,248	3,781	34,574	6,770	41,344
Executive officers' remuneration 2005									
Representing 18 executive officers ^{(5) (7)}			25,311	4,662	3,553	3,561	37,087	1,442	38,529
Total executive directors and executive officers remuneration – 2005			47,072	10,446	6,801	7,342	71,661	8,212	79,873
Executive directors' remuneration 2004									
RM Godsell (chief executive officer)			5,641	2,002	825	162	8,630	–	8,630
JG Best			2,983	1,758	440	169	5,350	–	5,350
DL Hodgson			2,983	958	440	45	4,426	–	4,426
Dr SE Jonah	01/06/04		2,967	918	–	318	4,203	–	4,203
KH Williams			3,089	836	458	104	4,487	7,179	11,666
Total			17,663	6,472	2,163	798	27,096	7,179	34,275
Executive officers' remuneration 2004									
Representing 13 executive officers ⁽⁸⁾			16,131	5,553	2,094	1,377	25,155	2,178	27,333
Total executive directors and executive officers remuneration – 2004			33,794	12,025	4,257	2,175	52,251	9,357	61,608

Rounding may result in computational differences.

⁽¹⁾ In order to more accurately disclose remuneration received/receivable by Executive Directors and Executive Officers, the tables above include the performance-related payments calculated on the year's financial results.

⁽²⁾ Includes health care, leave encashment, personal travel and relocation expenses. In 2005, AngloGold Ashanti altered its policy regarding the number of leave days that may be accrued. As a result, surplus leave days accrued were compulsorily encashed.

⁽³⁾ Excludes pre-tax gains on share options exercised by Messrs Best and Hodgson (18,900 shares and 36,000 shares respectively) post the period in which they held office, and in respect of 4,000 shares exercised by executive officers pre-appointment to office. Mr Godsell purchased AngloGold Ashanti shares in his own name, using the after tax gains from share options exercised.

⁽⁴⁾ Salaries are disclosed only for the period from or to which, office is held.

⁽⁵⁾ Messrs Carvalho Silva, Nicolau and Venkatakrisnan, formerly executive officers of the company, were appointed to the board of directors with effect from dates shown. Remuneration therefore has been split according to category as earned.

⁽⁶⁾ Dr Jonah resigned as an executive director of the company, but remains a non-executive director.

⁽⁷⁾ In 2005, the emoluments, in whole or in part, in respect of 18 executive officers are aggregated. Movements as follows:

- Three executive officers were appointed to the board of directors, two effective on 1 May 2005 and one effective 1 August 2005.
- Five additional executive officers were appointed, all the result of internal promotions, two effective 1 May 2005 and one each effective 1 June 2005, 1 July 2005 and 1 November 2005.
- Two executive officers resigned from the company, one effective 31 August 2005 and the other on 31 December 2005.

Emoluments have only been disclosed from the various effective dates, except for performance related payments to be made in 2006 pertaining to 2005 results which reflects total amount to be paid.

⁽⁸⁾ In 2004, of the 13 executive officers, five were promoted effective 1 May 2004; two were employed effective 1 July 2004; and one was promoted effective 1 December 2004 – emoluments have only been disclosed from the various effective dates, except for performance-related payments made in 2005 pertaining to the 2004 results which reflects the total amount paid.

Non-executive directors' remuneration

The following table details fees and allowances paid to non-executive directors:

All figures stated to the nearest R000	2005				2004 ⁽¹⁾			
	Directors' fees	Committee fees	Travel ⁽²⁾ allowance	Total	Directors' fees	Committee fees	Travel ⁽²⁾ allowance	Total
RP Edey (chairman)	832	200	102	1,134	602	150	75	827
Dr TJ Motlatsi (deputy chairman)	300	160	–	460	250	123	–	373
FB Arisman	102	170	77	349	99	123	52	274
Mrs E le R Bradley	110	190	–	300	107	137	–	244
CB Brayshaw ⁽³⁾	110	150	–	260	107	115	–	222
Dr SE Jonah* (president) (effective 1 August 2005)	46	43	–	89	–	–	–	–
AW Lea (resigned 31 July 2005)	59	23	51	133	101	37	13	151
R Médori (effective 1 August 2005)	44	17	–	61	–	–	–	–
WA Nairn	110	130	–	240	107	123	–	230
NF Oppenheimer (resigned 29 April 2004)	–	–	–	–	33	10	–	43
J Ogilvie Thompson (resigned 29 April 2004)	–	–	–	–	33	10	–	43
SR Thompson (effective 30 April 2004)	102	80	102	284	67	33	26	126
AJ Trahar	110	80	–	190	107	37	–	144
PL Zim (effective 30 April 2004)	110	80	–	190	73	33	–	106
Total – non-executive directors	2,035	1,323	332	3,690	1,686	931	166	2,783
Alternates								
DD Barber	–	–	–	–	–	–	–	–
AH Calver	–	–	–	–	–	–	–	–
PG Whitcutt	–	–	–	–	–	–	–	–
Total – alternate directors	–	–	–	–	–	–	–	–
Grand total	2,035	1,323	332	3,690	1,686	931	166	2,783

* Dr Jonah resigned as an executive director with effect 31 July 2005, but remains a non-executive director.

Rounding may result in computational differences

- ⁽¹⁾ At the annual general meeting of shareholders held on 29 April 2004, shareholders approved an increase in directors' fees with effect from 1 May 2004 as follows:
- Chairman – \$130,000 (to 30 April 2004: R200,000) per annum
 - Deputy chairman – R300,000 (to 30 April 2004: R150,000) per annum
 - South African resident directors – R110,000 (to 30 April 2004: R100,000) per annum
 - Non-resident directors – \$16,000 (to 30 April 2004: R100,000) per annum

⁽²⁾ A payment of a travel allowance of \$4,000 (effective 1 May 2004) or \$2,000 prior to this date, per meeting is made to non-executive directors who travel internationally to attend board meetings. In addition, AngloGold Ashanti is liable for the payment of all travel costs.

⁽³⁾ In addition, Mr Brayshaw was paid a fee of R18,000 (2004: R15,000) by AGRe Insurance Company Limited, a wholly-owned subsidiary, as chairman of its audit committee.

Executive directors do not receive payment of directors' fees or committee fees.

At the annual general meeting to be held on Friday, 5 May 2006, shareholders will be requested to consider an ordinary resolution approving the remuneration payable to the president of the company, including his remuneration as a director, to be fixed at R300,000 per annum. This proposal arises from the office of the president becoming non-executive.

REMUNERATION REPORT

Share incentive schemes

Options and rights to subscribe for ordinary shares in the company granted to, and exercised by, executive directors, executive officers and other managers during the year to 31 December 2005 and subsequent to year-end.

Executive directors, executive officers and other managers

		RM Godsell **	JG Best	R Carvalho Silva	DL Hodgson
Balance as at 1 January 2005 *					
Number		224,300	70,800	38,600	92,600
Average exercise price per share	- R	137.31	180.98	239.96	171.60
Granted during the year					
Number		40,535	-	16,215	-
Average exercise price per share	- R	197.50	-	197.50	-
Exercised during the year					
Number		25,100	37,800	-	33,600
Average exercise price per share	- R	104.00	121.76	-	113.64
Average market price per share at date of exercise	- R	248.50	225.96	-	249.58
Pre-tax gain at date of exercise					
Value	- R	3,626,950	3,938,793	-	4,567,344
Average per share	- R	144.50	104.20	-	135.93
Lapsed during the year					
Number		-	33,000	-	-
Average exercise price per share	- R	-	248.81	-	-
Held at 31 December 2005					
Number		239,735	-	54,815	59,000
Average exercise price per share granted	- R	150.97	-	227.40	204.61
Latest expiry date		4 May 2015		4 May 2015	4 May 2015
Issued subsequent to year-end to 31 January 2006					
Granted					
Number		-	-	-	-
Average exercise price per share	- R	-	-	-	-
Exercised					
Number		-	-	-	10,000
Average exercise price per share	- R	-	-	-	159.10
Average market price per share at date of exercise	- R	-	-	-	334.51
Pre-tax gain at date of exercise					
Value	- R	-	-	-	1,754,123
Average per share	- R	-	-	-	175.41
Lapsed					
Number		-	-	-	-
Average exercise price per share	- R	-	-	-	-
Held at 31 January 2006					
Number		239,735	-	54,815	49,000
Average exercise price per share granted	- R	150.97	-	227.40	213.89

No prior year adjustments

* Movement in balance at 1 January 2005:	Number of shares	Average price per share (R)
From Total other to Total executive officers	88,600	202.18
From Total executive officers to Total directors	79,600	215.43

** R M Godsell purchased AngloGold Ashanti shares in his own name, using the after tax proceeds from the sale of shares acquired on the exercise of options.

Of the 4,397,155 options or rights granted and outstanding at 31 December 2005, 758,150 options at an average exercise price of R124.12 had vested.

SE Jonah	NF Nicolau	S Venkatakrishnan	KH Williams	Total directors	Total executive officers*	Total other*	Total share incentive scheme
50,000 221.00	41,000 192.34	- -	59,000 177.94	576,300 170.39	339,860 189.89	3,900,800 220.92	4,816,960 212.69
- -	15,635 197.50	14,865 197.50	4,230 197.50	91,480 197.50	92,885 197.50	468,050 197.50	652,415 197.50
- -	- -	- -	5,000 104.00	101,500 113.80	17,000 124.00	357,038 130.41	475,538 126.64
- -	- -	- -	221.30	217.78	226.22	264.23	252.95
- -	- -	- -	586,500 117.30	12,719,588 125.32	1,737,671 102.22	47,778,330 133.82	62,235,589 130.87
50,000 221.00	- -	- -	- -	83,000 232.06	13,410 239.70	500,272 235.39	596,682 235.02
- -	56,635 193.77 4 May 2015	14,865 197.50 4 May 2015	58,230 185.71 4 May 2015	483,280 176.82	402,335 192.77 4 May 2015	3,511,540 224.94 4 May 2015	4,397,155 216.71
- -	- -	- -	- -	- -	- -	- -	- -
- -	- -	- -	- -	10,000 159.10	- -	100,100 127.88	110,100 130.72
- -	- -	- -	- -	334.51	-	328.68	329.21
- -	- -	- -	- -	1,754,123 175.41	- -	20,100,243 200.80	21,854,366 198.50
- -	- -	- -	- -	- -	- -	- -	- -
- -	56,635 193.77	14,865 197.50	58,230 185.71	473,280 177.19	402,335 192.77	3,411,440 227.79	4,287,055 218.92