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These forward-looking statements or forecasts involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in these forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements and forecasts are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic, social and political and market conditions, the success of business and operating initiatives, changes in the regulatory environment and other government actions, including environmental approvals, fluctuations in gold prices and exchange rates, the outcome of pending or future litigation proceedings, and business and operational risk management.

For a discussion of such risk factors, refer to the Company's prospectus that was filed with the U.S. Securities and Exchange Commission on 1 April 2016. These factors are not necessarily all of the important factors that could cause the Company's actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Consequently, readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except to the extent required by applicable law. All subsequent written or oral forward-looking statements attributable to the Company or any person acting on its behalf are qualified by the cautionary statements herein.

OUTLINE

- The Constitution of the Republic of South Africa
- Legislative Mandate, MPRDA
- Objectives of the SLP
- South Africa is a challenging business environment
- Regulation 46
- DMR Policy Guidelines
- Development Tools For alignment:
 - National Development Plan
 - 5 National Key Priorities
 - Gauteng Provincial Strategy
- Basis for Alignment
- Challenges Relating to Alignment
- Foundation for Alignment
- AGA Alignment Framework To Government

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA : PREAMBLE

- We, the people of South Africa, recognise the injustices of our past;
- Honour those who suffered for justice and freedom in our land;
- Respect those who have worked to build and develop our country; and
- Believe that South Africa belongs to all who live in it, united in our diversity.
- We therefore, through our freely elected representatives, adopt this Constitution as the supreme law of the Republic so as to:
 - heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;
 - lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;
 - improve the quality of life of all citizens and free the potential of each person; and
 - build a united and democratic South Africa able to take its rightful place as a sovereign state

CONSTITUTION OF THE REPUBLIC SECTION 1: VALUES

- The Republic of South Africa will be one, sovereign, democratic state founded on the following values:
 - human dignity, equality, advancement of human rights and freedoms,
 - non-racialism and non-sexism,
 - the Constitution will be supreme,
 - the rule of law will be supreme,
 - all adults will be able to vote,
 - there will be a common voter's roll,
 - there will be regular elections and
 - there will be a multi-party system of democratic government to make sure there is accountability and openness.

THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA

SECTION 9 (2): THE RIGHT TO EQUALITY

- The Constitution of the Republic of South Africa requires the State to pass legislation aimed at redressing the imbalances of the past by putting in place affirmative action measures, in terms of Section 9 there-of (known as the Equality Clause).
- To this end, in 2002, Parliament passed the Mineral and Petroleum Resources Development Act, 2002, (Act No 28 of 2002) (MPRDA) aimed at promoting access to the mineral wealth of the country to the Historically Disadvantaged SA so that all citizens can benefit from the exploitation of the country's minerals.
- The MPRDA requires mining companies to apply for mining rights from the State by submitting, inter alia, the Social and Labour Plan (SLP), Mine Works Programme (MWP) and Environmental Management Programme (EMP) for approval by the DMR as conditions to operate.

LEGISLATIVE MANDATE : MPRDA 2002

Objects of Act

1. The objects of this Act are to:

(a) recognise the internationally accepted right of the State to exercise sovereignty over all the mineral and petroleum resources within the Republic;

(b) give effect to the principle of the State's custodianship of the nation's mineral and petroleum resources;

(c) promote equitable access to the nation's mineral and petroleum resources to all the people of South Africa;

(d) substantially and meaningfully expand opportunities for historically disadvantaged persons, including women, to enter the mineral and petroleum industries and to benefit from the exploitation of the nation's mineral and petroleum resources;

LEGISLATIVE MANDATE : MPRDA , 2002 (CONT.)

- (f) promote employment and advance the social and economic welfare of all South Africans;
- (g) provide for security of tenure in respect of prospecting, exploration, mining and production operations;
- (h) give effect to section 24 of the Constitution by ensuring that the nation's mineral and petroleum resources are developed in an orderly and ecologically sustainable manner while promoting justifiable social and economic development;
- (i) ensure that holders of mining and production rights contribute towards the socio-economic development of the areas in which they are operating.

LEGISLATIVE MANDATE: STATE AS A CUSTODIAN OF MINERAL AND PETROLEUM RESOURCES.

I. Preamble;

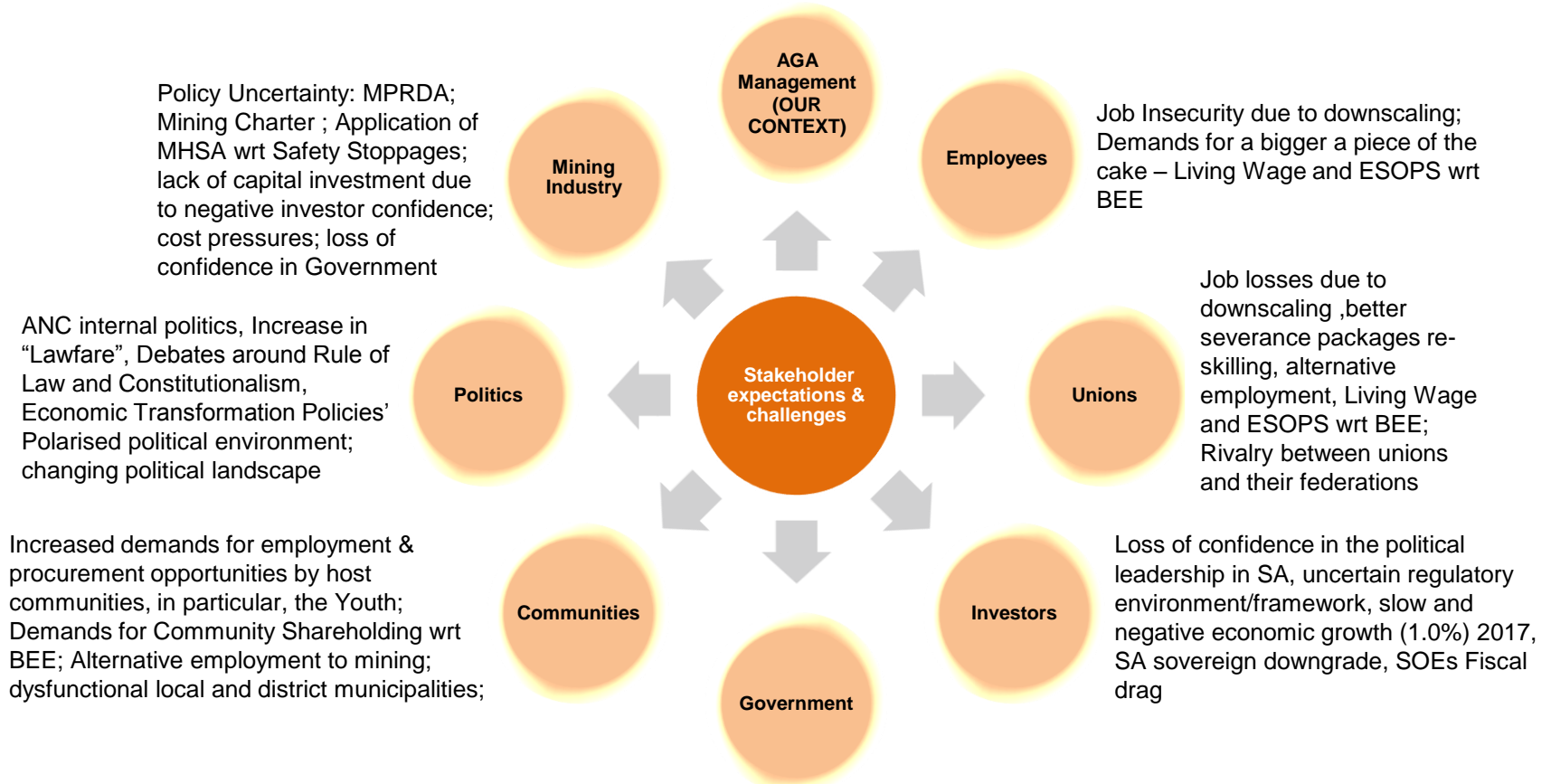
- I. Mineral and petroleum resources belong to the nation and that the State is the custodian thereof.

II. Section (3);

- I. Mineral and Petroleum Resources are the common heritage of all the people of South Africa and the State is the custodian thereof for the benefit of all South Africans.

SOUTH AFRICA IS A CHALLENGING BUSINESS ENVIRONMENT

The business environment in South Africa today is very challenging, with the country having been downgraded to sub-investment grade (Junk Status) by several Rating Agencies, thereby making the cost of borrowing expensive leading to slow to negative economic growth, high unemployment rates, abject poverty and inequality.



MPRDA Amendment Bill & Mining Charter 3 ;Consolidated Environmental Legislation, Pending Court Case on Ownership, Lack of Fiscal Discipline as per AGs Reports; #FeesMustFall; Instability caused by Cabinet Reshuffle; Real and Perceived Corruption ; SOEs Fiscal Drag; Increased in Deficit Spending and cost of borrowing; Conflation of Law and Politics

OBJECTIVES OF THE SOCIAL AND LABOUR PLAN

The purpose of the Mineral and Petroleum Resources Development Act, 2002, (Act No 28 of 2002) (MPRDA) is amongst others to transform the mining and production industries.

In order to ensure effective transformation in this regard, the Act requires the submission of the Social and Labour Plan as a pre-requisite for the granting of mining or production rights with its objectives as follows:

- Promote economic growth and mineral and petroleum resources development in the Republic (Section 2 (e) of the MPRDA);
- Promote employment and advance the social and advance the social and economic welfare of all South Africans (Section 2(f) of the MPRDA; and
- Ensure that holders of mining or production rights contribute towards the socio economic development of the areas in which they are operating as well as the areas from which the majority of the workforce is sourced (section 2 (i) of the MPRDA, and the charter).

MPRDA: REGULATION 46

- **Regulation 46 (c) (iii) of the MPRDA** requires that the contents of a social and labour plan must include a local economic development programme which must include:
 - The social and economic background of the area in which the mine operates;
 - The key economic activities of the area in which the mine operates;
 - The impact that the mine would have in the local and labour sending area;
 - The infrastructure and poverty eradication projects that the mine would support in line with the **Integrated Development Plan** of the area in which the mine operates and the major sending areas ; and
 - The measures to address the housing and living conditions of the mine employees; and
 - **Make financial provision for LED, HRD and Retrenchments.**
- In terms of Community Development, the amended 2010 Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry requires that the Mining companies must conduct an assessment to determine the developmental needs in collaboration with mining communities and identify projects within the needs analysis for their **contribution to community development in line with Integrated Development Plans (IDPs)**, the **cost of which should be proportionate to the size of investment.**
- MPRDA Section 102/Regulation 44 – **any changes to the SLP must be approved by the Minister.**

DMR POLICY GUIDELINES

The DMR Policy Guidelines on the development of the Social and Labour Plan requires the Mining Company to, in developing its SLP; take into account other economic policy frameworks like:

- National Development Plan Priorities,
- New Growth Path Priorities,
- Local and District Municipality Integrated Development Plans (IDP's) of the Host and Major Labour Sending Areas,
- Provincial Developmental needs,
- Sustainable Development Goals

OTHER LEGAL FRAMEWORKS:

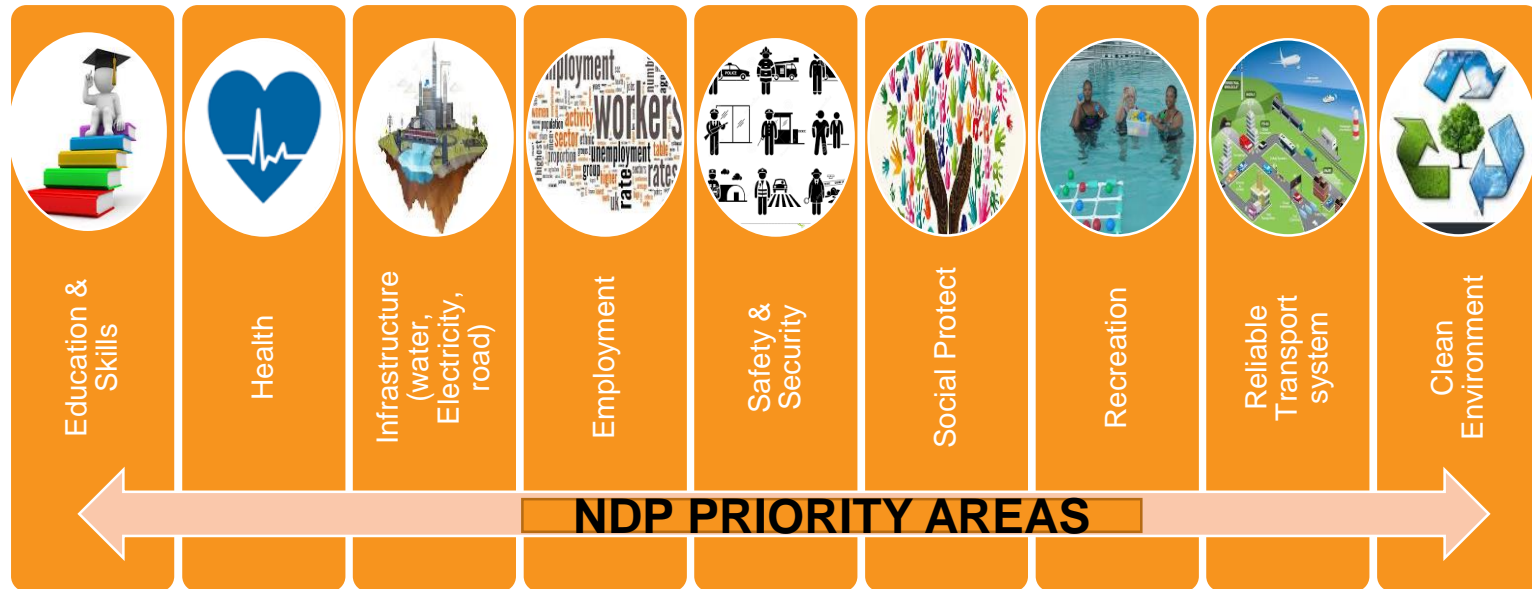
- Section 152 (1) (c) of the Constitution of South Africa - Promotes Social and Economic Development
- Municipal Systems Act (2000)

DEVELOPMENT TOOLS FOR ALIGNMENT

NATIONAL DEVELOPMENT PLAN (NDP): 2030 PLAN

- Economy and employment creation
- Economic infrastructure as a foundation for social and economic development
- An equitable transition to a low-carbon economy
- An integrated and inclusive rural economy
- Positioning SA in the world
- Transforming human settlement and the national space economy
- Improving education, training and innovation
- Promoting health
- Social protection
- Building safer communities
- Building a capable and developmental state
- Fighting corruption
- Transforming society and uniting the country

9 NATIONAL KEY PRIORITIES AS PER THE NATIONAL DEVELOPMENT PLAN (NDP) VISION 2030 WHICH INFORMS OUR SLP AND SOCIO-ECONOMIC STRATEGY



**PROVINCIAL & MUNICIPAL
INTERGRATED
DEVELOPMENT PLANS**

**MINE SOCIAL AND LABOUR
PLANS**

GAUTENG PROVINCIAL STRATEGY: TRANSFORMATION, MODERNISATION & REINDUSTRIALIZATION (TMR - 10 PILLAR PROGRAMME)

CLUSTER	PILLAR
ECONOMIC CLUSTER	Pillar 1: Radical economic transformation
	Pillar 6: Modernization of the economy
	Pillar 9: Re-industrialization of Gauteng province
	Pillar 10: Taking the lead in Africa's new industrial revolution
	Pillar 8: Modernization of public transport infrastructure
SOCIAL CLUSTER	Pillar 3: Accelerated social transformation
	Pillar 7: Modernization of human settlements and urban development
GOVERNANCE & PLANNING CLUSTER	Pillar 2: Decisive spatial transformation
	Pillar 4: Transformation of the state and governance
	Pillar 5: Modernization of the public service

BASIS FOR ALIGNMENT : LEGAL FRAMEWORK

In terms of the Municipal Systems Act (2000) municipalities must:

- Give effect to the principle of co-operative government, which fuels the pursuit for alignment.
- Adopt Integrated Development Plan which:
 - **Links, integrates** and **coordinates** other plans;
 - **Aligns** the resources and capacity of the municipality; and
 - Are **aligned** to provincial and national development plans and priorities.

Key Message: IDPs should promote horizontal and vertical alignment

WHAT ARE WE ALIGNING TO?



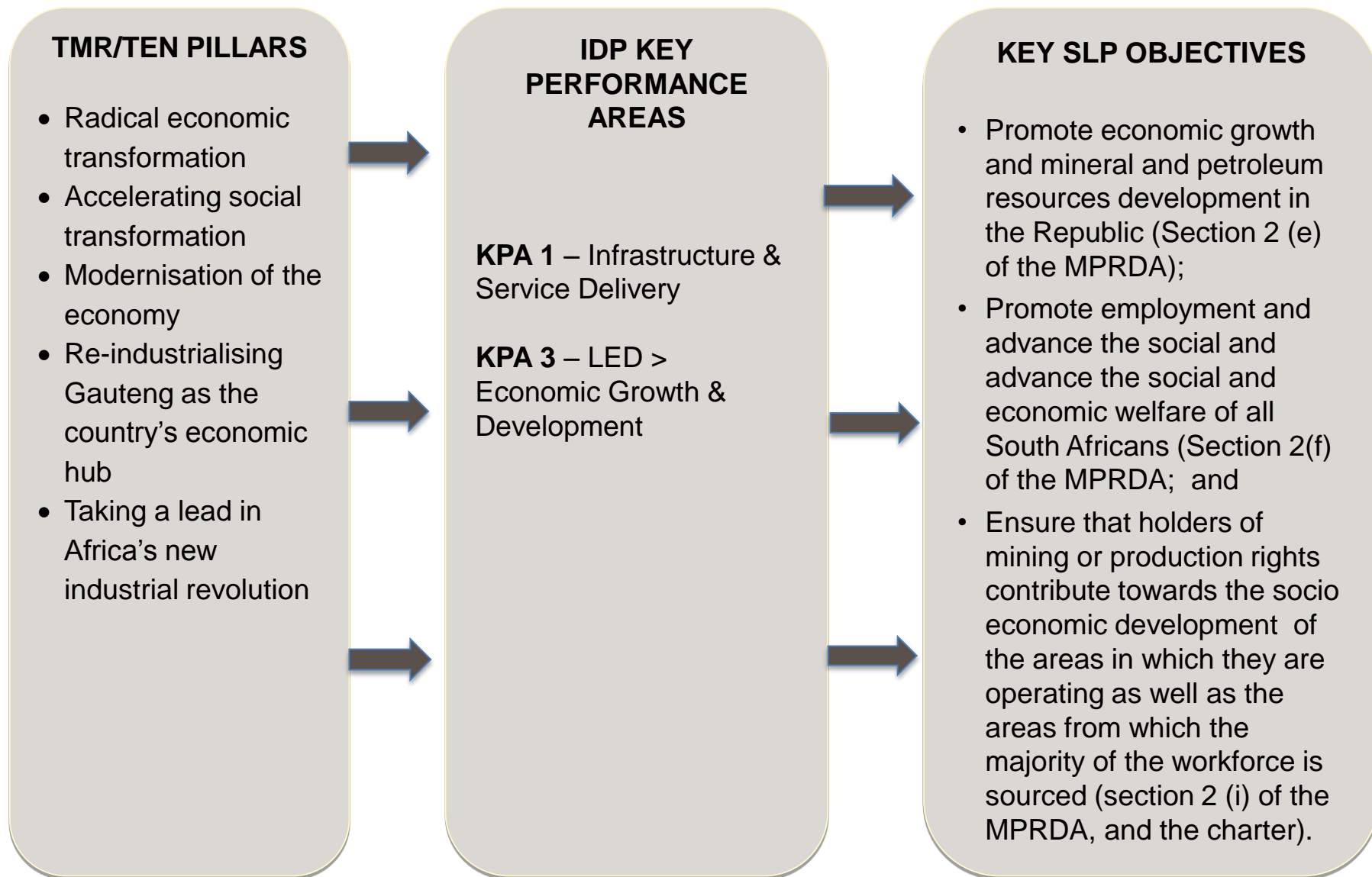
- A detailed blueprint for how the country can eliminate poverty and reduce inequality by the year 2030.

- A five-to-fifteen years plan, to take active decisive steps to make Gauteng an integrated city-region characterized by social cohesion and economic inclusion.

- A strategic plan to give direction for initiatives by the municipality, sector departments & any other entity - **a plan for all government**



MUNICIPAL ALIGNMENT TOOL TO NATIONAL AND PROVINCIAL PRIORITIES



ALIGNMENT INTERVENTIONS (CONT.)

Local Economic Development (LED)	
In line with the Ten-Pillar Programme, AGA to align SLP Projects to the adopted LED Strategy	All municipalities need to adopt LED Strategy – to ensure existence and implementation of West Rand LED Strategy
Alignment of AGA's LED plan to the West Rand Township Economic revitalisation (TER) strategy and plan	<p>Consider alignment to National Spatial Development Perspective, Provincial Growth and Development Strategy & Gauteng City Regional Plan.</p> <p>Socio-economic initiatives should focus specifically on:</p> <ul style="list-style-type: none"> - Support initiatives for local, small & informal businesses - Gauteng TER strategy - Land identification and acquisition
Alignment of AGA's LED plan to the Amended Mining Charter	Our SLPs focus on accelerating transformation and implementing measures to significantly improve the living conditions of our employees, host communities and major communities from where our employees originate

CHALLENGES RELATING TO ALIGNMENT

- Misalignment of priorities between different tiers of government and DMR Guidelines
- IDP misalignment to national priorities
- IDP misalignment with community needs
- Poor drafting of IDP's as a result of lack of resources in local governments
- Poor Stakeholder Engagement
- High community expectations from the company against short LOM
- SLP cycle periods of mining companies not in sync to allow for delivery of joint projects with high social impact
- Short term cycle of SLP (5 years) impacts sustainability
- Process of approving and amending SLP
- Capacity Constraints especially in Local Government and DMR
- Backlog of service delivery at local level
- Lack of Transparency from Mining Companies on SLP Funding Model

CHALLENGES RELATING TO ALIGNMENT (cont..)

- Improve our education system to equip it to produce the skills required by the economy
- Creation and development of local entrepreneurs and suppliers at host and labour communities - EDCs
- Fiscal and monetary challenges due to economic down turn
- SLP approval consultation and DMR approval process challenging with respect to time
- AGA Vaal River Operations 2015-2019 SLP - provisional approval
- AGA West Wits Operations 2015-2019 SLP - provisional approval
- Regulatory uncertainty - new Mining Charter and MPRDA Amendment Act
- Lack of consultation on the finalisation of the Mining Charter
- Lack of alignment between DoL and Mining Charter EE plans
- Lack of alignment between the Mining Charter and BBBEE Codes of Good Practice e.g. procurement.

ANGLOGOLD ASHANTI SOCIO-ECONOMIC FRAMEWORK

- SAR business strategy review - 2010
- Review of the socio-economic approach in June 2011
- Motivated by business imperative and the realisation of the importance of the social licence to operate
- Bottom up approach to stakeholder engagement
- Executive and board approval in February 2012
- Well resourced and structured approach to stakeholder engagement
- Formal and structured approach to stakeholder engagement

AGA'S ALIGNMENT FRAMEWORK TO GOVERNMENT PRIORITIES (CONT....)

COMMUNITY AND SOCIAL DEVELOPMENT:HIGH-LEVEL STRATEGY & MODEL

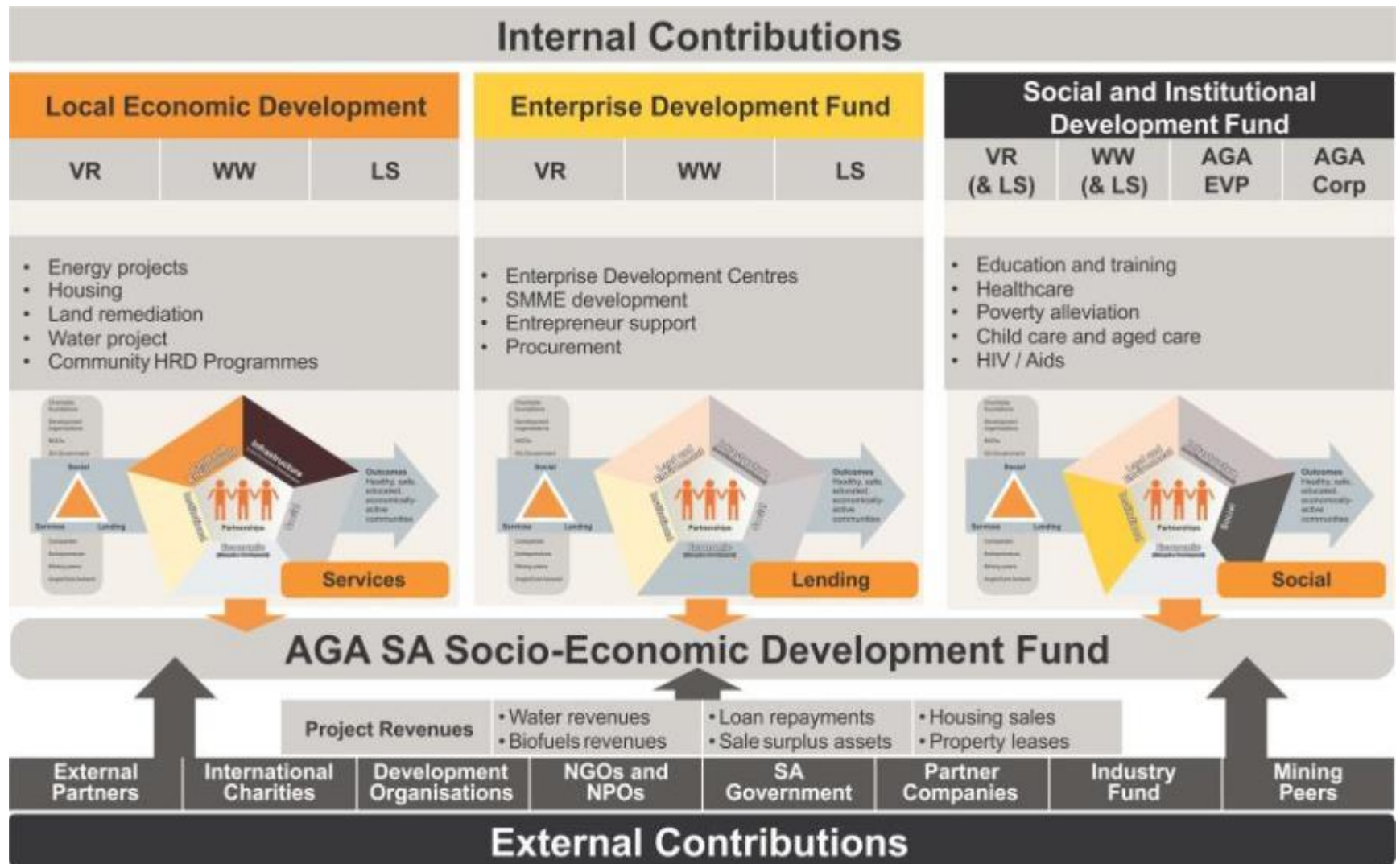
From July 2011 to February 2012 we embarked on a consultation process that resulted in the development of the **Socio-economic Development Framework and Funding Model** that has guided our SLP development and implementation.



Our approach to Community Investment

- In South Africa, AngloGold Ashanti has five deep-level mines which are divided into two areas, Vaal River (17 189) and West Wits (16 079) and three surface operations.
- Investment cover host communities (Merafong & Matlosana) and Major Labour Sending Areas (OR Tambo District).
- Total SLP committed budget 2010-2014 was: R418m.
- Delivered 45 Local Economic Development Projects in previous SLP.
- Total SLP committed budget 2015-2019: R484.2m (37 Committed projects).

OUR SOCIO-ECONOMIC DEVELOPMENT FUNDING MODEL



SOCIO-ECONOMIC DEVELOPMENT FUNDING MODEL

The BBBE Codes are much more clearer as compared to the MPRDA Regulations...

Previous DMR Mining Charter compliance target is **1% of NPAT**:

AGA targets is 4% of NPAT with respect to LED, ED and SI = R307 million
(excluding R67 million for 2010 and 2011 Corporate spend)

Plus 5% of payroll for HRD as a minimum of which 0.5% as minimum would be
allocated to Community Human Resources Development Programmes plus (R111
million)

External sources of funding e.g. National Treasury Jobs Fund, MQA and international
donors

The above formula/approach was adopted in funding the 2015-2019 SLPs

*... and were adopted as guidelines with respect to the funding of socio-economic
development programmes and projects.*

THE SED FRAMEWORK IS SUPPORTED BY EIGHT STRATEGIES

We have completed the development of the first five strategies...



...and are in the process of finalising the strategies 6 & 7.

SOCIAL IMPACT ASSESSMENT FINDINGS ON SEDF FRAMEWORK

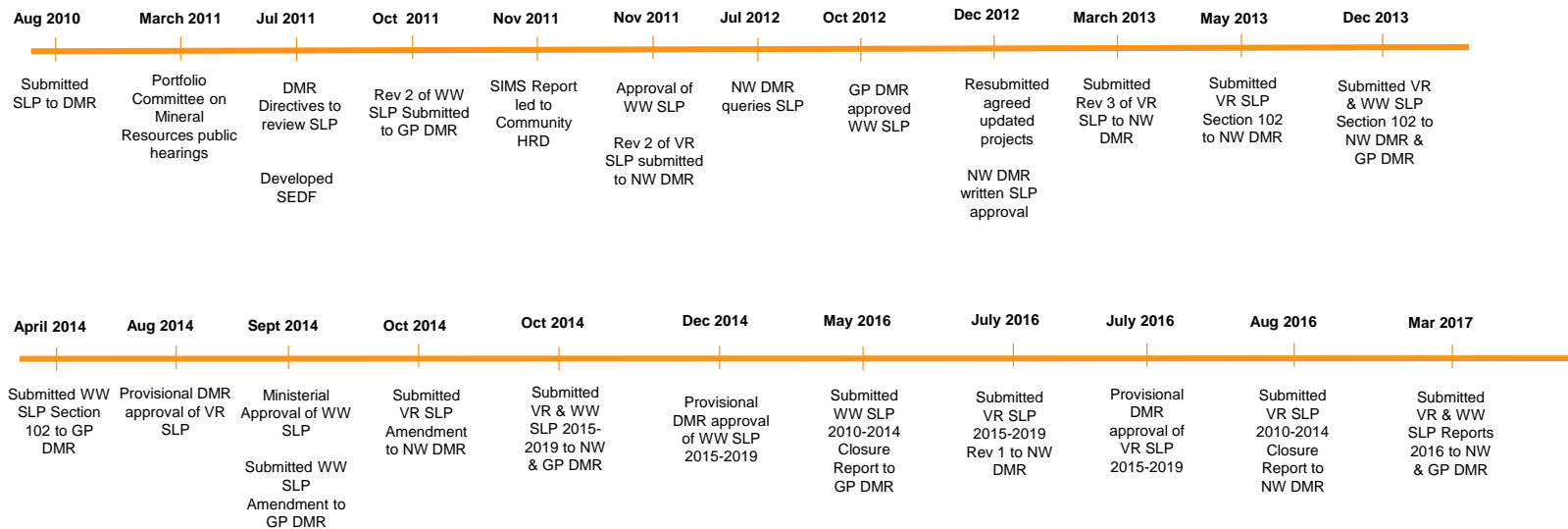
Pillar	Successes	Challenges	Comments/Recommendations
Enterprise Development (Income Generating Projects)			
	<ul style="list-style-type: none"> • Agricultural projects have a potential to be sustainable provided adequate training is done • Waste recycling project a good model for income generation 	<ul style="list-style-type: none"> • ED is taking place at a slow pace • Skills transfer in projects such as agriculture can be better facilitated to ensure empowerment of beneficiaries (Financial and business management) • Cash low an issues for small business to be sustainable 	<ul style="list-style-type: none"> • The linkages between Enterprise Development and Preferential Procurement can be leveraged to boots local economic development • Procurement portal is reported by beneficiaries as being limiting access to procurement opportunities as it is not user-friendly. • More work can be done in this area to address some of the community challenges with regard to Joblessness.
Local Economic Development (Infrastructures)			
Health	<ul style="list-style-type: none"> • Increase community access to health • Better working environment for health professionals 	<ul style="list-style-type: none"> • Maintenance, stocking and repairs budget for hospitals needs to be addressed as it impacts quality in the long run. 	<ul style="list-style-type: none"> • The segregation of duties between Local, Provincial and National tends to be in conflict with the requirements of the DMR guidelines and the MPRDA which requires mines to select programmes from the IDP, a local municipality plan.
Education	<ul style="list-style-type: none"> • Project deliver high quality • Increase in performance in maths and science • Increase in learners doing science • All Schools happy with projects delivered 	<ul style="list-style-type: none"> • Increase number of teachers for capacitation for continuity • Maintenance, stocking and repairs budget by schools needs to be addressed as it impacts quality in the long run. 	
Sport and Recreation	<ul style="list-style-type: none"> • Appreciated by stakeholders as it advance social cohesion • Deal with youth behaviour and reduce crime through sport 	<ul style="list-style-type: none"> • Lack of maintenance of some facilities • Vandalism 	<ul style="list-style-type: none"> • Budgetary constraints in municipality to maintain facilities a major concern. Capacitation of municipalities in financial management, project management and technical expertise and area for consideration

SOCIAL IMPACT ASSESSMENT FINDINGS ON SEDF FRAMEWORK

Pillar	Successes	Challenges	Comments/Recommendations
Social and Institutional Development			
	<ul style="list-style-type: none"> • While the SIDF has the smallest budget it has delivered the most number of small projects • Beneficiaries understand the nature work done by AGA due to the one-on-one engagement approach • All spend was on budget for all years in the SAR 	<ul style="list-style-type: none"> • The needs of the community and NGO's is huge and AGA alone cannot meet these needs 	Seek partnerships with peers and government, Social development Department
Community Human Resources Development			
Skills Development programmes (Bursaries, Internships, Learnerships, ABET and Portable Skills)	<ul style="list-style-type: none"> • Has the highest impacts on the community • Stakeholders want more • Promotes employability • Increase self-reliance of beneficiaries 	<ul style="list-style-type: none"> • Those who do not find employment remain frustrated and this dilutes the impact. 	<ul style="list-style-type: none"> • Skills needs assessment in the community can be beneficial • Alignment of training programmes based on market demands would be ideal • Identification of alternative industries pots mining and aligning these skills is essential to alleviate unemployment
School Enrichment programme	<ul style="list-style-type: none"> • Empowers teachers with fundamental teaching skills • Entrenches the line function and improves governance 	Labour turnover of leadership	Continue to support the program
Star Schools programme	approximately 100% pass in Maths, Science and English	High demand and less resources	Seek partnerships with peers and other private sector employers

WE HAVE RE-BUILT RELATIONSHIPS AND CREDIBILITY WITH KEY STAKEHOLDERS

We have been able to shift perceptions from negative to favourable...



AngloGold Ashanti Future Forum:

ENGAGING WITH STAKEHOLDERS

STAKEHOLDER	AREA	FREQUENCY
External Stakeholders		
Mandating Committee	Matlosana and OR Tambo District municipalities	Quarterly
Implementing Committee	Matlosana and OR Tambo District municipalities	Quarterly
Steering Committee	Matlosana and OR Tambo District municipalities	Quarterly
Non-Governmental Organisations	Matlosana and OR Tambo District	Quarterly
Small, Medium and Micro Enterprises	Matlosana and OR Tambo District	Quarterly
Community Briefings with the Chief Operating Officer	Matlosana communities	Annually
Department of Mineral Resources	National, and North West	Ongoing
Department of Basic Education	North West and Eastern Cape	Ongoing
Department of Tourism	North West	Ad Hoc
Department of Public Works	North West	Ad Hoc
Mining Qualifications Authority	National	Ad Hoc
Education Advisory Committee (Mining Chamber)	National	Ad Hoc
Host Communities	Matlosana,	Ongoing
Labour Sending Communities	OR Tambo District, Amatole Local Municipality, Chris Hani Local Municipality	Ongoing
Media	Host communities and national	Ad Hoc
Service Providers	Host and major labour sending communities	Ongoing
Suppliers, SMMEs	Host and major labour sending communities	Ongoing
Industry bodies	National	Ongoing
Internal		
Employees and Contractors	Matlosana	Ongoing
Organised Labour	National	Quarterly



Read more about the South Africa Region's Socio-economic Development Framework, Social and Labour Plans and Mining Charter in the 2015-2016 Community Report.

Visit our website at

[http://www.anglogoldashanti.com/Sustainability/SA Mining Charter](http://www.anglogoldashanti.com/Sustainability/SA%20Mining%20Charter)

In an effort to create and facilitate access to procurement opportunities in AngloGold Ashanti for companies in our host communities, the Supply Chain Department has launched a Local Procurement Portal for businesses from these operational areas.

The portal is available at

www.anglogoldashantiprocure.co.za

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