The Board


Left to right:
Sir Mark Moody-Stuart, Cynthia Carroll, René Médori, Bobby Godsell, David Challen, Sir Rob Margetts

Sir Mark Moody-Stuart KCMG N
PhD, MA, FGS
67, was appointed a non-executive director on 16 July 2002 and non-executive chairman on 1 December 2002. He also sits on the Remuneration, Safety and Sustainable Development (S&SD) and Nomination Committees. He is a director of HSBC Holdings plc, Accenture Ltd and Saudi Aramco. Sir Mark was chairman of The Shell Transport and Trading Company plc from 1997 to 2001 and is a member of the board of the UN Global Compact and Chairman of the Global Compact Foundation.

Cynthia Carroll E
MSc, MBA
51, was appointed chief executive on 1 March 2007, having joined the Board on 15 January 2007. Cynthia Carroll chairs the Executive Committee (ExCo) and the Chief Executive's Committee (CeCom) and sits on the S&SD Committee. She is the former president and chief executive officer of Alcan's Primary Metals Group and a former director of AngloGold Ashanti Limited and the Sara Lee Corporation. She is a non-executive director of BP plc, Anglo Platinum Limited and De Beers.

E – Executive director
N – Non-executive director

René Médori E
Doctorate in Economics
50, was appointed to the Board on 1 June 2005, becoming finance director on 1 September 2005. René Médori is a member of ExCo, CeCom and chairman of the Investment Committee. He is a former finance director of The BOC Group plc and is a non-executive director of Scottish and Southern Energy plc, De Beers, DB Investments and Anglo Platinum Limited. Mr Médori is being proposed for re-election at the AGM on 15 April 2008.

Bobby Godsell N
MA
55, joined the Board on 18 March 1999. He is a member of the S&SD Committee and has been with the Group since 1974. He is a former chief executive of AngloGold Ashanti. He is chairman of South Africa's national business organisation, BUSA, and a past president of South Africa's Chamber of Mines. Mr Godsell will retire from the Board at the AGM on 15 April 2008.

David Challen CBE N
MA, MBA
64, joined the Board on 9 September 2002. He is chairman of the Audit Committee and a member of the Remuneration Committee. David Challen is currently vice chairman of Citigroup European Investment Bank and a non-executive director of Smiths Group plc. Previously he was chairman of J. Henry Schroder & Co. Limited, where he spent most of his professional career. He is currently deputy chairman of the UK's Takeover Panel. Mr Challen will succeed Sir Rob Margetts as senior independent non-executive director on 15 April 2008.

Sir Rob Margetts CBE N
BA, FREng
61, joined the Board on 18 March 1999 and was appointed as the senior independent non-executive director in April 2003. He will be succeeded as the senior independent non-executive director by David Challen on 15 April 2008. He is chairman of the Remuneration Committee and a member of the Nomination Committee. He is chairman of Legal & General Group Plc, Ensus Limited and the Energy Technologies Institute. He was formerly chairman of The BOC Group plc and vice chairman of ICI PLC. Sir Rob was also chairman of the UK Natural Environment Research Council and a member of the UK Council for Science and Technology. In accordance with the provisions of the Combined Code, directors who have served longer than nine years are subject to annual re-election and, accordingly, Sir Rob is being proposed for re-election at the AGM on 15 April 2008.

see also
p61 directors' report
p70 directors' remuneration

Left to right:
Professor Karel Van Miert, Nicky Oppenheimer, Fred Phaswana, Dr Chris Fay, Dr Mamphela Ramphele, Peter Woicke

Professor Karel Van Miert N

Graduate in Diplomatic Sciences

66, joined the Board on 19 March 2002. He is a member of the Audit and Nomination Committees. He is currently a member of the supervisory boards of German utility RWE, Philips NV, Munich Re and Vivendi Universal. He is also a member of the advisory boards of Goldman Sachs and Eli Lilly and a member of the boards of Solvay s.a. and Agfa-Gevaert. He was previously President of Nyenrode University, Netherlands Business School, a member of the European Parliament from 1979 to 1985 and a member of the European Commission from 1989 to 1999. Professor Van Miert is being proposed for re-election at the AGM on 15 April 2008.

Nicky Oppenheimer N

MA

62, joined the Board on 18 March 1999. He is a member of the Nomination Committee. Nicky Oppenheimer joined the Group in 1968 and subsequently became an executive director and a deputy chairman of Anglo American South Africa Limited. He became deputy chairman of De Beers Consolidated in 1985 and has been chairman of De Beers since 1998.

Fred Phaswana N

MA, BCom

63, joined the Board on 12 June 2002. He is chairman of the Nomination Committee and a member of the Audit Committee. Fred Phaswana is currently chairman of Anglo Platinum and Transnet Limited and a director of Naspers and was previously BP regional president: Africa, a director of BP Oil (Benelux), an associate president of BP Netherlands and chairman and chief executive of BP Southern Africa. He is also a member of the South African Institute of International Affairs.

Dr Chris Fay CBE N

BSc, PhD, FREng, FRSE, FICE, FEI

62, joined the Board on 19 April 1999. He is chairman of the S&SD Committee and a member of the Remuneration and Audit Committees. He is a non-executive director of Conister Trust plc and non-executive chairman of Stena International S.àr.l and Expro International Group plc. He is a former non-executive director of BAA plc. Chris Fay is a former chairman of Shell UK and of the British government's Advisory Committee on Business and the Environment. In accordance with the provisions of the Combined Code, directors who have served longer than nine years are subject to annual re-election and, accordingly, Dr Fay is being proposed for re-election at the AGM on 15 April 2008.

Dr Mamphela Ramphele N

PhD, BComm

60, joined the Board on 25 April 2006. She is a member of the Nomination and S&SD Committees. Dr Ramphele is the chair of Circle Capital Ventures, a black empowerment company, and is a non-executive director of the Mediclinic and Business Partners S.A. She was formerly co-chair of the Global Commission on International Migration, a World Bank managing director and vice-chancellor at the University of Cape Town.

Peter Woicke N

MBA

65, joined the Board on 1 January 2006 and is a member of the Audit, Nomination and S&SD Committees. From 1999 to January 2005 he was chief executive officer of the International Finance Corporation. He was also a managing director of the World Bank. Prior to joining the International Finance Corporation, Peter Woicke held numerous positions over nearly 30 years with J.P. Morgan. He is currently a member of the Plugpower Inc. and Saudi Aramco boards and was previously a member of the Raiffeisen International Holding and MTN Group boards.

Executive Committee

The Executive Committee develops corporate and business unit strategy, monitors strategic process in terms of key milestones and reviews operational and safety procedures of the Group's business units

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1. Cynthia Carroll
See page 58 for biographical details.

2. René Médori
See page 58 for biographical details.

3. Russell King
BA Hons
50, has held a variety of business and functional responsibilities in the UK and Australia with ICI PLC. From 1997 to 2000 he was managing director of Orica Consumer Products. He joined Anglo American in July 2001 as executive vice president, Group human resources and business development, and is responsible for sustainable development issues.

4. Tony Redman
MSc, BSc
59, worked for Anglo American on the Zambian Copperbelt from 1970 to 1974. In 1976 he started working at Vaal Reefs gold mine before moving to the Anglo Coal division in 1979, where he was appointed managing director in 1996 and chairman in 2002. In January 2005 he took up the position of Group technical director of Anglo American. He is a member of the Executive Committee, the Investment Committee and the S&SD Committee.

5. Philip Baum
BCom, LLB, Higher Dip Tax Law
53, is chief executive of Anglo Ferrous Metals and acting chief executive of Anglo American South Africa. He joined the Group in 1979 and became a member of the Executive Committee in January 2006.

6. Duncan Wanblad
BSc (Eng) Mech, GDE (Eng Management)
41, has been joint acting chief executive of Anglo Platinum since August 2007. He joined Johannesburg Consolidated Investment Company Limited in 1990 and was appointed executive director: projects and engineering of Anglo Platinum in 2004.

7. Norman Mbazima
FCCA, FZICA
49, has been joint acting chief executive of Anglo Platinum since August 2007. He joined the Group in 2001 and was appointed executive director: finance of Anglo Platinum in 2006.

8. Brian Beamish
BSc (Mechanical Engineering)
51, is chief executive of Anglo Base Metals. From 1995 to 1999 he was executive director: operations at Anglo Platinum. He transferred to Anglo Base Metals in January 2000 and was chief operating officer from April 2005 until April 2007 when he became chief executive.

9. John Wallington
BSc
50, started his career at Anglo American as a mining graduate in 1981. He was appointed executive vice president: South African operations at Anglo Coal in 2001 and has been chief executive of Anglo Coal since January 2005.

10. David Weston
MBA, BSc (Eng)
49, is chief executive of Anglo Industrial Minerals. He spent 25 years with Shell and was President, Shell Canada Products, before joining the Anglo American Group in 2006.

Directors' report

The directors have pleasure in submitting the statutory financial statements of the Group for the year ended 31 December 2007.

Principal activities and business review

Anglo American plc is one of the world's largest mining and natural resource groups. With its subsidiaries, joint ventures and associates, it is a global leader in platinum group metals and diamonds, with significant interests in coal, base and ferrous metals, as well as an industrial minerals business and a stake in AngloGold Ashanti. The Group is geographically diverse with operations in Africa, Europe, South and North America, Australia and Asia.

More detailed information about the Group's businesses, activities and financial performance is incorporated into this report by reference and can be found in the chairman's and chief executive's statements on pages 4 to 9, the operating and financial review on pages 14 to 57 and the section entitled "substantial shareholdings" in the Notice of Meeting booklet.

Going concern

The directors have made enquiries and the Group's business is a going concern as interpreted by the Guidance on Going Concern and Financial Reporting for directors of listed companies registered in the UK, published in November 1994.

Dividends

An interim dividend of 38 US cents per ordinary share was paid on 20 September 2007. The directors are recommending that a final dividend of 86 US cents per ordinary share, be paid on 30 April 2008 subject to shareholder approval at the Annual General Meeting (AGM) to be held on 15 April 2008. This would bring the total dividend in respect of 2007 to 124 US cents per ordinary share. However, in accordance with International Financial Reporting Standards (IFRS), the final dividend will be accounted for in the financial statements for the year ended 31 December 2008.

Three shareholders have waived their rights to receive dividends. In both cases, these shareholders act as trustees/nominees holding shares for use solely in relation to the Group's employee share plans. These shareholders and the value of dividends waived during the year were:
Greenwood Nominees Limited $17,353,803.20
Security Nominees Limited $128,503.87
Rose Nominees Limited $7,791.09

Share capital

The Company's authorised and issued share capital as at 31 December 2007, together with details of share allotments and purchases of own shares during the year, is set out in note 29 on pages 116 to 120.

The Company was authorised by shareholders at the Extraordinary General Meeting (EGM) held on 25 June 2007 to purchase its own shares in the market up to a maximum of 10% of the issued share capital. This authority will expire at the 2008 AGM and in accordance with current best practice, the Company will propose a resolution to increase the maximum authority to purchase its own shares on the market to 14.99% of issued capital.

Material shareholdings

Details of interests of 3% or more in the ordinary share capital of the Company are shown within the shareholder information section of the Notice of Meeting booklet.

Directors

Biographical details of the directors currently serving on the Board are given on pages 58 and 59. Details of directors' interests in shares and share options of the Company can be found in the Remuneration report on pages 70 to 83.

Cynthia Carroll was appointed to the Board on 15 January 2007 and succeeded Tony Trahar as Group chief executive on 1 March 2007. Tony Trahar retired from the Board at the conclusion of the AGM on 17 April 2007. Simon Thompson, David Hathorn and Ralph Alexander resigned from the Board on 13 April, 3 July and 26 October 2007 respectively.

Upon the recommendation of the Board, Sir CK Chow is being proposed for election as an independent non-executive director at the AGM. Sir CK (56) is currently chief executive of the MTR Corporation, a position he has held since December 2003. He was formerly chief executive of Brambles Industries and GKN. Prior to joining GKN he worked for the BOC Group for 20 years, becoming chief executive of its Gases Division and joining its board in 1993. Sir CK is a chartered engineer and holds Bachelor of Science and Master of Science degrees in Chemical Engineering from the Universities of Wisconsin and California respectively. Sir CK was knighted in 2000 for his contribution in industry. He is a non-executive director of Standard Chartered plc and the non-executive chairman of Standard Chartered Bank (Hong Kong) Limited.

Sustainable development

The Report to Society 2007 will be available from the Company in April. This report focuses on the safety, sustainable development, health and environmental performance of the Group's managed operations, their performance with regard to the Company's *Good Citizenship: Our Business Principles*, and the operational dimensions of their social programmes.

Payment of suppliers

Anglo American plc is a holding company and, as such, has no trade creditors.

Businesses across the Group are responsible for agreeing the terms under which transactions with their suppliers are conducted, reflecting local and industry norms. The Group values its suppliers and recognises the benefits to be derived from maintaining good relationships with them. Anglo American acknowledges the importance of paying invoices, especially those of small businesses, promptly.

Value of land

Land is mainly carried in the financial statements at cost. It is not practicable to estimate the market value of land and mineral rights, since these depend on product prices over the next 20 years or longer, which will vary with market conditions.

Post balance sheet events

Post balance sheet events are set out in note 42 to the financial statements on page 132.

Audit information

The directors confirm that, so far as they are aware, there is no relevant audit information of which the auditors are unaware and that all directors have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Directors' report continued

Employment and other policies
The Anglo American Group's key operating businesses are empowered to manage, within the context of their own industry and the different legislative and social demands of the diverse countries in which those businesses operate, subject to the standards embodied in Anglo American's *Good Citizenship: Our Business Principles*.

Within all the Group's businesses, the safe and effective performance of employees and the maintenance of positive employee relations are of fundamental importance. Managers are charged with ensuring that the following key principles are upheld:
- adherence to national legal standards on employment and workplace rights at all times;
- adoption of fair labour practices;
- prohibition of child labour;
- prohibition of inhumane treatment of employees and any form of forced labour, physical punishment or other abuse;
- continual promotion of safe and healthy working practices;
- promotion of workplace equality and elimination of all forms of unfair discrimination;
- provision of opportunities for employees to enhance their work-related skills and capabilities;
- recognition of the right of our employees to freedom of association; and
- adoption of fair and appropriate procedures for determining terms and conditions of employment.

Further, the Group is committed to treating employees at all levels with respect and consideration, to investing in their development and to ensuring that their careers are not constrained by discrimination or arbitrary barriers.

Copies of the *Good Citizenship: Our Business Principles* booklet are available from the Company and may be accessed on the Company's website **www.angloamerican.co.uk**

As in previous years, numerous employee communication and education presentations and workshops took place covering, among others, AIDS awareness, the Company's charitable giving, climate change, exploration technologies and health and safety. The aim was to inform and consult employees on matters of concern to them and to raise awareness of financial and economic factors affecting the performance of the Group.

In addition, the Company regularly publishes *Optima* (available on the Company's website) and *AngloWorld*, which contain items of news, current affairs and information relevant to Group employees. During the year, the Company continued to enhance the functionality of its enterprise information portal, *theSource*, aimed at promoting knowledge-sharing across the Group and keeping employees up to date with business developments. The availability of *theSource* continues to grow and it is now available to over 18,000 employees across the Group.

Charitable donations
During the year, Anglo American, its subsidiaries and the Anglo American Group Foundation made donations for charitable purposes or wider social investments amounting to \$60.5 million (0.7% of pre-tax profit). Charitable donations of \$3.09 million were made in the UK, consisting of payments in respect of education, sport and youth \$1.321 million (43 %); community development \$0.642 million (21%); health and HIV/AIDS \$0.28 million (9%); environment \$0.135 million (4%); arts, culture and heritage \$0.241 million (8%), and other charitable causes \$0.469 million (15%). These figures were compiled with reference to the London Benchmarking Group model for defining and measuring social investment spending. A fuller analysis of the Group's social investment activities can be found in the *Report to Society 2007*.

Political donations
No political donations were made during 2007. Anglo American has an established policy of not making donations to, or incurring expenses for the benefit of, any political party in any part of the world, including any political party or political organisation as defined in the Political Parties, Elections and Referendums Act 2000.

Annual General Meeting
The AGM will be held on 15 April 2008. A separate booklet enclosed with this report contains the notice convening the meeting together with a description of the business to be conducted.

Additional information for shareholders
Set out below is a summary of certain provisions of the Company's current Articles of Association (the Articles) and applicable English law concerning companies (the Companies Act 1985 and the Companies Act 2006, together the Companies Acts) required as a result of the implementation of the Takeovers Directive in English law. This is a summary only and the relevant provisions of the Articles or the Companies Acts should be consulted if further information is required. Certain amendments to the Articles will be proposed at the AGM to be held on 15 April 2008. Details are set out in the enclosed notice of the AGM. Copies of the Company's Articles marked up to show the proposed amendments, are available by application to the Company Secretary at the Registered Office.

Dividends and distributions
Subject to the provisions of the Companies Acts, the Company may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the Board. The Board may pay interim dividends whenever the financial position of the Company, in the opinion of the Board, justifies such payment.

The Board may withhold payment of all or any part of any dividends or other monies payable in respect of the Company's shares from a person with a 0.25% interest or more (as defined in the Articles) if such a person has been served with a notice after failing to provide the Company with information concerning interests in those shares required to be provided under the Companies Acts.

Rights and obligations attaching to shares
The rights and obligations attaching to the ordinary and preference shares are set out in the Articles. The Articles may only be changed by the shareholders by special resolution.

Voting
Subject to the Articles generally and to any special rights or restrictions as to voting attached by or in accordance with the Articles to any class of shares, on a show of hands every member who is present in person at a general meeting shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he/she is the holder. It is, and has been for some years, the Company's practice to hold a poll on every resolution at Annual and Extraordinary shareholder meetings.

Where shares are held by trustees/nominees in respect of the Group's employee share plans and the voting rights attached to such shares are not directly exercisable by the employees, it is the Company's practice that such rights are not exercised by the relevant trustee/nominee.

Under the Companies Acts, members are entitled to appoint a proxy, who need not be a member of the Company, to exercise all or any of their rights to attend and to speak and vote on their behalf at a general meeting or class meeting. A member may appoint more than one proxy in relation to a general meeting or class meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member that is a corporation may appoint one or more individuals to act on its behalf at a general meeting or class meetings as a corporate representative.

The Company is aware of the debate concerning section 323 of the Companies Act 2006, related to the voting rights of corporate representatives. Anglo American is committed to ensuring all investors have the opportunity to exercise their voting rights and, to this end, will adopt the guidance issued by the Institute of Chartered Secretaries and Administrators (available at www.icsa.org.uk) in respect of its 2008 AGM.

Restrictions on voting
No member shall, unless the directors otherwise determine, be entitled in respect of any share held by him/her to vote either personally or by proxy at a shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings if any call or other sum presently payable by him/her to the Company in respect of that share remains unpaid. In addition, no member shall be entitled to vote if he/she has been served with a notice after failing to provide the Company with information concerning interests in those shares required to be provided under the Companies Acts.

Issue of shares
Subject to the provisions of the Companies Acts relating to authority and pre-emption rights and of any resolution of the Company in a general meeting, all unissued shares of the Company shall be at the disposal of the directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

Shares in uncertificated form
Directors may determine that any class of shares may be held in uncertificated form and title to such shares may be transferred by means of a relevant system or that shares of any class should cease to be held and transferred. Subject to the provisions of the Companies Acts, the CREST Regulations and every other statute, statutory instrument, regulation or order for the time being in force concerning companies and affecting the Company (together, the Statutes), the directors may determine that any class of shares held on the branch register of members of the Company resident in South Africa or any other overseas branch register of the members of the Company may be held in uncertificated form in accordance with any system outside the UK which enables title to such shares to be evidenced and transferred without a written instrument and which is a relevant system. The provisions of the Articles shall not apply to shares of any class which are in uncertificated form to the extent that the Articles are inconsistent with the holding of shares of that class in uncertificated form, the transfer of title to shares of that class by means of a relevant system or any provision of the CREST Regulations.

Deadlines for exercising voting rights
Votes are exercisable at a general meeting of the Company in respect of which the business being voted upon is being heard. Votes may be exercised in person, by proxy, or in relation to corporate members, by corporate representative. The Articles provide a deadline for submission of proxy forms of not than less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting.

Variation of rights
Subject to statute, the Articles specify that rights attached to any class of shares may be varied with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. At every such separate general meeting the quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class (calculated excluding any shares held as treasury shares). The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.

Transfer of shares
All transfers of shares which are in certificated form may be effected by transfer in writing in any usual or common form or in any other form acceptable to the directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register. All transfers of shares which are in uncertificated form may be effected by means of the CREST system.

The directors may decline to recognise any instrument of transfer relating to shares in certificated form unless it:

(a) is in respect of only one class of share; and
(b) is lodged at the transfer office (duly stamped if required) accompanied by the relevant share certificate(s) and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his/her behalf, the authority of that person so to do).

The directors may, in the case of shares in certificated form, in their absolute discretion and without assigning any reason therefor, refuse to register any transfer of shares (not being fully-paid shares) provided that, where any such shares are admitted to the Official List of the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The directors may also refuse to register an allotment or transfer of shares (whether fully paid or not) in favour of more than four persons jointly.

If the directors refuse to register an allotment or transfer, they shall send within two months after the date on which the letter of allotment or transfer was lodged with the Company, to the allottee or transferee, notice of the refusal.

A shareholder does not need to obtain the approval of the Company, or of other shareholders of shares in the Company, for a transfer of shares to take place.

Directors' report continued

Directors
Directors shall not be less than ten nor more than 18 in number. A director is not required to hold any shares of the Company by way of qualification. The Company may by ordinary resolution increase or reduce the maximum or minimum number of directors.

Powers of directors
Subject to the Articles, the Companies Acts and any directions given by special resolution, the business of the Company will be managed by the Board who may exercise all the powers of the Company.

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge any of its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Company may by ordinary resolution declare dividends but no dividend shall be payable in excess of the amount recommended by the directors. Subject to the provisions of the Articles and to the rights attaching to any shares, any dividends or other monies payable on or in respect of a share may be paid in such currency as the directors may determine. The directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him/her to the Company on account of calls or otherwise in relation to shares of the Company. The directors may retain any dividends payable on shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Appointment of directors
The directors may from time to time appoint one or more directors.

The Board may appoint any person to be a director (so long as the total number of directors does not exceed the limit prescribed in the Articles). Any such director shall hold office only until the next AGM and shall then be eligible for election.

Retirement of directors
At each 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. In addition, a director may at any AGM retire from office and stand for re-election.

Significant agreements: Change of control
In the event of a takeover (change of control), employee share plans would be affected.

Purchases of own shares
At the EGM held on 25 June 2007, authority was given for the Company to purchase, in the market, up to 134,544,000 Ordinary Shares of $54^{86}/_{91}$ US cents each. Details of purchases made during the year are set out in Note 29 on page 116.

Indemnities
At the date of this report, indemnities are in force under which the Company has agreed to indemnify the directors, to the extent permitted by law and the Company's Articles in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company and its associated companies.

By order of the Board
Nicholas Jordan
Company Secretary

19 February 2008

Corporate governance

Combined Code compliance
Anglo American is committed to the highest standards of corporate governance – the way in which the Company is directed and controlled – and complied fully with the Combined Code on Corporate Governance June 2006 (the Code) throughout the year under review.

Role of the Board
The Board of directors is responsible to shareholders for the performance of the Company. Its role includes the establishment, review and monitoring of strategic objectives, approval of major acquisitions, disposals and capital expenditure and overseeing the Group's systems of internal control, governance and risk management. A schedule of matters reserved for the Board's decision details key aspects of the Company's affairs that the Board does not delegate (including, among other things, approval of business plans and budgets, material expenditure and alterations to share capital).

Board composition and directors' independence
The Board is chaired by Sir Mark Moody-Stuart. The chairman is responsible for leading the Board and for its effectiveness. Cynthia Carroll is the chief executive and is responsible for the execution of strategy and the day-to-day management of the Group, supported by the Chief Executive's Committee (CeCom) and the Executive Committee (ExCo), both of which she chairs. Sir Rob Margetts will be succeeded as the senior independent non-executive director by David Challen on 15 April 2008.

The Board has a strong independent element and currently comprises, in addition to the chairman, two executive and nine non-executive directors, seven of whom are independent according to the definition contained in the Code. The independent directors are indicated within the table on this page, and full biographical details for each director are given on pages 58 and 59. The letters of appointment of the non-executive directors are available for inspection at the registered office of the Company.

The Company is conscious of the need to maintain an appropriate mix of skills and experience on the Board, and to progressively refresh its composition over time. Cynthia Carroll was appointed to the Board as an executive director on 15 January 2007 and succeeded Tony Trahar as chief executive on 1 March 2007. Tony Trahar retired from the Board at the conclusion of the 2007 AGM. Simon Thompson, an executive and Ralph Alexander, a non-executive director resigned from the Board on 13 April and 26 October 2007 respectively. David Hathorn resigned from the Board after the Mondi demerger on 3 July 2007 and Bobby Godsell has informed the Company he wishes to retire at the conclusion of the AGM in April 2008.

The Board has proposed Sir CK Chow for election as a director at the AGM. Sir CK's biographical details are set out in the Directors' Report on page 61.

René Médori and Karel van Miert will be proposed for re-election at the AGM. René Médori is the finance director of Anglo American, and serves as a member of CeCom and ExCo as well as the Investment Committee and Karel van Miert is a member of the Audit and Nomination Committees. Chris Fay and Sir Rob Margetts will again be proposed for re-election at the AGM. Each has served three three-year terms as an independent non-executive director, having been first appointed during 1999, and hence their nomination for re-election has been subject to particularly rigorous review. Chris Fay chairs the Safety and Sustainable Development Committee and serves as a member of the Audit and Remuneration Committees. Sir Rob Margetts is the senior independent non-executive director, chairs the Remuneration Committee and is a member of the Nomination Committee. The Board values their wide experience and contributions to its proceedings, and is satisfied that they both remain robustly independent.

Since January 2007, three executive directors and one non-executive director have resigned or retired and one executive director has been appointed. The Company considers that its programme of progressively refreshing the composition of the Board remains effective.

Directors' training
Anglo American's directors have a wide range of expertise as well as significant experience in strategic, financial, commercial and mining activities. Training and briefings are also available to all directors on appointment and subsequently, as necessary, taking into account existing qualifications and experience. Directors also have access to management, and to the advice of the Company Secretary. Furthermore, all directors are entitled to seek independent professional advice concerning the affairs of Anglo American at its expense, although no such advice was sought during 2007. Presentations are made to the Board by business management on the activities of operations. Directors undertake regular visits to operations and projects and, in 2007, operations in Australia, Botswana, Brazil, Chile, China, Colombia, Oman, South Africa, Venezuela and the US were visited. In addition, during the year directors attended courses/seminars on risk management, remuneration, corporate responsibility, financial reporting and pensions.

Board and Committee meetings – frequency and attendance

	Independent in terms of Code?	Board (seven meetings)	Audit (three meetings)	S&SD (four meetings)	Remuneration (four meetings)	Nomination (three meetings)
Sir Mark Moody-Stuart	n/a	All	n/a	All	All	All
A J Trahar	No	3[(1)]	n/a	1[(1)]	n/a	n/a
C B Carroll	No	All	n/a	2[(1)]	n/a	n/a
D A Hathorn	No	3[(1)]	n/a	n/a	n/a	n/a
R Médori	No	All	n/a	n/a	n/a	n/a
S R Thompson	No	2[(1)]	n/a	n/a	n/a	n/a
R C Alexander	Yes	5[(1)]	n/a	2[(1)]	n/a	n/a
D J Challen	Yes	All	All	n/a	All	n/a
C E Fay	Yes	All	All	All	All	n/a
R M Godsell	No	6	n/a	All	n/a	n/a
Sir Rob Margetts	Yes	All	n/a	n/a	All	All
K A L M Van Miert	Yes	All	2	n/a	n/a	All
N F Oppenheimer	No	All	n/a	n/a	n/a	All
F T M Phaswana	Yes	All	2	n/a	n/a	All
M Ramphele	Yes	6	n/a	3	n/a	All
P Woicke	Yes	All	All	2	n/a	All

[(1)] Meetings attended prior to retirement or since appointment.

Corporate governance continued

Board effectiveness

A formal evaluation of the performance of the Board, its committees and individual directors is carried out annually by means of detailed questionnaires and interviews. The results of the most recent evaluation were collated and analysed by the Company Secretary and presented to the Board. The aim is to ensure continuous improvement in the functioning of the Board. The analysis in respect of 2007 confirmed that the Board and its committees were functioning appropriately. As a result of the evaluation, certain changes to committee membership are under consideration and changes to the Board meeting process and timetable have already been implemented. As in past years, the evaluation process also included a review, chaired by the senior independent non-executive director (without the chairman present), of the performance of the chairman. It is the Board's current intention to engage an external reviewer for the Board effectiveness evaluation process from time to time.

Committees of the Board

Subject to those matters reserved for its decision, the Board delegates certain responsibilities to a number of standing committees – the Audit, Remuneration, Nomination and Safety & Sustainable Development committees. The terms of reference for each of these committees are published on the Company's website.

Remuneration Committee

The Remuneration Committee is responsible for establishing and developing the Group's general policy on executive and senior management remuneration and determining specific remuneration packages for executive directors.

The directors' remuneration report, setting out Anglo American's policy on executive remuneration, is set out on pages 70 to 82 of this Annual Report. A resolution to approve the remuneration report will be proposed at the forthcoming AGM.

The Remuneration Committee presently comprises: Sir Rob Margetts (chairman), David Challen and Chris Fay, all of whom are independent non-executive directors, and Sir Mark Moody-Stuart.

Safety & Sustainable Development Committee (S&SD)

The S&SD Committee is responsible for developing framework policies and guidelines for the management of sustainable development issues, including safety, health and environment matters, and ensuring their progressive implementation throughout the Group.

The S&SD Committee normally meets three or four times each year, including a visit to an operation, and business unit heads are invited to attend Committee meetings. Each business unit head makes a safety and sustainable development presentation to the Committee. A separate *Report to Society 2007* will be published in April. This report focuses on the safety, sustainable development, health and environmental performance of the Group's managed operations, their performance with regard to the Company's Good Citizenship principles and the operational dimensions of their social programmes.

The S&SD Committee presently comprises: Chris Fay (chairman), Cynthia Carroll, Bobby Godsell, Sir Mark Moody-Stuart, Mamphela Ramphele, Tony Redman and Peter Woicke.

Nomination Committee

The Nomination Committee makes recommendations to the Board on the appointment of new executive and non-executive directors, including making recommendations as to the composition of the Board and its committees and the balance between executive and non-executive directors. The Nomination Committee meets as and when required and engages external consultants to identify appropriate candidates. During 2007, the services of Spencer Stuart were used by the Committee.

The Board, via the Nomination Committee, has taken steps to ensure that the Human Resources function of the Group regularly reviews and updates the succession plans of directors and senior managers.

The Nomination Committee presently comprises: Fred Phaswana (chairman), Sir Rob Margetts, Sir Mark Moody-Stuart, Nicky Oppenheimer, Mamphela Ramphele, Karel Van Miert and Peter Woicke. In accordance with the provisions of the Combined Code, the majority of members and the chairman of the Committee are independent non-executive directors.

Audit Committee

The primary role of the Audit Committee is to ensure the integrity of financial reporting and the audit process, and that a sound risk management and internal control system is maintained. In pursuing these objectives, the Audit Committee oversees relations with the external auditors and reviews the effectiveness of the internal audit function. The Committee also monitors developments in corporate governance to ensure the Group continues to apply high and appropriate standards.

In fulfilling its responsibility of monitoring the integrity of financial reports to shareholders, the Audit Committee has reviewed accounting principles, policies and practices adopted in the preparation of public financial information and has examined documentation relating to the Annual Report, Interim Report, preliminary announcements and related public reports. The clarity of disclosures included in the financial statements was reviewed by the Audit Committee, as was the basis for significant estimates and judgements. In assessing the accounting treatment of major transactions open to different approaches, the Committee considered written reports by management and the external auditors. The Committee's recommendations are submitted to the Board for approval.

The chief financial officers of all operations have provided confirmation, on a six-monthly basis, that financial and accounting control frameworks operate satisfactorily. The Committee considered summaries of the significant risk and control issues arising from these reports. The Committee also received regular internal and external audit reports on the results of audits at various operations. Further information on risk management processes is provided in the internal control disclosure statement on page 67.

External audit

Anglo American's policy on auditors' independence, which came into effect on 1 January 2003, is consistent with the ethical standards published by the Auditing Practices Board in December 2004.

A key factor that may impair auditors' independence is a lack of control over non-audit services provided by the external auditors. In essence, the external auditors' independence is deemed to be impaired if the auditors provide a service which:

- results in auditing of own work by the auditors;
- results in the auditors acting as a manager or employee of the Group;
- puts the auditors in the role of advocate for the Group; or
- creates a mutuality of interest between the auditors and the Group.

Anglo American addresses this issue through three primary measures, namely:

- disclosure of the extent and nature of non-audit services;
- the prohibition of selected services; and
- prior approval by the Audit Committee chairman of non-audit services where the

cost of the proposed assignment is likely to exceed $50,000.

Disclosure entails reporting non-audit services to the Group's audit committees and inclusion of prescribed detail, i.e. the breakdown of fees paid to external auditors for audit and non-audit work in the Annual Reports of listed entities. The policy's definition of prohibited non-audit services corresponds with the European Commission's recommendations on auditors' independence.

Other safeguards encapsulated in the policy include:

- the external auditors are required to adhere to a rotation policy based on best practice and professional standards in the United Kingdom. The standard period for rotation of the audit engagement partner is five years and, for any key audit principal, seven years.
- any partner designated as a key audit principal of Anglo American shall not be employed by Anglo American in a key management position unless a period of at least two years has elapsed since the conclusion of the last relevant audit.
- the external auditors are required to periodically assess, in their professional judgement, whether they are independent from the Group.
- the Audit Committee ensures that the scope of the auditors' work is sufficient and that the auditors are fairly remunerated.
- the Audit Committee has primary responsibility for making recommendations to the Board on the appointment, reappointment and removal of the external auditors.
- the Audit Committee has the authority to engage independent counsel and other advisors as they determine necessary in order to resolve issues on auditor independence.

The Audit Committee has satisfied itself that the United Kingdom professional and regulatory requirements for audit partner rotation and employment of former employees of the external auditors have been complied with.

The Audit Committee considered information pertaining to the balance between fees for audit and non-audit work for the Group in 2007 and concluded that the nature and extent of non-audit fees do not present a threat to the external auditors' independence. Furthermore, after reviewing a report from the external auditors on all their relationships with Anglo American that might reasonably have a bearing on the external auditors' independence and the audit engagement partner and staff's objectivity, and the related safeguards and procedures, the Committee has concluded that the external auditors' independence was not impaired.

The Audit Committee approved the external auditors' terms of engagement, scope of work, the process for the 2007 interim review, the annual audit and the applicable levels of materiality. Based on written reports submitted, the Committee reviewed, with the external auditors, the findings of their work and confirmed that all significant matters had been satisfactorily resolved.

The Committee's assessment of the external auditors' performance and independence underpins its recommendation to the Board to propose to shareholders the re-appointment of Deloitte & Touche LLP as auditors until the conclusion of the AGM in 2009. Resolutions to authorise the Board to re-appoint and determine their remuneration will be proposed at the AGM on 15 April 2008.

Internal audit

Following an independent review of the structure of the internal audit function in 2006 a central department was created with responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all of Anglo American's operations. The head of internal audit is responsible for reporting the findings of this internal audit work to the Audit Committee on a regular basis. Internal audit teams operated in all of the Group's principal divisions in the period under review, reporting findings to local senior management. Internal audit function's mandates and annual audit coverage plans were approved by the Audit Committee.

The internal audit activities are performed either by teams of appropriate, qualified and experienced employees, or through the engagement of external practitioners upon specified and agreed terms. A summary of audit results and risk-management information was presented to the Committee at regular intervals throughout the year. The Group's head of internal audit reports to the Audit Committee on the internal audit function's performance against Group standards.

Assurance regarding the accuracy and reliability of mineral resources and ore reserves disclosures is provided through a combination of internal technically proficient staff and independent third parties.

Composition

The Audit Committee presently comprises: David Challen (chairman), Chris Fay, Fred Phaswana, Karel Van Miert and Peter Woicke, all of whom are independent non-executive directors. The Board, in consultation with the Audit Committee chairman, makes appointments to the Committee. The Board has determined that the Committee members have the skills and experience necessary to contribute meaningfully to the Committee's deliberations. In addition, the chairman has requisite experience in accounting and financial management.

The Committee met three times during 2007, and on one of those occasions the members held discussions with the external audit partners and the head of internal audit in the absence of management.

Effectiveness of internal control and risk management

The Chief Executive's Committee, (CeCom) as mandated by the Board, has established a Group-wide system of internal control to manage significant Group risks. This system, which has been operating throughout the year and to the date of this report, supports the Board in discharging its responsibility for ensuring that the wide range of risks associated with the Group's diverse international operations is effectively managed in support of the creation and preservation of shareholder wealth. Where appropriate, necessary action has been or is being taken to remedy any failings or weaknesses identified from review of the effectiveness of the internal control system.

Internal control

The system of internal control, which is embedded in all key operations, provides reasonable rather than absolute assurance that the Group's business objectives will be achieved within the risk tolerance levels defined by the Board. Regular management reporting, which provides a balanced assessment of key risks and controls, is an important component of Board assurance. In addition, certain Board committees focus on specific risks such as safety and capital investment and provide assurance to the Board on those matters. The chief financial officers provide confirmation, on a six-monthly basis, that financial and accounting control frameworks have operated satisfactorily. The Board also receives assurance from the Audit Committee, which derives its information, in part, from regular internal and external audit reports on risk and internal control throughout the Group. The Group's internal audit function has a formal collaboration process in place with the external auditors to ensure efficient coverage of internal controls. The Anglo American internal audit function is responsible for providing independent

Corporate governance continued

assurance to CeCom and the Board on the effectiveness of the risk management process throughout the Group.

Anglo American seeks to have a sound system of internal control, based on the Group's policies and guidelines, in all material associates and joint ventures. In those companies that are independently managed, as well as joint ventures, the directors who are represented on these organisations' boards seek assurance that significant risks are being managed.

Risk management

The Board's policy on risk management encompasses all significant business risks to the Group, including, financial, operational and compliance risk, which could undermine the achievement of business objectives. This system of risk management is designed so that the different businesses are able to tailor and adapt their risk management processes to suit their specific circumstances. This flexible approach has the commitment of the Group's senior management. There is clear accountability for risk management, which is a key performance area of line managers throughout the Group. The requisite risk and control capability is assured through Board challenge and appropriate management selection and skills development. Managers are supported in giving effect to their risk responsibilities through policies and guidelines on risk and control management. Continuous monitoring of risk and control processes, across headline risk areas and other business-specific risk areas, provides the basis for regular and exception reporting to business management and boards, CeCom and the Board.

Some of the headline risk areas, which have been elaborated upon in the financial review, set out on pages 55 to 57 are:

- commodity price risk;
- political risk;
- legal and regulatory risk;
- counterparty risk; and
- infrastructure and operational performance risks.

The risk assessment and reporting criteria are designed to provide the Board with a consistent, Group-wide perspective of the key risks. The reports to the Board, which are submitted at least every six months, include an assessment of the likelihood and impact of risks materialising, as well as risk mitigation initiatives and their effectiveness.

In conducting its annual review of the effectiveness of risk management, the Board considers the key findings from the ongoing monitoring and reporting processes, management assertions and independent assurance reports. The Board also takes account of material changes and trends in the risk profile and considers whether the control system, including reporting, adequately supports the Board in achieving its risk management objectives.

During the course of the year the Board considered the Group's responsiveness to changes within its business environment. The Board is satisfied that there is an ongoing process, which has been operational during the year, and up to the date of approval of the Annual Report, for identifying, evaluating and managing the significant risks faced by the Group. This includes social, environmental and ethical risks as highlighted in the Disclosure Guidelines on Socially Responsible Investment issued by the Association of British Insurers. A detailed report on social, environmental and ethical issues will be included in the Company's *Report to Society 2007*.

Accountability and audit

The Board is required to present a balanced and understandable assessment of Anglo American's financial position and prospects. Such assessment is provided in the chairman's and chief executive's statements set out on pages 4 to 9 and the financial review set out on pages 15 to 57 of this Annual Report. The respective responsibilities of the directors and external auditors are set out on pages 84 and 86. As referred to in the directors' report on page 61, the directors have expressed their view that Anglo American's business is a going concern.

Whistleblowing programme

Following adoption in December 2003 of a whistleblowing policy that is aligned with the Public Interest Disclosure Act 1998, the Group has implemented a whistleblowing programme in virtually all of the managed operations. The programme, which is monitored by the Audit Committee, is aimed at enabling employees, customers, suppliers, managers or other stakeholders, on a confidential basis, to raise concerns in cases where conduct is deemed to be contrary to our values. It may include:

- actions that may result in danger to the health and / or safety of people or damage to the environment;
- unethical practice in accounting, internal accounting controls, financial reporting and auditing matters;
- criminal offences, including money laundering, fraud, bribery and corruption;
- failure to comply with any legal obligation;
- miscarriage of justice;
- any conduct contrary to the ethical principles embraced in our *Good Citizenship: Our Business Principles* or any similar policy;
- any other legal or ethical concern; and
- concealment of any of the above.

The programme makes available a selection of telephonic, e-mail, web-based and surface mail communication channels to any person in the world who has information about unethical practice in Anglo American and its managed operations. The multilingual communication facilities are operated by independent service providers who remove all indications from information received as to the identity of the callers before submission to designated persons in the Group.

During 2007, 230 reports were received via the global Speakup facility, covering a broad spectrum of concerns, including ethical, criminal, supplier relationships, health and safety, and human resource-type issues. Reports received were kept strictly confidential and were referred to appropriate line managers within the Group for resolution. Where appropriate, action was taken to address the issues raised.

Executive management

Chief Executive's Committee (CeCom)

CeCom is responsible for implementing the strategies and policies determined by the Board, managing the business and affairs of the Company, prioritising the allocation of capital, technical and human resources and establishing best management practices. CeCom is also responsible for senior management appointments and monitoring their performance and acts as the risk committee for the purpose of reviewing and monitoring Anglo American's systems of internal control.

CeCom presently comprises: Cynthia Carroll (chair), René Médori, Russell King and Tony Redman.

Executive Committee (ExCo)

ExCo *inter alia* develops corporate and business unit strategy, monitors strategic process in terms of key milestones and reviews operational and safety procedures of the Group's business units.

The current members of ExCo are; Cynthia Carroll (chair), René Médori, Russell King, Tony Redman, Philip Baum, Brian Beamish, Norman Mbazima, John Wallington, Duncan Wanblad and David Weston.

Investment Committee

The role of the Investment Committee, which is a sub-committee of CeCom, is to manage the process of capital allocation by ensuring that investments and divestments increase shareholder value and meet Anglo American's financial criteria. The Committee makes recommendations to CeCom and/or the Board on these matters. The Committee meets as required.

The Investment Committee presently comprises: René Médori (chairman), Dorian Emmett, Tony Redman and Peter Whitcutt.

Relations with shareholders

The Company maintains an active dialogue with its key financial audiences, including institutional shareholders and sell-side analysts. The Investor and Corporate Affairs department manages the ongoing dialogue with these audiences and regular presentations take place at the time of interim and final results as well as during the rest of the year. An active programme with potential shareholders is also maintained.

Any concerns raised by a shareholder in relation to the Company and its affairs are communicated to the Board as a whole. The Board is briefed on a regular basis by the Investor and Corporate Affairs Department and analysts' reports are circulated to the directors.

During the year there have been regular presentations and meetings with institutional investors in the UK, South Africa, continental Europe and the US to communicate the strategy and performance of Anglo American. Executive directors as well as key corporate officers host such presentations and meetings. The chairman, senior independent non-executive director and other non-executive directors are also available to shareholders to discuss any matter they wish to raise. The Company's website **www.angloamerican.co.uk** provides the latest and historical financial and other information on Anglo American.

Shareholders will have the opportunity at the forthcoming AGM, notice of which is contained in the booklet enclosed herewith, to put questions to the Board, including the chairmen of the various committees. Facilities have been put in place to enable shareholders on the UK register to receive Company communications electronically rather than by mail and, for those unable to attend the meeting, to cast their votes by electronic means, including those shareholders whose shares are held in the CREST system.

Voting on each resolution to be proposed at the AGM will be conducted on a poll rather than by a show of hands. The results of the poll will be announced to the press and on the Company's website.

Remuneration report

1. Remuneration Committee

This report sets out the Company's remuneration policy and practice for executive and non-executive directors and provides details of their remuneration and share interests for the year ended 31 December 2007.

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 four times during 2007.

1.2 Membership of the Committee

The Committee comprised the following non-executive directors during the year ended 31 December 2007:

- Sir Rob Margetts (chairman);
- David Challen;
- Chris Fay; and
- Sir Mark Moody-Stuart.

The Company's chief executive attends the Committee meetings by invitation and assists the Committee in its considerations, except when issues relating to her own compensation are discussed. No directors are involved in deciding their own remuneration. In 2007, the Committee was advised by Russell King and Chris Corrin (Group Human Resources) and the Company's Finance function. It also took external advice as shown in Figure 1.

Certain overseas operations within the Group are also provided with audit and non-audit related services from PwC's, Mercer's and Deloitte'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 2007 can be found on page 83, while 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 to motivate them to develop and implement the Company's business strategy in order to optimise long-term shareholder value creation. 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.

Figure 1:
EXTERNAL ADVICE PROVIDED TO THE REMUNERATION COMMITTEE

Advisers	Services provided to the Committee	Other services provided to the Company
PricewaterhouseCoopers LLP (PwC)	Appointed by the Company, with the agreement of the Committee, to provide specialist valuation services	Investment advisers, actuaries and auditors for various pension schemes; advisers on internal audit projects and the adoption of International Financial Reporting Standards; taxation, payroll and executive compensation advice
Linklaters LLP (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
Mercer Limited (Mercer)	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
Towers Perrin	Appointed by the Company, with the agreement of the Committee, to provide market remuneration data	
Deloitte & Touche LLP (Deloitte)		In their capacity as Group auditors, Deloitte undertakes an audit of sections 10 and 11 of the remuneration report annually. However, they provide no advice to the Committee

see also
p77 Bonus Share Plan
p83 Independent remuneration report review

This policy applied for 2007. In 2008, the Committee is reviewing the current executive remuneration policy and package to ensure that it remains aligned with the Company's strategic priorities over the near-term. These priorities, which were communicated at the interim results presentation on 3 August 2007, are as follows:

- achieving production, cost and productivity improvements;
- aggressively pursuing identified growth opportunities;
- embedding a stronger performance culture and streamlined management model; and
- ensuring a sharper focus on safety.

Representatives of the Company's principal investors will be consulted on any changes to the remuneration policy.

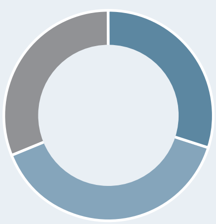
3. Elements of executive director remuneration

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.

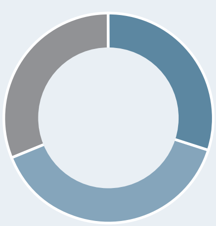
CEO – EXPECTED VALUES

Fixed	30%
Performance-related annual bonus	39%
Performance-related long-term incentives	31%



OTHER EXECUTIVE DIRECTOR – EXPECTED VALUES

Fixed	30%
Performance-related annual bonus	39%
Performance-related long-term incentives	31%



Assuming on-target performance, the Committee's policy is that at least 50% (60% for Cynthia Carroll) of total executive director remuneration is performance-related. In 2007, 70% of the chief executive's remuneration on an expected-value basis was performance-related; for René Médori, the figure was also 70% (see illustrative charts).

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. Further details of the BSP and of the LTIP are set out below and on pages 72 and 73.

3.2 Basic salary

The basic salary of each executive director is reviewed annually and is targeted at the market median of companies of comparable size, market sector, business complexity and international scope. This is adjusted either way based on experience and other relevant factors. The market for executives of main board calibre, in large international resource companies in particular, remains very competitive and it is therefore deemed sensible to position basic salary for executive directors at no lower than the median point. Company performance, individual performance and changes in responsibilities are also taken into consideration in setting salary levels each year.

3.3 Bonus Share Plan (BSP)

The BSP was first operated in 2004 and executive directors are normally eligible to participate in it.

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 not pensionable, are made annually and consist of three elements:

- a performance-related cash element;
- Bonus Shares as a conditional award, currently to a value equal to the cash element; and
- an additional performance-related element in the form of Enhancement Shares.

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 12 of the financial statements). The key individual objectives are designed to support the Company's strategic priorities and in 2007 included safety improvement, strategy implementation, production growth, people management, succession planning, cost reduction and operational efficiencies;
- 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;
- in 2007, 50% of each annual bonus was based on the corporate financial measure and the remaining 50% on key individual performance measures. This split reflects the importance of the current strategic repositioning of the Group and the volatile nature of commodity prices in recent years, with the implications of this on setting earnings targets. The level of bonuses payable is 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, currently half of the bonus is payable in cash. The maximum cash element for 2007 was 75% of basic salary in the case of both Cynthia Carroll and René Médori. The maximum bonus is payable only for meeting targets which, in the opinion of the Committee, represent an exceptional performance for the Group. The other part of the bonus is in the form of a conditional award of Bonus Shares, currently 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

Remuneration report continued

VESTING OF ENHANCEMENT SHARES

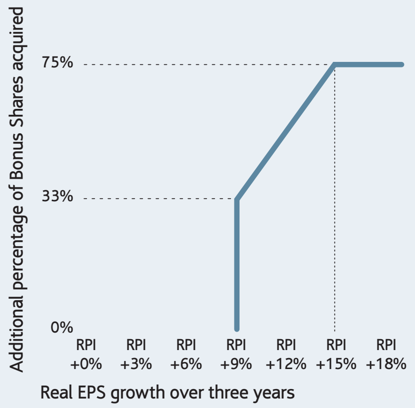


Figure 2:
LTIP – SECTOR INDEX

	Mining	Industrial Minerals
Category weighting	94%	6%
Comparator companies	BHP Billiton plc Rio Tinto plc Teck Cominco Vale Vedanta Resources plc Xstrata plc	CRH plc Holcim Limited Lafarge Hanson plc

Figure 3:
LTIP – SECTOR INDEX COMPARISON

The Company's relative TSR compared with the Sector Index	% Proportion of total 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

- in order to encourage 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 2007 a maximum of 56% of basic salary). Awards of Enhancement Shares made in 2007 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 (see illustrative chart). There is no retesting of this performance condition.

Real EPS growth is viewed as the most appropriate performance measure for this element of the BSP 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 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.

3.4 Share options and all-employee share schemes

No share options have been granted to executive directors under the Company's Executive Share Option Scheme (ESOS) since 2003 and there is currently no intention to make future grants under the ESOS to executive directors. However, the ESOS is retained for use in special circumstances relating to the recruitment or retention of key executives in countries where share options are the normal means of long-term incentivisation. As the current ESOS will expire in early 2009, the Anglo American Discretionary Option Plan will be proposed to shareholders at the Annual General Meeting (AGM) in April 2008.

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-based employees, performance conditions do not apply to them. At the AGM in April 2008 shareholders will be asked to approve a new SAYE scheme to replace the existing SAYE scheme, which expires in early 2009.

3.5 Long Term Incentive Plan (LTIP)

Grant levels

Conditional LTIP awards are made annually to executive directors. The maximum grant level under the LTIP is currently 200% of basic salary and it is anticipated that, in 2008, grants under the LTIP will be made at 200% of basic salary for the executive directors, including the chief executive. 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 are considered on a case-by-case basis.

Performance measures

As in previous years, vesting of the LTIP awards made during 2007 is subject to the achievement, over a fixed three-year period, of stretching Group performance targets relating to Total Shareholder Return (TSR) and to an operating measure, currently return on capital employed (ROCE).

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 (TSR)

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

The portion of each award that is based on TSR is measured 50% against the Sector Index and 50% against the constituents of the

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Figure 4:
LTIP – FTSE 100 COMPARISON

The Company's relative TSR compared with the FTSE 100	% Proportion of total 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

Figure 5:
LTIP – ROCE TARGETS

	Existing capital employed	Incremental capital employed
Minimum ROCE Target	37.47%	10%
Maximum ROCE Target	39.47%	10%

Figure 6:
LTIP – ROCE VESTING

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

FTSE 100. Maximum vesting on the TSR element of an award will only be possible if the Company outperforms by a substantial margin both the sector benchmark (as described below) and the largest UK companies across all sectors. Maximum vesting of the whole LTIP award, would, in addition, depend on the Company's performance exceeding demanding ROCE targets (also as described below). Taken as a whole, vesting depends on a very 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 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 or significant changes in the composition of the Group, such as the future sale of Tarmac). In calculating TSR it is assumed that all dividends are reinvested.

For awards made in 2007, the companies constituting the Sector Index are shown in Figure 2.

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. That part of any award that is contingent upon the Sector Index element of the TSR performance will vest as shown in Figure 3 (on a straight-line basis for performance between the levels shown).

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 outlined in Figure 4 (on a straight-line basis for performance between the levels shown).

The targets above were calibrated such that for the TSR element of the award there is approximately a 10% chance of achieving full vesting and a 25% chance of two-thirds vesting. These probabilities were assessed by PwC 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 of 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 2003 to 31 December 2007 are shown in Figure 9 on page 75.

Return on capital employed
Group ROCE is the second performance measure for LTIP grants. The Committee considers this to be among the most important factors which drive sustainable improvements in shareholder value in a natural resource 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. Unless certain 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)) are met, no shares will vest under this performance measure. The maximum ROCE targets are based on stretching levels of return on the existing capital employed.

The ROCE targets for each element conditionally awarded in 2007 are shown in Figure 5. To ensure that the targets do act as an effective incentive, they are adjusted for factors outside management's control such as movements in commodity prices, certain foreign exchange rate effects, capital in progress, and for relevant changes in the composition of the Group.

Vesting of the ROCE elements is as shown in Figure 6. 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 BSP will be released, but Enhancement Shares awarded under the BSP will vest only to the extent that the performance condition has been met at the time of the change of control;
- 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 under the former ESOS is dependent upon the reasons the contract is terminated. Performance conditions fall away in the event of

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redundancy. However, if a director resigns voluntarily, then all such options lapse unless the Committee determines otherwise.

In the case of LTIP interests, if a director resigns voluntarily, then his/her interests lapse. If he/she 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 BSP, 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 voluntarily before the end of the three-year vesting period, the Bonus Share awards lapse and the Enhancement Shares are forgone. If a director is made redundant, Bonus Shares already awarded will be transferred as soon as practicable after the date of leaving and 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 and policy on provision of shares for incentive schemes

The Group established an Employee Share Ownership Trust (the Trust) in 1999 to acquire and hold shares to facilitate the operation of the Company's share schemes. As at 31 December 2007, the Trust held 9,693,835 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. It is the Company's current policy and practice not to use newly issued shares to meet the requirements of share incentives. Such shares are currently provided from the Trust or by market purchase. However, shareholders will be asked at the AGM in April 2008 to approve the use of newly issued shares or treasury shares in the future in connnection with the SIP to give the Company greater flexibility in this regard.

3.8 Pensions

Details of individual pension arrangements are set out on pages 78, 79 and 82. Since the inception of the new UK pensions regime on 6 April 2006, the Committee has been prepared to consider requests from executive directors that their contracts be altered for future service, so that further pension benefits are reduced or cease to accrue and that a pension allowance be paid having the same cost as the defined contribution benefits forgone.

Similarly, the Committee is prepared to consider requests from executive directors (as is the case for employees more generally) that their contracts be altered for future service, so that supplementary pension contributions are made into their defined contribution pension arrangements, in return for equivalent cost reductions in their future basic salary and/or in the cash element of the BSP.

3.9 Other benefits

Executive directors are entitled to the provision of a car allowance, 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. 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 Company's various long-term incentive plans.

5. External appointments

Executive directors are not permitted to hold external directorships or offices without the prior approval of the Board; if approved, they may each retain the fees payable from one such appointment. During the year ended 31 December 2007, Cynthia Carroll and René Médori each retained fees from such appointments, amounting to £108,000 and £57,000 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 (after deduction of applicable income tax and social security contributions) to acquire shares in the Company if the non-executive director so wishes; 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 share incentive schemes or pension arrangements.

It is the intention that this policy will continue to apply for 2008 and subsequent years, subject to ongoing review as appropriate.

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 (SID). If non-executive directors were to acquire executive board roles within subsidiaries of the Company, then they might also receive additional remuneration from the relevant subsidiaries on account of these increased responsibilities.

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 made to the Board (in the absence of the chairman) by the Committee and chief executive, which takes external advice on market comparators.

8. Directors' service contracts

Cynthia Carroll is employed by Anglo American Services (UK) Limited (AAS). René Médori was employed by Anglo American International (IOM) Limited (AAI(IOM)) until 31 December 2007 and by AAS thereafter (the terms of his employment by AAS are similar to those applicable to his contract with AAI(IOM) and the change of employer was made for administrative simplicity). Tony Trahar and David Hathorn were employed by both AAI(IOM) and by Anglo Operations Limited until they left service. Simon Thompson was employed by AAS until he left service.

It is the Company's policy that the period of notice for executive directors will not exceed 12 months and that the employment contracts of the executive directors are terminable at 12 months' notice by either party. In accordance with her terms upon joining, Cynthia Carroll was, up to 31 December 2007, entitled to 24 months' notice in the event of termination of her employment by the Company, although her

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contract thereafter became terminable at 12 months' notice by either party.

The contracts of executive directors do not provide for any enhanced payments in the event of a change of control of the Company, nor for liquidated damages.

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 AGM.

9. Historical comparative TSR performance graphs

The graphs shown in Figure 9 represent the comparative TSR performance of the Company from 1 January 2003 to 31 December 2007. In drawing up 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 comprising companies of a 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 Sector Index comparator group used to measure company performance for the purposes of the vesting of LTIP interests conditionally awarded in 2005. This graph gives an indication of how the Company 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. TSR is calculated in US dollars, and the TSR level shown as at 31 December each year is the average of the closing daily TSR levels for the five day period up to and including that date.

10. Remuneration outcomes during 2007

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

10.1 Directors' emoluments

Executive directors

Figure 10 sets out an analysis of the pre-tax remuneration during the years ended 31 December 2007 and 2006, including bonuses but excluding pensions, for executive directors who held office in the Company during the year ended 31 December 2007.

Figure 7:
EXECUTIVE DIRECTORS(1)

	Date of appointment	Next AGM re-election or election
Cynthia Carroll (chief executive from 1 March 2007)	15 January 2007	April 2010
Tony Trahar (chief executive to 1 March 2007; ceased to be a director 17 April 2007)(2)	18 March 1999	n/a
David Hathorn (ceased to be a director 3 July 2007)	20 April 2005	n/a
René Médori (finance director)	01 June 2005	April 2008
Simon Thompson (ceased to be a director 13 April 2007)(2)	20 April 2005	n/a

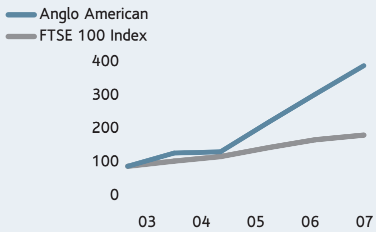
(1) At each Annual General Meeting (AGM) all those directors who have been in office for three years or more since their election or last re-election shall retire from office. Details of any retiring by rotation this year are contained in the Notice of AGM.
(2) Tony Trahar and Simon Thompson left service on 30 June 2007 and 31 May 2007 respectively.

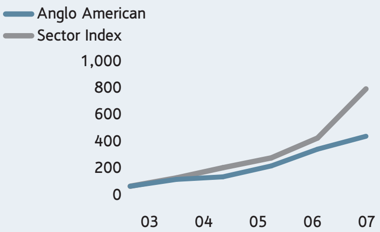
Figure 8:
NON-EXECUTIVE DIRECTORS(1)(2)

	Date of appointment	Next AGM re-election or election
Sir Mark Moody-Stuart (chairman)	16 July 2002	April 2009
Ralph Alexander (resigned 26 October 2007)	20 April 2005	n/a
David Challen (chairman, Audit Committee)	09 September 2002	April 2009
Chris Fay (chairman, S&SD Committee)(3)	19 April 1999	April 2008
Bobby Godsell (retires on 15 April 2008)	18 March 1999	n/a
Sir Rob Margetts (SID and chairman, Remuneration Committee)(3)	18 March 1999	April 2008
Nicky Oppenheimer	18 March 1999	April 2010
Fred Phaswana (chairman, Nomination Committee)	12 June 2002	April 2009
Mamphela Ramphele	25 April 2006	April 2009
Karel Van Miert	19 March 2002	April 2008
Peter Woicke	01 January 2006	April 2009

(1) At each AGM all those non-executive 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.
(2) There is no fixed notice period; however, the Company may, in accordance with, and subject to the provisions of, the Companies Act, 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.
(3) In accordance with the provisions of the Combined Code, independent non-executive directors who have served longer than nine years are subject to annual re-election and, accordingly, Chris Fay and Sir Rob Margetts are being proposed for re-election at the AGM in April 2008.

Figure 9:
TSR PERFORMANCE





Non-executive directors

The fees and other emoluments paid to non-executive directors during the year ended 31 December 2007 amounted to £1,237,000 (2006: £1,807,000) and are shown in Figure 11.

10.2 Bonus Share Plan

Details of shares awarded under the BSP to executive directors during 2007 and their current holdings are shown in Figure 12.

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Figure 10:
EXECUTIVE DIRECTORS' EMOLUMENTS[1]

	Basic salary as paid		Plus: Basic salary sacrificed into Pension Scheme[2]		Total basic salary		Annual performance bonus – cash element[2][3]		Benefits in kind[4]		Other		Total	
	2007 £000	2006 £000	2007 £000	2006 £000	2007 £000	2006 £000	2007 £000	2006 £000	2007 £000	2006 £000	2007 £000	2006 £000	2007 £000	2006 £000
Cynthia Carroll[5]	900	–	–	–	900	–	641	–	426	–	700	–	2,667	–
Tony Trahar[6]*	333	786	200	239	533	1,025	857	830	51	56	1,300	56	2,741	1,967
David Hathorn*	290	520	–	–	290	520	435	277	14	24	61	26	800	847
René Médori	565	485	45	75	610	560	407	370	28	25	–	–	1,045	955
Simon Thompson[7]*	238	495	4	25	242	520	224	316	12	25	530	9	1,008	870

* Up to the date of leaving service.

(1) Subsequent to his retirement from the Board in 2004, Bill Nairn has provided consultancy services to Anglo American, receiving £38,000 (2006: £120,000) for the provision of these services during the year. He also held non-executive directorships with certain listed subsidiaries of the Group and received fees of £15,000 for the provision of these services during the year.

(2) Their employing companies contractually agreed with the executive directors (other than Cynthia Carroll and David Hathorn) that supplementary pension contributions be made into their pension arrangements in return for equivalent-cost reductions in their basic salaries and/or in the cash elements payable under the BSP.

(3) The annual bonus amounts in respect of Tony Trahar, David Hathorn and Simon Thompson include the release of the share element of the BSP paid in cash as well as the cash element, in view of the executives' departure from the Company.

(4) Each executive director receives a car allowance and a limited amount of personal taxation/financial advice. Executive directors also receive death and disability benefits as well as medical insurance. Tony Trahar and Simon Thompson also received club membership.

(5) Cynthia Carroll was, in accordance with her terms upon joining, entitled to be reimbursed by the Company certain expenses incurred as a result of her recruitment and relocation to the United Kingdom. Accordingly, the Company has incurred expenses in 2007 amounting in the aggregate to £402,000, which are included in the above table. This includes the cost of temporary accommodation, physical removal costs and the provision of specialist relocation services. The Company has agreed to reimburse Cynthia Carroll for the additional income tax payable in due course on such expenses. Cynthia Carroll's other emoluments include a relocation allowance and compensation made in respect of incentives forgone at her previous employer (as reported in the 2006 Annual Report).

(6) Tony Trahar's other emoluments include the pro-rated value of the 2006 BSP and 2007 LTIP which was paid out in cash upon his retirement from the Company. Subsequent to his retirement from the Board in 2007, the Committee agreed that Tony Trahar could purchase a residential property from the Group, on the basis that the property be valued by three independent specialist valuers and that the selling price would be the average of the two highest valuations. The property was subsequently valued on this basis and was sold to Tony Trahar for £6,930,000, which was paid on completion. The Committee also agreed that certain contents of the property could be sold to Tony Trahar at their market value as assessed by an independent valuer and such contents were subsequently sold to Tony Trahar for £61,800.

(7) Subsequent to his leaving service, Simon Thompson received £899,000, comprising payments in lieu of notice for salary and benefits, including a pro-rated bonus (all included in the above table) and pension contributions amounting to £152,000 as reported separately in Figure 16.

Figure 11:
NON-EXECUTIVE DIRECTORS' EMOLUMENTS[1][2]

	Fees		Other emoluments		Total	
	2007 £000	2006 £000	2007 £000	2006 £000	2007 £000	2006 £000
Sir Mark Moody-Stuart[3]	450	360	–	–	450	360
Ralph Alexander (resigned 26 October 2007)	54	65	–	–	54	65
David Challen	80	80	–	–	80	80
Chris Fay	80	80	–	–	80	80
Bobby Godsell[4][5]	71	70	–	698	71	768
Sir Rob Margetts	93	93	–	–	93	93
Nicky Oppenheimer[4]	71	70	–	–	71	70
Fred Phaswana[4]	143	95	–	–	143	95
Mamphela Ramphele	65	45	–	–	65	45
Karel Van Miert	65	65	–	–	65	65
Peter Woicke	65	65	–	–	65	65

(1) Each non-executive director, with the exception of Sir Mark Moody-Stuart, is paid a fee of £65,000 (2006: £65,000) per annum, and those non-executive directors who act as chairmen of the Audit, Safety & Sustainable Development and Remuneration Committees are paid an additional sum of £15,000 (2006: £15,000) per annum. The chairman of the Nomination Committee is paid an additional sum of £7,500 (2006: £7,500) per annum. Sir Rob Margetts received additional fees of £13,000 (2006: £13,000) in his capacity as senior independent director.

(2) In addition to the fees reported above for 2006, Maria Silvia Bastos Marques, who resigned on 20 April 2006, received fees of £21,000.

(3) Sir Mark Moody-Stuart's fees were reviewed in January 2007, having been last reviewed as at January 2005. His fees for 2007 were adjusted after taking into account the median fees paid to chairmen of FTSE-20 companies.

(4) Bobby Godsell and Nicky Oppenheimer received fees for their services as non-executive directors of Anglo American South Africa Limited amounting to £6,000 (2006: £5,000) and £6,000 (2006: £5,000) respectively, which are included in the above table. Fred Phaswana is the non-executive chairman of Anglo American South Africa Limited and of Anglo Platinum and received fees for these services amounting to £71,000 (2006: £22,000), which are included in the above table.

(5) Bobby Godsell's fees for 2006 include fees and emoluments under his service contract with AngloGold Ashanti, which was a subsidiary of the Company until 20 April 2006. As AngloGold Ashanti is no longer a subsidiary, no such emoluments have been reported for 2007.

Figure 12:
BONUS SHARE PLAN INTERESTS[1]

	Total interest at 1 January 2007	Number of Bonus Shares conditionally awarded during 2007	Number of Bonus Shares lapsed during 2007[2]	Number of Enhancement Shares conditionally awarded during 2007	Number of Bonus shares vested during 2007	Number of Enhancement shares vested during 2007	Number of Enhancement shares lapsed during 2007	Total interest at 31 December 2007	Market price at date of 2007 award £	Date of vesting of Bonus Shares awarded during 2007	End date of performance period for Enhancement Shares awarded during 2007
Cynthia Carroll[3]	–	–	–	–	–	–	–	–	–	–	–
Tony Trahar[4]	218,688	–	–	–	(124,965)	(37,178)	–	56,545	–	–	–
David Hathorn[5]	57,464	–	–	–	(32,837)	(20,125)	(4,502)	–	–	–	–
René Médori[6]	15,266	17,187	(2,333)	12,889	–	–	–	43,009	24.73	01/01/2010	31/12/2009
Simon Thompson[7]	72,390	14,689	–	11,016	(56,055)	(9,642)	–	32,398	24.73	–	31/12/2009

[1] The performance period applicable to each award is three years. The performance period relating to the 2004 BSP awards (which were granted on 28 May 2004) ended on 31 December 2006. The release of Bonus Shares was subject to continued employment to this date and the vesting of Enhancement Shares was subject to both continued employment and a performance condition based on the Company's EPS growth over the performance period.

Shares vested (2004 BSP award)	Number of shares vested	Date of award	Market price at date of award £	Market price at date of vesting £	Money value at date of vesting £
Tony Trahar	86,748	28/5/2004	11.36	24.62	2,135,736
David Hathorn	17,913	28/5/2004	11.36	24.62	441,018
Simon Thompson	22,498	28/5/2004	11.36	24.62	553,901

In the case of the BSP awards granted in 2004, the determinant for the vesting of Enhancement Shares was real EPS growth, based on earnings per share growth against growth in the UK Retail Price Index (RPI) over the performance period. 44% of the Enhancement Shares would vest if EPS growth was RPI + 9%, and 100% would vest if EPS growth was RPI + 15%. As the EPS growth achieved was RPI + 147% over the period, full vesting of the Enhancement Shares occurred.

[2] Where permitted by Finance legislation, awards of Bonus Shares under the BSP are granted as forfeitable shares, which would be forfeited in the event that an executive director leaves service before the shares are released. As a result of the share consolidation following the demerger of Mondi, a portion of any forfeitable Bonus Shares lapsed as indicated above (details of the share consolidation were disclosed in the demerger prospectus).

[3] Cynthia Carroll was, in accordance with her terms upon joining, granted 132,718 forfeitable shares in compensation for long-term incentives forgone at her previous employer. The market price of the shares at the date of this award was £24.91. These shares are forfeitable in the event that she leaves service before they are released to her. As a result of the share consolidation following the demerger of Mondi, 11,945 of these shares lapsed and the remaining forfeitable award amounted to 120,773 shares, of which 72,464 are due to be released to her in 2008, 24,155 will be released in 2009 and 24,154 will be released in 2010, subject to her continued employment. These awards are as follows:

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 2007	Latest performance period end date
Cynthia Carroll	–	132,718	–	(11,945)	120,773	–

[4] Following his retirement on 30 June 2007, Tony Trahar's entitlement to 75,395 Bonus Shares under the BSP was released to him and the shares were subsequently sold. The value of the entitlement was £2,281,517. Tony Trahar's unvested awards of Enhancement Shares under the BSP remain subject to performance conditions which will be assessed at the end of each relevant performance period.

[5] Following the demerger of Mondi, David Hathorn's entitlement to 22,601 Bonus Shares under the BSP was released to him and a proportion of his Enhancement Shares vested (12,448) and the remainder lapsed. The value of the entitlement was £1,112,806. David Hathorn has no remaining entitlement under the BSP.

[6] In addition to the BSP award disclosed above, René Médori, in accordance with his terms upon joining, was granted 50,600 forfeitable shares, in 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. Of these shares, 30,360 were released to him in May 2006 and 20,240 were released to him in May 2007.

Interests	Beneficial interest in forfeitable shares at 1 January 2007	Number of forfeitable shares vested during 2007	Total beneficial interest in forfeitable shares at 31 December 2007	Latest performance period end date
René Médori	20,240	(20,240)	–	–

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 £
René Médori	20,240	2/6/2005	13.34	26.46	535,550

[7] Following his leaving service on 31 May 2007, Simon Thompson's entitlement to 43,199 Bonus Shares under the BSP was released to him and the shares were subsequently sold. The value of the entitlement was £1,330,097. Simon Thompson's unvested awards of Enhancement Shares under the BSP remain subject to performance conditions which will be assessed at the end of each relevant performance period.

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Figure 13:
LONG TERM INCENTIVE PLAN

LTIP interests[(1)(2)]	Total beneficial interest in LTIP at 1 January 2007	Number of shares conditionally awarded during 2007	Number of shares vested during 2007	Number of shares lapsed during 2007	Total beneficial interest in LTIP at 31 December 2007	Latest performance period end date
Cynthia Carroll	–	73,538	–	–	73,538	31/12/2009
Tony Trahar	331,675	–	(55,763)	(55,762)	220,150	31/12/2008
David Hathorn[(3)]	126,560	3,733	(95,554)	(34,739)	–	–
René Médori	115,414	49,842	–	–	165,256	31/12/2009
Simon Thompson	150,959	–	(21,614)	(21,613)	107,732	31/12/2008

(1) The LTIP awards made in 2007 are conditional on two performance conditions as outlined on pages 72 and 73: the first is 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 is 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 2007 award and how performance against targets is measured can be found on pages 72 and 73. The market price of the shares at the date of award was £24.63.

(2) The performance period applicable to each award is three years. The performance period relating to the two LTIP awards in 2004 (which were granted on 25 March 2004 and 26 April 2004) ended on 31 December 2006. 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	Dates of conditional award	Market price at date of award £	Market price at date of vesting £	Money value at date of vesting £
Tony Trahar	41,557	25/3/2004	12.85	27.02	1,122,870
	14,206	26/4/2004	12.53	27.02	383,846
David Hathorn	12,250	25/3/2004	12.85	27.02	330,995
	4,190	26/4/2004	12.53	27.02	113,214
Simon Thompson	14,088	25/3/2004	12.85	27.02	380,658
	7,526	26/4/2004	12.53	27.02	203,353

In the case of the LTIP awards granted in 2004, the determinants for vesting were 50% on relative TSR and 50% on meeting specified Group 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), 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 threshold blended target (i.e. the target on existing and new capital) for the performance period for the 2004 LTIP was 14.4% and the upper blended target 15.99%. The ROCE achieved was 17.5% 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 155%, which generated a nil vesting in terms of the 2004 Comparator Group. The overall vesting level for those directors with a 50% Group ROCE, 50% TSR split was therefore 50%.

(3) Following the demerger of Mondi, a proportion of David Hathorn's outstanding LTIP awards from 2005 and 2006 vested as follows:

Shares vested	Number of shares vested	Dates of conditional award	Market price at date of award £	Market price at date of vesting £	Money value at date of vesting £
David Hathorn	53,494	5/4/2005	12.54	31.75	1,698,435
	25,620	29/3/2006	20.72	31.75	813,435

10.3 Long Term Incentive Plan

Conditional awards of shares were made in 2007 to executive directors under the LTIP as shown in Figure 13.

10.4 Directors' share options

No executive share options have been granted to executive directors since 2003 (Figure 14).

Details of the share options exercised by the executive directors in 2007 are shown in Figure 15.

The highest and lowest mid-market prices of the Company's shares during the period 1 January 2007 to 31 December 2007 were £36.41 and £23.30 respectively. The mid-market price of the Company's shares at 31 December 2007 was £30.80.

10.5 Share Incentive Plan (SIP)

Cynthia Carroll purchased 28 shares under the SIP scheme during the year. René Médori purchased 53 shares under the SIP scheme during the year in addition to the 38 shares held by him at 1 January 2007. 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. Tony Trahar purchased 20 shares under the SIP scheme during the year whilst still a director, in addition to the 297 shares held by him at the beginning of the year. Simon Thompson purchased 20 shares under the SIP scheme during the year whilst still a director, in addition to the 297 shares held by him at 1 January 2007.

Participants in the SIP scheme are entitled to receive dividends on the matching shares. Shares purchased prior to 3 July 2007 were subject to the share consolidation following the demerger of Mondi.

The information provided in sections 10.2 to 10.5 is a summary. However, full details of directors' shareholdings and options are contained in the Registers of Directors' Interests of the Company, which are open to inspection.

10.6 Pensions

10.6.1 Directors' pension arrangements

Cynthia Carroll participated in defined contribution pension arrangements in terms of her contract with AAS. In 2007, normal contributions were payable on her behalf at the rate of 30% of the basic salary payable under this contract.

Tony Trahar participated in defined contribution pension arrangements in terms of his contract with AAI(IOM), for services to be rendered outside South Africa. In 2007, normal contributions were payable at the rate of 35% of the basic salary payable under this contract. He also participated in the Anglo American Corporation Pension Fund (the Fund) in respect of his South African contract, whereby he

Figure 14:
DIRECTORS' SHARE OPTIONS

Anglo American options[1]	Beneficial holding at 1 January 2007[2]	Granted	Exercised	Lapsed	Beneficial holding at 31 December 2007	Weighted average option price £	Earliest date from which exercisable	Latest expiry date
Tony Trahar	5,553	–	(4,497)	(1,056)	–	–	–	–
René Médori	951	–	–	–	951	17.97	1/9/2013	28/2/2014

[1] Share options in respect of shares, the market price for which as at 31 December 2007 is equal to, or exceeds, the option exercise price. As at 31 December 2007, there were no share options with an exercise price above the market price.

[2] 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 were no performance conditions attached to these options. Beneficial holdings include SAYE options held by René Médori of 951 options with an option price of £17.97. There are no performance conditions attached to these options.

Figure 15:
ANGLO AMERICAN OPTIONS

	Number exercised	Option price £	Market price at date of exercise £	Gain £
Tony Trahar	3,792	4.85	27.59	86,230
	705	10.15	29.84	13,881

accrued 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.

David Hathorn participated in defined contribution pension arrangements in terms of his contract with AAI(IOM), for services to be rendered outside South Africa. In 2007, normal contributions were payable at the rate of 30% of the basic salary payable under this contract. He also participated in the Fund in respect of his South African contract, on the same terms as above.

René Médori participated in defined contribution pension arrangements in terms of his contract with AAI(IOM). In 2007, normal contributions were payable on his behalf at the rate of 30% of the basic salary payable under this contract.

Simon Thompson participated in defined contribution pension arrangements in terms of his contract with AAS. In 2007, normal contributions were payable on his behalf at the rate of 30% of the basic salary payable under this contract.

10.6.2 Defined contribution pension schemes

The amounts paid into defined contribution pension schemes by the Group in respect of the individual directors are shown in Figure 16.

Figure 16:
DEFINED CONTRIBUTION PENSION SCHEMES

Directors	Normal contributions 2007 £000	Normal contributions 2006 £000
Cynthia Carroll[1]	270	–
Tony Trahar[2]*	186	354
David Hathorn*	86	143
René Médori[2]	183	168
Simon Thompson[2][3]*	73	156

* Up to date of leaving service.

[1] The actual contributions paid into pension arrangements for Cynthia Carroll amounted in 2007 to £203,000, the balance being payable in the form of a cash allowance to an equivalent cost to the employer. This allowance does not form part of basic salary nor is it included in determining awards under the BSP.

[2] Tony Trahar, René Médori and Simon Thompson contractually agreed with their employing companies that supplementary pension contributions should be made into their defined contribution pension arrangements in return for reductions in their future basic salaries and/or reductions in the cash element awarded under the BSP for performance in 2006. These supplementary contributions, of £1,353,000 (2006: £866,000), £68,000 (2006: £145,000) and £4,000 (2006: £242,000) respectively, are included in the directors' emoluments table on page 76.

[3] In addition, as part of the terms upon which he left service, the Company contributed an additional amount of £152,000 into the pension arrangements of Simon Thompson.

Figure 17:
DEFINED BENEFIT PENSION SCHEMES

Executive directors	Additional benefit earned/(expended) (excluding inflation) during the year ended 31 December 2007 £000	Accrued entitlement as at 31 December 2007 £000	Transfer value of accrued benefits as at 31 December 2007	Transfer value of accrued benefits as at 31 December 2006	Increase/(decrease) transfer value in the year less any personal contributions[1]
Tony Trahar	(16)	7	130	329	(199)
David Hathorn	(12)	–	–	131	(131)

[1] The transfer value, less any personal contributions, of the increase/(decrease) in additional benefits earned/(expended) during 2007 amounted for Tony Trahar and David Hathorn to £7,000 and £nil respectively.

Remuneration report continued

Figure 18:
SHARES IN ANGLO AMERICAN PLC As at 31 December 2007 (or, if earlier, date of resignation)

	Beneficial	Conditional				
Directors		SIP	LTIP	BSP Bonus Shares	BSP Enhancement Shares	Other
Cynthia Carroll[1]	27	27	73,538	–	–	120,773
Tony Trahar[2]	103,674	279	331,675	75,395	56,545	–
David Hathorn[2]	124,841	–	–	–	–	–
René Médori[3]	10,952	84	165,256	23,578	19,431	–
Simon Thompson[2]	78,715	277	150,959	43,199	32,398	–
Sir Mark Moody-Stuart[4]	23,300	–	–	–	–	–
Ralph Alexander[2]	1,179	–	–	–	–	–
David Challen	1,820	–	–	–	–	–
Chris Fay	6,827	–	–	–	–	–
Bobby Godsell	83	–	–	–	–	–
Sir Rob Margetts[5]	12,097	–	–	–	–	–
Nicky Oppenheimer[6]	33,557,016	–	–	–	–	–
Fred Phaswana	14,021	–	–	–	–	–
Mamphela Ramphele	612	–	–	–	–	–
Karel Van Miert	455	–	–	–	–	–
Peter Woicke	2,531	–	–	–	–	–

Figure 19:
SHARES IN ANGLO AMERICAN PLC As at 1 January 2007[7] (or, if later, date of appointment)

	Beneficial	Conditional				
Directors		SIP	LTIP	BSP Bonus Shares	BSP Enhancement Shares	Other
Cynthia Carroll[1]	–	–	–	–	–	132,718
Tony Trahar[2]	40,291	297	331,675	124,965	93,723	–
David Hathorn[2]	17,851	–	126,560	32,837	24,627	–
René Médori[3]	38	38	115,414	8,724	6,542	20,240
Simon Thompson[2]	78,655	297	150,959	41,366	31,024	–
Sir Mark Moody-Stuart[4]	24,167	–	–	–	–	–
Ralph Alexander[2]	784	–	–	–	–	–
David Challen	2,000	–	–	–	–	–
Chris Fay	7,503	–	–	–	–	–
Bobby Godsell	92	–	–	–	–	–
Sir Rob Margetts[5]	12,346	–	–	–	–	–
Nicky Oppenheimer[6]	42,126,048	–	–	–	–	–
Fred Phaswana	13,920	–	–	–	–	–
Mamphela Ramphele	102	–	–	–	–	–
Karel Van Miert	500	–	–	–	–	–
Peter Woicke	1,484	–	–	–	–	–

Figure 20:

SHARES IN ANGLO AMERICAN PLC As at 1 January 2008 (or, if later, date of appointment)

	Beneficial	Conditional				
Directors		SIP	LTIP	BSP Bonus Shares	BSP Enhancement Shares	Other
Cynthia Carroll[(1)]	27	27	73,538	–	–	120,773
René Médori[(3)]	10,952	84	165,256	23,578	19,431	–
Sir Mark Moody-Stuart[(4)]	23,300	–	–	–	–	–
David Challen	1,820	–	–	–	–	–
Chris Fay	6,827	–	–	–	–	–
Bobby Godsell	83	–	–	–	–	–
Sir Rob Margetts[(5)]	12,097	–	–	–	–	–
Nicky Oppenheimer[(6)]	33,557,016	–	–	–	–	–
Fred Phaswana	14,021	–	–	–	–	–
Mamphela Ramphele	612	–	–	–	–	–
Karel Van Miert	455	–	–	–	–	–
Peter Woicke	2,531	–	–	–	–	–

Figure 21:

SHARES IN ANGLO AMERICAN PLC As at 19 February 2008 (or, if earlier, date of resignation)

	Beneficial	Conditional				
Directors		SIP	LTIP	BSP Bonus Shares	BSP Enhancement Shares	Other
Cynthia Carroll[(1)]	36	36	73,538	–	–	120,773
René Médori[(3)]	10,961	93	165,256	23,578	19,431	–
Sir Mark Moody-Stuart[(4)]	23,743	–	–	–	–	–
David Challen	1,820	–	–	–	–	–
Chris Fay	6,827	–	–	–	–	–
Bobby Godsell	83	–	–	–	–	–
Sir Rob Margetts[(5)]	12,343	–	–	–	–	–
Nicky Oppenheimer[(6)]	33,557,016	–	–	–	–	–
Fred Phaswana	14,451	–	–	–	–	–
Mamphela Ramphele	777	–	–	–	–	–
Karel Van Miert	455	–	–	–	–	–
Peter Woicke	2,911	–	–	–	–	–

(1) Following her appointment as an executive director on 15 January 2007, Cynthia Carroll was granted 132,718 forfeitable shares in compensation for long-term incentives forgone at her previous employer, the release of which is conditional on her continued employment with the Group. As a result of the share consolidation following the demerger of Mondi, 11,945 shares lapsed and the resultant forfeitable award was 120,773 forfeitable shares, of which 72,464 are due to be released to her in 2008, 24,155 will be released in 2009 and 24,154 will be released in 2010, subject to her continued employment.

(2) Tony Trahar resigned from the Board at the conclusion of the AGM on 17 April 2007. Messrs Thompson, Hathorn and Alexander resigned on 13 April, 3 July and 26 October 2007 respectively.

(3) René Médori received 50,600 shares upon joining Anglo American plc, 30,360 were released on 1 May 2006 and 20,240 were released to him on 1 May 2007.

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

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

(6) Nicky Oppenheimer's beneficial interest in 33,556,927 of these Shares arises as a result of his interest in a discretionary trust which is treated as interested in 27,300,000 Shares in which E Oppenheimer & Son Holdings Limited is treated as interested and 6,252,377 Shares in which Central Holdings Limited is treated as interested. The 6,252,377 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 4,550 of these Shares arises as a result of his wife's interest in a trust which has an indirect economic interest in those Shares.

(7) Before the share consolidation of 2 July 2007.

Remuneration report continued

10.6.3 Defined benefit pension schemes
Tony Trahar and David Hathorn were eligible up to 30 June 2007 for membership of the Anglo American Corporation Pension Fund (the Fund) in respect of their South African remuneration. 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 (Figure 17).

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 scheme.

10.6.4 Excess retirement benefits
No person who served as a director of the Company during or before 2007 has been paid or received retirement benefits in excess of the retirement benefits to which he or she 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 while 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 (while 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 2007.

12. Directors' share interests
The interests of directors who held office during the period 1 January 2007 to 31 December 2007 in ordinary shares of the Company and its subsidiaries were as shown in Figures 18 and 19.

Figures 20 and 21 outline the changes in the above interests which occurred between 1 January 2008 and the date of this report.

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

Sir Rob Margetts
Chairman, Remuneration Committee

19 February 2008

Independent remuneration report review

This letter contains the findings and conclusions from our review of the processes followed by Anglo American's Remuneration Committee (the Committee) during 2007. The review was undertaken at the request of the Chairman of the Committee in order to provide shareholders with assurance that the processes followed by the Committee supported the policy stated in Anglo American's Remuneration Report.

It is our view that the processes followed by the Committee during 2007 fully supported the Company's remuneration policy. Please find below a description of the process that we followed in coming to our conclusion, along with our detailed observations and recommendations.

Review process

In order to reach our view we undertook the following:

- a review of the Committee's terms of reference;
- a review of the minutes of the Committee covering the period from January to December 2007;
- a review of any briefing materials prepared for the Committee during the year;
- an interview with Chris Corrin in his capacity as Secretary to the Committee; and
- an interview with the Chairman of the Committee.

Findings

The Committee comprises entirely independent non-executive directors. It met formally on four occasions in 2007.

We reviewed the minutes of each meeting along with any supporting papers or documentation that was tabled. We found that the decisions taken by the Committee were in line with Anglo American's stated remuneration policy, namely that levels of reward, whilst competitive, require demanding performance conditions to be met which are consistent with shareholder interests. We are satisfied that the Committee closely adheres to the stated policy of setting base pay levels at the median of comparable companies, that at least 50% of remuneration for the executive directors is performance-related and that variable pay is consistent with business performance, market conditions and retention of talent.

We are satisfied that the Committee challenges the proposals put forward by executive management and adopts a rigorous and robust approach to decision making.

We are also satisfied that the Committee seeks the advice of external consultants on technical issues where appropriate and gives careful consideration to the information and recommendations that it receives, before reaching an informed decision.

Conclusions

On the basis of the document review referred to above and the interviews with the Chairman and Secretary of the Committee, we are comfortable that the Committee has discharged its duties in line with the Principles of Executive Remuneration stated in Anglo American's Annual Report.

As noted in previous years we consider that the members of the Committee are an effective and cohesive team and that the Committee is an exemplar of best practice. We understand that in order to maintain this high standard consideration is being given to refreshing the membership of the Committee in line with the requirements of the Combined Code.

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.

Yours sincerely,

Mark Hoble
Principal
Mercer Limited
Tower Place
London EC3R 5BU

7 February 2008

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors are required by the IAS Regulation to prepare the Group financial statements under International Financial Reporting Standards (IFRS) as adopted by the European Union. The Group financial statements are also required by law to be properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

International Accounting Standard 1 requires that IFRS financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The directors have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The parent company financial statements are required by law to give a true and fair view of the state of affairs of the Company. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the parent company financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.