Remuneration report

1. Remuneration Committee

1.1 Role of the Remuneration Committee and terms of reference

The Remuneration Committee (the Committee) is responsible for considering and making recommendations to the Board on:

- the Company's general policy on executive and senior management remuneration;
- the specific remuneration packages for executive directors of the Company, including basic salary, performance-based short and long term incentives, pensions and other benefits; and
- the design and operation of the Company's share incentive schemes.

The full Terms of Reference of the Committee can be found on the Anglo American website (**www.angloamerican.co.uk**) and copies are available on request. The Committee met three times during 2005.

1.2 Membership of the Committee

The Committee comprised the following independent non-executive directors during the year ended 31 December 2005:

- Rob Margetts (chairman);
- David Challen;
- Chris Fay; and
- Fred Phaswana.

The Company's chairman and the chief executive attend the Committee meetings by invitation and assist the Committee in its considerations, except when issues relating to their own compensation are discussed. No directors are involved in deciding their own remuneration. In 2005, the Committee was advised by Russell King and Chris Corrin (Group Human Resources) and the Company's Finance function. It also took external advice from:

Advisers	Services provided to the Committee	Other services provided to the Company
Monks Partnership (a subsidiary of PricewaterhouseCoopers LLP)	Appointed by the Company, with the agreement of the Committee, to provide market remuneration data	
PricewaterhouseCoopers LLP	Appointed by the Company, with the agreement of the Committee, to provide specialist valuation services	Investment advisers, actuaries and auditors for various pension schemes; advisors on internal audit projects and the adoption of International Financial Reporting Standards; taxation and payroll advice
Linklaters	Appointed by the Company, with the agreement of the Committee, to provide legal advice on long term incentives and directors' service contracts	Legal advice on certain corporate matters
Hewitt Bacon and Woodrow LLP	Appointed by the Company, with the agreement of the Committee, to advise on the pension arrangements of executive directors	Investment advisers and actuaries for various pension schemes
Mercer Human Resource Consulting Limited	Engaged by the Committee to review the Committee's processes on an annual basis, in order to provide shareholders with assurance that the remuneration processes the Committee has followed are in line with the stated policy as set out below and that the Committee has operated within its Terms of Reference	Investment advisers and actuaries for various pension schemes
Deloitte & Touche LLP		In their capacity as Group auditors, Deloitte undertakes an audit of sections 10 and 11 of the remuneration report annually. However, no advice is provided to the Committee

Certain overseas operations within the Group are also provided with audit and non-audit related services from PricewaterhouseCoopers' and Mercer's worldwide member firms.

A summary of the letter from Mercer containing the conclusions of their review of the Committee's executive remuneration processes for 2005 can be found on page 42, whilst the full letter can be found on the Company's website.

2. Remuneration policy on executive directors' remuneration

The Company's remuneration policy is formulated to attract and retain high-calibre executives and motivate them to develop and implement the Company's business strategy in order to optimise long term shareholder value creation. It is the intention that this policy should conform to best practice standards and that it will continue to apply for 2006 and subsequent years, subject to ongoing review as appropriate. The policy is framed around the following key principles:

- total rewards will be set at levels that are sufficiently competitive to enable the recruitment and retention of high-calibre executives;
- total incentive-based rewards will be earned through the achievement of demanding performance conditions consistent with shareholder interests;
- incentive plans, performance measures and targets will be structured to operate soundly throughout the business cycle;
- the design of long term incentives will be prudent and will not expose shareholders to unreasonable financial risk;
- in considering the market positioning of reward elements, account will be taken of the performance of the Company and of the individual executive director; and
- reward practice will conform to best practice standards as far as reasonably practicable.

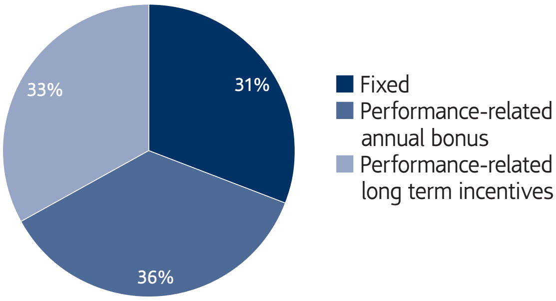
Representatives of the Company's principal investors are consulted on changes to remuneration policy.

3. Elements of executive director remuneration

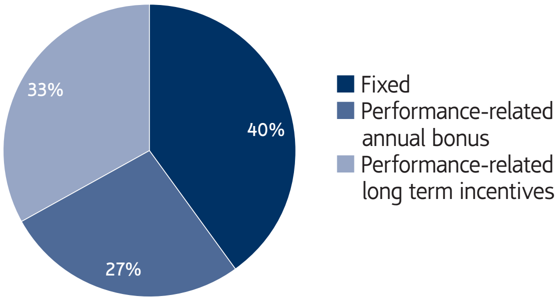
3.1 Remuneration mix

Each executive director's total remuneration consists of salary, annual bonus, long term incentives and benefits. An appropriate balance is maintained between fixed and performance-related remuneration and between elements linked to short term financial performance and those linked to longer term shareholder value creation.

Assuming on-target performance, the Committee's policy is that at least 50% (60% for the chief executive) or more of total executive director remuneration is performance-related. In 2005, 69% of the chief executive's remuneration on an expected-value basis was performance-related; for the other executive directors, on average, the figure was 60%[1] (see illustrative charts below).



CEO – expected values



Average other executive directors – expected values

The Bonus Share Plan (BSP) and the Long Term Incentive Plan (LTIP) are designed to align the longer term interests of shareholders and executives and to underpin the Company's performance culture. The Committee monitors the relevance and appropriateness of the performance measures and targets applicable to both plans.

Following a review of these measures, the Committee has decided to make an adjustment to the LTIP performance condition for awards made from 2005 onwards. The proposed changes are described in detail in the section of this report describing the LTIP on pages 28 and 29.

As in previous years, LTIP awards are divided, so that 50% of the award is based on Return on Capital Employed (ROCE) targets and 50% is based on Total Shareholder Return (TSR) against selected peer groups of companies. The changes to the LTIP apply only to the portion of the award that depends on TSR. The ROCE element of the award has remained unchanged for 2005, although the Committee intends to review the effectiveness of this element of the LTIP next year following a wider review of operational performance metrics across the business.

In summary, the changes are as follows:

- to reflect the Company's diverse shareholder base, which includes both sector and balanced fund investors, one half of the TSR condition will now measure performance against the FTSE 100, with the remaining half measuring performance against a sector group, as now; and
- the definition of above-target performance levels for the sector comparator group will be adjusted to avoid problems arising from the distorting effect of single-commodity companies.

In combination, these changes will better ensure that the TSR measure reflects the Company's status as a diversified resources company, that the measure will operate soundly throughout the business cycle and that the LTIP remains relevant and motivational for participants and rewards the creation of long term shareholder value.

(1) Based on expected value of share-based awards.

3.2 Basic salary

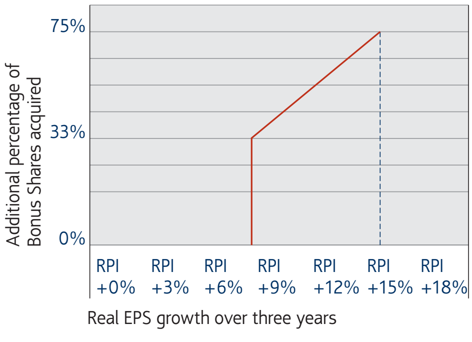
The basic salary of the executive directors is reviewed annually and is targeted at the median of companies of comparable size, market sector, business complexity and international scope. Company performance, individual performance and changes in responsibilities are also taken into consideration in setting salary levels each year.

3.3 Bonus Share Plan

The BSP was first operated in 2004 and all executive directors (except for those within one year of their anticipated retirement date) are normally eligible to participate in it. Barry Davison, however, did receive awards under the BSP and under the LTIP during 2005 because, at the time of the awards, it was anticipated that he would be requested to continue in employment after his contractual retirement date.

The BSP requires executive directors to invest a significant proportion of their remuneration in shares, thereby more closely aligning their interests with those of shareholders, and encourages management at all levels to build up a meaningful personal stake in the Company. Awards under the BSP are made annually and consist of three elements: a performance-related cash element, Bonus Shares as a conditional award to a value equal to the cash element and an additional performance-related element in the form of Enhancement Shares. These bonus awards are not pensionable. The BSP operates as follows:

- the value of the bonus is calculated by reference to achievement against annual performance targets which include measures of corporate (and, where applicable, business unit) performance as well as the achievement of specific individual objectives. For executive directors, the corporate element is based on stretching Earnings Per Share (EPS) targets which are calculated using underlying earnings (reconciled in note 11 of the financial statements). The key individual objectives are designed to support the Company's strategic priorities and in 2005 included safety improvement, strategy implementation, production growth, people management, cost reduction and operational performance;
- the Committee reviews these measures annually to ensure they remain appropriate and sufficiently stretching in the context of the economic and performance expectations for the Company and its operating businesses;
- it has been the Committee's usual policy to base 70% of each annual bonus award on the corporate or business measure and the remaining 30% on key personal performance measures. However, given the importance of recent strategy announcements to the overall objectives of members of the executive team, the Committee has decided that a greater weighting be given to key personal performance measures during 2006. The level of bonuses payable will be reduced if certain overall safety improvement targets are not met. Bonus parameters are set on an individual basis;
- in the case of the directors and top tier of management, half of the bonus is payable in cash. From 2006, the cash element has been adjusted to a maximum of 90% (from 75%) of basic salary in the case of the chief executive and to 75% (from 60%) of basic salary for the other executive directors to sustain a competitive market position with companies of a similar size and complexity. The maximum bonus would only be paid for meeting targets which, in the opinion of the Committee, represent and exceptional performance for the Group and take account of the increased bonus potential. The other half of the bonus is in the form of a conditional award of Bonus Shares equal in value to the cash element. These Bonus Shares vest only if the participant remains in employment with the Group until the end of a three-year holding period or is regarded by the Committee as a 'good leaver'; and
- in order to provide continuing focus on medium term performance, executive directors also receive a conditional award of Enhancement Shares at the same time as the award of Bonus Shares. The maximum potential, at face value, of the Enhancement Shares is 75% of the face value of the Bonus Shares (i.e. in the case of the CEO a maximum of 68% of basic salary). Awards of Enhancement Shares made in 2005 will vest after three years only to the extent that a challenging performance condition (real EPS growth, based on earnings per share growth against growth in the UK Retail Price Index (RPI)) is met, as shown below:



Vesting of Enhancement Shares

Real EPS growth is viewed as the most appropriate performance measure for this element of the plan because it is a fundamental financial performance indicator, both internally and externally, and links directly to the Company's long term objective of improving earnings. The targets have been approved by the Committee after reviewing industry performance over a number of years and have been set at a level which provides stretching performance levels for management. At the end of each performance period, the level of performance achieved and the proportion of awards vesting will be published in the subsequent remuneration report.

As presaged in the 2004 report, during 2005 the participation in the BSP was extended to other senior management globally below the top tier of management (totalling some 1,400 individuals) who were formerly eligible to participate in the Company's Executive Share Option Scheme (ESOS).

3.4 Share option and all employee schemes

No share options were granted to executive directors under the Company's Executive Share Option Scheme (ESOS) in 2005 and there is no intention to make future grants under the ESOS to executive directors. However, the ESOS is being retained (as noted upon the introduction of the BSP in 2004) for use in special circumstances relating to the recruitment or retention of key executives.

Executive directors remain eligible to participate in the Company's Save As You Earn (SAYE) and Share Incentive Plan (SIP) schemes. As these schemes are offered to all UK employees, performance conditions do not apply to them.

3.5 Long Term Incentive Plan

Grant levels

Conditional LTIP awards continue to be made annually to executive directors. The maximum grant level under the LTIP is 200% of basic salary. It is anticipated that in 2006, grants under the LTIP will be made at 200% of basic salary for the chief executive and 175% for the other directors. The Committee is content that the performance conditions that need to be satisfied for these awards to vest in full are sufficiently stretching in the context of the award levels. In determining annual award levels, the Committee also gives consideration to market competitiveness and has set the levels taking account of median expected value of long term incentives relative to other companies of a similar size. These awards are discretionary and considered on a case-by-case basis.

Performance measures

As in previous years, vesting of the LTIP awards made during 2005 is subject to the achievement of stretching performance targets, relating to TSR and to an operating measure, currently return on capital employed (ROCE), over a fixed three year period.

Half of each award is subject to a Group TSR measure while the other half is subject to a Group ROCE measure. These performance measures were selected on the basis that they clearly foster the creation of shareholder value and their appropriateness is kept under review by the Committee. At the end of each performance period, the level of ROCE performance achieved and the level of award earned will be published in the subsequent remuneration report. There is no retesting of performance.

The LTIP closely aligns the interests of shareholders and executive directors by rewarding superior shareholder return and financial performance and by encouraging executives to build up a shareholding in the Company.

Total shareholder return

The Committee considers comparative TSR to be a suitable long term performance measure for the Company's LTIP awards. Executives benefit only if shareholders have enjoyed returns on their investment which are superior to those that could have been obtained in other comparable companies.

For awards made prior to and including 2004, vesting of the TSR part of the LTIP varies according to the Company's TSR over the performance period relative to a weighted basket of international resources companies (the Sector Index). For reasons described under Remuneration Policy above, for awards made from 2005 onwards, the TSR performance condition has been modified.

The portion of each award that is based on TSR will now be measured 50% against the Sector Index and 50% against the constituents of the FTSE 100. As a result of these changes, maximum vesting on the TSR element of an award will only be possible if Anglo American outperforms by a substantial margin both the sector benchmark and the largest UK companies across all sectors. To achieve maximum vesting for the whole LTIP award the Company would in addition have to exceed demanding ROCE targets. This represents an extremely challenging set of performance hurdles.

Sector Index comparison

One half of the TSR element of an LTIP award vests according to the Company's TSR over the performance period, relative to a weighted basket of international natural resource companies (the Sector Index). The Sector Index comprises three categories: the first consists of five international diversified mining companies, the second of four international paper and packaging companies, and the third of four international industrial minerals companies. The Committee may amend the list of comparator companies in the Sector Index, and relative weightings, if circumstances make this necessary (for example, as a result of takeovers or mergers of comparator companies). In calculating TSR it is assumed that all dividends are reinvested.

For awards made in 2005, the companies constituting the Sector Index were as follows:

	Mining	Paper and Packaging	Industrial Minerals
Category weighting	80%	12%	8%
Comparator companies	BHP Billiton plc Falconbridge Limited Rio Tinto plc Vedanta Resources plc Xstrata plc	Sappi Limited SCA Stora Enso Oyj UPM-Kymmene Group	CRH plc Hanson plc Holcim Limited Lafarge

Target performance for the Sector Index is assessed by calculating the median TSR performance within each sub-sector category, and then weighting these medians by the category weightings shown above.

Shares contingent on the Sector Index element of the TSR performance will vest as follows:

The Company's relative TSR compared to the Sector Index	% Proportion of TSR element vesting
Below target	0
Target (matching the weighted median of the Sector Index)	20
Target plus 5% per annum	50
Target plus 7.5% per annum (or above)	75

Shares will vest on a straight-line basis for performance between the levels shown in the table above.

FTSE 100 Comparison
The vesting of the other half of the TSR element of an LTIP award will depend on the Company's TSR performance over the performance period compared with the constituents of the FTSE 100 Index, as follows:

The Company's relative TSR compared to the FTSE 100	% Proportion of TSR element vesting
Below the median TSR of the FTSE 100	0
Equal to the median TSR of the FTSE 100	20
Equal to the 90th percentile TSR of the FTSE 100	50
Above the 90th percentile TSR of the FTSE 100	75

Shares will vest on a straight-line basis for performance between the levels shown in the table above.

The targets above were calibrated so that for the TSR element of the award in its totality there is approximately a 10% chance of achieving full vesting and a 25% chance of two-thirds vesting. These probabilities were assessed by PricewaterhouseCoopers LLP using the same Monte Carlo model used for calculating fair values of the LTIP under IFRS 2 *Share-based payments*. The estimated average fair value of an award under the TSR element is 48% of the value of shares awarded.

Graphs showing the Company's TSR performance against the weighted average of the Sector Index and against the FTSE 100 for the five years from 1 January 2001 to 31 December 2005 can be found on page 32.

Return on capital employed
Group ROCE is the second performance measure for LTIP grants. The Board considers this to be among the most important factors which drive sustainable improvements in shareholder value in a natural resources business, as well as one of the most important measures of differentiation in performance in this sector.

The proportion of shares vesting based on Group ROCE will vary according to the degree of improvement in the Group's average annualised ROCE over the performance period.

The Committee sets minimum targets for improvement in returns on both capital employed for the financial year preceding the start of the performance period (existing capital employed) and on the additional capital employed during the performance period (incremental capital employed). The maximum ROCE targets are based on stretching levels of return on the existing capital employed.

The targets for each element of the LTIP conditionally awarded in 2005 are shown below. These are adjusted for movements in commodity prices, certain foreign exchange rate effects, capital in progress and for relevant changes in the composition of the Group.

	Existing capital employed	Incremental capital employed
Minimum ROCE Target	17.65%	11%
Maximum ROCE Target	19.65%	11%

The ROCE elements of the award vest as shown in the table below:

	Proportion of ROCE element vesting
Below or equal to the Minimum Target	0%
Equal to or greater than the Maximum Target	100%

Shares will vest on a straight-line basis for performance between the Minimum Target and the Maximum Target.

3.6 Vesting of share incentives in the event of change of control or termination of employment
In the event of a change of control of the Company, the following provisions apply under the Company's incentive plans:

- share options granted under the former ESOS may be exercised irrespective of whether the applicable performance conditions have been met;
- the number of shares that vest under the LTIP will be calculated by reference to the extent to which the applicable performance conditions have been met at the time of the change of control;
- Bonus Shares awarded under the Bonus Share Plan will be released, but Enhancement Shares awarded under that plan will vest at the end of the performance period, to the extent that the applicable performance conditions have been satisfied;
- SAYE options may be exercised (to the extent of savings at the date of exercise); and
- participants may direct the SIP trustee as to how to deal with their SIP shares (although Matching Shares may be forfeited in some circumstances).

In the event that a director's employment is terminated, vesting of outstanding share options is dependent upon the reasons the contract is terminated. Performance conditions fall away in the event of redundancy. However, if the executive resigns voluntarily, then all options lapse unless the Committee determines otherwise.

In the case of LTIP interests, if a director resigns voluntarily, then his interests lapse. If he is made redundant, vesting at the end of the performance period is based on the normal performance criteria and then pro rated for the proportion of the performance period for which the director served.

In the case of the Bonus Share Plan, if a director ceases to be employed before the end of the year in respect of which the annual performance targets apply, then no award will be made unless the Committee determines otherwise (taking into account the proportion of the year for which the director was an employee of the Group and of performance to date against the annual performance targets at the date of cessation). If a director resigns before the end of the three-year vesting period, the Bonus Share awards lapse and the Enhancement Shares are forfeited. If a director is made redundant, Bonus Share awards will be transferred as soon as practicable after the date of leaving and the Enhancement Shares will vest at the end of the performance period, to the extent that the performance conditions have been met.

3.7 Employee Share Ownership Trust

The Group established an Employee Share Ownership Trust in 1999 to acquire and hold shares to facilitate the operation of the Company's share schemes. As at 31 December 2005, the trust held 37,700,131 ordinary shares in the Company, registered in the name of Greenwood Nominees Limited. Shares held by the trust are not voted at the Company's general meetings.

3.8 Pensions

Pension and life insurance benefits for executive directors reflect practice in the countries in which they perform their principal duties. Pension arrangements are tailored to take account of historical obligations and, insofar as agreed by the Committee, the personal circumstances of each executive. Details of individual pension arrangements are set out on pages 37 and 38.

The Committee has considered the impact on UK pension arrangements of the new UK pensions regime which will apply from 6 April 2006. The Committee has decided that should an executive director request that his contract be altered for service after 6 April 2006 so that further pension benefits are reduced or cease to accrue, a pension allowance would be paid to him at the same value as his defined contribution benefits forgone. Similarly, the Committee has decided that it will consider requests from executive directors that their contracts be altered for future service, so that supplementary pension contributions are made into their defined contribution pension arrangements, in return for the executive directors giving up their right to part of their future basic salary and/or cash element of the BSP.

3.9 Other benefits

Executive directors are entitled to the provision of either a car allowance or a fully expensed car, medical insurance, death and disability insurance, social club membership (in accordance with local market practice), limited personal taxation / financial advice and reimbursement of reasonable business expenses. Directors based in South Africa are eligible to receive housing loan subsidies at a preferential interest rate in accordance with local market practice. The provision of these benefits is considered to be market-competitive in the appropriate locality for executive director positions.

4. Executive shareholding targets

Within five years of their appointment, executive directors are expected to acquire a holding of shares with a value of two times' basic salary in the case of the chief executive and one times' basic salary in the case of other executive directors.

The Committee takes into consideration achievement against these targets when making grants under the various long term incentive plans. At 31 December 2005, all directors with more than one year's service on the Board had met or exceeded their shareholding targets.

5. External appointments

Executive directors are not permitted to hold external directorships or offices without the approval of the Board; if approved, they may each retain the fees payable from one such appointment. During the year ended 31 December 2005, Barry Davison and René Médori retained fees from one such appointment each, amounting to £16,000 and £26,000 respectively.

6. Policy on non-executive directors' remuneration

Non-executive directors' remuneration is approved by the Board as a whole on the recommendation of the chairman and executive directors.

The Company's policy on non-executive directors' remuneration is based on the following key principles:

- Remuneration should be:
  - sufficient to attract and retain world-class non-executive talent;
  - consistent with recognised best practice standards for non-executive directors' remuneration;
  - in the form of cash fees, but with the flexibility to forgo all or part of such fees to acquire shares in the Company if the non-executive director so wishes (after deduction of applicable income tax and social security contributions); and
  - set by reference to the responsibilities taken on by the non-executives in chairing the Board and its committees.
- Non-executive directors may not participate in the Company's BSP, share option schemes, LTIP or pension arrangements.

The Board reviews non-executive directors' fees periodically to ensure they remain market-competitive. Additional fees are paid to the chairmen of Board committees and to the senior independent director. Where non-executive directors have Executive Board roles within subsidiaries of the Company, then they may also receive additional remuneration on account of these increased responsibilities. With the exception of Bobby Godsell, who is remunerated by AngloGold Ashanti Limited in his capacity as its chief executive, none of the non-executive directors has any such role.

7. Chairman's fees

The chairman's fees are reviewed periodically (on a different cycle from the review of non-executive directors' fees). A recommendation is then made to the Board (in the absence of the chairman) by the Committee and chief executive, who take external advice on market comparators.

8. Directors' service contracts

It is the Company's policy that the period of notice for executive directors will not exceed 12 months.

In order to properly reflect their spread of responsibilities, Tony Trahar and David Hathorn have contracts with Anglo American International (IOM) Limited and with Anglo Operations Limited. The salaries under these contracts are payable in sterling and/or South African rand as appropriate. René Médori is employed by Anglo American International (IOM) Limited and Simon Thompson is employed by Anglo American Services (UK) Limited. The employment contracts of all executive directors are terminable at 12 months' notice by either party.

Executive directors[1]	Notice period	Date of appointment	Next AGM re-election
Tony Trahar (chief executive)	12 months	18 March 1999	April 2008
Barry Davison (retired 30 December 2005)	12 months	15 May 2001	n/a
Tony Lea[2]	12 months	18 March 1999	n/a
René Médori (finance director from 01 September 2005)	12 months	01 June 2005	April 2008
David Hathorn	12 months	20 April 2005	April 2008
Simon Thompson	12 months	20 April 2005	April 2008

(1) At each annual general meeting (AGM) all those directors who have been in office for three years or more since their election or last re-election shall retire from office. Details of those retiring by rotation this year are contained in the notice of AGM. In addition, a director may at any AGM retire from office and stand for re-election.

(2) Tony Lea resigned as finance director with effect from 01 September 2005. In addition, he resigned from the Board with effect from 30 December 2005, although he remains an employee, and has indicated his intention to retire from the Company at the end of March 2006.

The contract of Tony Trahar contains a provision that sets out the compensation payable in lieu of notice if the Company terminates the contract (other than for cause) or if the executive director resigns in circumstances where there has been a material adverse change in role, responsibilities or remuneration. Compensation is based on the value of 12 months' basic salary, target annual bonus for 12 months and the annual value of benefits. The Company may choose whether to continue to provide other benefits during any notice period or to pay an amount equal to the gross value of these benefits over the period. As the policy of liquidated damages is no longer in complete compliance with the latest ABI guidelines and as market practice has now moved away from the inclusion of this provision in service contracts, the contracts of executive directors appointed since 2004 do not include this provision.

The contracts of executive directors do not provide for any enhanced payments in the event of a change of control of the Company.

All non-executive directors have letters of appointment with the Company for an initial period of three years from their date of appointment, subject to reappointment at the annual general meeting. In addition to his letter of appointment with the Company, Bobby Godsell has a service contract with AngloGold Ashanti Limited, an independently managed subsidiary of the Company, in his capacity as its chief executive. Under this contract, his employment may be terminated by either party giving to the other 12 months' notice.

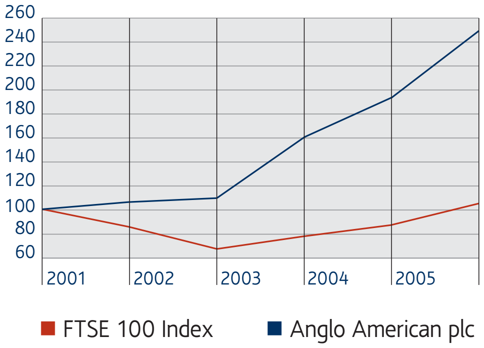
Non-executive directors[1][2]	Date of appointment	Next AGM re-election or election
Sir Mark Moody-Stuart (chairman)	16 July 2002	25 April 2006
Ralph Alexander	20 April 2005	April 2008
David Challen (chairman, Audit Committee)	09 September 2002	25 April 2006
Chris Fay (chairman, S&SD Committee)	19 April 1999	April 2007
Bobby Godsell	18 March 1999	April 2008
Göran Lindahl (resigned 20 April 2005)	27 September 2001	n/a
Rob Margetts (SID and chairman, Remuneration Committee)	18 March 1999	April 2007
Maria Silvia Bastos Marques	09 December 2003	n/a
Nicky Oppenheimer	18 March 1999	April 2007
Fred Phaswana (chairman, Nomination Committee)	12 June 2002	25 April 2006
Sir David Scholey (retired 20 April 2005)	06 December 1999	n/a
Karel Van Miert	19 March 2002	April 2008
Peter Woicke	01 January 2006	25 April 2006

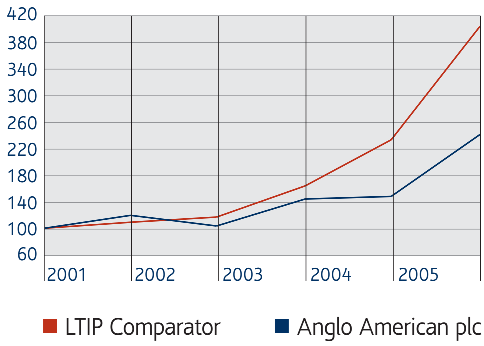
(1) At each annual general meeting (AGM) all those directors who have been in office for three years or more since their election or last re-election shall retire from office. Details of those retiring by rotation this year are contained in the Notice of AGM. In addition, a director may at any AGM retire from office and stand for re-election.

(2) There is no fixed notice period; however, the Company may in accordance with, and subject to, the provisions of the Companies Act 1985, by Ordinary Resolution of which special notice has been given, remove any director from office. The Company's articles of association also permit the directors, under certain circumstances, to remove a director from office.

9. Historical comparative TSR performance graphs

The graphs below represent the comparative TSR performance of the Company from 1 January 2001 to 31 December 2005. In drawing these graphs it has been assumed that all dividends paid have been reinvested.





The first graph shows the Company's performance against the performance of the FTSE 100 Index, chosen as being a broad equity market index consisting of companies of comparable size and complexity to Anglo American. This graph has been produced in accordance with the requirements of Schedule 7A to the Companies Act 1985.

The second graph shows the Company's performance against the weighted comparator group used to measure company performance for the purposes of the vesting of LTIP interests conditionally awarded in 2003. This graph gives an indication of how Anglo American is performing against the targets in place for LTIP interests already granted, although the specifics of the comparator companies for each year's interests may vary to reflect changes such as mergers and acquisitions amongst the Company's competitors or changes to the Company's business mix.

The TSR level shown at 31 December each year is calculated in accordance with the LTIP rules. In particular, TSR is calculated in US dollars, and the TSR level shown at 31 December each year is the average of the closing daily TSR levels for the six-month period up to and including that date.

10. Remuneration outcomes during 2005

The information set out in this section and section 11 has been subject to audit.

10.1 Directors' emoluments

The following tables set out an analysis of the pre-tax remuneration during the years ended 31 December 2005 and 2004, including bonuses but excluding pensions, for individual directors who held office in the Company during the year ended 31 December 2005.

Executive directors

	Basic salary(3)		Basic salary sacrificed into International Approved Pension Scheme(3)		Annual performance bonus(4)(5)		Benefits in kind(6)		Payments on retirement(7)		Total	
Executive directors(1)(2)	2005 £000	2004 £000	2005 £000	2004 £000	2005 £000	2004 £000	2005 £000	2004 £000	2005 £000	2004 £000	2005 £000	2004 £000
Tony Trahar	855	801	95	89	627	601	54	53	–	–	1,631	1,544
Barry Davison	450	423	50	47	258	195	30	27	1	–	789	692
David Hathorn (8)	335	–	–	–	216	–	17	–	–	–	568	–
Tony Lea	540	510	–	–	216	214	24	23	–	–	780	747
René Médori (9)	303	–	–	–	164	–	13	–	–	–	480	–
Simon Thompson (8)	335	–	–	–	213	–	17	–	–	–	565	–

(1) Subsequent to his retirement from the Board in 2004, Bill Nairn has provided consultancy services to Anglo American. He received £130,000 for the provision of these services during the year.

(2) Subsequent to their retirement from the Board in 2001, Leslie Boyd and Mike King continue to hold non-executive directorships with certain listed subsidiaries of the Group. They received fees of £26,000 (2004: £29,000) and £17,000 (2004: £21,000) respectively, for the provision of these services during the year.

(3) As Tony Trahar and Barry Davison have no provision for past service in respect of their sterling-denominated pension fund, their employing company has contractually agreed that supplementary pension contributions should be made to the Anglo American plc International Approved Pension Scheme in return for these executives having given up their right to part of their future basic salary.

(4) The performance bonus represents the cash element of the BSP. The share interests under this plan are disclosed in section 10.2.

(5) The employing companies have contractually agreed with Tony Trahar, René Médori and Simon Thompson that supplementary pension contributions should be made into their pension arrangements in 2006 in return for these executives having given up their right to all or part of the cash element in the BSP for performance in 2005.

(6) Each director receives a car allowance or a fully expensed car and a limited amount of personal taxation / financial advice. All directors receive death and disability insurance and also receive medical insurance. Tony Trahar, Tony Lea and Simon Thompson receive club membership; in addition, Tony Trahar receives a South African housing loan subsidy.

(7) Upon retirement as at 30 December 2005, Barry Davison received an award of £1,000 to mark his completion of service.

(8) Since appointment on 20 April 2005. The basic salary equates to an annualised figure of £480,000.

(9) Since appointment on 01 June 2005. The basic salary equates to an annualised figure of £520,000.

Non-executive directors

The fees and other emoluments paid to non-executive directors during the year ended 31 December 2005 amounted to £1,683,000 (2004: £1,602,000).

	Fees		Other emoluments		Total	
Non-executive directors[1]	2005 £000	2004 £000	2005 £000	2004 £000	2005 £000	2004 £000
Sir Mark Moody-Stuart	360	330	–	–	360	330
Ralph Alexander (appointed 20 April 2005)	39	–	–	–	39	–
David Challen	67	67	–	–	67	67
Chris Fay	67	67	–	–	67	67
Bobby Godsell[2][3]	58	58	747	653	805	711
Göran Lindahl (resigned 20 April 2005)	17	55	–	–	17	55
Rob Margetts	77	77	–	–	77	77
Maria Silvia Bastos Marques	55	55	–	–	55	55
Nicky Oppenheimer[2]	58	61	–	–	58	61
Fred Phaswana[2]	66	69	–	–	66	69
Sir David Scholey (retired 20 April 2005)	17	55	–	–	17	55
Karel Van Miert	55	55	–	–	55	55

(1) Each non-executive director, with the exception of Sir Mark Moody-Stuart, is paid a fee of £55,000 per annum, and those non-executive directors who act as chairmen of the Audit Committee, S&SD Committee and Remuneration Committee are paid an additional sum of £12,000 per annum. The chairman of the Nomination Committee is paid an additional sum of £6,000 per annum. Rob Margetts received additional fees of £10,000 in his capacity as Senior Independent Director.

(2) Bobby Godsell, Nicky Oppenheimer and Fred Phaswana received fees for their services as non-executive directors of Anglo American South Africa Limited amounting to £3,000, £3,000 and £5,000 respectively, which are included in the above table.

(3) Under Bobby Godsell's service contract with AngloGold Ashanti, his basic salary was equivalent to £500,000 per annum (2004: £467,000) and he was awarded a performance bonus equivalent to £173,000 (2004: £170,000). Bobby Godsell is also entitled to the provision of car allowance, medical insurance and death and disability insurance. The total value of these benefits was equivalent to £16,000 (2004: £16,000). At the beginning of 2005, AngloGold Ashanti altered their policy regarding accrued leave days. As a result of this, Bobby Godsell encashed 33 days' leave at 31 December 2005, for which he received payment equivalent to £58,000.

10.2 Bonus Share Plan

10.2.1 Anglo American plc

Bonus Share Plan interests[1]	Total interest at 1 January 2005 (or if later, date of appointment)	Number of Bonus Shares conditionally awarded during 2005[2]	Number of Enhancement Shares conditionally awarded during 2005[3]	Total interest at 31 December 2005	Market price at date of 2005 award	Date of vesting of 2005 award of Bonus Shares[2]	End date of performance period for Enhancement Shares awarded in 2005[3]
Tony Trahar	86,748	46,354	34,765	167,867	£12.96	1/1/2008	31/12/2007
Barry Davison	22,234	15,013	11,259	48,506	£12.96	1/1/2008	31/12/2007
David Hathorn	39,957	–	–	39,957	£12.96	1/1/2008	31/12/2007
Tony Lea	29,600	16,527	12,395	58,522	£12.96	1/1/2008	31/12/2007
Simon Thompson	52,525	–	–	52,525	£12.96	1/1/2008	31/12/2007

(1) The BSP was approved by shareholders in 2004, as a replacement for the ESOS and the Deferred Bonus Plan. No BSP interests vested during 2005.

(2) The value of the bonus under the BSP is calculated by reference to measures of both corporate performance (based on stretching EPS targets) as well as the achievement of specific individual objectives. Details of the performance conditions applying to bonuses in 2005 are described in further detail on page 27. In 2005, the EPS bonus targets were met in full. Half of the bonus is paid in cash (which would not normally exceed 90% of basic salary for the chief executive and 75% of basic salary for the other directors) and the other half takes the form of a conditional award of Bonus Shares equal in value to the cash element. The Bonus Shares vest if the director remains in employment with the Group until the end of a three year holding period.

(3) A conditional award of Enhancement Shares was made at the same time as the award of Bonus Shares (to a maximum of 75% of the face value of the Bonus Shares). Enhancement Shares awarded in 2005 will only vest to the extent that a challenging performance condition based on EPS growth against growth in the UK Retail Price Index is met. Further details of this performance condition are provided on page 27.

10.2.2 AngloGold Ashanti

Bonus Share Plan interests[1]	Total interest at 1 January 2005	Number of Shares conditionally awarded during 2005[2]	Total interest at 31 December 2005	Market price at date of 2005 award rand	Date of vesting of 2005 award of Shares[2]
Bobby Godsell	–	10,135	10,135	197.50	4/5/2008

(1) The AngloGold Ashanti BSP was approved by shareholders in 2005, and replaces the previously granted performance related options. No BSP interests vested during 2005.

(2) The value of the bonus under the AngloGold Ashanti BSP is calculated as a percentage of annual salary up to a maximum of 120%, of which 50% was paid in cash and 50% by the granting of options. The market price of the shares at the date of award of Bonus Share options in 2005 was ZAR197.50, being the closing price of an AngloGold Ashanti share on the JSE on the day prior to the date of grant.

10.3 Long Term Incentive Plan

10.3.1 Anglo American plc

Conditional awards of shares made to executive directors under the LTIP are shown below:

LTIP interests[(1)(2)]	Total beneficial interest in LTIP at 1 January 2005 (or if later, date of appointment)	Number of shares conditionally awarded during the year	Number of shares vested during the year	Number of shares lapsed during the year	Total beneficial interest in LTIP at 31 December 2005	Latest performance period end date
Tony Trahar	295,286	121,212	(61,072)	(19,285)	336,141	31/12/2007
Barry Davison	129,820	20,734	(22,500)	(13,214)	114,840	31/12/2007
David Hathorn	136,641	–	(19,800)	(2,700)	114,141	31/12/2007
Tony Lea	142,164	55,981	(30,196)	(9,536)	158,413	31/12/2007
René Médori[(3)]	–	61,993	–	–	61,993	31/12/2007
Simon Thompson	154,452	–	(19,800)	(2,700)	131,952	31/12/2007

(1) The LTIP awards made in 2005 are conditional on two performance conditions as outlined on page 28: the first based on the Company's TSR relative to a weighted group of international natural-resource companies and to the constituents of the FTSE 100, and the second based on an underlying operating measure which focuses on raising the Company's ROCE in the medium term. Further details on the structure of the LTIP, the required level of performance for the 2005 award and how performance against targets is measured can be found on pages 28 and 29. The market price of the shares at the date of award was £12.54.

(2) The performance period applicable to each award is three years. The performance period relating to the 2002 LTIP awards (which were granted on 22 April 2002) ended on 31 December 2004. Vesting was subject to two performance conditions: the first based on the Company's TSR relative to a weighted group of international natural resource companies and the second based on an underlying operating measure which focused on improvements in the Company's ROCE in the medium term. Part of each award was based on the TSR measure and part on the operating measure.

Shares vested	Number of shares vested	Date of conditional award	Market price at date of award	Market price at date of vesting	Money value at date of vesting
Tony Trahar	61,072	22/04/2002	£11.20	£12.88	£786,607
Barry Davison	22,500	22/04/2002	£11.20	£12.88	£289,800
David Hathorn	19,800	22/04/2002	£11.20	£12.88	£255,024
Tony Lea	30,196	22/04/2002	£11.20	£12.88	£388,924
Simon Thompson	19,800	22/04/2002	£11.20	£12.88	£255,024

In the case of the LTIP awards granted in 2002, for all executive directors except for Barry Davison, the determinants for vesting were 50% on relative TSR and 50% on meeting specified Group ROCE targets. In the case of Barry Davison, to reflect his responsibility for Anglo Platinum in 2002, the targets were 50% relative TSR, 30% Group ROCE targets and 20% on Anglo Platinum specific ROCE targets. The ROCE targets are a function of targeted improvement in returns on existing capital employed at the start of the performance period and targeted returns in excess of the cost of capital on new capital investment over that period. The entry level target for any LTIP has been the actual return achieved on the capital employed, excluding capital work in progress, in the year immediately preceding the commencement of the performance period. In order to maintain the effectiveness of the plan in driving long term performance, the actual returns in the final performance year are adjusted for movements in commodity prices, certain foreign exchange rate effects (e.g. translation windfalls), capital in progress (to reflect the fact that mines under construction absorb large amounts of capital before producing a return), for relevant changes in the composition of the Group (e.g. significant acquisitions and disposals) and other one-off factors which would otherwise result in a misleading outcome.

The Committee has amended the basis of the vesting calculation for the part of the award contingent upon TSR for the 2002, 2003 and 2004 LTIP awards in order to produce a more robust measure of performance. Target performance (required to achieve 50% vesting) is now calculated by measuring median TSR performance within each sector sub-group rather than average TSR performance as was previously the case. This removes the distorting effect that extremely low or high performing companies can have on the average within small sector sub-groups, and thus results in a TSR 'ranking'. Target performance will still be defined as the weighted average of the TSR so calculated for each sector sub-group.

The threshold blended target (i.e. the target on existing and new capital) for the period was 16% and the upper blended target 18%. The ROCE achieved was 21% and the outcome on this element of the LTIP was thus 100%. On the TSR measure, Anglo American achieved a TSR over the three year performance period of 82% which generated a 52% vesting in terms of the 2002 Comparator Group. The overall vesting level for those directors with a 50% Group ROCE, 50% TSR split was therefore 76%. In the case of Barry Davison, the ROCE element attributable to Anglo Platinum's ROCE (20% of the total 2002 LTIP) achieved 35%. The overall outcome in his case therefore was 63%.

(3) In addition to the LTIP award disclosed above, René Médori was granted 50,600 forfeitable shares, of which 30,360 will be released to him on 1 May 2006 and 20,240 on 1 May 2007. These awards are conditional on his continued employment in the Group and are in partial compensation for long term incentives forgone at his previous employer. The market price of the shares at the date of this award was £13.34.

Interests	Beneficial interest in forfeitable shares at date of appointment	Number of forfeitable shares awarded upon appointment	Number of forfeitable shares vested during the year	Number of forfeitable shares lapsed during the year	Total beneficial interest in forfeitable shares at 31 December 2005	Latest performance period end date
René Médori	–	50,600	–	–	50,600	30/04/2007

(4) During the year, 24,089 shares vested to Bill Nairn under the 2002 LTIP with a money value at date of vesting of £310,266. The market price at dates of award and vesting are as disclosed in footnote 2 above. In addition, 48,033 shares lapsed owing to his retirement on 31 December 2004.

10.3.2 AngloGold Ashanti Limited

Conditional awards of shares made to executive directors under the AngloGold Ashanti LTIP are shown below:

LTIP interests[(1)(2)]	Total beneficial interest in LTIP at 1 January 2005	Number of shares conditionally awarded during the year[(3)]	Number of shares vested during the year	Number of shares lapsed during the year	Total beneficial interest in LTIP at 31 December 2005	Latest performance period end date
Bobby Godsell	–	30,400	–	–	30,400	4/5/2008

(1) The AngloGold Ashanti LTIP was approved by shareholders in 2005, and replaces the previously granted performance related options. No LTIP interests vested during 2005.

(2) The LTIP awards made in 2005 are conditional on the extent to which the following performance conditions are met:
- 40% of the awards will vest if AngloGold Ashanti's TSR is superior to the TSR achieved by a group of five gold-producing companies; Barrick, Newmont, Placer Dome, Gold Fields and Harmony. AngloGold Ashanti's TSR must be greater than the TSR of the median performer from this group for any vesting to occur and be equal to or better than the second-placed company for full vesting to occur.
- 40% of awards will vest dependent on real growth (above US inflation) in AngloGold Ashanti's EPS of 6% per year over the performance period; and
- 20% of awards will vest dependent on the successful integration of Ashanti as measured by targeted production of 4.01 million ounces over the three-year period, cost reductions of at least $15 per ounce at Obuasi and an improvement of at least 5% in EPS in respect of the Ashanti assets over the period.

(3) The market price of an AngloGold Ashanti share at date of award was ZAR197.50, being the closing price on the JSE on the day prior to the date of grant.

10.4 Directors' share options

10.4.1 Anglo American plc

No executive share options have been granted to directors since 2003.

Roll-over options[(1)(2)]	Beneficial holding at 1 January 2005 (or if later, date of appointment)	Granted	Exercised	Lapsed	Beneficial holding at 31 December 2005	Weighted average option price rand	Earliest date from which exercisable	Latest expiry date
Tony Trahar	5,000	–	–	–	5,000	51.25	1/3/2001	16/2/2008
David Hathorn	21,900	–	(21,900)	–	–	–	–	–

Anglo American options[(2)(3)]	Beneficial holding at 1 January 2005 (or if later, date of appointment)	Granted[(4)]	Exercised	Lapsed	Beneficial holding at 31 December 2005[(5)]	Weighted average option price £	Earliest date from which exercisable	Latest expiry date
Tony Trahar	603,512	1,761	(369,720)	–	235,553	9.22	5/3/2006	4/3/2013
Barry Davison	239,000	–	(149,000)	–	90,000	9.28	5/3/2006	4/3/2013
David Hathorn	136,000	–	(76,000)	–	60,000	9.28	5/3/2006	4/3/2013
Tony Lea[(6)]	210,780	–	(112,780)	–	98,000	9.28	5/3/2006	4/3/2013
Simon Thompson	146,300	–	(86,300)	–	60,000	9.28	5/3/2006	4/3/2013

(1) Certain of the executive directors were granted share options prior to 1 January 1999 under a previous share option scheme operated by Anglo American Corporation of South Africa Limited which were 'rolled over' into Anglo American options.

(2) Share options in respect of shares, the market price for which as at 31 December 2005 is equal to, or exceeds, the option exercise price. As at 31 December 2005, there were no share options with an exercise price above the market price.

(3) Options were granted having UK Inland Revenue approval (Approved Options) and without such approval (Unapproved Options). The exercise of these historical options is subject to the Company's EPS (calculated in accordance with IAS 33: *earnings per share*, based on the Company's headline earnings measure) increasing by at least 6% above the UK Retail Price Index over a three-year period. If the performance condition is not met at the end of the first three-year period, then performance is retested each year over the 10 year life of the option on a rolling three-year basis. Options are normally exercisable, subject to satisfaction of the performance condition, between 3 and 10 years from the date of grant.

(4) 1,761 options granted under the SAYE scheme.

(5) Beneficial holdings include SAYE options held by Tony Trahar, of 3,792 and 1,761 options, with option prices of £4.85 and £10.15 respectively. There are no performance conditions attached to these options.

(6) Included within Tony Lea's exercises are 3,480 SAYE options exercised during the year.

Details of the share options exercised by the executive directors in 2005 are as follows:

Roll-over options	Number exercised	Option price rand	Market price at date of exercise rand	Gain rand
David Hathorn	21,900	45.25	196.26	3,307,119

Anglo American options	Number exercised	Option price £	Market price at date of exercise £	Gain £
Tony Trahar	50,292	7.66	13.20	278,618
	46,816	7.66	18.83	522,935
	4,300	6.98	18.83	50,955
	47,312	6.98	13.20	294,281
	106,000	10.03	18.83	932,800
	115,000	11.50	18.93	854,450
Barry Davison	4,300	6.98	13.18	26,660
	27,700	6.98	13.18	171,740
	32,000	7.66	13.18	176,640
	40,000	10.03	18.14	324,400
	45,000	11.50	18.14	298,800
David Hathorn	40,000	10.03	19.58	382,000
	36,000	11.50	19.58	290,880
Tony Lea	4,300	6.98	13.21	26,789
	56,000	10.03	13.21	178,080
	49,000	11.50	16.67	253,330
Simon Thompson	4,300	6.98	16.50	40,936
	18,000	7.66	16.50	159,120
	32,000	10.03	16.50	207,040
	32,000	11.50	16.50	160,000

The highest and lowest mid-market prices of the Company's shares during the period 1 January 2005 to 31 December 2005 were £19.79 and £11.30 respectively. The mid-market price of the Company's shares at 31 December 2005 was £19.79.

10.4.2 AngloGold Ashanti Limited

Bobby Godsell has share options in AngloGold Ashanti; details of these share options are as follows:

AngloGold Ashanti options[1]	Options held at 1 January 2005[2]	Granted	Exercised	Lapsed	Holding at 31 December 2005	Weighted average option price rand	Earliest date from which exercisable	Latest expiry date
Bobby Godsell	224,300	–	(25,100)	–	199,200	104.90	27/9/1996	4/5/2015

(1) The 2002, 2003 and 2004 options are subject to performance conditions, requiring at least a 7.5% real increase in EPS for 2002 options and 6% for 2003 and 2004 options, year-on-year for three consecutive years. The previous existing options vest over a five-year period from the date of grant with no attached performance criteria.

(2) Share options in respect of shares whose market price as at 31 December 2005 is equal to, or exceeds, the option exercise price.

Details of the share options exercised by Bobby Godsell in 2005 are as follows:

AngloGold Ashanti options	Number exercised	Option price rand	Market price at date of exercise rand	Gain rand
Bobby Godsell	25,100	104.00	248.50	3,626,950

The highest and lowest mid-market prices of AngloGold Ashanti's shares during the period 1 January 2005 to 31 December 2005 were ZAR319.90 and ZAR187.00 per share respectively. The mid-market price of an AngloGold Ashanti share at 31 December 2005 was ZAR314.00.

The information provided above is a summary. However, full details of directors' shareholdings and options are contained in the Registers of Directors' Interests of the Company and of AngloGold Ashanti, which are open to inspection.

10.5 Deferred Bonus Plan and Share Incentive Plan

In 2003 and earlier years, under the Deferred Bonus Plan (DBP) executive directors were required to defer 50% of their annual bonus and could, at the discretion of the Committee on a year-by-year basis, defer all of their bonus (net of tax) to acquire shares in the Company. If these shares are held for three years, they will be matched by the Company on a one-for-one basis, conditional upon the executive director's continued employment. No further awards have been made to directors under the DBP since 2003. (See section 12.)

The directors hold interests in deferred bonus matching shares as follows:

Deferred bonus share matching interests	Total interest at 1 January 2005 (or if later, date of appointment)	Number of Shares vested during the year[1]	Number of shares lapsed during the year	Total interest at 31 December 2005	Latest vesting period end date
Tony Trahar	56,984	(24,765)	–	**32,219**	31/12/2005
Barry Davison	8,279	(3,012)	–	**5,267**	31/12/2005
David Hathorn	7,802	–	–	**7,802**	31/12/2005
Tony Lea	22,393	(9,590)	–	**12,803**	31/12/2005
Simon Thompson	8,498	–	–	**8,498**	31/12/2005

[1] During the year 10,435 shares vested to Bill Nairn under both the 2002 and 2003 DBP awards as follows:

Number of shares vested	Number of shares vested	Date of conditional award	Market price at date of award	Market price at date of vesting	Money value at date of vesting
Bill Nairn (2002)	1,715	12/4/2002	£11.50	£12.12	£20,786
	1,767	12/4/2002	ZAR187.60	ZAR133.68	ZAR236,213
Bill Nairn (2003)	3,829	28/3/2003	£9.28	£12.12	£46,407
	3,124	28/3/2003	ZAR117.95	ZAR133.68	ZAR417,616

Details of the deferred bonus matching shares vested in 2005 are as follows:

Number of shares vested	Number of shares vested	Date of conditional award	Market price at date of award	Market price at date of vesting	Money value at date of vesting
Tony Trahar	17,388	12/4/2002	£11.50	£12.12	£210,743
	7,377	12/4/2002	ZAR187.60	ZAR133.68	ZAR986,157
Barry Davison	1,350	12/4/2002	£11.50	£12.12	£16,362
	1,662	12/4/2002	ZAR187.60	ZAR133.68	ZAR222,176
Tony Lea	9,590	12/4/2002	£11.50	£12.12	£116,231

Tony Trahar and Tony Lea each purchased 107 shares under the Share Incentive Plan (SIP) scheme during the year in addition to the 328 shares held by each of them at the beginning of the year. Simon Thompson purchased 68 shares under the SIP scheme after his date of appointment, in addition to the 172 shares held by him at 20 April 2005. If these shares are held for three years, they will be matched by the Company on a one-for-one basis, conditional upon the director's continued employment. Participants in the SIP scheme are entitled to receive dividends on these matching shares.

10.6 Pensions

10.6.1 Directors' pension arrangements

Tony Trahar participates in the Anglo American plc International Approved Pension Scheme (the Scheme), which is a defined contribution pension scheme, in terms of his contract with Anglo American International (IOM) Limited for services to be rendered outside South Africa. In 2005, normal contributions were made on his behalf into such scheme at the rate of 35% of the basic salary payable under this contract. He also participates in the Anglo American Corporation Pension Fund (the Fund) in respect of his South African contract, whereby he accrues an annual pension at the rate of 2.2% of pensionable salary (as defined in the rules of that scheme) for each year of pensionable service. This scheme provides spouse's benefits of two-thirds of the member's pension on the death of a member. It does not have provision for guaranteed pension increases.

Barry Davison participated in the Scheme up until his retirement in terms of his contract with Anglo American International (IOM) Limited; normal contributions were made on his behalf at the rate of 25% of basic salary payable under this contract. He also participated in the Anglo American Corporation Retirement Fund, whereby contributions were made at the rate of 15% of basic salary (plus car allowance for historic reasons) under his South African contract. He elected to join this scheme when it was established in September 1998 and transferred his accrued benefits from the Fund, of which he was previously a member.

David Hathorn was appointed an executive director with effect from 20 April 2005. Since then he has continued to participate in the Scheme in terms of his contract with Anglo American International (IOM) Limited; contributions were made on his behalf since the date of his appointment at the rate of 30% of basic salary payable under this contract. He also participated in the Fund, under his South African contract, on the same terms as above.

Tony Lea participates in the Anglo American plc Approved Pension Scheme (formerly known as the Minorco Executive Directors' Fund). This scheme is also a defined contribution pension scheme. Prior to the formation of the Company in May 1999, Tony Lea was entitled to employer contributions at a rate of 35% of basic salary under his contract with Anglo American International (BVI) Limited, a commitment which continued to be honoured. Tony Lea is also entitled to deferred benefits in the Anglo American Corporation Pension Fund in respect of previous South African service.

René Médori was appointed an executive director with effect from 1 June 2005. Since then he has participated in the Scheme, in terms of his contract with Anglo American International (IOM) Limited; contributions were made on his behalf since the date of his appointment at the rate of 30% of basic salary payable under this contract.

Simon Thompson was appointed an executive director with effect from 20 April 2005. Since then he has participated in defined contribution pension arrangements in terms of his contract with Anglo American Services (UK) Limited; contributions were made or accrued on his behalf since the date of his appointment at the rate of 30% of basic salary payable under this contract.

No pension costs were incurred in respect of the non-executive directors, with the exception of Bobby Godsell, who continued to be a member of the AngloGold Ashanti Pension Fund (a defined benefit pension scheme) in his capacity as chief executive of that company.

10.6.2 Defined contribution pension schemes

The amounts paid into defined contribution pension schemes by the Group in respect of the individual directors were as follows:

	Normal contributions	
Directors	2005 £000	2004 £000
Tony Trahar[1][2]	**300**[3]	156
Barry Davison[1]	**63**	97
Tony Lea	**189**	179
David Hathorn[4]	**70**	–
René Médori[2][5]	**91**	–
Simon Thompson[2][4]	**101**	–

(1) Tony Trahar and Barry Davison have contractually agreed with their employing company that supplementary pension contributions should be made to the Scheme in return for these executives having given up their right to part of their future basic salary. These supplementary contributions, of £95,000 (2004: £89,000), and £50,000 (2004: £47,000) respectively, are disclosed in the directors' emoluments table on page 32.

(2) Tony Trahar, René Médori and Simon Thompson have contractually agreed with their employing companies that supplementary pension contributions should be made to the Scheme in 2006 in return for these executives having given up their right to all or part of the cash element of the BSP for performance in 2005.

(3) In addition to the normal contributions set out above, a special contribution of £5.6 million was made in 2005 into the Scheme in respect of the pension benefits of Tony Trahar. This special contribution has been calculated by independent actuaries as being the amount necessary to replace the pension benefit forgone by Tony Trahar in respect of his final salary pension arrangements. Further details were disclosed in the 2004 Remuneration Report.

(4) Following their appointment to the Board on 20 April 2005.

(5) Following his appointment to the Board on 01 June 2005.

10.6.3 Defined benefit pension schemes

Tony Trahar, Tony Lea and David Hathorn are eligible for membership of the Anglo American Corporation Pension Fund (the Fund) in respect of their South African remuneration (or, in the case of Tony Lea, his past service in South Africa). The Fund is a funded final salary occupational pension scheme approved by the Financial Services Board and the Commissioner of Inland Revenue in South Africa. Bobby Godsell participates in the AngloGold Ashanti Pension Fund.

	Additional benefit earned/(expended) (excluding inflation) during the year ended 31 December	Accrued entitlement as at 31 December	Transfer value of accrued benefits as at 31 December		Increase/(decrease) in transfer value in the year less any personal contributions[1]
Executive directors	2005 £000	2005 £000	2005 £000	2004 £000	£000
Tony Trahar	**(265)**	**66**	**958**	3,936	(2,957)
Tony Lea	**2**	**54**	**796**	633	167
David Hathorn[2]	**(10)**	**57**	**660**	–	(55)
Non-executive director					
Bobby Godsell[2][3]	**15**	**312**	**3,727**	3,337	366

(1) The transfer value, less any personal contributions, of the increase in additional benefits earned (in the case of Tony Trahar and Tony Lea) during 2005 and in the case of David Hathorn following his appointment in April 2005 amounted for Tony Trahar, Tony Lea, David Hathorn and Bobby Godsell to £61,000, £54,000, £51,000 and £153,000 respectively.

(2) Following his appointment in April 2005. Comparative figures for 2004 are therefore not shown.

(3) In his capacity as chief executive of AngloGold Ashanti, Bobby Godsell is entitled to membership of the AngloGold Ashanti Pension Fund.

The transfer values disclosed above do not represent a sum paid or payable to the individual director; instead, they represent potential liabilities of the pension schemes.

10.6.4 Excess retirement benefits

No person who served as a director of the Company during or before 2005 has been paid or received retirement benefits in excess of the retirement benefits to which he was entitled on the date on which benefits first became payable (or 31 March 1997, whichever is later).

11. Sums paid to third parties in respect of a director's services

No consideration was paid to or became receivable by third parties for making available the services of any person: as a director of the Company, or whilst a director of the Company, as a director of any of the Company's subsidiary undertakings, or as a director of any other undertaking of which he/she was (whilst a director of the Company) a director by virtue of the Company's nomination, or otherwise in connection with the management of the Company or any undertaking during the year to 31 December 2005.

12 Directors' share interests

The interests of directors who held office during the period 1 January 2005 to 31 December 2005 in Ordinary Shares (Shares) of the Company and its subsidiaries were as follows:

Shares in Anglo American plc

As at 31 December 2005
(or, if earlier, date of resignation)

	Beneficial	Conditional						Non-beneficial[1]
Directors		SIP	Deferred bonus share match	LTIP	BSP Bonus Shares	BSP Enhancement Shares	Other	
Tony Trahar	51,227	377	32,219	336,141	95,924	71,943	–	367,778
Barry Davison	53,356	–	5,267	114,840	27,718	20,788	–	–
David Hathorn [2]	23,431	–	7,802	114,141	22,833	17,124	–	–
Tony Lea [3]	48,953	377	12,803	158,413	33,441	25,081	–	–
René Médori [4]	–	–	–	61,993	–	–	50,600	–
Simon Thompson [2]	62,828	240	8,498	131,952	30,014	22,511	–	–
Sir Mark Moody-Stuart [5]	22,081	–	–	–	–	–	–	–
Ralph Alexander	284	–	–	–	–	–	–	–
David Challen	2,000	–	–	–	–	–	–	–
Chris Fay	7,348	–	–	–	–	–	–	–
Bobby Godsell	92	–	–	–	–	–		367,778
Göran Lindahl [2]	12,529	–	–	–	–	–	–	–
Rob Margetts [6]	10,815	–	–	–	–	–	–	–
Maria Silvia Bastos Marques	752	–	–	–	–	–	–	
Nicky Oppenheimer [7]	59,126,045	–	–	–	–	–	–	367,778
Fred Phaswana	11,514	–	–	–	–	–	–	–
Sir David Scholey [2]	11,554	–	–	–	–	–	–	–
Karel Van Miert	500	–	–	–	–	–	–	–

As at 1 January 2005
(or, if later, at date of appointment)

	Beneficial	Conditional						Non-beneficial[1]
Directors		SIP	Deferred bonus share match	LTIP	BSP Bonus Shares	BSP Enhancement Shares	Other	
Tony Trahar	90,985	328	56,984	295,286	49,570	37,178	–	767,778
Barry Davison	32,299	–	8,279	129,820	12,705	9,529	–	–
David Hathorn [2]	26,551	–	7,802	136,641	22,833	17,124	–	–
Tony Lea [3]	71,833	328	22,393	142,164	16,914	12,686	–	–
René Médori [4]	–	–	–	61,993	–	–	50,600	–
Simon Thompson [2]	8,670	172	8,498	154,452	30,014	22,511	–	–
Sir Mark Moody-Stuart [5]	18,973	–	–	–	–	–	–	–
Ralph Alexander	–	–	–	–	–	–	–	–
David Challen	2,000	–	–	–	–	–	–	–
Chris Fay	5,359	–	–	–	–	–	–	–
Bobby Godsell	92	–	–	–	–	–	–	767,778
Göran Lindahl [2]	10,934	–	–	–	–	–	–	–
Rob Margetts [6]	8,640	–	–	–	–	–	–	–
Maria Silvia Bastos Marques	752	–	–	–	–	–	–	–
Nicky Oppenheimer [7]	59,126,043	–	–	–	–	–	–	767,778
Fred Phaswana	8,181	–	–	–	–	–	–	–
Sir David Scholey [2]	11,220	–	–	–	–	–	–	–
Karel Van Miert	500	–	–	–	–	–	–	–

The following changes in the above interests occurred between 1 January 2006 and the date of this report:

Shares in Anglo American plc

As at 1 January 2006

Directors	Beneficial	Conditional: SIP	Conditional: Deferred bonus share match	Conditional: LTIP	Conditional: BSP Bonus Shares	Conditional: BSP Enhancement Shares	Conditional: Other	Non-beneficial[1]
Tony Trahar	51,227	377	32,219	336,141	95,924	71,943	–	367,778
David Hathorn	23,431	–	7,802	114,141	22,833	17,124	–	–
René Médori[4]	–	–	–	61,993	–	–	50,600	–
Simon Thompson	62,828	240	8,498	131,952	30,014	22,511	–	–
Sir Mark Moody-Stuart[5]	22,081	–	–	–	–	–	–	–
Ralph Alexander	284	–	–	–	–	–	–	–
David Challen	2,000	–	–	–	–	–	–	–
Chris Fay	7,348	–	–	–	–	–	–	–
Bobby Godsell	92	–	–	–	–	–	–	367,778
Rob Margetts[6]	10,815	–	–	–	–	–	–	–
Maria Silvia Bastos Marques	752	–	–	–	–	–	–	–
Nicky Oppenheimer[7]	59,126,045	–	–	–	–	–	–	367,778
Fred Phaswana	11,514	–	–	–	–	–	–	–
Karel Van Miert	500	–	–	–	–	–	–	–
Peter Woicke	–	–	–	–	–	–	–	–

As at 21 February 2006

Directors	Beneficial	Conditional: SIP	Conditional: Deferred bonus share match	Conditional: LTIP	Conditional: BSP Bonus Shares	Conditional: BSP Enhancement Shares	Conditional: Other	Non-beneficial[1]
Tony Trahar	73,984	362	–	336,141	95,924	71,943	–	367,778
David Hathorn	29,075	–	–	114,141	22,833	17,124	–	–
René Médori[4]	–	–	–	61,993	–	–	50,600	–
Simon Thompson	67,854	252	–	131,952	30,014	22,511	–	–
Sir Mark Moody-Stuart[5]	22,641	–	–	–	–	–	–	–
Ralph Alexander	406	–	–	–	–	–	–	–
David Challen	2,000	–	–	–	–	–	–	–
Chris Fay	7,348	–	–	–	–	–	–	–
Bobby Godsell	92	–	–	–	–	–	–	367,778
Rob Margetts[6]	11,180	–	–	–	–	–	–	–
Maria Silvia Bastos Marques	1,258	–	–	–	–	–	–	–
Nicky Oppenheimer[7]	59,126,045	–	–	–	–	–	–	367,778
Fred Phaswana	12,092	–	–	–	–	–	–	–
Karel Van Miert	500	–	–	–	–	–	–	–
Peter Woicke	–	–	–	–	–	–	–	–

(1) Bobby Godsell and Nicky Oppenheimer are deemed to be interested in The Ernest Oppenheimer Memorial Trust's holding by virtue of being Trustees and Tony Trahar is also deemed to be interested by virtue of his wife being a Trustee. None of them is a beneficiary of the Trust.

(2) Messrs Hathorn and Thompson were appointed 20 April 2005. Göran Lindahl and Sir David Scholey resigned 20 April 2005. Their interests are included up to or after that date as appropriate.

(3) Tony Lea's beneficial interest includes 200 Shares arising as a result of his son's interest in these Shares. Mr Lea resigned from the Board on 30 December 2005.

(4) René Médori received 50,600 forfeitable shares not included in any share plans upon joining Anglo American plc. 60% matures May 2006, remaining 40% matures May 2007.

(5) Sir Mark Moody-Stuart's beneficial interest includes 12,500 Shares arising as a result of his interest in a family trust.

(6) Rob Margetts' beneficial interest arises as a result of his wife's interest in these Shares.

(7) Nicky Oppenheimer's beneficial interest in 59,125,951 of these Shares arises as a result of his interest in a discretionary trust which is treated as interested in 52,250,206 Shares in which E Oppenheimer & Son Holdings Limited is treated as interested and 6,870,745 Shares in which Central Holdings Limited is treated as interested. The 6,870,745 Shares referred to above are Shares held by Debswana Diamond Company (Pty) Limited, in which Nicky Oppenheimer and Central Holdings Limited have no economic interest. His interest in 5,000 of these Shares arises as a result of his wife's interest in a trust which has an indirect economic interest in those Shares.

Shares in subsidiaries of Anglo American plc

	As at 1 January 2005		As at 31 December 2005	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
AngloGold Ashanti Limited				
Bobby Godsell	460	–	**9,177**	–
Anglo Platinum Limited				
Barry Davison	60,392[1]	–	**50,392**[2]	–

[1] 58,392 of these shares are held through a family trust.

[2] 48,392 of these shares are held through a family trust.

Approval

This directors' remuneration report has been approved by the Board of directors of Anglo American plc.

Signed on behalf of the Board of directors

Rob Margetts

Rob Margetts
21 February 2006

Independent remuneration report review

This letter reports on the results of the review carried out by Mercer Human Resource Consulting Limited of the processes followed by the Anglo American Remuneration Committee (the Committee) that support the Remuneration Report for the financial year 2005. Mercer undertook the review at the request of the Chairman of the Committee in order to provide shareholders with assurance that the remuneration processes followed are appropriate and that the Committee has complied with the policies set out in the Remuneration Report.

In order to reach our opinion, we reviewed the Committee's Terms of Reference and the minutes of its meetings held during the year as well as material presented to the Committee for its review. We also interviewed the Chairman and Secretary of the Committee. Our review was not intended to audit the compensation data set forth in the Remuneration Report or to evaluate the merits of the Anglo American's remuneration programme.

Based on our review, Mercer is of the opinion that the processes followed by the Committee during 2005 were fully consistent with its Terms of Reference and that the decisions taken by the Committee were in line with the principles set out in the Remuneration Report. It continues to be our view that the Committee takes a suitably robust and pro-active approach to its work.

We note that the Committee has refined its modus operandi each year taking into account any comments we have made in our reviews. In addition, the Committee has taken steps to improve its processes reflecting areas of improvement highlighted in the Evaluation of the Committee undertaken with input from external advisers.

As a result we believe that the Anglo American Remuneration Committee is exemplary in its conduct, decision making and reporting.

The members of the Remuneration Committee are regularly updated on executive compensation and corporate governance matters.

Further detail regarding the Mercer review is included in a letter of this date addressed to the Committee Chairman which we understand will be made available on the Company's website.

Belinda Hudson
Principal
Mercer Human Resource Consulting Limited
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2 Royal Mint Court
London EC3N 4NA

26 January 2006