



Programme Memorandum dated June 2012

## AngloGold Ashanti Limited

*(Incorporated in South Africa with limited liability under registration number 1944/017354/06)*

### ***R10 Billion Domestic Medium Term Note Programme***

*Attorneys to the Arranger*



*Attorneys to the Issuer*



*Arranger and Debt Sponsor*



Traditional values. Innovative ideas.

#### ***Dealers***

***Absa Bank Limited, acting through its division, Absa Capital,  
FirstRand Bank Limited,  
acting through its division, Rand Merchant Bank  
Nedbank Limited,  
acting through its division, Nedbank Capital  
The Standard Bank of South Africa Limited,  
acting through its division, Corporate and Investment Banking***

**PROGRAMME MEMORANDUM****ANGLOGOLD ASHANTI LIMITED**

*(Incorporated in South Africa with limited liability under registration number 1944/017354/06)*

**R10 Billion Domestic Medium Term Note Programme**

With effect from the date of signature of this revised Programme Memorandum, this revised Programme Memorandum shall supersede the previous Programme Memorandum dated 8 April 2011. This Programme Memorandum does not affect the Terms and Conditions of any Notes (as defined below) issued before the date of this Programme Memorandum.

Under this R10 000 000 000 Domestic Medium Term Note Programme (the "**Programme**"), AngloGold Ashanti Limited (the "**Issuer**") may from time to time issue secured or unsecured registered notes (the "**Notes**") denominated in South African Rand on the terms and conditions (the "**Terms and Conditions**") contained in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*".

Capitalised terms used below are defined in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*".

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign an Applicable Pricing Supplement based on the pro forma Applicable Pricing Supplement included in this Programme Memorandum, setting out details of such Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions (including additional definitions) which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions, replace or modify the Terms and Conditions for the purpose of such Tranche of Notes.

Each Note will be a Senior Note or a Subordinated Note, as indicated in the Applicable Pricing Supplement. Save as set out in this Programme Memorandum, the Notes will not be subject to any minimum or maximum maturity. The Programme Amount will not exceed R10 000 000 000 unless such Programme Amount is increased as set out in the section of this Programme Memorandum headed "*General Description of the Programme*".

The Programme has been registered with the JSE. A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. With respect to a Tranche of Notes listed on the Interest Rate Market of the JSE, the Applicable Pricing Supplement(s) relating to that Tranche will be delivered to the JSE and the Central Securities Depository before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement. The trading of Notes listed on the Interest Rate Market of the JSE will take place in accordance with the rules and operating procedures for the time being of the JSE. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. The settlement and redemption procedures for a Tranche of Notes listed on another exchange, irrespective of whether that

Tranche is listed on the Interest Rate Market of the JSE as well, will be specified in the Applicable Pricing Supplement.

Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades to take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. In such event, the Applicable Pricing Supplement will be delivered to the JSE and the Central Securities Depository. With respect to Notes not listed on the Interest Rate Market of the JSE, and not to be settled through the electronic settlement procedures of the JSE and the Central Securities Depository, no Applicable Pricing Supplement will be delivered to the JSE.

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust. Unlisted notes are not regulated by the JSE.

Notes may be issued on a continuing basis and be placed by one or more Dealers appointed by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis.

The Programme will be rated and this rating will be available on the Issuer's website and contained in the Applicable Pricing Supplement. Any rating of the Issuer will be disclosed in the Applicable Pricing Supplement.

***Capitalised terms used in this Programme Memorandum are defined in the section of this Programme Memorandum headed "Terms and Conditions of the Notes", unless separately defined in this Programme Memorandum and/or, in relation to any particular Tranche of Notes, the Applicable Pricing Supplement. Expressions defined in this Programme Memorandum will bear the same meanings in supplements to this Programme Memorandum which do not themselves contain their own definitions.***

*The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Programme Memorandum which would make any statement false or misleading and that all reasonable enquires to ascertain such facts have been made and that this Programme Memorandum contains all information required by Applicable Law and the JSE Listings Requirements. The Issuer accepts full responsibility for the information contained in this Programme Memorandum, the Applicable Pricing Supplements and the annual financial report and any amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.*

*This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum. Any reference in this section to the Programme Memorandum, shall be read and construed as including such documents incorporated by reference.*

*The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is material in the context of the issue and offering of any particular Tranche of Notes, that the information contained or incorporated in this Programme Memorandum is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Programme Memorandum are honestly held and that there are no other facts the omission of which would make this Programme Memorandum or any information or expression of any such opinions or intentions misleading in any material respect. In particular reference should be made to Risk Factors as included under the Issuer Description Section.*

*The JSE assumes no responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or incorporated by reference into this Programme Memorandum. The admission of any Tranche of Notes to the list of debt securities maintained by the JSE and the listing of such Notes on the Interest Rate Market of the JSE is not to be taken as an indication of the merits of the Issuer or the Notes. The JSE assumes no responsibility or liability of whatsoever nature for the contents of this Programme Memorandum or any Applicable Pricing Supplement or the annual report any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of this Programme Memorandum or any Applicable Pricing Supplement, the annual report or any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum or any Applicable Pricing Supplement or the annual report any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time).*

*No person is authorised to give any information or to make any representation concerning the issue of the Notes other than the information and representations contained in this Programme Memorandum. Nevertheless, if any such information is given or representation made, it must not be relied upon as having been authorised by the JSE, the Issuer, the Debt Sponsor, Arranger or the Dealers, or any of their respective subsidiary or holding companies or a subsidiary of their holding company ("**Affiliates**") or advisers. Neither the delivery of this Programme Memorandum nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, in any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer since the date hereof or that the information contained in this Programme Memorandum is correct at any time subsequent to the date of this Programme Memorandum. The JSE, the Debt Sponsor, the Arranger, the Dealers and other advisers have not separately verified the information contained in this Programme Memorandum. Accordingly, neither the JSE, the Debt Sponsor, the Arranger, the Dealers nor any of their respective Affiliates or advisers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Programme Memorandum or any other information supplied in connection with the Programme. Each person receiving this Programme Memorandum acknowledges that such person has not relied on the JSE, the Debt Sponsor, the Arranger, the Dealers or any other person affiliated with the JSE, the Debt Sponsor, the Arranger or the Dealers in connection with its investigation of the accuracy of such information or its investment decision.*

Neither this Programme Memorandum nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation by the JSE, the Issuer, the Debt Sponsor, the Arranger or the Dealers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme should subscribe for or purchase any Notes. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment. The JSE, the Debt Sponsor, the Arranger and the Dealers do not undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger or the Dealers.

The Notes will be obligations of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by the Debt Sponsor, the Arranger or the Dealers. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes shall be accepted by, the Debt Sponsor, the Arranger or the Dealers.

None of the Issuer, the JSE, the Debt Sponsor, the Arranger or the Dealers makes any representation or warranties as to the settlement procedures of the Central Securities Depository or the JSE or any other relevant stock exchange.

**This Programme Memorandum does not constitute an offer or an invitation by or on behalf of the Issuer, the Debt Sponsor, the Arranger, the Dealers or to any person to subscribe for or purchase any of the Notes.** The distribution of this Programme Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Debt Sponsor, the Arranger or the Dealers that this Programme Memorandum may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Debt Sponsor, the Arranger or the Dealers or which would permit a public offering of the Notes or distribution of this Programme Memorandum in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Programme Memorandum comes are required by the Issuer, the Debt Sponsor, the Arranger and the Dealers to inform themselves about and to observe any such restrictions.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to any U.S. persons. In addition, there are restrictions on the distribution of this Programme Memorandum in South Africa, the European Economic Union and the United Kingdom. For a

*more complete description of certain restrictions on the offering, sale and delivery of Notes and distribution of this Programme Memorandum see the section of this Programme Memorandum headed "Subscription and Sale" below.*

*The terms of this Programme Memorandum, if sent to persons resident in jurisdictions outside South Africa, may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal requirements in any such jurisdiction. It is the responsibility of any such person wishing to subscribe for or purchase the Notes to satisfy itself as to the full observance of the laws of the relevant jurisdiction therewith. If and to the extent that this Programme Memorandum is illegal in any jurisdiction, it is not made in such jurisdiction and this document is sent to persons in such jurisdiction for information purposes only.*

*References in this Programme Memorandum to "Rands" or "R" are to the lawful currency for the time being of South Africa.*

***In connection with the issue and distribution of any Tranche of Notes, the Issuer or a Dealer disclosed as the approved stabilisation manager, if any, (the "Stabilisation Manager") in the Applicable Pricing Supplement may, to the extent permitted by applicable laws and regulations, over-allot or effect transactions for a limited period after the Issue Date with a view to supporting the market price of the Notes of which such Tranche forms a part at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there may be no obligation on the Stabilisation Manager to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period and the price/yield and amount of Notes to be issued under this Programme will be determined by the Issuer and each Dealer and/or Lead Manager(s) at the time of issue in accordance with the prevailing market conditions.***

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## DOCUMENTS INCORPORATED BY REFERENCE

The documents listed below are deemed to be incorporated into, and to form part of, this Programme Memorandum:

- (a) the audited consolidated annual financial statements of the Issuer, for the financial years ended 31 December 2008, 31 December 2009 and 31 December 2010, together with such statements, reports and notes attached to or intended to be read with such financial statements;
- (b) the audited consolidated annual financial statements of the Issuer, together with such statements, reports and notes attached to or intended to be read with such financial statements, in respect of all financial years of the Issuer after the Programme Date;
- (c) the quarterly reports of the Issuer in respect of each quarter from 31 December 2010 onwards;
- (d) the memorandum of incorporation of the Issuer, as amended from time to time;
- (e) all information pertaining to the Issuer which is relevant to the Notes which is electronically disseminated from time to time on SENS;
- (f) each Applicable Pricing Supplement; and
- (g) each supplement to this Programme Memorandum circulated by the Issuer from time to time.

The Programme Memorandum and any amendments or supplements thereto and all Applicable Pricing Supplements will be made available on the website of the JSE ([www.jse.co.za](http://www.jse.co.za)) and on the website of the Issuer ([www.anglogoldashanti.com](http://www.anglogoldashanti.com)). The financial statements of the Issuer referred to above will be available on the website of the Issuer ([www.anglogoldashanti.com](http://www.anglogoldashanti.com)). The most recently obtained monthly beneficial disclosure report made available by the relevant Participants to the Central Securities Depository will also be available for inspection at the Specified Office of the Issuer.

Any statement contained in this Programme Memorandum or in any document which is incorporated by reference into this Programme Memorandum will be deemed to be modified or superseded for the purposes of this Programme Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference into this Programme Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will, for so long as any Notes in a Tranche remain outstanding and listed on the Interest Rate Market of the JSE, as soon as practicable after the occurrence of any of the events set out below, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if any of the information contained in this Programme Memorandum becomes outdated in a material respect; provided that:

no new Programme Memorandum or supplement to this Programme Memorandum, as the case may



be, is required in respect of the Issuer's annual financial statements if such annual financial statements are incorporated by reference into this Programme Memorandum and such annual financial statements are sent to Noteholders as required by the Companies Act, and submitted to the JSE within six months after the financial year end of the Issuer. The Issuer's annual consolidated financial statements will include Risk Factors which may be updated from time to time.

Any such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, will be deemed to have substituted the previous Programme Memorandum from the date of issue of the new Programme Memorandum or Programme Memorandum as supplemented, as the case may be.

## GENERAL DESCRIPTION OF THE PROGRAMME

*A general description of the Programme is set out below. The general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to any particular Tranche of Notes, the Applicable Pricing Supplement.*

Under the Programme, the Issuer may from time to time issue Notes denominated in the Specified Currency. The applicable terms of any Notes will be set out in the Terms and Conditions incorporated by reference into the Notes, as modified and supplemented by the Applicable Pricing Supplements relating to the Notes and any supplementary Programme Memorandum.

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign an Applicable Pricing Supplement based on the pro forma Applicable Pricing Supplement included in the Programme Memorandum, setting out details of such Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions set out in this Programme Memorandum, replace or modify such Terms and Conditions for the purpose of such Tranche of Notes. Each Note will be a Senior Note or a Subordinated Note, as indicated in the Applicable Pricing Supplement.

Each Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust.

In the event that any Tranche of Notes is listed on any exchange other than the JSE or the Issuer issues unlisted Notes, the Issuer will, no later than the last day of the month of issue of such Tranche, inform the JSE in writing of the aggregate Principal Amount, the Step-Up Date and the Final Redemption Date of such Tranche.

The Programme Amount will not exceed R10 000 000 000, unless the Programme Amount is increased as set out below. For the purpose of calculating the aggregate Principal Amount of Notes issued under the Programme from time to time:

- (a) the Rand equivalent of a Tranche of Notes denominated in another currency shall be determined, at or about the relevant Issue Date, on the basis of the spot rate at such time for the sale of such Rand amount against the purchase of such currency or unit of account in the Johannesburg inter-bank foreign exchange markets, as quoted by any leading bank selected by the Issuer;
- (b) the amount of a Tranche of Indexed Notes and a Tranche of partly paid Notes shall be calculated by reference to the aggregate Principal Amount of that Tranche of Notes (regardless of the Issue Price of

that Tranche of Notes); and

- (c) the amount of a Tranche of Zero Coupon Notes (and any other Tranche of Notes issued at a discount or a premium) shall be calculated with reference to the Principal Amount of that Tranche of Notes.

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Programme Agreement, the listings requirements of the JSE and/or such other or further exchange(s) on which any Tranche of Notes may be listed and to any Applicable Law, the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering a notice thereof to the Noteholders and to the relevant exchange. Upon such notice being given (and following compliance with the provisions of the Programme Agreement), all references in this Programme Memorandum, or any other agreement, deed or document relating to the Programme, to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

## SUMMARY OF THE PROGRAMME

*The information set out below is a brief summary of certain aspects of the Programme. This summary should be read in conjunction with, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to any particular Tranche of Notes, the Applicable Pricing Supplements.*

### Transaction Parties

<b>Issuer</b>	AngloGold Ashanti Limited, a company incorporated in accordance with the laws of South Africa, (registration number 1944/017354/06).
<b>Debt Sponsor</b>	RMB.
<b>Arranger</b>	RMB.
<b>Dealer(s)</b>	RMB, Absa Bank Limited, acting through its Absa Capital division, Nedbank Limited, acting through its Nedbank Capital Division, The Standard Bank of South Africa Limited, acting through its division, Corporate and Investment Banking and/or such other person(s) appointed by the Issuer from time to time in terms of the Programme Agreement, which appointment may be for a specific issue of Notes or on an ongoing basis, as specified in the Applicable Pricing Supplement.
<b>Transfer Agent</b>	RMB, or such other person appointed by the Issuer from time to time, as specified in the Applicable Pricing Supplement.
<b>Calculation Agent</b>	RMB, or, in relation to a particular Tranche or Series of Notes, such person appointed by the Issuer from time to time, as specified in the Applicable Pricing Supplement.
<b>Rating Agency</b>	Standard & Poor's or, in relation to a particular Tranche or Series of Notes, any of Standard & Poor's, Fitch Southern Africa (Proprietary) Limited and/or Moody's Investors Service Limited as may be appointed by the Issuer from time to time, if any, as specified in the Applicable Pricing Supplement.
<b>Auditor</b>	Ernst & Young Inc. or such other auditor (or firm of auditors) as may be selected by the Issuer from time to

	time.
<b>Noteholder(s)</b>	The holders of the Notes as recorded in the Register.
<b>Central Securities Depository</b>	Strate Limited (registration number 1998/022242/06) or any additional or alternate depository approved by the Issuer, the Dealer(s) and the JSE.
<i>Programme Description</i>	
<b>Description of the Programme</b>	AngloGold Ashanti Limited Domestic Medium Term Note Programme.
<b>Size of the Programme</b>	Up to R10 000 000 000 outstanding at any time. The Issuer may, without the consent of Noteholders, increase the Programme Amount in accordance with the Programme Agreement, Applicable Laws and subject to any required regulatory approvals. The Programme Amount at the time of the issue of any Tranche of Notes will be set out in the Applicable Pricing Supplement.
<b>Listing</b>	The Programme has been registered with the JSE. Notes issued under the Programme may be listed on the Interest Rate Market of the JSE or such other or further exchange(s) as may be selected by the Issuer and any relevant Dealer(s) and subject to Applicable Laws. The Applicable Pricing Supplement in respect of a Tranche of Notes will specify whether or not such Notes will be listed and, if so, on which exchange.
<b>Rating of Notes</b>	The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of Notes, as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings. A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agency concerned.
<b>Notes</b>	The description of, and terms and conditions applicable to, Notes other than those specifically described in this Programme Memorandum will be set out in the Applicable Pricing Supplements.

Notes may be:

- (a) interest-bearing or non-interest bearing;
- (b) secured or unsecured;
- (c) issued at par, a premium or a discount;
- (d) issued in fully paid up or partly paid up form;
- (e) exchangeable for other assets; and/or
- (e) issued with such other characteristics as may be specified in the Applicable Pricing Supplement.

**Form of Notes**

Notes will be issued in registered form as described in the section "*Form of the Notes*". Notes will not be issued in bearer form or in order form, unless otherwise agreed by the Issuer and any applicable Dealer. The section "*Settlement, Clearing and Transfers of Notes*" describes how Beneficial Interests are created and what the rights of Beneficial Interest holders are.

**Currency**

Notes may be issued in Rand, the lawful currency of South Africa or such other currency as the Issuer in consultation with the Arranger may determine.

**Terms and Conditions**

The terms and conditions of the Notes are set out in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*". The Applicable Pricing Supplements may specify other terms and conditions (which may replace, modify or supplement the Terms and Conditions) in relation to specific terms and conditions of the Notes of any Tranche of Notes issued.

**Issue Price**

Notes may be issued at an issue price which is at their Principal Amount or at a discount to, or premium over, their Principal Amount as specified in the Applicable Pricing Supplement.

**Denomination of Notes**

Notes will be issued with a minimum denomination of not less than R1 000 000, as specified in the Applicable Pricing Supplement.

**Maturities**

Notes are not subject to any minimum or maximum maturity. The maturity of each Tranche of Notes will be specified in the Applicable Pricing Supplement.

**Interest Rate and Interest Payment Dates**

As specified in the Applicable Pricing Supplement.

**Redemption**

Save for optional redemption prior to the stated maturity of the Notes (as described below) and early redemption following an Event of Default, early redemption of the Notes will only be permitted for Tax reasons as described in Condition 8.3.

If so specified in the Applicable Pricing Supplement, Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part).

If so specified in the Applicable Pricing Supplement, Notes may be redeemed before their stated maturity at the option of the holders of Senior Notes (either in whole or in part).

If a Change of Control (as defined in Condition 8.6) occurs, then, if so specified in the Applicable Pricing Supplement, Senior Notes may be redeemed before their stated maturity at the option of the holders of the Senior Notes (either in whole or in part).

Notes may be redeemed before their stated maturity at the option of the Issuer pursuant to the clean-up call option in terms of Condition 8.7.

**Status of Notes**

The Issuer may issue Senior Notes or Subordinated Notes, as specified in the Applicable Pricing Supplement.

**Status of the Senior Notes**

The Senior Notes constitute direct, unconditional, unsubordinated and, save as set out in the Applicable Pricing Supplement, unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain debts required to be preferred by Applicable Law) at least equally with, but not ahead of, all other unsecured obligations (other than unsecured subordinated obligations, if any) of the Issuer from time to time outstanding.

<b>Status of the Subordinated Notes</b>	Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain debts required to be preferred by Applicable law) at least equally with all other unsecured, subordinated obligations of the Issuer, if any, from time to time outstanding.
<b>Negative Pledge</b>	Condition 11.1 of the Terms and Conditions provides for a negative pledge in favour of the holders of Senior Notes.
<b>Cross Default</b>	Senior Notes will have the benefit of a cross-default to other Indebtedness for Borrowed Money of the Issuer above the threshold specified in Condition 12.
<b>Securities Transfer Tax</b>	In terms of current South African legislation as at the date of the Programme Date, no securities transfer tax is payable by the Issuer on the original issue of, or on the registration of transfer of, Notes on the basis that the Notes will not comprise a "security" as defined in section 1 of the Securities Transfer Tax Act, 2007. Any future stamp duties or other duties or Taxes that may be introduced or may be applicable upon the transfer of the Notes will be for the account of Noteholders.
<b>Withholding Tax</b>	Payments in respect of interest and principal will be made without withholding or deduction for Taxes unless such withholding or deduction is required by Applicable Law. In the event that such withholding or deduction is required by Applicable Law, the Issuer will be obliged to pay additional amounts in relation thereto.
<b>Tax Status</b>	A summary of applicable current South African tax legislation appears in the section of this Programme Memorandum headed " <i>South African Taxation</i> ". The section does not constitute tax advice and investors should consult their own professional advisers.
<b>Governing Law</b>	Notes will be governed by, and construed in accordance with, the laws of South Africa.
<b>Distribution</b>	Notes may be offered by way of public auction, private placement or any other means permitted by Applicable Law,



as determined by the Issuer and reflected in the Applicable Pricing Supplement.

**Register**

The Register will be maintained by the Transfer Agent in accordance with the Terms and Conditions.

**Register Closed**

The Register will, in respect of each Tranche of Notes, be closed prior to each Interest Payment Date and Redemption Date, for the periods described in Condition 15, in order to determine those Noteholders entitled to receive payments.

**Selling Restrictions**

The distribution of this Programme Memorandum and any offering or sale of a particular Tranche of Notes may be restricted by law in certain jurisdictions, and are restricted by law in the United States of America, the United Kingdom, the European Economic Area and South Africa. Any relevant selling restrictions and other restrictions as may be required to be met in relation to an offering or sale of a particular Tranche of Notes shall be included in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum or the Applicable Pricing Supplement must inform themselves about and observe such restrictions.

**Blocked Rand**

Blocked Rand may be used for the subscription for or purchase of Notes, subject to South African Exchange Control Regulations, 1961, promulgated under the Currency and Exchanges Act, 1933.

**FORM OF THE NOTES**

Each Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE.

Each Tranche of Notes (whether listed or unlisted) will be issued in the form of registered Notes in accordance with the Terms and Conditions and represented by (i) Individual Certificates, or (ii) no Certificate, if issued in uncertificated form in terms of section 37 of the Securities Services Act.

**Notes issued in uncertificated form**

If the Notes are to be listed on the Interest Rate Market of the JSE, the Issuer will, subject to Applicable Laws, issue such Notes in uncertificated form. Unlisted Notes may also be issued in uncertificated form.

Notes issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Securities Services Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the Central Securities Depository will apply to Notes issued in uncertificated form.

**Beneficial Interests**

The Central Securities Depository will hold each Tranche of Notes issued in uncertificated form, subject to the Securities Services Act and the Applicable Procedures. Each Tranche of Notes issued in uncertificated form, will be registered in the name of the Central Securities Depository's Nominee, and the Central Securities Depository's Nominee will be named in the Register as the sole Noteholder of such Tranche of Notes.

Accordingly, and except where the contrary is provided in the Terms and Conditions, all amounts to be paid and all rights to be exercised in respect of the Notes issued in uncertificated form, will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Notes.

The Central Securities Depository maintains central securities accounts only for Participants. As at the date of this Programme Memorandum, the Participants are Absa Bank Limited, Citibank NA, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank.

The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Notes, a certificate or other document issued by the Central Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest.

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Terms and Conditions and the rules and operating procedures for the time being of the Central Securities Depository, Participants and the JSE.

The Issuer shall regard the Register as the conclusive record of title to the Notes.

#### **Individual Certificates**

The Notes represented by Individual Certificates will be registered in the name of the individual Noteholders in the Register. Notes represented by Individual Certificates may be transferred only in accordance with the Terms and Conditions.

Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition 9 to the person reflected as the registered holder of such Individual Certificates in the Register at 17h00 (Johannesburg time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.

#### **Other Notes**

The Issuer may, without the consent of Noteholders, agree with any Dealer appointed in relation to such Tranche that a Tranche of Notes be issued in bearer form or in order form or in another form not contemplated by the Terms and Conditions, in which case a supplement to this Programme Memorandum or the Applicable Pricing Supplement, if appropriate, will be issued which will describe the effect of the agreement reached in relation to such Tranche of Notes.

## **RISK FACTORS**

*The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment. **Risks affecting the business of the Issuer are discussed in the section of this Programme Memorandum headed "Description of the Issuer".***

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.*

*Prospective investors should also read the detailed information set out elsewhere in this Programme Memorandum as well as all documents incorporated by reference including in particular the consolidated annual financial statements of the Issuer to reach their own views prior to making any investment decision.*

*References below to a numbered "Condition" shall be to the relevant Condition under the Terms and Conditions.*

### **Risks Relating to the Notes**

#### ***The Notes may not be a suitable investment for all investors***

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***There is no active trading market for the Notes***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

***The Notes may be redeemed prior to maturity***

Unless in the case of any particular Tranche of Notes the Terms and Conditions provide otherwise, in the event that the Issuer is obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any Taxes, the Issuer may redeem all outstanding affected Tranches Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes the Terms and Conditions provide that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

***Because Notes listed on the Interest Rate Market of the JSE may be held by the Central Securities Depository, investors will have to rely on its procedures for transfer, payment and communication with the Issuer***

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and held in uncertificated form, will be held in the Central Securities Depository. Unlisted Notes may also be held in the Central Securities Depository. Except in the circumstances described in the Terms and Conditions, investors will not be entitled to receive Individual Certificates. The Central Securities Depository will maintain records of the Beneficial Interests in Notes held in the Central Securities Depository. While the Notes are held in the Central

Securities Depository, investors will be able to trade their Beneficial Interests in such Notes only through the Central Securities Depository.

While Notes are held in the Central Securities Depository the Issuer will discharge its payment obligations under such Notes by making payments to or to the order of the Central Securities Depository's Nominee (as the registered holder of such Notes), for distribution to the holders of Beneficial Interests in such Notes. A holder of a Beneficial Interest in Notes must rely on the procedures of the Central Securities Depository and Participants to receive payments under such Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests.

Holders of Beneficial Interests in such Notes will not have a direct right to vote in respect of such Notes.

***Recourse to the BESA Guarantee Fund Trust***

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust. Unlisted notes are not regulated by the JSE.

***Credit Rating***

Tranches of Notes issued under the Programme may be rated or unrated. A rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

*Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any such redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*Index-Linked Notes*

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Note to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

*Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any instalment could result in an investor losing all of its investment.

*Variable Rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

*Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the

rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may at any time be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

*Notes issued at a substantial discount or premium*

The market price of Notes issued at a substantial discount to or premium over their principal amount tend to fluctuate more in relation to general changes in interest rates than do market prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Risks related to Notes generally***

*Modification and waivers*

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

*Change of law*

No assurance can be given as to the impact of any possible judicial decision or change to South African law or other Applicable Law or administrative practice after the Programme Date or after the date of any Applicable Pricing Supplement.

*Notes where denominations involve integral multiples: Individual Certificates*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in the form of an Individual Certificate in respect of such holding and would need to purchase a Principal Amount of Notes such that its holding amounts to a minimum Specified Denomination.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.



***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

**PRO FORMA APPLICABLE PRICING SUPPLEMENT**

**Set out below is the form of Applicable Pricing Supplement, which will be completed for each Tranche of Notes issued under the Programme:**

**AngloGold Ashanti Limited**

*(Incorporated in South Africa with limited liability under registration number 1944/017354/06)*

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**Under its R10 000 000 000 Domestic Medium Term Note Programme with a Stock Code [●]**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described in this Applicable Pricing Supplement.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by AngloGold Ashanti Limited dated ●, as amended. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed “*Terms and Conditions of the Notes*”. References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum which would make any statement false or misleading and that all reasonable enquires to ascertain such facts have been made and that the Programme Memorandum contains all information required by Applicable Law and the JSE Listings Requirements. The Issuer accepts full responsibility for the information contained in the Programme Memorandum, the Applicable Pricing Supplements and the annual financial report and any amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

The JSE assumes no responsibility or liability of whatsoever nature for the contents of the Programme Memorandum or this Applicable Pricing Supplement or the annual financial report or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of the Programme Memorandum or this Applicable Pricing Supplement, the annual financial report or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme

Memorandum or this Applicable Pricing Supplement or the annual financial report or any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time).

#### DESCRIPTION OF THE NOTES

1. Issuer	AngloGold Ashanti Limited
2. Status of the Notes	[Senior Notes/Subordinated Notes]
3. Security	[Secured/Unsecured]
4. Listed/Unlisted	[ ]
5. Series number	[ ]
6. Tranche number	[ ]
7. Aggregate Principal Amount of this Tranche	[ ]
8. Interest/Payment Basis	[ ]
9. Issue Date(s) and first settlement date	[ ]
10. Minimum Denomination per Note	R1 000 000
11. Specified Denomination (Principal Amount per Note)	[ ]
12. Issue Price(s)	[ ]
13. Applicable Business Day Convention, if different to that specified in the Terms and Conditions	[Following Business Day/Modified Business Day/Preceding Business Day/other convention – insert details]
14. Interest Payment Dates	[ ]
15. Interest Commencement Date(s)	[ ]
16. Step-Up Date	[ ]
17. Final Redemption Date	[ ]
18. Specified Currency	[ ]
19. Additional Business Centre	[ ]

20. Maturity Amount [ ]
21. Set out the relevant description of any additional/other Terms and Conditions relating to the Notes [ ]
22. Additional covenants [None]
23. Additional events of default [None]

**FIXED RATE NOTES**

24. Fixed Interest Rate [ % per annum nacq/nacm/nacs/naca
25. Interest Payment Date(s) [ ]
26. Interest Period(s) [ ]
27. Initial Broken Amount [ ]
28. Final Broken Amount [ ]
29. Step-Up Rate [ ]
30. Any other items relating to the particular method of calculating interest [ ]

**FLOATING RATE NOTES**

31. Interest Payment Date(s) [ ]
32. Interest Period(s) [ ]
33. Manner in which the Interest Rate is to be determined Screen Rate Determination/other (insert details)
34. Margin/Spread for the Interest Rate [(+/-) ( )% per annum to be added to/subtracted from the relevant Reference Rate]
35. Margin/Spread for the Step-Up Rate [(+/-) ( )% per annum to be added to/subtracted from the relevant Reference Rate/Interest Rate]
36. If Screen Determination

- (a) Reference Rate (including relevant period [e.g. 3 month JIBAR] by reference to which the Interest Rate is to be calculated)
- (b) Rate Determination Date(s) [The first Business Day of each Interest Period]
- (c) Relevant Screen page and Reference Code [ ]
37. If Interest Rate to be calculated otherwise than by reference to Screen Rate Determination, insert basis for determining Interest Rate/Margin/Fall back provisions [ ]
38. Any other terms relating to the particular method of calculating interest [ ]

#### ZERO COUPON NOTES

39. (a) Implied Yield [ ] NACA, NACS, NACQ, NACM
- (b) Reference Price [ ]
- (c) Equivalent Discount Rate [ ]
- (d) Spread to Reference Rate [ ]
- (e) Maturity Date [ ]
- (f) Day Count [ ]
- (g) Any other formula or basis for determining amount payable [ ]

#### INDEXED NOTES

40. (a) Type of Indexed Notes [Indexed Interest Notes / Indexed Redemption Amount Notes]
- (b) Index/Formula by reference to which Interest Amount/Final Redemption Amount is to be determined [ ]
- (c) Manner in which the Interest Amount/Final Redemption Amount is to be determined [ ]
- (d) Interest Period [ ]

- (e) Interest Payment Date(s) [ ]
- (f) If different from the Calculation Agent, agent responsible for calculating amount of principal and interest [ ]
- (g) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable [ ]

#### OTHER NOTES

41. If the Notes are not Fixed Rate Notes or Floating Rate Notes, or if the Notes are a combination of the above and some other Note, set out the relevant description of any additional Terms and Conditions relating to such Notes [ ]

#### PROVISIONS REGARDING REDEMPTION/ MATURITY

42. Redemption at the option of the Issuer: if yes: [Yes/No]
- (a) Optional Redemption Date(s) [ ]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) [ ]
- (c) Minimum period of notice [ ]
- (d) If redeemable in part:
- Minimum Redemption Amount(s) [ ]
- Higher Redemption Amount(s) [ ]
- (e) Other terms applicable on Redemption [ ]
43. Redemption at the option of the holders of the Senior Notes (Put Option): if yes [Yes/No]
- (a) Optional Redemption Date(s) (Put) [ ]
- (b) Optional Redemption Amount(s) (Put) and [ ]

method, if any, of calculation of such amount(s)

(c) Minimum period of notice [ ]

(d) If redeemable in part:

Minimum Redemption Amount(s) [ ]

Higher Redemption Amount(s) [ ]

(e) Other terms applicable on Redemption [ ]

44. Redemption at the option of the holders of the Senior Notes upon a Change of Control in terms of Condition 8.6 [Yes/No]

45. Early Redemption Amount(s) payable on redemption for Taxation reasons in terms of Condition 8.3 or Optional Redemption following a Change of Control in terms of Condition 8.6 or redemption in terms of the Clean-Up Call Option in terms of Condition 8.7 early redemption following an Event of Default in terms of Condition 12 : if yes [Yes/No]

Early Redemption Amount and method, if any, of calculation of such amount [as per Condition 8.8]

## GENERAL

46. Additional selling restrictions [ ]

47. International Securities Numbering (ISIN) [ ]

48. Stock Code [ ]

49. Financial Exchange [ ]

50. Dealer(s) [ ]

51. Trade type [ ]

52. Date convention [ ]

53. If syndicated, names of Lead Manager(s)	[ ]
54. Method of distribution	[ ]
55. Rating assigned to [the Issuer/the Programme this Tranche of Notes (if any)], date of such rating and date for review of such rating	[ ]
56. Rating Agency (if any)	[ ]
57. Governing Law	South Africa
58. Last Day to Register	[ ], being 17h00 on the Business Day preceding the Books Closed Period
59. Books Closed Period	[5 days prior to each Interest Payment Date and Redemption Date]
60. Calculation Agent	[ ]
61. Specified Office of the Calculation Agent	[ ]
62. Transfer Agent	[ ]
63. Specified Office of the Transfer Agent	[ ]
64. Stabilisation Manager, if any	[ ]
65. Programme Amount	[R10 000 000 000]
66. Aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche	R[ ], excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
67. Events of Default	[See Condition 12]
68. Other provisions	[ ]

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS – SEE APPENDIX "A"



Application [is hereby/will not be] made to list this Tranche of the Notes, [as from [            ]], pursuant to the AngloGold Ashanti Limited Domestic Medium Term Note Programme.

**ANGLOGOLD ASHANTI LIMITED**

By: \_\_\_\_\_

Director, duly authorised

Date: \_\_\_\_\_

By: \_\_\_\_\_

Director, duly authorised

Date: \_\_\_\_\_

## APPENDIX "A"

**Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations**

At the date of this Applicable Pricing Supplement:

Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

Paragraph 3(5)(c)

The auditor of the Issuer is Ernst & Young Inc.

Paragraph 3(5)(d)

As at the date of this issue:

- (a) [the Issuer has not issued any Notes/the Outstanding Principal Amount of all Notes issued by the Issuer is R[●]]; and
- (b) [it is not anticipated that the Issuer will issue additional Notes during the remainder of its current financial year/it is anticipated that the Issuer will issue additional Notes with an estimated nominal value of R[●] during the remainder of its current financial year ended [●], in addition to the Notes forming part of this issue of Notes].

Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

Paragraph 3(5)(g)

The Notes issued will be [listed/unlisted], as stated in the Applicable Pricing Supplement.

Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for [●].

Paragraph 3(5)(i)

The Notes are [secured/unsecured].

Paragraph 3(5)(j)

Ernst & Young Inc., the auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

**ANGLOGOLD ASHANTI LIMITED**

By: \_\_\_\_\_

Director, duly authorised

Date: \_\_\_\_\_

By: \_\_\_\_\_

Director, duly authorised

Date: \_\_\_\_\_

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes to be issued by the Issuer. Notes will be issued in individual Tranches, which, together with other Tranches, may form a Series of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign an Applicable Pricing Supplement based on the pro forma Applicable Pricing Supplement included in the Programme Memorandum, setting out details of such Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions (including additional definitions) which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace, modify or supplement the following Terms and Conditions for the purpose of such Tranche of Notes. The Terms and Conditions set out below and the Applicable Pricing Supplement will be deemed to be incorporated by reference into each Certificate evidencing any Notes.*

### 1. Interpretation

In the Terms and Conditions, the following expressions shall have the following meanings, unless inconsistent or separately defined in the Programme Memorandum or in the Applicable Pricing Supplement:

- |       |                                     |   |
|-------|-------------------------------------|---|
| 1.1   | <b>"Actual Redemption Date"</b>     | in relation to a Tranche of Notes, the date upon which the Notes in that Tranche are redeemed in full by the Issuer;  |
| 1.2   | <b>"Additional Business Centre"</b> | in relation to a Tranche of Notes, any city specified as such in the Applicable Pricing Supplement;   |
| 1.3   | <b>"Agency Agreement"</b>           | the agreement concluded between the Issuer, the Transfer Agent and the Calculation Agent, or a separate agreement between the Issuer and each of the Transfer Agent and the Calculation Agent, unless the Issuer itself acts in any of the abovementioned capacities; |
| 1.4   | <b>"Applicable Law"</b>             | in relation to a person, all and any:   |
| 1.4.1 |                                     | statutes and subordinate legislation;   |
| 1.4.2 |                                     | regulations, ordinances and directives;   |
| 1.4.3 |                                     | by-laws;  |
| 1.4.4 |                                     | codes of practice, circulars, guidance notices, judgements and decisions of any competent authority; and  |

1.4.5		other similar provisions, from time to time,
1.5	<b>"Applicable Pricing Supplement"</b>	in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of the Programme Memorandum headed " <i>Pro Forma Applicable Pricing Supplement</i> ";
1.6	<b>"Applicable Procedures"</b>	the rules and operating procedures for the time being of the Central Securities Depository, Settlement Agents and the JSE, as the case may be;
1.7	<b>"Arranger"</b>	RMB;
1.8	<b>"Auditor"</b>	the auditor of the Issuer, from time to time;
1.9	<b>"Beneficial Interest"</b>	in relation to a Note, an interest as co-owner of an undivided share in a Note held in uncertificated form, in accordance with the Securities Services Act;
1.10	<b>"BESA"</b>	The Bond Exchange of South Africa Limited (registration number 2007/034441/06), which was a licensed financial exchange in terms of the Securities Services Act, prior to its merger, on 22 June 2009, with the JSE;
1.11	<b>"BESA Guarantee Fund Trust"</b>	the guarantee fund trust established and operated by BESA, prior to its merger with the JSE on 22 June 2009 and, as at the Programme Date, operated by the JSE as a separate guarantee fund trust, in terms of the of the rules of the JSE, as required by sections 9(1)(e) and 18(2)(x) of the Securities Services Act or any successor fund;
1.12	<b>"Books Closed Period"</b>	in relation to a Tranche of Notes, as contemplated in Condition 15.2, the period of 5 days preceding each Interest Payment Date and Redemption Date,

- as the case may be, or such other period or periods stipulated by the Issuer in the Applicable Pricing Supplement, as being the period or periods during which the Register is closed for purposes of giving effect to transfers, redemptions or payments in respect of that Tranche of Notes;
- 1.13 **"Business Day"** a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks settle payments in Rand in Johannesburg or any Additional Business Centre specified in the applicable Pricing Supplement, save that if the Specified Currency is not Rand, "*Business Day*" shall mean a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the Specified Currency and in each (if any) Additional Business Centre, save further that if the Applicable Pricing Supplement so provides, "*Business Day*" shall include a Saturday;
- 1.14 **"Business Day Convention"** the business day convention, if any, specified as such and set out in the Applicable Pricing Supplement;
- 1.15 **"Calculation Agent"** in relation to a Tranche or Series of Notes, such person with whom the Issuer enters into an agreement in terms of which such person agrees to perform various calculations in respect of the Notes;
- 1.16 **"Central Securities Depository"** Strate Limited (registration number 1998/022242/06), or its nominee, a central securities depository operating in terms of the Securities Services Act, or any additional or alternate depository approved by the Issuer, the Dealer and the JSE;
- 1.17 **"Central Securities Depository's Nominee"** any wholly owned subsidiary (as defined in the Companies Act) of the Central Securities Depository approved by the Registrar (as defined in

		the Securities Services Act) for purposes of, and as contemplated in, section 40 of the Securities Services Act and any reference to "Central Securities Depository's Nominee" shall, whenever the context permits, be deemed to include a reference to its successor operating in terms of the Securities Services Act;
1.18	<b>"Certificate"</b>	an Individual Certificate;
1.19	<b>"Commercial Paper Regulations"</b>	Government Notice number 2172 published in Government Gazette number 16167, dated 14 December 1994;
1.20	<b>"Companies Act"</b>	the Companies Act, 2008, as may be amended, varied or replaced from time to time;
1.21	<b>"Condition"</b>	a numbered term or condition of the Notes forming part of the Terms and Conditions;
1.22	<b>"Dealer"</b>	such person(s) appointed by the Issuer in terms of the Programme Agreement, which appointment may be for a specific issue of Notes or an ongoing basis;
1.23	<b>"Debt Sponsor"</b>	RMB;
1.24	<b>"Interest Rate Market of the JSE"</b>	the separate platform or sub-market of the JSE designated as the " <i>Interest Rate Market</i> " and on which (i) securities which were listed on BESA, prior to its merger with the JSE on 1 July 2009, may continue to be listed and (ii) debt securities (as defined in the JSE Debt Listings Requirements) may be listed, subject to all Applicable Laws;
1.25	<b>"Early Redemption Amount"</b>	the amount, as set out in Condition 8.8, at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 8.3 (Tax reasons), Condition 8.6 (Optional Redemption upon a Change of Control), Condition 8.7 (Clean-Up Call Option) and/or Condition 12 (Event of Default);
1.26	<b>"Event of Default"</b>	in relation to any Notes, any of the events specified as such in Condition 12;

1.27	<b>"Extraordinary Resolution"</b>	a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Series of Notes, as the case may be, by a majority consisting of not less than 75% of the votes cast at a poll by Noteholders or Noteholders of the relevant Series of Notes, as the case may be, present in person or by proxy;
1.28	<b>"Final Broken Amount"</b>	in respect of a Tranche of Notes, the Interest Amount for the last Interest Period as specified in the Applicable Pricing Supplement;
1.29	<b>"Final Redemption Date"</b>	in relation to a Tranche of Notes, the final date upon which the Notes of that Tranche are to be redeemed, as set out in the Applicable Pricing Supplement;
1.30	<b>"Fixed Rate Notes"</b>	Notes which will bear interest at a fixed Interest Rate, as specified in the Applicable Pricing Supplement;
1.31	<b>"Floating Rate Notes"</b>	Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement;
1.32	<b>"GAAP"</b>	generally accepted accounting practices in South Africa, including IFRS;
1.33	<b>"Group"</b>	the Issuer and all its Subsidiaries;
1.34	<b>"IFRS"</b>	international accounting standards within the meaning of the IAS Regulation (EC) No 1606/2002 of the European Parliament and of the Council of the European Union;
1.35	<b>"Implied Yield"</b>	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
1.36	<b>"Income Tax Act"</b>	the Income Tax Act, 1962;
1.37	<b>"Indebtedness for Borrowed Money"</b>	means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) monies borrowed, or (ii)



liabilities under any acceptance or acceptance credit, or (iii) any bonds, notes, debentures, debenture stock, loan stock or other debt securities.

- 1.38        **"Indexed Notes"**                               Notes which bear interest determined by reference to such index and/or formula specified in the Applicable Pricing Supplement;
- 1.39        **"Individual Certificate"**                       as contemplated in the Terms and Conditions, a single certificate representing Notes in a Tranche of Notes, registered in the name of the relevant Noteholder;
- 1.40        **"Initial Broken Amount"**                       in respect of a Tranche of Notes, the Interest Amount for the first Interest Period as specified in the Applicable Pricing Supplement;
- 1.41        **"Interest Amount"**                               the amount of interest payable in respect of each Note, as determined in accordance with the Terms and Conditions;
- 1.42        **"Interest Commencement Date"**               in respect of a Tranche of Notes other than Zero Coupon Notes, the first date from which interest on such Notes will accrue, as specified in the Applicable Pricing Supplement;
- 1.43        **"Interest Payment Date(s)"**                   the dates specified as such in the Applicable Pricing Supplement upon which Interest Amounts are due and payable in respect of the Notes;
- 1.44        **"Interest Period"**                               each period, as specified in the Applicable Pricing Supplement, in respect of which interest accrues on the Notes, other than Zero Coupon Notes, commencing on (and including) each Interest Payment Date and ending on (but excluding) the following Interest Payment Date, provided that the first Interest Period in respect of any Tranche of Notes other than Zero Coupon Notes, shall be from (and including) the Interest Commencement Date to (but excluding) the next following Interest Payment Date thereafter and the final Interest Period shall be from (and including) the Interest Payment Date

		immediately preceding the Final Redemption Date to (but excluding) the Final Redemption Date;
1.45	<b>"Interest Rate"</b>	in relation to each Tranche of Notes, the interest rate specified in the Applicable Pricing Supplement;
1.46	<b>"Interest Rate Market of the JSE"</b>	the separate platform or sub-market of the JSE designated as the " <i>Interest Rate Market</i> " and on which (i) securities which were listed on BESA, prior to its merger with the JSE on 22 June 2009, may continue to be listed and (ii) debt securities (as defined in the JSE Debt Listings Requirements) may be listed, subject to all Applicable Laws
1.47	<b>"ISDA"</b>	International Swaps and Derivatives Association, Inc;
1.48	<b>"ISDA Definitions"</b>	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
1.49	<b>"Issue Date"</b>	in relation to each Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
1.50	<b>"Issue Price"</b>	in relation to each Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;
1.51	<b>"Issuer"</b>	AngloGold Ashanti Limited, a company incorporated in accordance with the laws of South Africa, registration number 1944/017354/06, its successors-in-title or assigns;
1.52	<b>"JSE"</b>	means the JSE Limited (Registration Number 2005/022939/06), licensed as an exchange in terms of the Securities Services Act, or any exchange which operates as a successor exchange to the JSE in terms of the Securities Services Act;
1.53	<b>"JSE Debt Listings Requirements"</b>	means all listings requirements promulgated by the JSE from time to time for the Interest Rate Market of the JSE;

- 1.54        **"Last Day to Register"**        with respect to a particular Tranche of Notes, 17h00 on the Business Day preceding the first day during which the Register is closed for further transfers or entries, as specified in the Applicable Pricing Supplement;
- 1.55        **"Lead Manager(s)"**        in relation to the issue of a Tranche of Notes, one or more of the Dealer(s) appointed by the Issuer in respect of the placement of that Tranche of Notes, as specified in the Applicable Pricing Supplement;
- 1.56        **"Material Subsidiary"**        any Subsidiary of the Issuer:
- 1.56.1        the book value of whose assets or whose revenues or whose trading profits before interest and tax (in each case consolidated if such Subsidiary itself has Subsidiaries), equals or exceeds 7.5% of the book value of the consolidated total assets of the Group or revenues or trading profits before interest and tax of the Group as a whole, as the case may be, as determined by reference to the most recent audited annual financial statements of the Subsidiary or unaudited quarterly accounts of the Subsidiary, whichever is the latest and the most recent consolidated audited annual financial statements of the Group or unaudited quarterly consolidated accounts of the Group, whichever is the latest; or
- 1.56.2        which becomes a member of the Group after the date of the most recent consolidated audited annual financial statements of the Group or unaudited quarterly consolidated accounts of the Group, whichever is the latest, and which could meet the threshold set out in 1.56.1 above if tested on the basis of the Subsidiary's latest accounts (audited if prepared)(consolidated if it itself has Subsidiaries) and those latest audited annual

		financial statements of the Group whichever is the latest; or
1.56.3		to which has been transferred (whether by way of a single transaction or a series of related or non-related transactions) the whole or substantially the whole of the assets of another Subsidiary which Subsidiary, immediately prior to such transfer, fell within the definitions of 1.56.1 or 0 above;
1.57	<b>"Maturity Amount"</b>	the amount payable at maturity in respect of the Notes, as specified in the Applicable Pricing Supplement;
1.58	<b>"Mixed Rate Notes"</b>	Notes which will bear interest over respective periods at differing Interest Rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes or other Notes, each as specified in the Applicable Pricing Supplement;
1.59	<b>"Noteholder"</b>	in respect of a Note, the holder of that Note, as recorded in the Register;
1.60	<b>"Noteholders"</b>	the holders of all Notes as recorded in the Register;
1.61	<b>"Notes"</b>	the Notes issued or to be issued by the Issuer under the Programme in terms of the Terms and Conditions;
1.62	<b>"Optional Redemption Amount(s)"</b>	has the meaning given in the Applicable Pricing Supplement;
1.63	<b>"Optional Redemption Date(s)"</b>	has the meaning given in the Applicable Pricing Supplement;
1.64	<b>"Ordinary Resolution"</b>	a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Series of Notes, as the case may be, by a majority of the votes cast on a poll by Noteholders or Noteholders of the relevant Series of Notes, as the case may be, present in person or by proxy;

1.65	<b>"Outstanding Principal Amount"</b>	in relation to any Note, the Principal Amount of that Note less the aggregate amounts in respect of the Principal Amount redeemed and paid to the Noteholder;
1.66	<b>"Participant"</b>	a person that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in terms of the Securities Services Act;
1.67	<b>"Principal Amount"</b>	in relation to each Note, the nominal amount of that Note, being the amount equivalent to the Specified Denomination set out in the Applicable Pricing Supplement;
1.68	<b>"Principal Payment"</b>	in respect of any Note, so much of the Principal Amount redeemed in respect of such Note on an Interest Payment Date;
1.69	<b>"Programme"</b>	the R10 000 000 000 domestic medium term note programme under which the Issuer may from time to time issue Notes;
1.70	<b>"Programme Agreement"</b>	the agreement concluded between the Issuer and the Dealer(s) relating to the procuring of subscriptions for the Notes;
1.71	<b>"Programme Amount"</b>	the maximum aggregate Outstanding Principal Amount of all of the Notes that may be issued under the Programme at any one point in time, being R10 000 000 000 or such increased amount as is determined by the Issuer from time to time subject to and in accordance with all Applicable Laws, the Programme Agreement, the requirements of the JSE and/or any such other exchange(s) on which the Notes may be listed;
1.72	<b>"Programme Date"</b>	... June 2012;
1.73	<b>"Programme Memorandum"</b>	this information memorandum to be issued by the Issuer providing information about the Issuer, the Notes and incorporating the Terms and Conditions,

		as amended, novated or supplemented from time to time;
1.74	<b>"Put Option Notice"</b>	a written notice delivered by any holder of Senior Notes regarding the exercise of a right to redeem Senior Notes at the option of such Noteholder;
1.75	<b>"Rate Determination Date"</b>	in respect of each Interest Period for a Tranche of Floating Rate Notes, the day falling on the first day of that Interest Period or, if such day is not a Business Day, the first following day that is a Business Day, being the day upon which the Interest Rate in respect of that Tranche of Floating Rate Notes for that Interest Period will be determined by the Calculation Agent in accordance with the Terms and Conditions;
1.76	<b>"R" or "Rand"</b>	the lawful currency of South Africa, being South African Rand, or any successor currency;
1.77	<b>"Rating"</b>	in relation to the Notes or the Issuer, a rating, if any, granted by the Rating Agency, as specified in the Applicable Pricing Supplement;
1.78	<b>"Rating Agency"</b>	any of Standard & Poor's, Fitch Southern Africa (Pty) Ltd and/or Moody's Investors Service Limited as the rating agency or rating agencies, if any, appointed by the Issuer to assign a Rating to the Issuer or to any Notes issued by the Issuer, as specified in the Applicable Pricing Supplement;
1.79	<b>"Redemption Date"</b>	each date on which any Notes are to be redeemed, partially or totally, as the case may be, in terms of the Terms and Conditions;
1.80	<b>"Reference Banks"</b>	Absa Bank Limited, FirstRand Bank Limited, Investec Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and each of their successors-in-title;
1.81	<b>"Reference Price"</b>	in relation to a tranche of Zero Coupon Notes, the reference price specified in the Applicable Pricing Supplement;

1.82	<b>"Register"</b>	the register of Noteholders maintained by the Transfer Agent;
1.83	<b>"Relevant Date"</b>	the date on which a payment first becomes due and payable in accordance with these Terms and Conditions, except that in relation to monies payable to the Central Securities Depository's Nominee in accordance with these Terms and Conditions, the claim in respect of any payment under the Notes will prescribe 3 years after the date on which (i) the full amount of such monies have been received by the Central Securities Depository's Nominee, (ii) such monies are available for payment to the holders of Beneficial Interests, and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
1.84	<b>"RMB"</b>	FirstRand Bank Limited, acting through its division, Rand Merchant Bank, a company incorporated in accordance with the laws of South Africa, registration number 1929/001225/06, its successors-in-title or assigns;
1.85	<b>"Securities Services Act"</b>	the Securities Services Act, 2004;
1.86	<b>"Senior Notes"</b>	Notes issued with the status set out in Condition 5.1;
1.87	<b>"SENS"</b>	Stock Exchange News Service;
1.88	<b>"Series" or "Series of Notes"</b>	a Tranche of Notes which, together with any further Tranche or Tranches of Notes, are:
1.88.1		expressed to be consolidated and form a single series; and
1.88.2		identical in all respects (including listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Price;
1.89	<b>"Settlement Agents"</b>	those Participants which are approved by the JSE or any other relevant financial exchange from time

		to time, in terms of the Applicable Procedures of the JSE, as settlement agents to perform electronic settlement of funds and scrip on behalf of market participants;
1.90	<b>"South Africa"</b>	the Republic of South Africa;
1.91	<b>"Specified Currency"</b>	the lawful currency of South Africa or Rand;
1.92	<b>"Specified Denomination"</b>	has the meaning given in the Applicable Pricing Supplement;
1.93	<b>"Specified Office"</b>	in relation to each of the Issuer, the Calculation Agent and the Transfer Agent, the address of the office specified in respect of such entity in the Applicable Pricing Supplement, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders in accordance with the Terms and Conditions, as the case may be;
1.94	<b>"Step-Up Date"</b>	in relation to each Tranche of Notes, the date specified in the Applicable Pricing Supplement from which the Step-Up Rate will be applicable;
1.95	<b>"Step-Up Rate"</b>	in relation to each Tranche of Notes, the interest rate specified in the Applicable Pricing Supplement;
1.96	<b>"Subordinated Indebtedness"</b>	has the meaning given in Condition 5.2.3;
1.97	<b>"Subordinated Notes"</b>	Notes issued with the status set out in Condition 5.2;
1.98	<b>"Subsidiary"</b>	a subsidiary within the meaning of section 1 of the Companies Act;
1.99	<b>"Taxes"</b>	all present and future taxes, levies, imposts, duties, charges, fees, deductions and withholdings imposed or levied by any governmental, fiscal or other competent authority in South Africa (and including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and "Tax" and "Taxation" shall be construed accordingly;



- 1.100      **"Terms and Conditions"**                   the terms and conditions incorporated in the section headed "*Terms and Conditions of the Notes*" of this Programme Memorandum, read with the Applicable Pricing Supplement, and in accordance with which the Notes will be issued;
- 1.101      **"Tranche"**   all Notes which are identical in all respects (including as to listing, if any) and are issued in a single issue;
- 1.102      **"Transfer Agent"**                                 RMB, or such other person with whom the Issuer enters into an agreement in terms of which such person agrees to provide note registry services to the Issuer;
- 1.103      **"Transfer Form"**                                 in relation to the transfer of a Note as contemplated in the Terms and Conditions, a form of transfer in the usual form or in such other form approved by the Transfer Agent; and
- 1.104      **"Zero Coupon Notes"**                         Notes which will be offered and sold at a discount to their Principal Amount or at par and will not bear interest other than in the case of late payment.
- 1.105      In the Terms and Conditions, unless inconsistent with the context, any reference to:
- 1.105.1                   one gender includes a reference to the others;
- 1.105.2                   the singular includes the plural and *vice versa*;
- 1.105.3                   natural persons include juristic persons and vice versa;
- 1.105.4                   any agreement or instrument is a reference to that agreement or instrument as amended, supplemented, varied, novated, restated or replaced from time to time, and **amended** or **amendment** will be construed accordingly;
- 1.105.5                   a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;
- 1.105.6                   a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- 1.105.7 **assets** includes present and future properties, revenues and rights of every description;
- 1.105.8 **disposal** means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary);
- 1.105.9 **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.105.10 an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- 1.105.11 a Party or any other person includes that person's permitted successor, transferee, assignee, cessionary and/or delegate; and
- 1.105.12 a time of day is a reference to Johannesburg time.
- 1.106 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect must be given to it as if it were a substantive provision in the body of the agreement, notwithstanding that it is contained in the interpretation clause.
- 1.107 Headings are inserted for the sake of convenience only and do not in any way affect the interpretation of the Terms and Conditions.
- 1.108 The use of the word **including** followed by specific examples will not be construed as limiting the meaning of the general wording preceding it, and the *eiusdem generis* rule must not be applied in the interpretation of such general wording or such specific examples.

## 2. **Issue**

- 2.1 Notes may be issued by the Issuer in Tranches pursuant to the Programme, without requiring the consent of Noteholders.
- 2.2 A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued under the Programme.
- 2.3 The Applicable Pricing Supplement for each Tranche of Notes is incorporated in these Terms and Conditions for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions (which may replace, modify, or supplement these Terms and Conditions), in which event such other terms and conditions shall, to the extent so specified in the Applicable Pricing Supplement or to the extent inconsistent with these Terms and Conditions, replace, modify or supplement these Terms and Conditions.

### 3. Form and Denomination

- 3.1 Notes will be issued in registered form with a minimum denomination of R1 000 000 each and otherwise in such denominations as may be determined by the Issuer and as specified in the Applicable Pricing Supplement.
- 3.2 Listed and/or unlisted Notes may be issued under the Programme.
- 3.3 Each Note shall be a Senior Note or a Subordinated Note, as specified in the Applicable Pricing Supplement.
- 3.4 Payments (whether in respect of interest or principal) on Notes may be determined by reference to such fixed or floating rates or such indices or formulae as may be specified in the Applicable Pricing Supplement. Notes may:
- 3.4.1 be interest bearing or non-interest bearing;
  - 3.4.2 be issued at par, a premium or a discount;
  - 3.4.3 be issued in fully paid up or partly paid up form;
  - 3.4.4 be exchangeable for other assets;
  - 3.4.5 have such other characteristics as may be specified in the Applicable Pricing Supplement.
- 3.5 The Notes in a Tranche of Notes will be issued in the form of registered Notes, represented by (i) Individual Certificates registered in the name, and for the account of, the relevant Noteholder or (ii) no Certificate, and held in uncertificated form in the Central Securities Depository in terms of section 37 of the Securities Services Act, and registered in the name, and for the account of, the Central Securities Depository's Nominee. The Central Securities Depository will hold the Notes subject to the Securities Services Act and the Applicable Procedures.

### 4. Title

- 4.1 Title to the Notes will pass upon registration of transfer in the Register in accordance with Condition 14. The Issuer and the Transfer Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.
- 4.2 Beneficial Interests in Notes held in uncertificated form may, in terms of existing law and practice, be transferred through the Central Securities Depository by way of book entry in the

central securities accounts of the Participants. Such transfers will not be recorded in the Register and the Central Securities Depository's Nominee will continue to be reflected in the Register as the Noteholder in respect of the Notes held in uncertificated form, notwithstanding such transfers.

- 4.3 Any reference in this Programme Memorandum to the relevant Participant shall, in respect of Beneficial Interests, be a reference to the Participant appointed to act as such by a holder of such Beneficial Interest.

## 5. Status of Notes

### 5.1 Status of the Senior Notes

The Senior Notes constitute direct, unconditional, unsubordinated and, save as set out in the Applicable Pricing Supplement, unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain debts required to be preferred by Applicable Law) equally with, but not ahead of, all other unsecured obligations (other than unsecured subordinated obligations, if any) of the Issuer from time to time outstanding.

### 5.2 Status of the Subordinated Notes

- 5.2.1 Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer (on the basis set out in Condition 5.2.2) and rank *pari passu* among themselves and (save for certain debts required to be preferred by law) at least *pari passu* with all other present and future unsecured and subordinated indebtedness of the Issuer.

- 5.2.2 Subject to Applicable Law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound-up, the claims of the persons entitled to be paid amounts due in respect of Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness. Accordingly, in any such event, and provided as aforesaid, no holder of a Subordinated Note shall be entitled to prove or tender to prove a claim in respect of the Subordinated Notes, and no amount shall be eligible for set-off or shall be payable to any or all the persons entitled to be paid amounts due in respect of Subordinated Notes in respect of the obligations of the Issuer thereunder, until all other indebtedness of the Issuer which is admissible in any such dissolution, insolvency or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

- 5.2.3 "**Subordinated Indebtedness**" means for the purposes of this Condition 5.2 any indebtedness of the Issuer, including any guarantee given by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all

unsubordinated creditors of the Issuer in the event of the dissolution, winding-up or placing into liquidation of the Issuer.

## 6. **Calculation Agent and Transfer Agent**

6.1 There will at all times be a Calculation Agent and a Transfer Agent with a Specified Office. The Transfer Agent and the Calculation Agent act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders.

6.2 The Issuer is entitled to vary or terminate the appointment of the Calculation Agent and/or the Transfer Agent and/or to appoint additional or other agents. The Issuer shall notify Noteholders (in the manner set out in Condition 16), the Central Securities Depository and the JSE in the event of a change in the identity of the Calculation Agent and/or Transfer Agent.

## 7. **Interest**

### 7.1 **Interest on Fixed Rate Notes**

#### 7.1.1 **Fixed Interest Rate**

Each Fixed Rate Note will bear interest on its Outstanding Principal Amount, at the rates per annum equal to the Interest Rate, from and including the Interest Commencement Date to but excluding the earlier of the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date) and the Step-Up Date, if any. If the Step-Up Date occurs, each Fixed Rate Note will bear interest on its Outstanding Principal Amount, at the rates per annum equal to the Step-Up Rate, from and including the Step-Up Date to but excluding the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date).

#### 7.1.2 **Interest Payment Dates**

The interest due in respect of each Interest Period will be payable in arrear on the Interest Payment Date in respect of such Interest Period. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 9.3 shall determine the date of payment of interest due upon such Interest Payment Date.

#### 7.1.3 **Calculation of Interest Amount**

The Calculation Agent will calculate the Interest Amount payable in respect of each Tranche of Fixed Rate Notes for each Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, the Interest Amount for half yearly interest payments

shall be calculated by multiplying the Interest Rate by the Outstanding Principal Amount of the Fixed Rate Note and then dividing such product by 2 (the resultant sum will be rounded to the nearest cent, half a cent being rounded upwards), provided that:

- 7.1.3.1 if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal such Initial Broken Amount; and
- 7.1.3.2 if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal such Final Broken Amount.

Save as provided in the preceding paragraphs, if interest is required to be calculated for a period of other than one year (in the case of annual interest payments) or other than 6 months (in the case of semi-annual interest payments), as the case may be, such interest shall be calculated on the basis of the actual number of days (including the first day and excluding the last day) in such period divided by 365.

## 7.2 **Interest on Floating Rate Notes**

### 7.2.1 **Interest Rate**

Each Floating Rate Note will bear interest on its Outstanding Principal Amount, at the rates per annum equal to the Interest Rate, from and including the Interest Commencement Date to but excluding the earlier of the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date) and the Step-Up Date, if any. If the Step-Up Date occurs, each Floating Rate Note will bear interest on its Outstanding Principal Amount, at the rates per annum equal to the Step-Up Rate, from and including the Step-Up Date to but excluding the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date).

### 7.2.2 **Interest Payment Dates**

The interest due in respect of each Interest Period will be payable in arrear on the Interest Payment Date in respect of such Interest Period. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 9.3 shall determine the date of payment of interest due upon such Interest Payment Date. Interest in respect of any Interest Period shall accrue to and be paid on the relevant Interest Payment Date.

### 7.2.3 **Determination of Interest Rate and calculation of Interest Amount**

The Calculation Agent will, on each Rate Determination Date, determine the Interest Rate applicable to a Tranche of Floating Rate Notes for the Interest Period commencing

on that Rate Determination Date and calculate the Interest Amount payable in respect of each Floating Rate Note in that Tranche for that Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, the Interest Amount will be determined by multiplying the Interest Rate by the Outstanding Principal Amount of such Floating Rate Note and then multiplying such product by the actual number of days elapsed in such Interest Period, divided by 365. The resultant sum will be rounded to the nearest cent, half a cent being rounded upwards.

#### 7.2.4 **Basis of Interest Rate**

7.2.4.1 The Interest Rate will be determined:

- (a) on the basis of ISDA Determination; or
- (b) on the basis of Screen Rate Determination; or
- (c) on such other basis as may be determined by the Issuer,

all as indicated in the Applicable Pricing Supplement.

#### 7.2.4.2 **ISDA Determination**

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any).

For the purposes of this Condition 7.2.4.2:

"**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the Applicable Pricing Supplement;
- (b) the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- (c) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the JIBAR on the first day of that Interest Period; or (ii) in any other case, as specified in the Applicable Pricing Supplement.

"Floating Rate", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those expressions in the ISDA Definitions. Other expressions used in this Condition 7.2.4.2 or in the Applicable Pricing Supplement (where ISDA determination is specified) not expressly defined shall bear the meaning given to those expressions in the ISDA Definitions.

When this Condition 7.2.4.2 applies, in respect of each Interest Period such Calculation Agent as is specified in the Applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 7.2.3 in respect of the determination of the Interest Rate if it has determined the Interest Rate in respect of such Interest Period in the manner provided in this Condition 7.2.4.2.

### 7.2.4.3

#### **Screen Rate Determination**

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either:

- (a) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,000005 being rounded upwards) of the offered quotations if there is more than one quotation on the Relevant Screen Page) and subject to adjustment in terms of the JSE's approved methodology ,

for the Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page as at 11h00 (Johannesburg time) on the Rate Determination Date in question, as determined and published by the JSE, plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

If the Relevant Screen Page is not available or if, in the case of (a) above in this Condition 7.2.4.3, no such offered quotation appears or, in the case of paragraph (b) above in this Condition 7.2.4.3, fewer than three such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (Johannesburg time) on the Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0,000005



being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 7.2.4.3, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 12h00 (Johannesburg time) on the relevant Rate Determination Date, in respect of deposits in an amount approximately equal to the Principal Amount of the Notes, for a period equal to that which would have been used for the Reference Rate, to Reference Banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Principal Amount of the Notes, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 (Johannesburg time) on the relevant Rate Determination Date, by the Reference Banks (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Rate Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Pricing Supplement as being other than the JIBAR rate, the Interest Rate in respect of such Notes will be determined, in the manner provided above, or as may be provided in the Applicable Pricing Supplement.

**"Reference Banks"** means for the purposes of this Condition 7.2.4.3 four leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer (where the Issuer does not act as the Calculation Agent).

### 7.3 **Interest on Mixed Rate Notes**

7.3.1 Each Mixed Rate Note will bear interest at the Interest Rate or Step-Up Rate, if any, applicable to the relevant form of interest-bearing Note (be it a Fixed Rate Note, Floating Rate Note or Indexed Note) for such Interest Period(s), as is/are specified for this purpose in the Applicable Pricing Supplement, from and including the Issue Date to but excluding the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date).

7.3.2 Unless otherwise specified in the Applicable Pricing Supplement, a Tranche of Mixed Rate Notes shall (i) for the Interest Period(s) during which such Tranche bears interest at the Interest Rate applicable to Fixed Rate Notes, be construed for all purposes as a Tranche of Fixed Rate Notes and (ii) for the Interest Period(s) during which such Tranche bears interest at the Interest Rate applicable to Floating Rate Notes, be construed for all purposes as a Tranche of Floating Rate Notes and (iii) for the Interest Period(s) during which such Tranche bears interest determined in accordance with an index or formula applicable to Indexed Notes, be construed for all purposes as a Tranche of Indexed Notes.

### 7.4 **Interest on Indexed Notes**

7.4.1 Each Indexed Note will bear interest at the Interest Rate or in the Interest Amount determined by reference to such index and/or formula specified in the Applicable Pricing Supplement, for such Interest Period(s) as is/are specified for this purpose in the Applicable Pricing Supplement, from and including the Interest Commencement Date to but excluding the earlier of the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date) and the Step-Up Date, if any. If the Step-Up Date occurs, each Indexed Note will bear interest at the Step-Up Rate or in the Interest Amount determined by reference to such index and/or formula specified in the Applicable Pricing Supplement, for such Interest Period(s) as is/are specified for this purpose in the Applicable Pricing Supplement, from and including the Step-Up Date to but excluding the Final Redemption Date (or the Actual Redemption Date, if the Actual Redemption Date falls before or after the Final Redemption Date).

7.4.2 The interest due in respect of each Interest Period will be payable in arrear on the Interest Payment Date in respect of such Interest Period. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 9.3 shall determine the date of payment of interest due upon such Interest Payment Date. Interest in respect of any Interest Period shall accrue to and be paid on the relevant Interest Payment Date.

- 7.4.3 The Calculation Agent will, on each Rate Determination Date, determine, if applicable, the Interest Rate applicable to each Tranche of Indexed Notes and, if applicable, calculate the Interest Amount payable in respect of each Indexed Note in that Tranche for that Interest Period.

7.5 **Publication of Interest Rate and Interest Amount by the Calculation Agent**

- 7.5.1 The Calculation Agent will cause the Interest Rate for each Tranche of Notes (other than Fixed Rate Notes) determined upon each Rate Determination Date to be notified to the Noteholders (in the manner set out in Condition 16), the JSE and the Issuer as soon as practicable after such determination but in any event not later than 5 Business Days after such determination.

- 7.5.2 The Calculation Agent will, in relation to each Tranche of Notes, at least 2 Business Days before each Interest Payment Date, cause the aggregate Interest Amount payable for the relevant Interest Period in respect of such Tranche of Notes to be notified to the Noteholders (in the manner set out in Condition 16), the JSE and the Issuer.

7.6 **Calculations final and limitation of liability**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent pursuant to the exercise or non-exercise by it of its powers, duties and discretions under the Terms and Conditions, will, in the absence of wilful deceit, bad faith, gross negligence or manifest error, be binding on the Issuer and all Noteholders, and the Calculation Agent will not have any liability to the Issuer or the Noteholders in connection therewith.

8. **Redemption and purchases**

8.1 **Redemption of Zero Coupon Notes at maturity**

Unless previously redeemed or purchased and cancelled as specified below, a Zero Coupon Note will be redeemed by the Issuer at its Maturity Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on its Final Redemption Date.

8.2 **Final Redemption of the Notes**

Unless previously redeemed or purchased and cancelled as specified below, each Note in a Tranche of Notes shall, subject to the Conditions, be redeemed by the Issuer at its Outstanding Principal Amount (together with interest accrued unpaid thereon) on the Final Redemption Date.

### 8.3 **Redemption for tax reasons**

8.3.1 Notes in a Tranche of Notes may be redeemed at the option of the Issuer, at any time (in the case of Notes other than Floating Rate Notes or Indexed Notes or Mixed Rate Notes having an Interest Rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes or Indexed Notes or Mixed Rate Notes), on giving not less than 20 days notice to the Noteholders prior to such redemption, in accordance with Condition 16 (which notice shall be irrevocable), if the Issuer is of the reasonable opinion that:

8.3.1.1 on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to deduct or withhold from any payment of principal or interest on the Notes any amounts as provided for or referred to in Condition 10 as a result of any change in, or amendment to, the laws or regulations of South Africa or any other Applicable Law or any political subdivision of, or any authority in, or of, South Africa having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and

8.3.1.2 such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

8.3.2 From the date of publication of any notice of redemption pursuant to this Condition 8.3, the Issuer shall make available at its Specified Office, for inspection by any holder of Notes so redeemed, a certificate signed by 2 authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers to the effect that the Issuer has or will become obliged to make such deduction or withholding as a result of such change or amendment.

8.3.3 Notes may be redeemed by the Issuer in accordance with this Condition 8.3 in whole or in part. A redemption in part may be effected by the Issuer notwithstanding that such partial redemption may not entirely avoid such obligation to make such deduction or withholding as provided for or referred to in Condition 10.

8.3.4 Notes redeemed for tax reasons pursuant to this Condition 8.3 will be redeemed at:

8.3.4.1 their Early Redemption Amount referred to in Condition 8.8, together with accrued unpaid interest (if any) from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption; or

8.3.4.2 as specified in the Applicable Pricing Supplement.

**8.4 Redemption at the option of the Issuer**

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem the Notes in a Tranche of Notes, the Issuer shall be entitled, having given not less than 20 days notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable) to redeem the Notes in that Tranche of Notes then outstanding, in whole or in part, on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement together, if appropriate, with accrued unpaid interest (if any) from (and including) the immediately preceding Interest Payment Date to (but excluding) the Optional Redemption Date(s).

**8.5 Redemption at the option of holders of Senior Notes**

This Condition 8.5 shall apply only to Senior Notes. If the holders of the Senior Notes are specified in the Applicable Pricing Supplement as having an option to redeem Notes in a Tranche of Senior Notes, the Issuer shall, at the option of the holder of any Senior Note redeem such Senior Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together with accrued unpaid interest (if any) to such date. In order to exercise the option contained in this Condition 8.5, the holder of a Senior Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit the Certificate, if any, representing such Senior Note with the Transfer Agent, together with a duly completed Put Option Notice in the form obtainable from the Transfer Agent. No Certificate, once deposited with a duly completed Put Option Notice in accordance with this Condition 8.5, may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), the Senior Notes represented by any Certificate so deposited become immediately due and payable or, upon due presentation of any Certificate on the relevant Optional Redemption Date (Put), payment of the redemption monies is improperly withheld or refused, such Certificate shall, without prejudice to the exercise of the Put Option, be returned to the holder by registered mail at the address specified by such holder in the relevant Put Option Notice.

**8.6 Optional Redemption in respect of a Change of Control**

8.6.1 This Condition 8.6 shall apply only to Senior Notes. The Applicable Pricing Supplement shall specify whether the holders of the Senior Notes in a Tranche of Notes have the right of Optional Redemption in respect of a Change of Control.

8.6.2 The Issuer must within 30 Business Days after the occurrence of a Change of Control notify the Noteholders of the Senior Notes to whom this Condition 8.6 applies, in accordance with Condition 16, if it becomes aware of any Change of Control and specify the nature of that Change of Control.

8.6.3 After the occurrence of a Change of Control, each holder of Senior Notes in that Tranche of Notes may, by notice to the Issuer delivered by that Noteholder to the Issuer, within the Election Period declare all or any part of the Notes in respect of that Noteholder, to be due and payable on the 30th Business Day following the expiry of the Election Period. Notes redeemed pursuant to this Condition 8.6 will be redeemed at their Early Redemption Amount referred to in Condition 8.8, together with accrued unpaid interest (if any) from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or such other amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement.

Any such notice will take effect in accordance with its terms.

8.6.4 For the purposes of this Condition 8.6:

- (a) **"Acting in Concert"** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition of shares by any of them, either directly or indirectly, to obtain or consolidate Control of the Issuer;
- (b) a **"Change of Control"** shall be deemed to have occurred:
  - (i) at each time that any person or persons Acting in Concert, at any time, directly or indirectly, acquire Control of the Issuer (the **"Control Event"**); and
  - (ii) before or following the Control Event, the Rating assigned to the Programme is downgraded from an Investment Grade Rating to a non-Investment Grade Rating, and/or (ii) the Rating assigned to the Programme or any Notes issued is withdrawn, and the downgrade or withdrawal notice published by the Rating Agency states that such rating action was or is as result of the Control Event; provided that no Rating downgrade or withdrawal shall be deemed to have occurred if the Rating assigned to the Programme is substituted for an Investment Grade Rating by another Rating Agency or there is at least one remaining Investment Grade Rating in relation to the Programme;
- (c) **"Control"** means:
  - (i) the holding, directly or indirectly, of more than 50% of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), or

- (ii) the power to cast, or control the casting of, such number of the shares in the issued share capital of the Issuer carrying more than 50% of the total number of votes that may be cast at a general meeting of the members of the Issuer; or
- (ii) the power to appoint, or control the appointment, of the majority of the board of directors of the Issuer;
- (d) **"Election Period"** means, in relation to a Change of Control, the period ending 30 Business Days after the date on which the occurrence of that Change of Control is notified by the Issuer to the Noteholders;
- (e) **"Investment Grade Rating"** means a national scale rating of at least *"Baa3.za"* by Moody's Investors Services Limited, *"BBB-(za)"* by Fitch Southern Africa (Proprietary) Limited, *"zaBBB"* by Standard & Poor's Rating Services or its equivalent for the time being.

#### 8.7 **Clean-Up Call Option**

On any Interest Payment Date on which the aggregate Outstanding Principal Amount of the Notes of a Series is equal to or less than 10% of the maximum aggregate Principal Amount of the Notes of that Series that have been issued at any time, and upon giving not less than 20 days' notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable), the Issuer may redeem all, but not some only, of the Notes of that Series at their Early Redemption Amount referred to in Condition 8.8, together with accrued unpaid interest (if any) from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption.

#### 8.8 **Early Redemption Amounts**

- 8.8.1 For the purpose of Conditions 8.3, 8.6, 8.7 and 12 (unless otherwise as stated in the Applicable Pricing Supplement), the Notes will be redeemed at the Early Redemption Amount calculated as follows:
  - 8.8.1.1 in the case of Notes with a Maturity Amount equal to the Principal Amount, at the Maturity Amount thereof; or
  - 8.8.1.2 in the case of Notes (other than Zero Coupon Notes) with a Maturity Amount which is or may be less than or greater than the Issue Price, to be determined in the manner specified in the Applicable Pricing Supplement, at that Maturity Amount or, if no such amount or manner is so specified in the Applicable Pricing Supplement, at their Outstanding Principal Amount; or

8.8.1.3 in the case of Zero Coupon Notes, at an amount equal to the sum of (i) the Reference Price and (ii) the product of the Implied Yield being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Notes becomes due and payable, or such other amount as is provided in the Applicable Pricing Supplement.

8.8.2 Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

#### 8.9 **Purchases**

The Issuer may at any time purchase Notes at any price in the open market or otherwise. In the event of the Issuer purchasing Notes, such Notes shall be cancelled.

#### 8.10 **Cancellation**

All Notes which are redeemed in full will forthwith be cancelled. All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 8.9, cannot be re-issued or resold. Where only a portion of Notes represented by a Certificate are cancelled, the Transfer Agent shall deliver a Certificate to such Noteholder in respect of the balance of the Notes remaining after such cancellation. The Issuer shall notify the Central Securities Depository and the JSE of any cancellation or partial redemption of the Notes.

#### 8.11 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, pursuant to Condition 8 or upon its becoming due and repayable as provided in Condition 12, is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.8.1.3, as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date on which all amounts due in respect of such Zero Coupon Note have been paid.

#### 8.12 **Partial redemption**

If the Notes are to be redeemed in part only on any date in accordance with these Terms and Conditions, each Note shall be redeemed in part in the proportion which the aggregate Principal Amount of the Notes to be redeemed on the relevant date fixed for redemption of such Notes bears to the aggregate Outstanding Principal Amount of all Notes on the relevant date fixed for redemption of such Notes.



## 9. Payment

### 9.1 Method of payment

9.1.1 Payments of interest and principal in respect of Notes held in uncertificated form in the Central Securities Depository will be made to the Central Securities Depository's Nominee, as the registered holder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the Central Securities Depository or the relevant Participants, as the case may be, as the holders of Beneficial Interests shall look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such persons share of each payment so made by the Issuer to, or for the order of, the registered holder of the Note held in uncertificated form. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests. Payments of interest and principal in respect of Notes held in the Central Securities Depository in uncertificated form shall be recorded by the Central Securities Depository's Nominee, as the registered holder of the Notes, distinguishing between interest and principal, and such record of payments by the registered holder of the Notes shall be *prima facie* proof of such payments. Payments of interest and principal in respect of Notes represented by Individual Certificates shall be made to the person reflected as the registered holder of the Individual Certificate in the Register on the Last Day to Register.

9.1.2 The Issuer shall pay the interest and principal payable in respect of each Note, in immediately available and freely transferable funds, in Rands by electronic funds transfer, to the bank account of the Noteholder as set forth in the Register at 17h00 (Johannesburg time) on the Last Day to Register (whether or not such day is a Business Day) preceding the relevant Interest Payment Date or Redemption Date, as the case may be, or, in the case of joint Noteholders, the account of that one of them who is first named in the Register in respect of that Note. If two or more persons are entered into the Register as joint Noteholders, then without affecting the previous provisions of this condition, payment to any one of them of any monies payable on or in respect of the Note shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Issuer may have of the right, title, interest or claim of any other person to or in any Note or interest therein.

9.1.3 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, government interference or control or any other cause or

contingency beyond the control of the Issuer) such inability shall not constitute an Event of Default and the Issuer shall give notice to the Noteholders within 3 Business Days of such inability arising. Upon receipt of such notice any Noteholder may request the Issuer in writing to make payment of any such amounts by way of cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice). Such notice shall specify the address of the payee entitled to payment in respect of the Note, and if the Noteholder so desires, a request to make such cheque available for collection during business hours by a Noteholder or its duly authorised representative at the registered office of the Issuer.

9.1.4 All monies so payable by cheque shall, save if the Noteholder requests that the cheque be made available for collection as set out above (unless such cheque is not so collected within 2 Business Days of being made available for collection), be sent by post within 2 Business Days of the receipt by the Issuer of the notice from a Noteholder referred to in the preceding paragraph to:

9.1.4.1 the address of that Noteholder as set forth in the Register at 17h00 (Johannesburg time) on the relevant Last Day to Register; or

9.1.4.2 in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.

The Issuer shall not be responsible for any loss in transmission of cheques posted in terms of this Condition 9.1 and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 9.1.

9.1.5 Only Noteholders, or, in the case of joint Noteholders, the one of them who is first named in the Register in respect of that Note, reflected in the Register at 17h00 (Johannesburg time) on the relevant Last Day to Register will be entitled to payments of interest and/or principal in respect of Notes.

9.1.6 Payments will be subject in all cases to any Taxation or other laws, directives and regulations applicable to such payment in the place of payment.

## 9.2 **Surrender of Certificates**

9.2.1 On or before the Last Day to Register prior to any Redemption Date (including a Redemption Date relating to mandatory redemption in part), the holder of a Certificate, in respect of a Note to be redeemed (in part or in whole, as the case may be) shall deliver to the Transfer Agent the Certificates to be redeemed. This will enable the Transfer Agent to endorse the partial redemption thereon or, in the case of Final Redemption, to cancel the relevant Certificates.

- 9.2.2 Should the holder of a Certificate refuse or fail to surrender the Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to him in respect of such redemption, including any accrued unpaid interest, shall be retained by the Issuer for such Noteholder, at the latter's risk, until the Noteholder surrenders the necessary Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.
- 9.2.3 Documents required to be presented and/or surrendered to the Transfer Agent in accordance with the Terms and Conditions will be so presented and/or surrendered at the Specified Office of the Transfer Agent.

### 9.3 **Payment date**

Notwithstanding anything to the contrary contained in the Terms and Conditions, if the date for payment of any amount payable in respect of any Note is not a Business Day, then:

- 9.3.1 if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day;
- 9.3.2 if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention.

In respect of Floating Rate Notes, interest shall accrue to and be paid on the relevant date of payment. In respect of Fixed Rate Notes, the holder shall not be entitled to further interest or other payment in respect of such delayed payment.

### 9.4 **Calculation and notice of principal payments**

The Calculation Agent will calculate the aggregate amount of principal due and payable by the Issuer for each Note on each date that payment is due and payable as specified in the Applicable Pricing Supplement. The Calculation Agent will, at least 2 Business Days before each such date, cause such aggregate amount of principal to be notified to the Noteholders (in the manner set out in Condition 16), the Central Securities Depository, the JSE and the Issuer.

## 10. **Taxation**

- 10.1 All payments (whether in respect of principal, interest or otherwise) in respect of the Notes will be made without withholding or deduction for or on account of any Taxes, unless such withholding or deduction is required by Applicable Law.
- 10.2 If any such withholding or deduction is required by Applicable Law in respect of Taxes imposed or levied on any payments (whether in respect of principal, interest or otherwise) in respect of any Notes, the Issuer will, subject to the Issuer's rights to redeem such Notes in terms of Condition 8.3, make such payments after such withholding or deduction has been made and

will account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note:

- 10.2.1 held by or on behalf of a Noteholder, who is liable for such Taxes in respect of such Note by reason of it having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 10.2.2 held by or on behalf of a Noteholder which would not be liable or subject to the withholding or deduction by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- 10.2.3 where such withholding or deduction is in respect of Taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the Taxable Income or Taxable Gains (each as defined below) of any Noteholder; or
- 10.2.4 where (in the case of any payment of principal or interest which is conditional on surrender of the relevant Certificate in accordance with these Terms and Conditions) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to an additional amount on presenting the Certificate for payment on such thirtieth day; or
- 10.2.5 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of Tax defaulters; or
- 10.2.6 where the Noteholder is entitled to claim a Tax reduction, creditor or similar benefit in respect of such withholding or deduction in terms of the Noteholder's domestic tax laws or applicable double tax treaty.

For the purposes of this Condition 10:

**"Taxable Income"** means any "taxable income" as defined in section 1 of the Income Tax Act;

**"Taxable Gain"** means any "taxable capital gain" as defined in paragraph 1 of Schedule 8 to the Income Tax Act; and

**"Income Tax Act"** means the Income Tax Act.

## 11. Negative pledge

- 11.1 This Condition 11 shall apply only to Senior Notes.
- 11.2 Subject to the remaining provisions of this Condition 11, after the Programme Date and for as long as any Senior Notes remain outstanding, the Issuer undertakes not to, and shall procure that no Material Subsidiary shall, create, or permit the creation of, any Encumbrance (as defined below) over any of its present or future businesses, undertakings, assets or revenues to secure any present or future Indebtedness (as defined below) of the Issuer or any Material Subsidiary without at the same time securing the Senior Notes equally and rateably with such Indebtedness or providing such other security as may be approved by Extraordinary Resolution of the Noteholders of those Senior Notes. The Issuer shall be entitled but not obliged to form, or procure the formation of, a trust or trusts or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.
- 11.3 The provisions set out in Condition 11.2 shall not apply to:
- 11.3.1 any Encumbrance of the Issuer or a Material Subsidiary in existence at the Programme Date;
- 11.3.2 any Encumbrance created over any asset owned, acquired, purchased, developed or constructed by the Issuer or any Material Subsidiary after the Programme Date if such Encumbrance was created for the sole purpose of financing or refinancing that asset by the Issuer; provided that the Indebtedness so secured shall not exceed the *bona fide* arm's length market value (on or about the date of creation of such Encumbrance) of that asset or the cost of the acquisition, purchase, development or construction of that asset by the Issuer or the relevant Material Subsidiary (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value and such cost both apply, the higher of the two;
- 11.3.3 any Encumbrance created over or with respect to any receivables of the Issuer or any Material Subsidiary after the Programme Date, if such Encumbrance was created pursuant to any securitisation or like arrangement in accordance with normal market practice and the Indebtedness secured by such Encumbrance is limited to the value (on or about the date of creation of such Encumbrance) of such receivables;
- 11.3.4 any Encumbrance created over or with respect to any netting or set-off arrangement entered into by the Issuer or any Material Subsidiary in the ordinary course of its banking arrangements for the purposes of netting debit and credit balances;
- 11.3.5 any statutory Encumbrance or Encumbrance created by operation of law in the ordinary course of the business of the Issuer or any Material Subsidiary;

- 11.3.6 any Encumbrance over or affecting any asset acquired by the Issuer or any Material Subsidiary after the Programme Date if:
- 11.3.6.1 the asset was subject to that Encumbrance prior to the date of acquisition of that asset and the Encumbrance was not created in contemplation of the acquisition of that asset by the Issuer or that Material Subsidiary, as the case may be;
  - 11.3.6.2 the principal amount secured has not increased in contemplation of or since the acquisition of that asset by the Issuer or that Material Subsidiary, as the case may be; and
  - 11.3.6.3 the Encumbrance is discharged within 6 months of the acquisition of that asset by the Issuer or that Material Subsidiary, as the case may be;
- 11.3.7 in respect of a Material Subsidiary which becomes a member of the Group after the Programme Date, any Encumbrance over or affecting any asset of that Material Subsidiary if:
- 11.3.7.1 the asset was subject to the Encumbrance prior to the date of the Material Subsidiary becoming a member of the Group and the Encumbrance was not created in contemplation of or in connection with the Material Subsidiary becoming a member of the Group;
  - 11.3.7.2 the principal amount secured has not increased in contemplation of or since the Material Subsidiary becoming a member of the Group; and
  - 11.3.7.3 the Encumbrance is discharged within 6 months of the Material Subsidiary becoming a member of the Group;
- 11.3.8 any Encumbrance arising in the ordinary course of trade of the Issuer or any Material Subsidiary and securing amounts that are not more than 60 days overdue;
- 11.3.9 any Encumbrance over deposit accounts securing a loan to the Issuer or any Material Subsidiary of funds equal to the amount standing to the credit of such deposit accounts;
- 11.3.10 any Encumbrance to secure inter-company Indebtedness incurred between the Issuer or any Material Subsidiary and any member of the Group provided that the holder of such Encumbrance may not cede or assign its rights in terms thereof to any other person;
- 11.3.11 any Encumbrance created over any Material Subsidiary in favour of a government or quasi-government (whether national, local or regional) or supra-governmental body in respect of financing the undertaking or assets of such Material Subsidiary at a preferential rate and which Encumbrance secures only the payment or repayment of the financing of the undertaking or assets of such Material Subsidiary;

- 11.3.12 any other Encumbrance, provided that at the date of creation of such Encumbrance, the amount of the Group's total debt secured by the Encumbrances contemplated in Conditions 11.3.1 to 11.3.10 inclusive and this Condition 11.3.11, does not exceed US\$400 000 000 or the Rand equivalent amount on that date;
- 11.3.13 any extension or renewal of any Encumbrance contemplated in Conditions 11.3.1 to 11.3.11 inclusive.
- 11.4 For purposes of this Condition 11:
- 11.4.1 "**Encumbrance**" means any mortgage, cession of rights, charge, lien, pledge, assignment, hypothecation, preferential right, or other security interest or arrangement creating real rights of security, but expressly excluding any guarantee, indemnity, suretyship or other arrangement creating personal rights of security; and
- 11.4.2 "**Indebtedness**" means any indebtedness for or in respect of (i) monies borrowed, or (ii) liabilities under any acceptance or acceptance credit, or (iii) any bonds, notes, debentures, loan stock or other debt securities, or (iv) any guarantees or indemnities given, whether present or future, actual or contingent.

## 12. Events of Default

### 12.1 Events of Default relating to the Senior Notes

An Event of Default in relation to a Series of Senior Notes shall arise if any of the following events occurs and is continuing:

- 12.1.1 *Non-payment*: the Issuer fails to pay any amount of principal, interest or premium in respect of any Notes in that Series on the due date for payment thereof and such failure remains unremedied for 7 Business Days after written notice thereof has been delivered by any Noteholder to the Issuer; or
- 12.1.2 *Breach of other obligations*: the Issuer fails to perform any of its other material obligations under or in respect of the Notes in that Series, and such failure remains unremedied for 30 days after written notice thereof has been delivered by any Noteholder to the Issuer; or
- 12.1.3 *Consents, licences and authorisations*: the Issuer and/or any Material Subsidiary fails to maintain any consent, licence, approval or authorisation now or in future necessary to enable the Issuer to comply with its obligations under the Notes or the Programme or any such consent, licence, approval or authorisation ceases to remain in full force and effect, resulting in the Issuer being unable to perform any of its obligations under the Notes or the Programme, and such failure or cessation continues for more than 15 Business Days after the Issuer becomes aware of such event; or

12.1.4 *Cross-default or security enforced:*

- (a) If any Indebtedness for Borrowed Money of the Issuer or any Material Subsidiary becomes due and repayable before its scheduled due date for payment by reason of an event of default (however described); or
- (b) the Issuer or any Material Subsidiary fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period); or
- (c) any security given by the Issuer or any Material Subsidiary for any Indebtedness for Borrowed Money becomes enforceable by reason of default in relation thereto and steps are taken to enforce such security; or
- (d) if default is made by the Issuer or any Material Subsidiary in making any payment due under any guarantee and/or indemnity (at the expiry of any originally applicable grace period) given by it in relation to any Indebtedness for Borrowed Money of any other person;

provided that in each case no event shall constitute an Event of Default unless the Indebtedness for Borrowed Money, either alone or when aggregated with other Indebtedness for Borrowed Money at that point in time, exceeds US\$50 000 000 (or its equivalent in any other currency).

For the purposes of this Condition 12.1.4 and 12.1.5 and 12.1.7, any indebtedness which is in a currency other than US Dollars shall be translated into US Dollars at the spot rate for the sale of US Dollars against the purchase of the relevant currency quoted by the Calculation Agent on the date of such Event of Default; or

12.1.5 *Judgment:* any final judgment in respect of a claim of more than US\$50 000 000 in respect of the Issuer, or its equivalent in any other currency, is given by a court of competent jurisdiction against the Issuer or any Material Subsidiary, or against the assets or revenues of the Issuer or any Material Subsidiary, and is not discharged or contested with 10 Business Days of the final judgment being granted; or

## 12.1.5.1 if such judgement is appealable, fails to appeal against such judgement within the time limits prescribed by law or fails to diligently prosecute such appeal thereafter or ultimately fails in such appeal; and/or

## 12.1.5.2 if such judgement is a default judgment, fails to apply for the rescission thereof within the time limits prescribed by law or fails to diligently prosecute such application thereafter or ultimately fail in such application; and/or



12.1.5.3 if such judgement is reviewable, fails to initiate proceedings for the review thereof within the time limits prescribed by law or fails to diligently prosecute such proceedings thereafter or ultimately fails in such proceedings; or

12.1.6 *Insolvency*: an Insolvency Event occurs in respect of the Issuer or any Material Subsidiary.

For the purposes of this Condition 12.1.7, "**Insolvency Event**" means the occurrence of any of the following events: (i) any third party takes any steps or proceedings against the Issuer or any Material Subsidiary (other than a frivolous or vexatious application or an application which is discharged or stayed within 21 days) or an order is made, for (a) the compulsory, provisional or final winding-up, liquidation, compromise, administration order, curatorship, judicial management, business rescue, dissolution or administration of the Issuer or any Material Subsidiary; or (b) the appointment of an administrator, trustee, liquidator, judicial manager, business rescue practitioner or similar officer over any or all of the assets or revenues of the Issuer or any Material Subsidiary; or (c) the removal of the Issuer or any Material Subsidiary from the register of companies; or (ii) the Issuer or any Material Subsidiary compromising with or taking any procedural step attempting to compromise with its creditors generally (or any significant class of creditors) or deferring or taking any procedural step attempting to defer payment of debts owing by it to its creditors generally (or any significant class of creditors) (except a deferral provided for in terms of the Terms and Conditions of the Notes); or (iii) the Issuer or any Material Subsidiary committing an act which would be an act of insolvency, in terms of the Insolvency Act, 1936, if committed by a natural person; or (iv) the Issuer or any Material Subsidiary is unable to pay its debts as they fall due or is deemed to be unable to pay its debts in terms of the Companies Act; or (v) the members or creditors of the Issuer or any Material Subsidiary convening a meeting in order to pass a resolution providing for the Issuer or any Material Subsidiary to be wound-up, liquidated, deregistered or placed under judicial management or business rescue, or any resolution being passed to this effect (in each case other than for purposes of a solvent reconstruction or amalgamation in which the Issuer or any Material Subsidiary remains the debtor under the Notes); or

12.1.7 *Attachment of assets*: any attachment in execution of a judgment in respect of a claim for more than US\$50 000 000 is levied against any undertaking or asset of the Issuer or any Material Subsidiary and such attachment or execution is not set aside or lifted within 20 days after it came to the attention of the Issuer; or

12.1.8 *Governmental intervention by or under the authority of any government*:

(a) the management of the Issuer or any Material Subsidiary is wholly or partially displaced or the authority of the Issuer or any Material Subsidiary in the conduct of

its business is wholly or partially taken over by a legitimate Government or any authority of such legitimate Government; or

- (b) all or a majority of the issued shares of the Issuer or any Material Subsidiary or a material part of its revenues or assets is seized, nationalised or compulsorily acquired.

## 12.2 **Steps following an Event of Default relating to the Senior Notes**

Upon the happening of such an Event of Default any holder of Senior Notes in that Series may, by notice to the Issuer, declare the Notes held by that Noteholder to be immediately due and payable, and require the Notes held by that Noteholder to be repaid at the Early Redemption Amount, together with any accrued unpaid interest thereon (if any).

## 12.3 **Events of Default relating to Subordinated Notes**

- 12.3.1 An Event of Default in relation to a Series of Subordinated Notes shall arise if (i) the Issuer fails to pay any amount of principal, interest or premium in respect of any Notes in that Series on the due date for payment thereof and such failure remains unremedied for 5 Business Days after written notice thereof has been delivered by any Noteholder to the Issuer, or (ii) any one or more of the events referred to in Condition 12.1 occurs and is continuing.

- 12.3.2 Upon the happening of such an Event of Default, any holder of Subordinated Notes may, by notice to the Issuer, institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under such Subordinated Notes, provided that the Issuer shall not be obliged, save in the case of the liquidation or winding up proceedings, to pay any sum or sums sooner than the same would otherwise have been payable by it.

- 12.3.3 In the event of the winding-up or liquidation, whether finally or provisionally, of the Issuer, otherwise than for the purposes of a solvent amalgamation, merger, consolidation or re-organisation, then any holder of Subordinated Notes may by written notice to the Issuer declare the Notes held by that Noteholder to be immediately due and payable, and require the Notes held by that Noteholder to be repaid at the Early Redemption Amount, together with any accrued unpaid interest thereon (if any); save that the holders of Subordinated Notes may only receive payment once all the other unsubordinated creditors of the Issuer have been paid in full.

## 12.4 **Notice of an Event of Default**

If an Event of Default occurs, the Issuer will forthwith upon becoming aware of such Event of Default, give notice thereof in writing to the Transfer Agent, the Calculation Agent and the Noteholders of that Series and, if any Notes are listed on the Interest Rate Market of the JSE, to the JSE, to the Noteholders through SENS and to the Central Securities Depository.

### 13. Replacement of Notes

#### 13.1 Costs

Certificates shall be provided (whether by way of issue or delivery) by the Issuer without charge, save as otherwise provided in these Terms and Conditions. The costs and expenses of delivery of Certificates by a method other than ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery, shall be borne by the Noteholder.

#### 13.2 Replacement

If any Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the office of the Transfer Agent on payment by the claimant of such costs and expenses as may be incurred in connection therewith and against the furnishing of such indemnity as the Transfer Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

#### 13.3 Death and sequestration or liquidation of Noteholder

Any person becoming entitled to Notes in consequence of the death, sequestration or liquidation of the relevant Noteholder may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this paragraph or of his title, require the Transfer Agent to register such person as the holder of such Notes or, subject to the requirements of this Condition, to transfer such Notes to such person.

#### 13.4 Exchange of Beneficial Interests

13.4.1 The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 44 of the Securities Services Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the Central Securities Depository), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the "**Exchange Notice**"). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest.

13.4.2 The holder's nominated Participant will, following receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial

Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.

- 13.4.3 In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:
  - 13.4.3.1 the Central Securities Depository's Nominee will surrender (through the Central Securities Depository system) such uncertificated Notes to the Transfer Agent at its Specified Office;
  - 13.4.3.2 the Transfer Agent will obtain the release of such uncertificated Notes from the Central Securities Depository in accordance with the Applicable Procedures.
- 13.4.4 An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes issued in uncertificated form of a particular aggregate Principal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Principal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Principal Amount is equivalent to a fraction of R1 000 000 (or the equivalent thereof in the Specified Currency if the Specified Currency is not Rand) or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

#### 14. **Transfer of Notes**

- 14.1 Beneficial Interests in the Notes may be freely transferred in terms of the Applicable Procedures through the Central Securities Depository.
- 14.2 The Central Securities Depository maintains accounts only for its Participants. Participants are in turn required to maintain securities accounts for their clients.
- 14.3 Transfers of Beneficial Interests to and from clients of Participants occur, in terms of existing law and practice, by way of electronic book entry in the securities accounts maintained by the Participants for their clients. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the Central Securities Depository for the Participants. Such transfers of Beneficial Interests will not be recorded in the Register and the Central Securities Depository's Nominee will continue to be reflected in the Register as the Noteholder in respect of the Notes, notwithstanding such transfers. Beneficial Interests may be transferred only in accordance with these Terms and Conditions, and the Applicable Procedures.
- 14.4 In order for any transfer of Notes to be recorded in the Register, and for such transfer to be recognised by the Issuer:
  - 14.4.1 the transfer of such Notes must be embodied in the Transfer Form;

- 14.4.2 the Transfer Form must be signed by the registered Noteholder and the transferee, or any authorised representative of that registered Noteholder and/or transferee; and
- 14.4.3 the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the relevant Certificate for cancellation.
- 14.5 Transfers of Notes recorded in the Register will only be in a denomination of R1 000 000 or more. The transfer of Notes recorded in the Register may be transferred in whole or in part (in amounts of not less than R1 000 000).
- 14.6 Subject to the preceding provisions of this Condition 14, the Transfer Agent will, within 3 Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), record the transfer of Notes in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Certificate, if applicable, in respect of such Notes reflecting the same Outstanding Principal Amount as the Notes transferred. Where a Noteholder has transferred part only of his holding of Notes represented by a Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Certificate in respect of the balance of the Notes held by such Noteholder.
- 14.7 The transferor of any Notes will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 14.8 Before any transfer of any Notes is registered, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Transfer Agent reasonably requires as to the identity and title of the transferor and the transferee.
- 14.9 No transfer of any Notes will be registered while the Register is closed as contemplated in Condition 15.
- 14.10 If a transfer of any Notes is registered, the Transfer Form and cancelled Certificate, if any, will be retained by the Transfer Agent.

## 15. Register

- 15.1 The Register will be kept at the Specified Office of the Transfer Agent. The Register will contain the name, address and bank account details of the registered Noteholders. The Register will set out the Principal Amount of the Notes issued to any Noteholder and will show the date of such issue and the date upon which the Noteholder became registered as such. The Register will show the serial numbers of the Certificates issued. The Register will be open for inspection during the normal business hours of the Transfer Agent to any Noteholder or any

person of proven identity authorised in writing by any Noteholder. The Issuer and the Transfer Agent will not be bound to enter any trust into the Register or to take any notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.

15.2 The Register will, in respect of a Tranche of Notes, be closed during the 5 days preceding each Interest Payment Date and Redemption Date, as the case may be, from 17h00 (Johannesburg time) on the Last Day to Register or such other Books Closed Period as is specified in the Applicable Pricing Supplement. All periods referred to for the closure of the Register may be shortened by the Issuer from time to time, upon notice thereof to the Noteholders in accordance with Condition 16.

15.3 The Transfer Agent will alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified in accordance with Condition 16.

## 16. Notices

16.1 Subject to Condition 16.2, all notices (including all demands or requests under the Terms and Conditions) to the Noteholders will be valid if mailed by registered post or delivered by hand to their addresses appearing in the Register or published in a leading English language daily newspaper of general circulation in South Africa. Each such notice will be deemed to have been given on the day of first publication or delivery by hand or on the 14<sup>th</sup> day after the day on which it is mailed, as the case may be.

16.2 For so long as the Notes are held in their entirety by the Central Securities Depository, publication as contemplated in Condition 16.1. may be substituted with the delivery of the relevant notice to the Central Securities Depository's Nominee, the Participants and the JSE for communication by them to the holders of Beneficial Interests in the Notes, in accordance with the Applicable Procedures.

16.3 Where any provision of the Terms and Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice will be given *mutatis mutandis* as set out in Condition 16.1 and Condition 16.2, respectively, subject to compliance with any other time periods prescribed in the provision concerned.

16.4 All notices (including all communications, demands and/or requests under the Terms and Conditions) to be given by any Noteholder to the Issuer or the Transfer Agent, as the case may be, will be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of the relevant Certificate, to the Specified Office of the Issuer or the Specified Office of the Transfer Agent, as the case may be, and marked for the attention of the chief executive officer. Any notice to the Issuer or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, on

the second Business Day after being delivered by hand to the Specified Office of the Issuer or the Transfer Agent, as the case may be, or on the 14<sup>th</sup> day after the day on which it is mailed by registered post to the Specified Office of the Issuer or the Transfer Agent, as the case may be.

16.5 Whilst any of the Notes are held in uncertificated form, notices to be given by any holder of a Beneficial Interest to the Issuer shall be given by such holder through such holder's Participant in accordance with the Applicable Procedures.

16.6 If any Notes are listed on the Interest Market of the JSE, any notices to Noteholders, including of meetings and any amendments to the Terms and Conditions, shall be published on SENS.

## 17. **Amendment of the Terms and Conditions**

17.1 Subject to Condition 17.2 the Issuer may effect, without the consent of any Noteholder, any amendment to the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the Applicable Law. Any such amendment will be binding on Noteholders and such amendment will be notified to Noteholders in accordance with Condition 16 as soon as practicable thereafter.

17.2 In respect of an amendment that is not of a formal, minor or technical nature, such amendment may be made only (i) with the prior authorisation of a Extraordinary Resolution of all of the Noteholders or (ii) the Noteholders of a particular Series of Notes, as the case may be. The Issuer will call a meeting of all of the Noteholders or a meeting of the Noteholders of that Series, as the case may be. Such meeting or meetings will be regulated by the provisions set out in Condition 20. No proposed amendment will be made to the Terms and Conditions until such amendment has been approved by Extraordinary Resolution at such meeting or meetings, and, in the case of listed Notes, in compliance with the JSE Debt Listings Requirements.

## 18. **No voting rights on Notes held by Issuer**

The Issuer will not have any voting rights on any Notes held by it.

## 19. **Prescription**

Any claim for payment of principal and/or interest in respect of the Notes will prescribe 3 years after the Relevant Date.

## 20. **Meetings of Noteholders**

### 20.1 **Directions of Noteholders**

20.1.1 The provisions with regard to meetings of Noteholders are set out in this Condition 20.

20.1.2 Every director, the secretary of and the attorney to the Issuer and every other person authorised in writing by the Issuer, may attend and speak at a meeting of Noteholders,

but will not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder

A meeting of Noteholders will have the power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions by Extraordinary Resolution:

20.1.2.1 of the Noteholders to bind all of the Noteholders to any compromise or arrangement;

20.1.2.2 of the Noteholders of a particular Series of Notes to agree to any variation or modification of any rights of the Noteholders of that Series which will then bind all of the Noteholders of such Series to such variation or modification of the rights of the Noteholders of that Series.

20.1.3 Unless otherwise specified, resolutions of Noteholders will require an Ordinary Resolution to be passed.

## 20.2 Convening of meetings

20.2.1 The Issuer may at any time convene a meeting of Noteholders or separate meetings of any Noteholders of Series of Notes (a "meeting" or the "meeting").

20.2.2 The Issuer will convene (i) a meeting of Noteholders upon the requisition in writing of Noteholders holding not less than 20% of the aggregate Outstanding Principal Amount of all of the Notes or (ii) a separate meeting of any Noteholders of any Series of Notes upon the requisition in writing of the Noteholders in that Series holding not less than 20% of the aggregate Outstanding Principal Amount of the Notes held by that Series, as the case may be (a "requisition notice").

20.2.3 Whenever the Issuer wishes to convene a meeting, it will forthwith give notice in writing to the Noteholders in the manner prescribed in Condition 16 of the place, day and hour of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting.

20.2.4 All meetings of Noteholders will be held in Johannesburg.

## 20.3 Requisition

20.3.1 A requisition notice will state the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting and will be deposited at the Specified Office of the Issuer.

20.3.2 A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.



#### 20.4 **Convening of meetings by requisitionists**

If the Issuer does not convene a meeting to be held within 30 days of the deposit of a requisition notice, the requisitionists may themselves convene the meeting, but the meeting so convened will be held within 90 days from the date of such deposit and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Whenever the requisitionists are about to so convene any such meeting, requisitionists shall forthwith give notice of the meeting to the Issuer.

#### 20.5 **Notice of meeting**

20.5.1 Unless the holders of at least 90% of the aggregate Outstanding Principal Amount of the Notes or Series of Notes, as the case may be, agree in writing to a shorter period, at least 21 days written notice, specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to each Noteholder and to the Issuer if applicable.

20.5.2 The accidental omission to give such notice to any Noteholder or the Issuer, as the case may be, or the non-receipt of any such notice, will not invalidate the proceedings at a meeting.

#### 20.6 **Quorum**

20.6.1 A quorum at a meeting shall:

20.6.1.1 for the purposes of considering an Ordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Outstanding Principal Amount of the Notes or Series of Notes, as the case may be;

20.6.1.2 for the purposes of considering a Extraordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than a clear majority of the aggregate Outstanding Principal Amount of the Notes or Series of Notes, as the case may be.

20.6.2 No business will be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.

20.6.3 If, within 15 minutes from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of Noteholders, be dissolved. In every other case the meeting will stand adjourned to the same day in the third week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the

Noteholders present in person or by proxy will constitute a quorum for the purpose of considering any resolution, including a Extraordinary Resolution.

20.7 **Chairman**

The chairman of the meeting shall be appointed by the Issuer. If the Issuer or the person appointed by the Issuer to preside as chairman of the meeting is not present within 10 minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairman.

20.8 **Adjournment**

20.8.1 Subject to the provisions of this Condition 20, the chairman may, with the consent of, and will on the direction of, the meeting adjourn the meeting from time to time and from place to place.

20.8.2 No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

20.8.3 At least 14 days written notice of the place, day and time of an adjourned meeting will be given by the Issuer to each Noteholder. In the case of a meeting adjourned in terms of Condition 20.6.3, the notice will state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

20.9 **How questions are decided**

20.9.1 At a meeting, a resolution put to the vote will be decided on a poll.

20.9.2 In the case of an equality of votes, the chairman will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

20.10 **Votes**

Voting shall only take place on a poll and not on a show of hands. On a poll every Noteholder, present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Outstanding Principal Amount of the Notes held by such Noteholder bears to the aggregate Outstanding Principal Amount of all of the Notes or Series of Notes, as the case may be. In relation to joint Noteholders, the vote may be exercised only by that Noteholder whose name appears first on the Register in the event that more than one of such Noteholders is present, in person or by proxy, at the meeting. The Noteholder in respect of Notes held in the Central Securities Depository in uncertificated form shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Notes in accordance with the instructions to the Central Securities Depository's Nominee from the holders of Beneficial Interests conveyed through the Participants in accordance with the Applicable Procedures.

**20.11 Proxies and representatives**

20.11.1 Noteholders present either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a “**proxy form**”) signed by the Noteholder (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a “**proxy**” or “**proxies**”) to act on his or its behalf in connection with any meeting or proposed meeting.

20.11.2 A person appointed to act as proxy need not be a Noteholder.

20.11.3 The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, as the case may be, and a copy sent to the Debt Sponsor, not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.

20.11.4 No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.

20.11.5 Notwithstanding Condition 20.11.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.

20.11.6 A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the Noteholder’s instructions pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent at its Specified Office, as the case may be, more than, and that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.

20.11.7 Any Noteholder which is a juristic person may authorise any person to act as its representative in connection with any meeting or proposed meeting of Noteholders by resolution of the directors or other governing body of the juristic person. Any reference in the Terms and Conditions to a Noteholder present in person includes the duly authorised representative of a Noteholder which is a juristic person.

**20.12 Minutes**

20.12.1 The Issuer will cause minutes of all resolutions and proceedings of meetings to be duly entered in the minute books of the Issuer.

20.12.2 Any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the

next succeeding meeting, will be receivable in evidence without any further proof, and until the contrary is proved, a meeting of Noteholders or Series of Noteholders, as the case may be, in respect of the proceedings of which minutes have been so made will be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

21. **Governing law**

The Notes and the Terms and Conditions are governed by, and will be construed in accordance with, the laws of South Africa.

22. **Further issues**

The Issuer shall be at liberty from time to time, without the consent of Noteholders, to create and issue further Notes.

**USE OF PROCEEDS**

The Issuer shall use the net proceeds of the Notes as operating capital for its general corporate purposes, as specified in the Applicable Pricing Supplement.

## DESCRIPTION OF ANGLOGOLD ASHANTI LIMITED (THE "ISSUER")

### 1 INTRODUCTION AND BACKGROUND OF THE ISSUER

AngloGold Ashanti was incorporated in South Africa on 29 May 1944 under the name of Vaal Reefs Exploration and Mining Company Limited and operates under the old South African Companies Act, 61 of 1973, as amended. AngloGold Ashanti is a company and thus governed by the Companies Act. AngloGold was formed following the consolidation of the gold interests of Anglo American plc into a single company in 1998. At that time, AngloGold's production and reserves were primarily located in South Africa (97% of 1997 production and 99% of reserves as at 31 December 1997) and one of its objectives was to achieve greater geographic and ore body diversity. On 26 April 2004, AngloGold Ashanti acquired the entire issued share capital of Ashanti Goldfields Company Limited and changed its name to AngloGold Ashanti.

### 2 OWNERSHIP AND CONTROL OF THE ISSUER

Shareholders holding, directly or indirectly, in excess of 5% of the ordinary issued share capital of the company as at 31 December 2011 are listed below:

Shareholder name	% of issued share capital
Bank of New York Mellon	43.14
Paulson and Co Incorporated	8.52
Alan Gray Unit Trust	6.46

The geographical breakdown of the free-float AngloGold Ashanti institutional shareholder base as at 31 December 2011 is as follows:

United States 47.9%; South Africa 27.9%; United Kingdom 9.4%; Rest of Europe 5.9%; Singapore 2.1%; Australia 1.8%; Ghana 1.7%, Rest of Americas 1.3% and Rest of the World 2%.

### 3 DESCRIPTION OF THE BUSINESS OF THE ISSUER

AngloGold Ashanti is a global gold company with a diversified portfolio of assets in many key gold producing regions. As at 31 December 2011, it had gold reserves of 75.6 million ounces. For the period ended 31 December 2011, it had gold sales of US\$ 6.6 billion (which joint ventures not managed by the group), gold production of 4.33 million ounces and total cash costs of US\$ 728 per ounce. Through a combination of exploration, mergers, acquisitions, disposal initiatives and organic growth, and through the operations in which AngloGold Ashanti has an interest, the Company has developed a high quality, well –diversified asset portfolio, with production from 20 operations in ten countries: Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United States and major development projects in Columbia, the DRC and Australia.

Please refer to the audited consolidated annual financial statements of AngloGold Ashanti Limited for additional information on the company.

#### 4 **BOARD, MANAGEMENT AND SECRETARY OF THE ISSUER**

The directors of AngloGold Ashanti Limited and their functions are as follows:

<b>Name</b>	<b>Qualifications</b>	<b>Function</b>
M Cutifani	BE (Min.Eng)	Chief Executive Officer and Executive Director
S Venkatakrishnan	BCom, ACA (ICAI)	Chief Financial Officer and Executive Director
T T Mboweni	BA, MA Development Economics	Chairman and Non-Executive Director
F B Arisman (American)	MSc (Finance)	Non-Executive Director
R Gasant	CA (SA) ACIMA	Non-Executive Director
W A Nairn	BSc (Mining Engineering)	Non-Executive Director
NP Janaury-Bardill	BA (Education); MA (Applied Linguistics)	Non-Executive Director
Prof L W Nkulu	CA (SA), MBA (New York University)	Non-Executive Director
F Ohene-Kena	MSc Engineering, DIC, ACSM	Non-Executive Director
S M Pityana	BA (Hons) (Essex) MSc (London)	Non-Executive Director
RJ Ruston	MBA, Business, BE (Mining)	Non-Executive Director

The management of AngloGold Ashanti Limited and their functions are as follows:

<b>Name</b>	<b>Qualifications</b>	<b>Function</b>
M Cutifani	BE (Min.Eng)	Chief Executive Officer
S Venkatakrishnan	BCom, ACA (ICAI)	Chief Financial Officer
I Boninelli	MA (Psychology); post graduate diploma in Labour Relations	Executive Vice President – People and Organisational Development
Dr C E Carter	DPhil, EDP	Executive Vice President – Business Strategy
R N Duffy	BCom, MBA	Executive Vice President – Continental Africa
G J Ehm	BSc Hons; MAusIMM, MAICD	Executive Vice President – Australia
R W Largent	BSc; (Min.Eng), MBA	Executive Vice President – Americas
R L Lazare	BA, HED, DLPR, SMP	Executive Vice President
MP O'Hare	BSc Engineering (Mining)	Executive Vice President - South Africa
A M O'Neill	(Min.Eng), MBA	Executive Vice President – Business and Technical Development
ME Sanz	BCom; LLB; H Dip Tax	Group General Counsel
Y Z Simelane	BA LLB, FILPA, MAP, EMPM	Senior Vice President – Corporate Affairs

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Ms L Eatwell [FCIS, FCIBM] is the Company Secretary of the company.



**5 REGISTERED OFFICE**

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2001

(P O Box 62117, Marshalltown 2107)

South Africa

Telephone: +27 11 637 6000

Fax: +27 11 637 6624

Website: [Anglogoldashanti.com](http://Anglogoldashanti.com)

**6 AUDITORS**

Ernst & Young Inc

Wanderers Office Park

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Illovo, Johannesburg 2196

(Private Bag X14, Northlands 2116)

South Africa

Telephone: +27 11 772 3000

Fax: +27 11 772 4000

**7 THE KING COMMITTEE ON GOVERNANCE: CODE OF GOVERNANCE PRINCIPLES FOR SOUTH AFRICA (“KING III”)**

AngloGold Ashanti has made good progress in terms of meeting the requirements of the King III during 2011 under the guidance of its Audit and Corporate Governance Committee, specifically relating to:

- training on their Code of Business Principles and Ethics across all levels of employees, to embed these ethical principles in the day-to-day behaviours and actions of employees and

other stakeholders in the long-term. Training will remain a key focus area;

- the formalisation of the board chairman's duties and responsibilities;
- review and approval of materiality for integrated reporting purposes;
- approval of the IT governance framework, including an IT charter, policy and strategy; and
- development and approval of an alternative dispute resolution policy and processes.

The Issuer is in compliance with the King III Code except for the following areas of refinement that it is currently working:

- **Publication of an integrated report:** The company will publish its first integrated annual report pertaining to the 2011 financial year. Given that this is the first such report, AngloGold Ashanti, like other public companies, will further refine its reporting process in order to meet evolving best practice and the expectations of its stakeholders regarding the integration of its reporting.
- **Implementation of a fully integrated combined assurance framework:** Implementation of a fully integrated audit process as part of an approved combined assurance framework began in 2011. The process will be refined over time to achieve the desired standard.
- **Identification of key laws, rules, codes and standards applicable to the company's operations and compilation of related compliance framework:** The company is in compliance with the King III requirements in this regard but is in the process of refining certain aspects thereof. This process began during the third quarter of 2011 and is expected to be completed in 2012.
- **Risk and Information Integrity Committee:** This committee is responsible for the oversight of IT governance. The company is in compliance with the King III requirements in this regard but further refinement and alignment of the relevant IT committees is expected to be achieved during 2012.

The Institute of Directors has been contracted by AngloGold Ashanti to conduct an independent evaluation for the board chairman and the board. The evaluation of the board committees will be carried out by way of self assessments. The evaluation process for 2011 has commenced and the findings will be reported to the board during 2012.

## 8 RISK FACTORS

This section describes many of the risks that could affect AngloGold Ashanti. There may however be additional risks unknown to AngloGold Ashanti and other risks, currently believed to be immaterial, that could turn out to be material. These risks, either individually or simultaneously, could significantly affect the group's business, financial results and the price of its securities.

***Risks related to AngloGold Ashanti's results of operations and its financial condition as a result of factors that impact the gold mining industry generally.***

**Commodity market price fluctuations could adversely affect the profitability of operations.**

AngloGold Ashanti's revenues are primarily derived from the sale of gold and, to a lesser extent uranium, silver and sulfuric acid. The company's current policy is to sell its products at prevailing market prices and not to enter into price hedging arrangements. The market prices for these commodities fluctuate widely. These fluctuations are caused by numerous factors beyond the company's control. For example, the market price of gold may change for a variety of reasons, including:

- speculative positions taken by investors or traders in gold;
- monetary policies announced or implemented by central banks, including the US Federal Reserve;
- changes in the demand for gold as an investment or as a result of leasing arrangements;
- changes in the demand for gold used in jewellery and for other industrial uses, including as a result of prevailing economic conditions;
- changes in the supply of gold from production, divestment, scrap and hedging;
- financial market expectations regarding the rate of inflation;
- strength of the US dollar (the currency in which the gold price trades internationally) relative to other currencies;
- changes in interest rates;
- actual or anticipated sales or purchases of gold by central banks and the International Monetary Fund;
- gold hedging and de-hedging by gold producers;
- global or regional political or economic events; and
- the cost of gold production in major gold producing countries.

The market price of gold has been and continues to be significantly volatile. During 2011, the gold price traded from a low of \$1,313 per ounce to a high of \$1,900 per ounce. On December 30, 2011, the closing price was \$1,563 per ounce. The price of gold is often subject to sharp, short-term changes as a result of speculative activities. For example, in early March 2012, the price of gold dropped by almost \$100 per ounce in one day. While the overall supply of and demand for gold can affect its market price, the considerable size of historical mined stocks of the metal means that these factors typically do not affect the gold price in the same manner or degree as for other commodities. In addition, the shift in demand from physical gold to investment and speculative demand may exacerbate the volatility of the gold price.

In 2011, price volatility dampened demand in the key jewellery markets of India and China, which both experienced mixed fortunes during the year. In the fourth quarter of 2011 and into 2012, gold appeared to trade as a risk asset, experiencing selling pressure in times of heightened turmoil, rather than as the safe haven asset it is generally deemed to be.

A sustained period of significant gold price volatility may adversely affect the company's ability to evaluate the feasibility of undertaking new capital projects, or the continuing of existing operations, or

to make other long-term strategic decisions. The use of lower gold prices in reserve calculations and life-of-mine plans could result in material write-downs of the company's investment in mining properties and increased amortization, reclamation and closure charges.

The spot price of uranium has been significantly volatile in past years. During 2011, the price varied between a low of about \$47 pounds and a high of \$72 pounds. Uranium prices can be affected by several factors, including demand for nuclear reactors, uranium production shortfalls and restocking by utilities. Events like those surrounding the earthquake and tsunami that occurred in Japan in 2011 can also have a material impact on the price of and demand for uranium.

The price of silver has also experienced significant fluctuations. From a low of \$26 per ounce in January 2011, the price rose steadily to reach a high of \$49 per ounce in April 2011. By December 2011, the price had dropped to around \$28 per ounce again. Factors affecting the price of silver include investor demand, physical demand for silver bars, industrial and retail off take, and silver coin minting.

If revenue from sales of gold, uranium, silver and sulfuric acid falls below the cost of production for an extended period, AngloGold Ashanti may experience losses and be forced to change its dividend payment policies and curtail or suspend some or all of its exploration capital projects and existing operations. Declining commodities prices may also force a reassessment of the feasibility of a particular project, which could cause substantial delays or interrupt operations until the reassessment can be completed.

**Foreign exchange fluctuations could have a material adverse effect on operational results and financial condition.**

Gold is principally a dollar-priced commodity and most of the company's revenues are realized in, or linked to, dollars while production costs are largely incurred in the local currency where the relevant operation is located. Given the company's global operations and local foreign exchange regulations, some of its funds are held in local currencies, such as the South African rand, Ghanaian cedi, Brazilian real, Argentinean peso and the Australian dollar. The weakening of the dollar, without a corresponding increase in the dollar price of gold against these local currencies, results in higher production costs in dollar terms. Conversely, the strengthening of the dollar, without a corresponding decrease in the dollar price of gold against these local currencies, yields lower production costs in dollar terms.

Exchange rate movements may have a material impact on AngloGold Ashanti's operating results. For example, a 1 percent strengthening of either the South African rand, Brazilian real, the Argentinean peso and the Australian dollar against the US dollar will, other factors remaining equal, result in an increase in total cash costs under IFRS of around \$5 per ounce or approximately 1 percent of the company's total cash costs. The impact on cash costs determined under US GAAP may be different.

**The profitability of operations and the cash flows generated by these operations are significantly affected by fluctuations in input production prices, many of which are linked to the prices of oil and steel.**

Fuel, energy and consumables, including diesel, heavy fuel oil, chemical reagents, explosives, tires, steel and mining equipment consumed in mining operations form a relatively large part of the operating costs and capital expenditure of any mining company.

AngloGold Ashanti has no influence over the cost of these consumables, many of which are linked to some degree to the price of oil and steel.

The price of oil has recently been volatile, fluctuating between \$94 and \$122/barrel of Brent crude in 2011. AngloGold Ashanti estimates that for each \$1/barrel rise in the oil price, other factors remaining equal, the average cash costs under IFRS of all its operations increases by about \$0.70 per ounce with the cash costs of certain of the company's mines, particularly Geita, Cripple Creek & Victor, Siguiri and Sadiola, which, being more dependent on fuel, are more sensitive to changes in the price of oil.

Furthermore, the price of steel has also been volatile. Steel is used in the manufacture of most forms of fixed and mobile mining equipment, which is a relatively large contributor to the operating costs and capital expenditure of a mine. For example, the price of flat hot rolled coil (North American Domestic FOB) steel traded between \$635/t and \$875/t in 2011.

Fluctuations in oil and steel prices have a significant impact on operating costs and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable.

**Energy cost increases and power fluctuations and stoppages could adversely impact the company's results of operations and its financial condition.**

Increasing global demand for energy, concerns about nuclear power, and the limited growth of new supply are impacting the price and supply of energy. The transition of emerging markets to higher energy consumption, carbon taxation as well as unrest and potential conflict in the Middle East could result in constrained supply and sharply escalating oil and energy prices.

AngloGold Ashanti's mining operations are substantially dependent upon electrical power generated by local utilities or by power plants situated at some of its operations. The unreliability of these local sources of power can have a material effect on the company's operations, as large amounts of power are required for exploration, development, extraction, processing and other mining activities on the company's properties.

In South Africa, the company's operations are dependent on electricity supplied by one national power generation company, Eskom the state-owned utility. Electricity is used for most business and safety-critical operations that include cooling, hoisting and dewatering. Loss of power could therefore impact production, employee safety and prolonged outages could lead to flooding of workings and ore sterilization. In 2008, Eskom warned it could no longer guarantee the availability of electricity to the South African mining industry. A warning of the 'very high' risk of blackouts was re-issued at the start of 2011. While a national energy conservation program is in place, Eskom cannot guarantee that there will be no power interruptions. In 2008, AngloGold Ashanti and other mining companies operating in South Africa were forced to temporarily suspend mining operations at their mines, after which the company implemented various initiatives at its South African mines to reduce electricity consumption while operating at full capacity. AngloGold Ashanti cannot offer assurance that the power supply to its South African operations will not be curtailed or interrupted again.

Eskom and the National Energy Regulator of South Africa (NERSA) recognize the need to increase electricity supply capacity and a series of tariff increases and proposals have been enacted to assist in the funding of this expansion. In 2010, NERSA approved an annual increase of 24.8 percent for 2010, 25.8 percent for 2011 and 25.9 percent for 2012 and is now reportedly considering requesting another two similar increases, one each in 2013 and 2014. As energy represents a large proportion of the company's operating costs in South Africa, these increases have an adverse impact on the cash costs of its South African operations.

The company has also identified a risk of energy shortages in Argentina and the DRC. Furthermore, the company's operations in Ghana depend on hydroelectric power supplied by the state-controlled Volta River Authority (VRA), which is supplemented by thermal power from the Takoradi plant and a smaller unit at Tema. During periods of below average inflows from the Volta reservoir, electricity supplies from the Akosombo Dam, the VRA's primary generation source, may be curtailed as occurred in 1998, 2006 and the first half of 2007. During periods of limited electricity availability, the grid is subject to disturbances and voltage fluctuations which can damage equipment. In the past, the VRA has obtained power from neighboring Côte d'Ivoire, which has intermittently experienced political instability and civil unrest. AngloGold Ashanti negotiates rates directly with the VRA and there can be no assurance that the VRA will agree to a satisfactory rate during future rounds of negotiations.

The company's mining operations in Guinea, Tanzania and Mali are dependent on power supplied by outside contractors and supplies of fuel are delivered by road. Power supplies have been disrupted in the past, resulting in production losses due to equipment failure.

Increased energy prices could negatively impact operating costs and cash flow of AngloGold Ashanti's operations.

**Global economic conditions could adversely affect the profitability of operations.**

AngloGold Ashanti's operations and performance depend significantly on worldwide economic conditions. The global financial markets have recently experienced increased volatility due to uncertainty surrounding the level and sustainability of the sovereign debt of various countries. In addition, some economists, observers and market participants have expressed concern regarding the sustainability of the European Monetary Union and its common currency, the euro, in their current form. These conditions and other disruptions to international credit markets and financial systems have caused a loss of investor confidence and resulted in widening credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Despite the aggressive measures taken by governments and central banks thus far, economic recovery has been extremely slow. A significant risk remains that these measures may not prevent the global economy from falling back into an even deeper and longer lasting recession or even a depression.

A global economic downturn may have follow-on effects on AngloGold Ashanti's business that include inflationary cost pressures and commodity market fluctuations.

Other effects could, for example, include:

- the insolvency of key suppliers or contractors which could result in contractual breaches and in a supply chain breakdown;
- the insolvency of our joint venture partners which could result in contractual breaches and disruptions at the operations of our joint ventures;
- other income and expense which could vary materially from expectations, depending on gains or losses realized on the sale or exchange of financial instruments, and impairment charges may be incurred with respect to our investments;
- AngloGold Ashanti's defined benefit pension fund may not achieve expected returns on its investments, which could require the company to make substantial cash payments to fund any resulting deficits;
- a reduction in the availability of credit which may make it more difficult for the company to obtain financing for its operations and capital expenditures or make that financing more costly; and
- exposure to the liquidity and insolvency risks of the company's lenders and customers which could negatively affect AngloGold Ashanti's financial condition and operational results.

Uncertainty regarding global economic conditions may increase volatility or negatively impact the market value of the company's securities.

**Inflation may have a material adverse effect on results of operations.**

General inflationary pressures affecting the mining industry and accelerating inflation across South American jurisdictions resulted in significant cost pressure during 2011. In Argentina, in particular, rising inflation resulted in higher labor costs and consumables costs in 2011, which could adversely affect procurement and recruitment activities as well as labor relations in 2012.

Most of AngloGold Ashanti's operations are located in countries that have experienced high rates of inflation during certain periods.

It is possible that significantly higher future inflation in the countries in which the company operates may result in an increase in operational costs in local currencies (without a concurrent devaluation of the local currency of operations against the dollar or an increase in the dollar price of gold). This could have a material adverse effect upon the company's results of operations and its financial condition. Significantly higher and sustained inflation, with a consequent increase in operational costs, could result in the rationalization of higher cost mines or projects.

**Mining companies face many risks related to the development of mining projects that may adversely affect the company's results of operations and profitability.**

The profitability of mining companies depends partly on the actual costs of developing and operating mines, which may differ significantly from estimates determined at the time the relevant project was approved following completion of its feasibility study. Development of mining projects may also be subject to unexpected problems and delays that could increase the development and operating costs of the relevant project.

AngloGold Ashanti's decision to develop a mineral property is typically based on the results of a feasibility study, which estimates anticipated economic returns from the project. These estimates are based on assumptions regarding:

- future prices of gold, uranium, silver and other metals;
- future currency exchange rates;
- tonnage, grades and metallurgical characteristics of ore to be mined and processed;
- anticipated recovery rates of gold, uranium, silver and other metals extracted from the ore;
- anticipated capital expenditure and cash operating costs; and
- required return on investment.

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. Operating costs and capital expenditure are to a significant extent driven by the cost of commodity inputs consumed in mining, including fuel, chemical reagents, explosives, tires and steel, and also by credits from by-products, such as silver and uranium. They could also fluctuate considerably as a result of changes in the prices of mining equipment used in the construction and operation of mining projects.

There are a number of uncertainties inherent in the development and construction of a new mine or the extension to an existing mine. In addition to those discussed above, these uncertainties include the:

- timing and cost of construction of mining and processing facilities, which can be considerable;
- availability and cost of mining and processing equipment;
- availability and cost of skilled labor, power, water and transportation;
- availability and cost of appropriate smelting and refining arrangements;



- requirement and time needed to obtain the necessary environmental and other governmental permits; and
- availability of funds to finance construction and development activities.

The remote location of many mining properties, permitting requirements and/or delays, third-party legal challenges to individual mining projects and broader social or political opposition to mining may increase the cost, timing and complexity of mine development and construction. New mining operations could experience unexpected problems and delays during the development, construction, commissioning and commencement of production. For example, a number of targets for greenfield exploration were missed in 2010, especially those relating to resource drilling and prefeasibility studies at La Colosa and Gramalote in Colombia and at Central Mongbwalu in the DRC. The total number of meters drilled in Colombia was significantly lower than expected due to delays in the approval of the necessary environmental (water use) and access permits. Contractual and legal issues delayed the start of regional exploration drilling on the Kilo joint venture in the DRC until the fourth quarter of 2010.

Accordingly, AngloGold Ashanti's future development activities may not result in the expansion or replacement of current production, or one or more new production sites or facilities may be less profitable than anticipated or may be loss-making. The company's operating results and financial condition are directly related to the success of its project developments. A failure in the company's ability to develop and operate mining projects in accordance with, or in excess of, expectations could negatively impact its results of operations, as well as its financial condition and prospects.

**Mining companies face uncertainty and risks in exploration, feasibility studies and other project evaluation activities.**

AngloGold Ashanti must continually replace Ore Reserve depleted by mining and production to maintain or increase gold production levels in the long-term. This is undertaken by exploration activities that are speculative in nature. The ability of the company to sustain or increase present levels of gold production depends in part on the success of its projects.

Feasibility studies and other project evaluation activities necessary to determine the current or future viability of a mining operation are often unproductive. Such activities often require substantial expenditure on exploration drilling to establish the presence, extent and grade (metal content) of mineralized material. AngloGold Ashanti undertakes feasibility studies to estimate the technical and economic viability of mining projects and to determine appropriate mining methods and metallurgical recovery processes. These activities are undertaken to estimate the Ore Reserve.

Once mineralization is discovered it may take several years to determine whether an adequate Ore Reserve exists, during which time the economic feasibility of the project may change due to fluctuations in factors that affect both revenue and costs, including:

- future prices of metals and other commodities;

- future foreign currency exchange rates;
- the required return on investment as based on the cost and availability of capital; and
- applicable regulatory requirements, including environmental, health and safety matters.

Feasibility studies also include activities to estimate the anticipated:

- tonnages, grades and metallurgical characteristics of the ore to be mined and processed;
- recovery rates of gold, uranium and other metals from the ore; and
- capital expenditure and cash operating costs.

These estimates depend on assumptions made on available data. Ore Reserve estimates are not precise calculations and depend on the interpretation of limited information on the location, shape and continuity of the mineral occurrence and on available sampling results. Further exploration and feasibility studies can result in new data becoming available that may change previous Ore Reserve estimates and impact the technical and economic viability of production from the project. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves resulting in revisions to previous Ore Reserve estimates. These revisions could impact depreciation and amortization rates, asset-carrying amounts, provisions for closedown, restoration and environmental cleanup costs.

AngloGold Ashanti undertakes annual revisions to its Ore Reserve estimates based upon actual exploration and production results, depletion, new information on geology, model revisions and fluctuations in production, economic assumptions and operating and other costs. These factors may result in reductions in Ore Reserve estimates, which could adversely affect life-of-mine plans and consequently the total value of the company's mining asset base. Ore Reserve restatements could negatively affect the company's results of operations, as well as its financial condition and prospects.

The increased demand for gold and other commodities, combined with a declining rate of discovery of new gold Ore Reserve in recent years, has resulted in the accelerated depletion of the existing Ore Reserve across the global gold sector. AngloGold Ashanti therefore faces intense competition for the acquisition of attractive mining properties. From time to time, the company evaluates the acquisition of an Ore Reserve, development properties or operating mines, either as stand-alone assets or as part of companies. AngloGold Ashanti's decision to acquire these properties has been based on a variety of factors including historical operating results, estimates and assumptions regarding the extent of the Ore Reserve, cash and other operating costs, gold prices, projected economic returns and evaluations of existing or potential liabilities associated with the relevant property and its operations and how these factors may change in future. Other than historical operating results, these factors are uncertain and could have an impact on revenue, cash and other operating costs, as well as the process used to estimate the Ore Reserve.

As a result of these uncertainties, exploration and acquisitions by the company may not result in the expansion or replacement of current production or the maintenance of its existing Ore Reserve net of production or an increase in Ore Reserve. AngloGold Ashanti's results of operations and its financial condition are directly related to the success of its exploration and acquisition efforts and its ability to

replace or increase the existing Ore Reserve. If the company is not able to maintain or increase its Ore Reserve, its results of operations as well as its financial condition and prospects could be adversely affected.

**Mining companies face many risks related to their operations that may adversely impact cash flows and overall profitability.**

Gold mining is susceptible to events that may adversely impact a mining company's ability to produce gold and meet production and cost targets. These events include, but are not limited to:

- environmental, as well as health and safety hazards, including dust generation, discharge of metals, pollutants, radioactivity or hazardous chemicals; industrial accidents or accidents during transportation;
- ground and surface water pollution;
- social or community disputes or interventions;
- security incidents;
- surface or underground fires or explosions;
- electrocution;
- falls from heights and accidents relating to mobile machinery, including shaft conveyances and elevators, drilling blasting and mining operations;
- labor force disputes and disruptions;
- loss of information integrity or data;
- activities of illegal or artisanal miners;
- material and equipment availability;
- mechanical failure or breakdowns and ageing infrastructure;
- failure of unproven or evolving technologies;
- energy and electrical power supply interruptions or rationing;
- unusual or unexpected geological formations, ground conditions, including lack of mineable face length, and ore-pass blockages;
- water ingress and flooding;
- process water shortages;
- metallurgical conditions and gold recovery;
- unexpected decline of ore grade;
- unanticipated increases in gold lock-up and inventory levels at heap-leach operations;
- fall-of-ground accidents in underground operations;
- cave-ins, sinkholes, subsidence, rock falls, rock bursts, or landslides;
- failure of mining pit slopes, heap-leach facilities, water or solution dams, waste stockpiles and tailings dam walls;
- legal and regulatory restrictions and changes to such restrictions;
- safety-related stoppages;
- gold bullion theft;
- corruption, fraud and theft;
- seismic activity; and

- other natural phenomena, such as floods, droughts or weather conditions, potentially exacerbated by climate change.

Seismic activity is of particular concern in underground mining operations, particularly in South Africa due to the extent and extreme depth of mining, and also in Australia and Brazil due to the depth of mining and residual tectonic stresses. Despite modifications to mine layouts and support technology, as well as other technological improvements employed with a view to minimizing the incidence and impact of seismic activity, seismic events have caused death and injury to employees and contractors and may do so again in future.

Seismic activity may also cause the loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, environmental damage and potential legal liabilities at operations where seismic activity may be a factor. As a result, these events may have a material adverse effect on AngloGold Ashanti's results of operations and financial condition. For example, in early 2011, mining of the Ventersdorp Contact Reef shaft pillar at TauTona was suspended following a significant seismic event. New equipment had to be purchased and the shutdown contributed to the decline in the operational output of the mine as compared to the previous year.

In the past, floods have also disrupted the operations of some of our mines. For example, unprecedented heavy rains in February and March 2011 in Australia flooded the Sunrise Dam Gold Mine and forced a temporary shutdown of operations. The flood event impacted underground production for approximately four months and open pit production for approximately six months. Full costs were incurred despite the shutdown, as the mining contractors worked on remedial activities to repair damage and rehabilitate flooded areas. The considerable remedial work required adversely impacted cash costs per ounce and the impact of the flood event and the pit wall failure together significantly reduced planned production at the plant.

Water scarcity has been identified as a significant risk at AngloGold Ashanti's US operation. Production at the Cripple Creek & Victor Gold Mining Company's Cresson Project continued to be affected by a severe drought in 2011. The lack of water reduced percolation through the heap-leach pad, which curtailed production and productivity.

**Mining companies' operations are vulnerable to infrastructure constraints.**

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable rail, ports, roads, bridges, power sources, power transmission facilities and water supply are critical to our business operations and affect capital and operating costs.

Interferences in the maintenance or provision of infrastructure, including unusual weather phenomena, sabotage and social unrest, could impede the company's ability to deliver its products

on time and adversely affect AngloGold Ashanti's business, financial condition and results of operations.

Establishing infrastructure for the company's development projects requires significant resources, identification of adequate sources of raw materials and supplies, and necessary co-operation from national and regional governments, none of which can be assured.

AngloGold Ashanti has operations or potential development projects in countries where government-provided infrastructure may be inadequate and regulatory regimes for access to infrastructure may be uncertain, which could adversely impact the efficient operation and expansion of our business. There is no guarantee that AngloGold Ashanti will secure and maintain access to adequate infrastructure in the future, nor that it can do so on reasonable terms.

**We face strong competition from our peers.**

The mining industry is competitive in all of its phases. AngloGold Ashanti competes with other mining companies and individuals for specialized equipment, components and supplies necessary for exploration and development, for mining claims and leases on exploration properties and for the acquisition of mining assets. These competitors may have greater financial resources, operational experience and technical capabilities than AngloGold Ashanti. Competition may increase AngloGold Ashanti's cost of acquiring suitable claims, properties and assets, should they become available to the company.

**Mining companies are subject to extensive health and safety laws and regulations.**

Gold mining operations are subject to a variety of industry-specific health and safety laws and regulations depending on which jurisdiction they are in. These laws and regulations are designed to protect and improve the safety and health of employees. AngloGold Ashanti is also in the process of implementing an enhanced safety program, including improved incident investigation and reporting systems, which could result in significant additional costs for the company.

From time to time, new or improved health and safety laws and regulations are introduced in jurisdictions in which AngloGold Ashanti operates. Should compliance with new standards require a material increase in expenditure or material interruptions to operations or production, including as a result of any temporary failure to comply with applicable regulations, the results of operations and the financial condition of the company could be adversely affected.

In some of the jurisdictions in which we operate, the government enforces compulsory shutdowns of operations to enable investigations into the cause of accidents at those operations. Certain of the company's operations have been temporarily suspended for safety reasons in the past. In South Africa, in particular, so-called Section 54 safety stoppages have become a significant issue. In 2011, the Inspector of Mines ordered the shutdown of entire mines in cases of relatively minor violations,

which had a material impact on production at these mines. In particular, the Inspector issued Kopanang 11 Section 54 directives during the year. Each directive resulted in Kopanang suspending operations either fully or partially in order to comply with the inspector's recommendations on safety. A working group comprising the inspectorate, the mining industry and organized labor has been formed to address the trend of increasing safety stoppages.

AngloGold Ashanti's reputation as a responsible company and employer could be damaged by any significant governmental investigation or enforcement of health and safety standards. Any of these factors could have a material adverse effect on the company's results of operations and financial condition.

**Mining companies are increasingly required to consider and take steps to develop in a sustainable manner, and to provide benefits to the communities and countries in which they operate. Failure to consider such requirements can result in legal suits, additional operational costs, adverse reactions by investors and otherwise adversely impact mining companies' financial condition and social license to operate.**

As a result of public concern about the perceived ill effects of economic globalization, businesses in general and large multinational mining corporations such as AngloGold Ashanti in particular face increasing public scrutiny of their activities.

These businesses are under pressure to demonstrate that while they seek a satisfactory return on investment for shareholders, human rights are respected and other social partners, including employees, host communities and more broadly the countries in which they operate, also benefit from their commercial activities. Such pressures tend to be particularly focused on companies whose activities are perceived to have, or have, a high impact on their social and physical environment. The potential consequences of these pressures and the adverse publicity in cases where companies are believed not to be creating sufficient social and economic benefit may result in additional operating costs, reputational damage, active community opposition, allegations of human rights abuses, legal suits and investor withdrawal.

Existing and proposed mining operations are often located at or near existing towns and villages, natural water courses and other infrastructure. As the impacts of water pollution or shortage, in particular, may be immediate and directly adverse to those communities, poor management of either the supply or the quality of water can result in community protest, regulatory sanctions or ultimately in the withdrawal of community and government support for company operations. For example, opposition to mining activity in the Tolima province of Colombia, which hosts the La Colosa deposit, has centered on the perception that large-scale mining activity will have a detrimental impact on the region's river systems. Mining operations must therefore be designed to minimize their impact on such communities and the environment, either by changing mining plans to avoid such impact, by modifying mining plans and operations, or by relocating the affected people to an agreed location. Responsive measures may also include agreed levels of compensation for any adverse impact ongoing mining operations may continue to have upon the community.

In addition, as AngloGold Ashanti has a long history of mining operations in certain regions, issues may arise regarding historical as well as potential future environmental impacts to those areas. For example, certain parties, including NGOs, community groups and institutional investors, have raised concerns about surface and groundwater quality, among other issues, in the area surrounding the company's Obuasi and Iduapriem mines in Ghana, including potential impacts to local rivers and wells used for water from heavy metals, arsenic and cyanide as well as sediment and mine rock waste. Following temporary shutdowns at both mines in 2010, the company has made improvements in effluent quality management and constructed new tailings impoundments to reduce the risk of incidents that have the potential to degrade local water sources. AngloGold Ashanti is continuing to investigate allegations of impacts by the company's operations on water quality in mining areas and to consider, as appropriate, potential additional responsive actions such as remediation, engineering and operational changes at the mine sites and community outreach programs.

Disputes with surrounding communities may also affect mining operations by the restriction of access to supplies and of the workforce to mining operations. The mines' access to land may be subject to the rights or asserted rights of various community stakeholders, including indigenous people. In some cases, AngloGold Ashanti has had difficulty gaining access to new land because of perceived poor community compensation practices. For example, compensation remains a significant area of concern in Siguiri in Guinea. In 2011, a violent community protest interrupted operations for three days, which contributed to the project's decline in production as compared to 2010. Delays in projects attributable to a lack of community support can translate directly into a decrease in the value of a project or into an inability to bring the project to production.

The cost of measures and other issues relating to the sustainable development of mining operations could place significant demands on personnel resources, could increase capital and operating costs and could have an adverse impact upon AngloGold Ashanti's reputation, results of operations and financial condition.

**Mining companies are subject to extensive environmental laws and regulations.**

Mining companies are subject to extensive environmental laws and regulations in the various jurisdictions in which they operate. These regulations establish limits and conditions on a producer's ability to conduct its operations and govern, among other things, extraction, use and conservation of water resources; air emissions (including dust control) and water treatment and discharge; regulatory and community reporting; clean-up of contamination; worker safety and community health; and the generation, transportation, storage and disposal of solid and hazardous wastes, such as acids, radioactive materials, and mine tailings.

The cost of compliance with environmental laws and regulations is expected to continue to be significant to AngloGold Ashanti. AngloGold Ashanti could incur fines, penalties and other sanctions, clean-up costs, and third-party claims for personal injury or property damages; suffer reputational damage; and be required to install costly pollution control equipment or to modify or suspend

operations, as a result of actual or alleged violations or liabilities under environmental laws and regulations. In addition, unknown environmental hazards may exist on the company's properties which may have been caused by previous owners or by existing operators.

For example, in 2010 AngloGold Ashanti's Obuasi mine in Ghana suspended gold processing operations for five days to implement a revised water management strategy aimed at reducing contaminants contained in its discharge. Furthermore, following a temporary suspension of operations at the Iduapriem mine, the company with the approval of the Ghana Environmental Protection Agency constructed an interim tailings storage facility for tailings deposition for a year while the greenfields tailings storage facility was being constructed. In addition, the company is currently investigating allegations of impacts on water quality in the area of these mines.

Failure to comply with applicable environmental laws and regulations may also result in the suspension or revocation of permits. AngloGold Ashanti's ability to obtain and maintain permits and to successfully operate in particular communities may be adversely impacted by real or perceived effects on the environment or human health and safety associated with AngloGold Ashanti's or other mining companies' activities.

For example, in Colombia various plaintiffs, including associations that represent local communities, have brought legal proceedings against AngloGold Ashanti Colombia S.A. (AGAC) alleging that AGAC has violated applicable environmental laws in connection with the La Colosa project. If the plaintiffs were to prevail, AGAC's three core concession contracts relating to the La Colosa project may be cancelled, the company would be required to abandon the La Colosa project and all other existing mining concession contracts and pending proposals for new mining concession contracts of AGAC, but not also those of other companies of the AngloGold Ashanti group operating in Colombia, would also be cancelled. In addition, AGAC would be banned from doing business with the Colombian government for a period of five years. See "Item 8A.: Consolidated statements and other financial information – Legal proceedings".

Environmental laws and regulations are continually changing and are generally becoming more restrictive. Changes to AngloGold Ashanti's environmental compliance obligations or operating practices could adversely affect the company's rate of production and revenue. Variations in laws and regulations, assumptions made to estimate liabilities, standards or operating procedures, more stringent emission or pollution thresholds or controls, or the occurrence of unanticipated conditions, may require operations to be suspended or permanently closed, and could increase AngloGold Ashanti's expenses and provisions. These expenses and provisions could adversely affect the company's results of operations and its financial condition.

For example, the use of sodium cyanide in metallurgical processing is under increasing environmental scrutiny and is prohibited in certain jurisdictions. As there are few, if any, effective substitutes in extracting gold from the ore, any ban or material restrictions on the use of sodium cyanide in mining operations in the jurisdictions where AngloGold Ashanti conducts its operations could adversely affect the company's results of operations and its financial condition. In addition, leaks or discharges of sodium cyanide or other hazardous materials could result in clean-up liabilities



that may not be covered by insurance.

AngloGold Ashanti's operations are heavily dependent upon access to substantial volumes of water for use in the mining and extractive processes and typically are subject to water-use permits that govern usage and require, among other things, that mining operations maintain certain water quality upon discharge. Water quality and usage are areas of concern globally, but are particularly significant for operations in Ghana and South Africa, and for exploration projects in Colombia, where there is significant potential environmental and social impact and a high level of stakeholder scrutiny. Any failure to secure access to suitable water supplies, or achieve and maintain compliance with the requirements of the permits or licenses could result in curtailment or halting of production at the affected operation. Incidents of water pollution or shortage can, in extreme cases, lead to community protest and ultimately to the withdrawal of community and government support for the company's operations.

Mining and mineral processing operations generate waste rock and tailings. The impact of a breach, leak or other failure of a tailings storage facility can be significant. An incident at AngloGold Ashanti's operations could lead to, among others, obligations to remediate environmental contamination and claims for property damage and personal injury. Incidents at other companies' operations could result in governments tightening regulatory requirements and restricting mining activities.

In addition, mining companies are required by law to close their operations at the end of the mine life and rehabilitate the lands mined. Estimates of total ultimate closure and rehabilitation costs for gold mining operations are significant and based principally on life-of-mine profiles, changing inflation and discount rate assumptions, changing designs of tailing storage facilities and current legal and regulatory requirements that may change materially. Environmental liabilities are accrued when they become known, probable and can be reasonably estimated. Increasingly, regulators are seeking security in the form of cash collateral or bank guarantees in respect of environmental obligations, which could have an adverse impact on AngloGold Ashanti's financial condition.

Costs associated with rehabilitating land disturbed by mining processes and addressing environmental, health and community issues are estimated and financial provision made based upon current available information. Estimates may, however, be insufficient and further costs may be identified at any stage. Any underestimated or unidentified rehabilitation costs would reduce earnings and could materially and adversely affect the company's asset values, earnings and cash flows.

**Compliance with emerging climate change regulations could result in significant costs and climate change may present physical risks to a mining company's operations.**

Greenhouse gases (GHGs) are emitted directly by AngloGold Ashanti's operations, as well as by external utilities from which AngloGold Ashanti purchases power. Currently, a number of international and national measures to address or limit GHG emissions, including the Kyoto Protocol, the Copenhagen Accord and the Durban Platform, are in various phases of discussion or implementation in the countries in which the company operates. In particular, the Durban Platform commits all parties

to the conference to develop a global mitigation regime which could take effect in 2020, with the specific terms of that legally binding accord, including individual targets, to be finalized by 2015. These, or future, measures could require AngloGold Ashanti to reduce its direct GHG emissions or energy use or to incur significant costs for GHG emissions permits or taxes or have these costs or taxes passed on by electricity utilities which supply the company. AngloGold Ashanti also could incur significant costs associated with capital equipment, GHG monitoring and reporting and other obligations to comply with applicable requirements. For example, Australia has passed legislation that will implement a carbon trading scheme commencing in July 2012. Other countries, including South Africa, Brazil and the United States, have passed or are considering GHG trading or tax schemes, and/or other regulation of GHG emissions, though the precise impact on AngloGold Ashanti's operations cannot yet be determined.

In addition, AngloGold Ashanti's operations could be exposed to a number of physical risks from climate change, such as changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures and extreme weather events. Events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing and rehabilitation efforts, could create resource shortages and could damage the company's property or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on the company's workforce and on the communities around our mines, such as an increased risk of food insecurity, water scarcity and prevalence of disease.

**Compliance with emerging 'conflict minerals' legislation could result in significant costs.**

There is increasing legislation and initiatives relating to 'conflict' and 'responsible' gold that include the: US Dodd-Frank Act; World Gold Council Conflict Free Gold Standard; Organization for Economic Cooperation and Development Due Diligence Guidelines for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas; and London Bullion Market Association Responsible Gold Guidance. This may result in the increased cost of demonstrating compliance and difficulties in the sale of gold emanating from certain areas, such as the Democratic Republic of the Congo (DRC) and its neighbors. The complexities of the gold supply chain, especially as they relate to 'scrap' or recycled gold, and the fragmented and often unregulated supply of artisanal and small-scale mined gold are such that there may be significant uncertainties at each stage in the chain as to the provenance of the gold, and as a result of uncertainties in the process, the costs of due diligence and audit, or the reputational risks of defining their product or a constituent part as containing a 'conflict mineral' would be too burdensome for the company's customers. Accordingly, manufacturers may decide to switch supply sources or to substitute gold with other minerals not covered by the initiatives. This could have a material negative impact on the gold industry, including on AngloGold Ashanti's financial results.

**Mining operations and projects are vulnerable to supply chain disruption with the result that operations and development projects could be adversely affected by shortages of, as well as the lead times to deliver, strategic spares, critical consumables, mining equipment or metallurgical plant.**

AngloGold Ashanti's operations and development projects could be adversely affected by both shortages and long lead times to deliver strategic spares, critical consumables, mining equipment and metallurgical plant. Import restrictions, such as those introduced by the Argentine government in 2011, can also delay the delivery of parts and equipment. In the past, the company and other gold mining companies experienced shortages in critical consumables, particularly as production capacity in the global mining industry expanded in response to increased demand for commodities. AngloGold Ashanti has also experienced increased delivery times for these items. Shortages have resulted in unanticipated price increases and production delays and shortfalls, resulting in a rise in both operating costs and in the capital expenditure necessary to maintain and develop mining operations.

Individually, AngloGold Ashanti and other gold mining companies have limited influence over manufacturers and suppliers of these items. In certain cases there are a limited number of suppliers for certain strategic spares, critical consumables, mining equipment or metallurgical plant who command superior bargaining power relative to the company. The company could at times face limited supply or increased lead time in the delivery of such items. For example, poor availability of drill rigs, heavy machinery and fleet equipment hampered underground drilling and overall operational performance at the Serra Grande mine in Brazil in 2011. In addition, the unreliability of oxygen and lime supply similarly affected production at the Vaal River and West Wits Surface Operations in South Africa throughout the year.

The company's procurement policy is to source mining and processing equipment and consumables from suppliers that meet its corporate values and ethical standards although risk remains around the management of ethical supply chains. In certain locations, where a limited number of suppliers meet these standards, further strain is placed on the supply chain, thereby increasing the cost of supply and delivery times.

Furthermore, supply chains and rates can be impacted by natural disasters and other phenomena, such as earthquakes, weather patterns and climate change. For example, the 2011 earthquake and tsunami in Japan has had a limited knock-on effect on the supply of equipment, lead times and costs of certain supplies. If AngloGold Ashanti experiences shortages, or increased lead times in the delivery of strategic spares, critical consumables, mining equipment or processing plant, the company might have to suspend some of its operations and its results of operations and financial condition could be adversely impacted.

**Diversity in interpretation and application of accounting literature in the mining industry may impact reported financial results.**

The mining industry has limited industry-specific accounting literature. As a result, there is diverse interpretation and application of accounting literature on mining specific issues. AngloGold Ashanti, for example, capitalizes drilling and costs related to defining and delineating a residual mineral deposit that has not been classified as a Proven and Probable Reserve at a development project or production stage mine. Some companies, however, expense such costs.

As and when this diverse interpretation and application is addressed, the company's reported results could be adversely impacted should the adopted interpretation differ from the position it currently follows.

**A breach or breaches in governance processes, or fraud, bribery and corruption may lead to regulatory penalties, loss of licenses or permits, and loss of reputation.**

Since AngloGold Ashanti operates globally in multiple jurisdictions and with numerous and complex frameworks, its governance and compliance processes may not prevent potential breaches of law, accounting or other governance practices. AngloGold Ashanti's Code of Business Principles and Ethics, among other standards and guidance may not prevent instances of fraudulent behavior and dishonesty, nor guarantee compliance with legal and regulatory requirements. Such a breach or breaches may lead to regulatory fines, litigation, and loss of operating licenses or permits, and may damage the company's reputation.

**Breaches in information technology security and governance process may adversely impact business activities.**

AngloGold Ashanti maintains global information technology and communication networks and applications to support its business activities. Information technology security processes may not prevent future malicious actions or fraud, resulting in corruption of operating systems, theft of commercially sensitive data, misappropriation of funds and business and operational disruption. Material system breaches and failures could result in significant interruptions that could in turn affect AngloGold Ashanti's operating results and reputation.

***Risks related to AngloGold Ashanti's results of operations and its financial condition as a result of factors specific to the company and its operations***

**AngloGold Ashanti has removed the last of its gold hedging instruments and long-term sales contracts, which exposes the company to potential gains from subsequent commodity price increases but exposes it entirely to subsequent commodity price decreases.**

AngloGold Ashanti removed the last of its gold hedging instruments in October 2010 to provide greater participation in a rising gold price environment. As a result, AngloGold Ashanti no longer has any protection against declines in the market price of gold compared with previous years.

A sustained decline in the price of gold could adversely impact the company's operating results and its financial condition.

**AngloGold Ashanti's mining rights in the countries in which it operates could be altered, suspended or cancelled for a variety of reasons, including breaches in its obligations in respect of its mining rights.**

AngloGold Ashanti's right to own and exploit Mineral Reserves and deposits is governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of the company's Mineral Reserves and deposits are located in countries where mining rights could be suspended or cancelled should it breach its obligations in respect of the acquisition and exploitation of these rights.

In all of the countries in which AngloGold Ashanti operates, the formulation or implementation of government policies on certain issues may be unpredictable. This may include changes in laws relating to mineral rights and ownership of mining assets and the right to prospect and mine, and in extreme cases, nationalization, expropriation or nullification of existing concessions, licenses, permits, agreements and contracts.

For example, the Guinean government has announced in media reports that it will seek to increase its equity interest in mines and there is a call for debate on nationalization and increased state ownership in South Africa. Any existing and new mining and exploration operations and projects are subject to various national and local laws, policies and regulations governing the ownership and the right to prospect or mine or develop proposed projects. For more details on the risks surrounding ownership of mining assets, see the section entitled "Title to AngloGold Ashanti's properties may be uncertain and subject to challenge".

If AngloGold Ashanti is not able to obtain or maintain necessary permits, authorizations or agreements to prospect or mine or to implement planned projects, or continue its operations under conditions, or comply with all laws, regulations or requirements, or within time-frames that make such plans and operations economically viable, or if the laws impacting the company's ownership of its mineral rights, or the right to prospect or mine change materially, or should governments increase their ownership in the mines or nationalize them, AngloGold Ashanti's results of operations and its financial condition could be adversely affected.

In South Africa, mining rights are linked to meeting various obligations that include the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry, referred to as the Mining Charter. The Mining Charter was amended in 2010 (the Revised Charter). Compliance with the Revised Charter, measured using a designated scorecard, requires that every mining company achieve 26 percent ownership by historically disadvantaged South Africans (HDSAs) of its South African mining assets by May 2014, and achieve targeted levels of participation by HDSAs in various other aspects of management. The company will incur expenses in giving further effect to the Revised Charter and the scorecard.

The outcome of the review of the Mining Charter five years after promulgation was made public in September 2010. While compliant with ownership targets to be achieved by May 2014, AngloGold Ashanti must make further progress to achieve future targets, including further participation by HDSAs in various aspects of management, the upgrade of housing and accommodation at the company's mines, further human resource development, mine community development, sustainable development and growth as well as procurement and enterprise development, certain of which are also included under the Code of Good Practice for the Minerals Industry and Housing and Living

Conditions Standard, as defined and discussed below and which targets must also be achieved by May 2014.

As required by the South African Mineral and Petroleum Resources Development Act (MPRDA), the Minister of Mineral Resources published a Code of Good Practice for the Minerals Industry (Code) and the Housing and Living Conditions Standard (Standard) in April 2009. The Code was developed to create principles to facilitate effective implementation of minerals and mining legislation and enhance implementation of the Mining Charter applicable to the mining industry. The Standard aims to include the provision of housing as an integral part of infrastructure during the development of a mine. Both the Code and the Standard provide that non-compliance equates to non-compliance with the MPRDA. It is unclear whether non-compliance with the Code or the Standard would lead to the cancellation or suspension of a mining right. Subsequent to the publication of the Code and the Standard, representatives of the Department of Mineral Resources, organized labor and the South African mining industry have engaged in discussions in an effort to address the concerns of the mining industry and to possibly amend the Code and the Standard. Furthermore, discussions related to the Code and Standard have become related to the review of the Mining Charter. It is anticipated that the contents of the Code and Standard will ultimately be amended to bring them in line with the Revised Charter. Details of the final Code and Standard are currently uncertain.

AngloGold Ashanti's mining rights in South Africa can be suspended or cancelled by the Minister of Mineral Resources and AngloGold Ashanti may be unable to obtain any new mining rights if the company breaches its obligations in complying with the MPRDA or the Revised Charter.

**Title to AngloGold Ashanti's properties may be uncertain and subject to challenge.**

AngloGold Ashanti has operations in several countries where ownership of land is uncertain and where disputes may arise in relation to ownership. Certain of the company's properties may be subject to the rights or the asserted rights of various community stakeholders, including indigenous people. The presence of those stakeholders may have an impact on AngloGold Ashanti's ability to develop or operate its mining interests. For example, in Australia, the Native Title Act (1993) provides for the establishment and recognition of native title under certain circumstances. In South Africa, the Extension of Security of Tenure Act (1997) and the Restitution of Land Rights Act (1994) provide for various landholding rights. Such legislation is complex, difficult to predict and outside of the company's control, and could therefore negatively affect the business results of new or existing projects. Where consultation with stakeholders is statutorily or otherwise mandated, there can be no assurance that relations will remain amicable, and disputes may lead to reduced access to properties or delays in operations.

Title to the company's properties, particularly undeveloped ones, may also be defective or subject to challenge. Title insurance generally is not available, and title review does not necessarily preclude third parties from contesting ownership. Where surveys have not been conducted, the precise area and location of the company's claims may be in doubt. Accordingly, AngloGold Ashanti's mineral

properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects.

**AngloGold Ashanti may experience unforeseen difficulties, delays or costs in successfully implementing its business strategy and projects, and its strategy may not result in the anticipated benefits.**

The successful implementation of the company's business strategy and projects depends upon many factors, including those outside its control. For example: the successful management of costs will depend on prevailing market prices for input costs; the ability to grow the business will depend on the successful implementation of the company's existing and proposed project development initiatives and continued exploration success, as well as on the availability of attractive merger and acquisition opportunities, all of which are subject to the relevant mining and company specific risks as outlined in these risk factors.

AngloGold Ashanti may prove unable to deliver on production targets, including in potentially critical areas, such as the Obuasi turnaround plan in Ghana, as well as on key capital project execution, including at the Tropicana project in Australia and with regard to the implementation of the company's new Enterprise Resource Planning (ERP) system. For more details on the risks surrounding the ERP implementation, see the section entitled "The implementation of an integrated Enterprise Resource Planning (ERP) system could have an adverse effect on AngloGold Ashanti's operational results and its financial condition."

AngloGold Ashanti cannot give assurance that unforeseen difficulties, delays or costs will not adversely affect the successful implementation of its business strategy, or that the strategy and projects will result in the anticipated benefits.

**Any acquisition or acquisitions that AngloGold Ashanti may complete may expose the company to new geographic, political, social, operating, financial and geological risks.**

AngloGold Ashanti may pursue the acquisition of producing, development and advanced stage exploration properties and companies. Any such acquisition may change the scale of the company's business and operations and may expose it to new geographic, geological, political, social, operating, financial, legal, regulatory and contractual risks. For example: there may be a significant change in commodity prices after the company has committed to complete the transaction and established the purchase price or share exchange ratio; a material orebody may prove below expectations; AngloGold Ashanti may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls; the integration may disrupt the company's on-going business and its relationships with employees, suppliers and contractors; the acquisition may divert management's attention from AngloGold Ashanti's day-to-day business; and the acquired business may have undetected liabilities which may

be significant. Furthermore, we operate and acquire businesses in different countries, with different regulatory and operating cultures, which may exacerbate the risks described above.

In the event that the company chooses to raise debt capital to finance any such acquisition, the company's leverage will be increased. Should the company choose to use equity as consideration for an acquisition, existing shareholders may suffer dilution. Alternatively, the company may choose to finance any acquisition with its existing resources, which could decrease its ability to fund future capital expenditures.

There can be no assurance that the company would be successful in overcoming these risks or any other problems encountered in connection with acquisitions. Failure to implement our acquisition strategy or to integrate acquired businesses successfully could have material adverse effects on the company's growth and business results.

**Ageing infrastructure at some of AngloGold Ashanti's operations could adversely impact its business.**

Deep level gold mining shafts are usually designed with a lifespan of 25 to 30 years. Vertical shafts consist of large quantities of infrastructure steelwork for guiding conveyances and accommodating services such as high and low tension electric cables, air and water pipe columns. Rising temperatures in the deeper mining areas can also lead to increased cooling requirements in the form of upgraded and expanded ice plants. Maintaining this infrastructure requires skilled human resources, capital allocation, management and planned maintenance.

Once a shaft has reached the end of its intended lifespan, higher than normal maintenance and care is required. Incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have an adverse effect on the company's results of operations and financial position.

**Some of AngloGold Ashanti's technologies are unproven and failure could adversely impact costs and production.**

AngloGold Ashanti has teamed up with various specialists to engineer new solutions to environmental management, mine design, rock breaking and underground logistics, among others. The company has invested in new technologies, including phyto-technologies to reduce seepage and address soil and groundwater contamination, and in mine support technologies to minimize the impact of seismic activity. The company is also attempting to develop technologies to access the deeper reaches of South African mines. One of the chief initiatives expected to be implemented in 2012 is a vertical transport optimization project to accelerate the delivery of consumables and other essential items to work crews, in order to increase production time at the face.

Some aspects of these technologies are unproven and their eventual operational outcome or viability



cannot be assessed with certainty. The costs, productivity and other benefits from these initiatives, and the consequent effects on AngloGold Ashanti's future earnings and financial condition, may vary from expectations. Failure of the company's condition to realize the anticipated benefits could result in increased costs, an inability to realize production or growth plans, or could adversely affect its operational performance.

**The level of AngloGold Ashanti's indebtedness could adversely impact its business.**

As at December 31, 2011, AngloGold Ashanti had gross borrowings (excluding the mandatory convertible bonds amounting to US\$760 million) of approximately \$1.7 billion.

AngloGold Ashanti's indebtedness could have a material adverse effect on its flexibility to conduct business. For example, the company may be required to use a large portion of its cash flow to pay the principal and interest on its debt, which will reduce funds available to finance existing operations, the development of new organic growth opportunities and further acquisitions. In addition, under the terms of the company's borrowing facilities from its banks, AngloGold Ashanti is obliged to meet certain financial and other covenants. The company's ability to continue to meet these covenants and to service its debt will depend on its future financial performance which will be affected by its operating performance as well as by financial and other factors, certain of which are beyond the control of the company.

Should the cash flow from operations be insufficient, AngloGold Ashanti could breach its financial and other covenants. Covenant breaches, if interpreted as events of default under debt agreements, could allow lenders to accelerate payment of the debt. Any such acceleration could result in the acceleration of indebtedness under other financial instruments. As a result, the company may be required to refinance all or part of the existing debt, use existing cash balances, issue additional equity or sell assets. AngloGold Ashanti cannot be sure that it will be able to refinance its debt on commercially reasonable terms, if at all. The company's ability to access the bank, public debt or equity capital markets on an efficient basis may be constrained by dislocation in the credit markets or capital and liquidity constraints in the banking, debt or equity markets at the time of issuance.

**Certain factors may affect AngloGold Ashanti's ability to support the carrying amount of its property, plant and equipment, acquired properties, investments and goodwill on the balance sheet. If the carrying amount of its assets is not recoverable, AngloGold Ashanti may be required to recognize an impairment charge, which could be significant.**

AngloGold Ashanti reviews and tests the carrying amount of its assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. The company values individual mining assets at the lowest level for which cash flows are identifiable and independent of cash flows of other mining assets and liabilities.

If there are indications that impairment may have occurred, AngloGold Ashanti prepares estimates of

expected future cash flows for each group of assets. Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve and production estimates, together with economic factors such as spot and forward gold prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

If any of these uncertainties occur, either alone or in combination, management could be required to recognize an impairment, which could have a material adverse effect on the company's financial condition and results of operations.

**AngloGold Ashanti expects to have significant financing requirements.**

AngloGold Ashanti's existing board-approved development projects and exploration initiatives will require significant funding. These include: Tropicana in Australia; the Cerro Vanguardia heap leach project in Argentina; the Mponeng Ventersdorp Contact Reef, Mponeng CLR and Zaaiplaats projects in South Africa; Córrego do Sítio and Lamego in Brazil; and the mine life extension project (MLE1) at Cripple Creek & Victor in the US.

Potential future development projects will also require significant funding if and when approved by the AngloGold Ashanti board. These include the: La Colosa and Gramalote projects in Colombia; Kibali and Mongbwalu projects in the DRC; Cerro Vanguardia underground mining project in Argentina; Nova Lima Sul project in Brazil; Sadiola Deeps project in Mali; Cripple Creek & Victor further mine life extension project (MLE2) in the US; as well as various other exploration projects and feasibility studies.

AngloGold Ashanti estimates that over the next three years, growth initiatives will require project capital expenditure (excluding stay in business and ore reserve development capital expenditure) of approximately \$3.4bn (subject to escalation). The company's capital expenditure plans and requirements are subject to a number of risks, contingencies and other factors, some of which are beyond its control, and therefore the actual future capital expenditure and investments may differ significantly from the current planned amounts.

AngloGold Ashanti's operating cash flow and credit facilities may be insufficient to meet all of these expenditures, depending on the timing and cost of development of these and other projects as well as operating performance and available headroom under its credit facilities. As a result, new sources of capital may be needed to meet the funding requirements of these developments, to fund ongoing business activities and to pay dividends. AngloGold Ashanti's ability to raise and service significant new sources of capital will be a function of macroeconomic conditions, the condition of the financial markets, future gold prices, the company's operational performance and operating cash flow and debt position, among other factors. The company's ability to raise further debt financing in the future and the cost of such financing will depend on, among other factors, its prevailing credit rating, which may be affected by the company's ability to maintain its outstanding debt and financial ratios at levels

acceptable to the credit ratings agencies, its business prospects or other factors. As a result, in the event of lower gold prices, unanticipated operating or financial challenges, any dislocation in financial markets or new funding limitations, AngloGold Ashanti's ability to pursue new business opportunities, invest in existing and new projects, fund its ongoing business activities and retire or service outstanding debt and pay dividends, could be significantly constrained, all of which could adversely impact the company's results of operations and its financial condition.

**AngloGold Ashanti does not operate some of its significant joint venture projects and other interests. If the operators of these projects do not perform effectively and efficiently, the company's investment in these projects could be adversely affected and its reputation could be harmed.**

AngloGold Ashanti's joint ventures at Morila in Mali and at Kibali in the DRC are operated by the company's joint venture partners Randgold Resources Limited ("Randgold"). In addition, certain of AngloGold Ashanti's exploration ventures are operated by the relevant joint venture partner. AngloGold Ashanti's marine gold joint venture with De Beers is operated by an independent company jointly owned by AngloGold Ashanti and De Beers, with a significant part of the technical input subcontracted to De Beers or other marine service providers.

In South Africa, AngloGold Ashanti's Ergo operations are currently operated by Ergo Mining, a subsidiary of DRDGOLD Limited (DRDGOLD). The Ergo operations were sold in 2007 to DRDGOLD and DRDGOLD has been managing and operating the assets pending the transfer of the mining rights from AngloGold Ashanti to DRDGOLD.

While AngloGold Ashanti provides strategic management and operational advice to its joint venture partners in respect of these projects, the company cannot ensure that these projects are operated in compliance with the standards that AngloGold Ashanti applies in its other operations. If these joint ventures are not operated effectively or efficiently, including as a result of weaknesses in the policies, procedures and controls implemented by the joint venture partners, the company's investment in the relevant project could be adversely affected. In addition, negative publicity associated with ineffective and inefficient operatorship, particularly relating to any resulting accidents or environmental incidents, could harm the company's reputation and therefore its prospects and potentially its financial condition. Further, any failure of joint venture partners to meet their obligations to AngloGold Ashanti or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse impact on AngloGold Ashanti's results of operations and its financial condition. In particular, the company and Randgold retain equal representation, with neither party holding a deciding vote on the board of the two companies that have overall management control of the Morila project in Mali and the Kibali project in the DRC, respectively, and all major management decisions for each of these two projects, including approval of the budget, require board approval. If a dispute arises between the company and Randgold with respect to the Kibali or Morila project and the parties are unable to amicably resolve such dispute, it may be difficult for the parties to make strategic decisions relating to the project affected by such dispute, the day-to-day operations and the

development of such project may be adversely affected and the company may have to participate in arbitration or other proceedings to resolve the dispute, which could adversely affect the company's result of operations and financial condition.

**AngloGold Ashanti's Mineral Reserve, deposits and mining operations are located in countries that face political, economic and security risks.**

Some of AngloGold Ashanti's mineral deposits and mining and exploration operations are located in countries that have experienced political instability and economic uncertainty. In all of the countries where the company operates, there is a focus on resource nationalism with governments seeking to get more economic benefits from the high commodity prices. This entails review of mining codes and stability agreements, which were designed under different economic environments. The formulation or implementation of government policies include regulations which impact its operations and changes in laws relating to issues such as mineral rights and asset ownership, royalties, taxation and taxation disputes, 'windfall' or 'super' taxation, and non-recovery of taxation refunds, import and export duties, currency transfers, restrictions on foreign currency holdings and repatriation of earnings. These regulations are continually changing and generally require progressively higher payments to governments, notably in the form of royalties and taxes.

For example, the Argentine government has introduced stricter exchange controls, which may limit the company's ability to repatriate dividends from its Argentine subsidiaries. In addition, on March 15, 2012, the Mwanza office of the Tanzania Revenue Authority notified Geita Gold Mine Limited (Geita Gold Mine) that it intends to issue additional tax assessments against Geita Gold Mine and in connection with such assessments it also challenged the validity of the existing mining development agreement (MDA) relating to the Geita gold mine, which was entered into with the Tanzanian government in June 1999. In the event that the MDA is held to be invalid, the tax burden on the company's Tanzanian operations would increase and the company would have to pay additional taxes for prior periods.

Any existing and new mining, exploration operations and projects that the company carries out will continue to be subject to various national and local laws, policies and regulations governing the ownership, prospecting, development and mining of mineral reserves, taxation and royalties, exchange controls, import and export duties and restrictions, investment approvals, employee and social community relations and other matters.

If, in one or more of these countries, AngloGold Ashanti were not able to obtain or maintain necessary permits, authorizations or agreements to implement planned projects or continue its operations under conditions or within time frames that make such plans and operations economic, or if legal, ownership, fiscal (including all royalties and duties), exchange control, employment, environmental and social laws and regimes, or the governing political authorities change materially, resulting in changes to such laws and regimes, this could have a material adverse effect on AngloGold Ashanti's operating results, financial condition, and, in extreme cases, on the viability of an operation.

Certain of the countries in which AngloGold Ashanti has mineral deposits or mining or exploration

operations, including the DRC, Mali, Guinea and Colombia, have in the past experienced, and in certain cases continue to experience, a difficult security environment as well as political instability. In particular, various illegal groups active in regions in which the company is present may pose a credible threat of military repression, terrorism, civil unrest, extortion and kidnapping, which could have an adverse effect on its operations in these and other regions. In some instances, risk assessments categorize threats as serious enough to require resort to public security forces, such as national police or military units on a near-permanent basis. In the event that continued operation in these countries compromise the company's security or business principles, AngloGold Ashanti may withdraw from these countries on a temporary or permanent basis. This could have a material adverse impact on AngloGold Ashanti's results of operations.

Since 2009, the company has recorded an almost five-fold increase in the instances of injury to security personnel, including members of AngloGold Ashanti's internal security, private security companies and public security forces in certain jurisdictions. The rise in the number and severity of security incidents has come as a result of both increased illegal and artisanal mining and an increase in the level of organization and funding of criminal activity around some of the company's Continental African operations, spurred on by an escalating gold price. The most significant security challenges occur in areas where there is endemic poverty and high levels of unemployment. If the security environment surrounding the company's operations that are most exposed to these challenges does not improve or further deteriorates, employee, third-party and community member injuries and fatalities could also increase. Any such increase could disrupt the company's operations in certain mines and adversely affect its reputation and results of operation.

Furthermore, the company has at times experienced strained relationships with some of the communities in which it operates. AngloGold Ashanti operates in several regions where poverty, unemployment and the lack of access to alternative livelihoods mean that the creation and distribution of economic benefit from mining operations is a significant area of focus for community and government. Conflict with communities has led to community protests and business interruptions, particularly at the Siguiri mine in Guinea, where community members protested in four separate incidents in 2010 over issues relating to electricity supply, land compensation and employment, and a violent community protest interrupted operations for three days in 2011.

AngloGold Ashanti may be impacted by the outcome of elections in jurisdictions in which it has operations and ancillary political processes leading up to elections. Presidential elections are planned in the United States, Mali, Ghana, and Guinea during 2012.

Political instability and uncertainty or government changes to the fiscal terms governing AngloGold Ashanti's operations may discourage future investments in certain jurisdictions, which may have an adverse impact on the company's ability to access new assets and could potentially reduce future growth opportunities.

Early in 2011 the Guinean government confirmed its intention to review all mining contracts under the auspices of international law, indicating that Guinea would seek to own a stake of at least a third of

all mining projects located in Guinea. Currently the Government of Guinea holds a stake of 15 percent in the Siguiri Gold Mine. The review process has not yet commenced and AngloGold Ashanti is currently unable to predict the timing and outcome of such review. On April 26, 2011, it was announced by Reuters that a copy of the new draft mining code includes a compulsory 15 percent stake for the government in operations, with an option to acquire an additional 20 percent. Also according to Reuters, included in the draft mining code are provisions for a new “Local Empowerment Fund”, which will be funded from tax levies, and changes to the price reference point used for tax purposes from free-on-board to a rolling three-month average from the London Metals Exchange.

In Guinea, Mali and Tanzania, AngloGold Ashanti is due refunds of input tax and fuel duties which remain outstanding for periods longer than those provided for in the respective statutes. In addition, the company has other outstanding assessments and unresolved tax disputes in a number of countries, including Brazil, Argentina and Ghana. If the outstanding value-added tax on inputs is not received, the disputes are not resolved and assessments favorable to AngloGold Ashanti are not made, there could be an adverse effect upon the company’s results of operations and its financial condition.

The Government of Ghana recently amended its fiscal mining regime, increased its corporate taxation rates and imposed a windfall profit tax. AngloGold Ashanti may challenge some of these in light of the stability agreement entered into by the company with the government of Ghana in December 2003 and ratified by the Ghanaian Parliament in 2004. However, the Government of Ghana has recently announced that it has constituted a team to re-negotiate stability agreements with mining companies and AngloGold Ashanti expects to participate in these negotiations. No assurance can be given that the outcome of the company’s negotiations with the Government of Ghana will not have a material adverse impact on the company’s financial condition or operational results.

In November 2011, the lower house of the Australian Parliament passed the Mineral Resource Rent Tax (MRRT), which replaced the previously proposed Resource Super Profit Tax (RSPT) and would require a tax of 30 percent on profits above certain levels from coal and iron ore mining starting July 1, 2012. The Senate is due to debate the bill in 2012. Should the government of Australia reintroduce the RSPT or extend the MRRT to the gold mining industry, or if similar “super profit” taxes were introduced in Australia or any other country in which the company operates, this could have a material adverse effect on AngloGold Ashanti’s results of operations and its financial condition.

**Illegal and artisanal mining occurs on AngloGold Ashanti’s properties, which can disrupt the company’s business and expose the company to liability.**

Illegal and artisanal miners are active on, or adjacent to, some of AngloGold Ashanti’s Continental African and South American properties, which leads at times to interference with the company’s operations and results in conflict situations that present a security threat to property and human life.

Artisanal mining is associated with a number of negative impacts, including environmental degradation, flouting of land rights, poor working practices, erosion of civil society, human rights abuse and funding of conflict. The environmental, social, safety and health impacts of artisanal mining are frequently attributed to formal mining activity, and it is often assumed that artisanally-mined gold is channeled through large-scale mining operators, even though artisanal and large-scale miners have distinct supply chains. These misconceptions impact negatively on the reputation of the industry.

The activities of the illegal miners, which include theft and shrinkage, could cause damage to AngloGold Ashanti's properties, including pollution, underground fires, or personal injury or death, for which AngloGold Ashanti could potentially be held responsible. Illegal mining could result in the depletion of mineral deposits, potentially making the future mining of such deposits uneconomic. The presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits. Illegal mining and theft, including by AngloGold Ashanti employees or contractors, could also result in lost gold reserves, mine stoppages, and have a material adverse effect on AngloGold Ashanti's financial condition or results of operations.

In 2011, the company recorded an increase in the number and severity of security incidents, due in part to a greater level of organization among criminal elements and syndicates in AngloGold Ashanti's areas of operation as well as an increase in artisanal, small-scale and illegal mining activity in general.

**Labor disruptions and increased labor costs could have an adverse effect on AngloGold Ashanti's results of operations and financial condition.**

AngloGold Ashanti employees in South Africa, Ghana, Guinea and some South American countries, are highly unionized. Trade unions, therefore, have a significant impact on the company's labor relations, as well as on social and political reforms, most notably in South Africa. There is a risk that strikes or other types of conflict with unions or employees may occur at any of the company's operations, particularly where the labor force is unionized. Labor disruptions may be used to advocate labor, political or social goals in the future. For example, labor disruptions may occur in sympathy with strikes or labor unrest in other sectors of the economy. In late July 2011, AngloGold Ashanti miners joined others in the South African petroleum, coal and diamond industries in a wage-related strike. The action at AngloGold Ashanti's operation lasted five days and the subsequent ramp-up of production was slower than expected. The resulting payroll increases have impacted the financial performance of all South African operations. Material labor disruptions could have an adverse effect on AngloGold Ashanti's results of operations and financial condition.

In South Africa, it has become established practice to negotiate wages and conditions of employment with the unions every two years through the Chamber of Mines of South Africa. South African employment law sets out minimum terms and conditions of employment for employees, which form the benchmark for all employment contracts. As at December 31, 2011, approximately 61 percent of the company's workforce, excluding contractors, or approximately 52 percent of its total workforce,

was located in South Africa.

An agreement was signed with the unions in August 2011, following negotiations between the Chamber of Mines and the National Union of Mineworkers (NUM), the United Associations of South Africa, (UASA) (on behalf of some clerical and junior management staff) and Solidarity (on behalf of a small number of miners). The mining unions and gold mining companies signed a two-year agreement for an increase of between 8 percent and 10 percent, depending on the level of worker experience. AngloGold Ashanti cannot give assurance that it will be able to renegotiate this agreement on satisfactory terms when it next expires.

In Ghana, a three-year, wage agreement for the years 2009 to 2011, effective from January 1, 2009, was reached towards the end of 2009. The next round of negotiations is expected to take place in April 2012. As at December 31, 2011, approximately 11 percent of the company's workforce, excluding contractors, or approximately 12 percent of the total workforce, was located in Ghana. AngloGold Ashanti cannot give assurance that it will be able to renegotiate this agreement on satisfactory terms following its expiry at the end of December 2011.

In Argentina, where the collective bargaining agreement that applies to the company's employees at Cerro Vanguardia is due to expire in May 2012, the trade unions have requested significant salary increases. The company and the unions have entered into a transitional agreement that provides for an average salary increase across all wage categories of approximately 17 percent and expect to negotiate a final salary increase in connection with the new collective bargaining agreement. The company may not be able to renegotiate this agreement on satisfactory terms when it expires. In particular, the new agreement may result in significantly higher labor costs for the company's Argentine operations. The unions may also resort to industrial action in connection with the renegotiation of the agreement.

Labor costs represent a substantial proportion of the company's total operating costs and at many operations, including its South African, Ghanaian and Tanzanian operations, is the company's single largest component of operating costs. Any increases in labor costs have to be offset by greater productivity efforts by all operations and employees, failing which such increase in labor costs could have a material adverse effect on AngloGold Ashanti's results of operations and its financial condition.

Results may be further impaired if the company incurs penalties for failing to meet standards set by labor laws regarding worker rights. For example, employment law in South Africa imposes monetary penalties for neglecting to report to government authorities on progress made towards achieving employment equity in the workplace, and Ghanaian law contains broad provisions requiring mining companies to recruit and train Ghanaian personnel and to use the services of Ghanaian companies. In Australia, the federal government has recently introduced a new industrial relations system that includes "good faith bargaining" obligations for employers, fewer restrictions on the content of collective agreements and an enhanced role for union officials as bargaining representatives, parties



to agreements and participants in dispute resolution.

**The use of contractors at certain of the company's operations may expose AngloGold Ashanti to delays or suspensions in mining activities and increases in mining costs.**

AngloGold Ashanti uses contractors at certain of its operations to mine and deliver ore to processing plants as well as for other purposes. At mines employing mining contractors, contracting costs represent a significant proportion of the total operating costs of these operations and the company does not own all of the mining equipment. For example, increased contractor rates at the Sadiola mine in Mali contributed to a significant rise in total cash costs in the final quarter of 2011.

AngloGold Ashanti's operations could be disrupted, resulting in additional costs and liabilities, if the mining contractors at affected mines have financial difficulties or if a dispute arises in renegotiating a contract, or if there is a delay in replacing an existing contractor and its operating equipment to meet business needs at expected cost levels. Increases in contract mining rates, in the absence of associated productivity increases, will also have an adverse impact on the company's results of operations and financial condition.

In addition, AngloGold Ashanti's reduced control over those aspects of operations which are the responsibility of contractors, contractor failure to comply with applicable legal and regulatory requirements, and their inability to manage their workforce could adversely affect AngloGold Ashanti's reputation, results of operations and financial position, and may result in the company incurring liability to third parties due to the actions of the contractor.

**AngloGold Ashanti competes with mining and other companies for key human resources.**

AngloGold Ashanti competes on a global basis with mining and other companies, to attract and retain key human resources at all levels with the appropriate technical skills and operating and managerial experience necessary to operate its business. This is further exacerbated in the current environment of increased mining activity across the globe, combined with the global shortage of key mining skills, including geologists, mining engineers, metallurgists and skilled artisans.

The retention of staff is particularly challenging in South Africa, where, in addition to the impacts of global industry shortages of skilled labor, AngloGold Ashanti is required to achieve employment equity targets of participation by HDSAs in management and other positions. AngloGold Ashanti competes with all companies in South Africa to attract and retain a small but growing pool of HDSAs with the necessary skills and experience.

The recruitment of skilled workers is becoming increasingly competitive in Argentina as well, as more mining development occurs nationally and regionally. Also material is the scarcity of skills in the resource sector of Western Australia due to the mining boom currently underway in the region, particularly with regard to safety management. If safety systems and training cannot be strengthened to ensure that operators achieve the required level of competence, the incidence of accidents may

rise.

There can be no assurance that the company will attract and retain skilled and experienced employees. Should it fail to do so or lose any of its key personnel, business and growth prospects may be harmed and this could have an adverse impact on AngloGold Ashanti's results of operations and its financial condition.

**The prevalence of occupational health diseases and the potential costs and liabilities related thereto may have an adverse effect on the business and results of operations of AngloGold Ashanti.**

The primary areas of focus in respect of occupational health of employees within the company's operations are noise-induced hearing loss (NIHL) and occupational lung diseases (OLD), which include pulmonary diseases such as tuberculosis (TB) from various causes and silicosis in individuals exposed to silica dust. These require active dust management strategies in underground operations, particularly in South Africa where a significant number of silicosis cases by current and former employees alleging past exposures are still reported each year to the board for statutory compensation. AngloGold Ashanti provides occupational health services to its employees at its occupational health centers and clinics and continues to improve preventative occupational hygiene initiatives, such as implementing various dust control measures and supplying its employees with respiratory protection equipment. If the costs associated with providing such occupational health services, implementing such dust control measures or supplying such equipment increase significantly beyond anticipated or budgeted amounts, this could have an adverse effect on the results of operations of AngloGold Ashanti and its financial condition. Actual and alleged health and safety incidents or breaches of standards may also adversely impact the company's reputation.

A claim filed by a former employee of AngloGold Ashanti's predecessor, Vaal Reefs Mining and Exploration Company Limited, seeks approximately R2.6 million for damages resulting from silicosis allegedly contracted while working on a mine. In March 2011, the Constitutional Court rejected the lower court's decision that the claim was precluded by statutory compensation and granted leave to the decedent's executor to proceed with his case in the High Court and seek a claim for damages under common law against AngloGold Ashanti. This will comprise, among other elements, providing evidence that Mr. Mankayi contracted silicosis as a result of negligent conduct on the part of AngloGold Ashanti's predecessor. AngloGold Ashanti will continue to defend this case on its merits.

As a result of the Constitutional Court decision permitting miners with OLD to sue their current or former employers for damages outside the statutory compensation scheme, AngloGold Ashanti could be subject to numerous similar claims, including a potential class action or similar group claim. AngloGold Ashanti is studying the details of the Constitutional Court judgment and will defend any subsequent claims, if and when filed, on their merits. In view of the limited information currently available, no reliable estimate can be made for this potential liability at this time. Should AngloGold Ashanti be unsuccessful in defending actions by any other individuals or groups that lodge similar claims in the future, such claims would have an adverse impact on AngloGold Ashanti's financial

condition which could potentially be material.

In light of the Constitutional Court judgment, AngloGold Ashanti is calling for the industry to engage with government (and other stakeholders) to seek an appropriate industry-wide solution. AngloGold Ashanti can provide no assurances that an industry-wide solution can be reached or that the terms thereof will not have a material adverse effect on AngloGold Ashanti's financial condition.

In response to the effects of silicosis in labor-sending communities, a number of mining companies (under the auspices of the Chamber of Mines of South Africa) together with the NUM, which is the largest union in the mining sector in South Africa, and the national and regional departments of health, have embarked on a project to assist in delivering compensation and relief by mining companies under the Occupational Diseases in Mines and Works Act (ODMWA) to affected communities.

**AngloGold Ashanti faces certain risks in dealing with HIV/AIDS, particularly at its South African operations and with tropical disease outbreaks such as malaria, and other diseases which may have an adverse effect on the company's results of operations and financial condition.**

AIDS and associated diseases remain one of the major health care challenges faced by AngloGold Ashanti's South African operations. Workforce prevalence studies indicate that HIV prevalence rates among AngloGold Ashanti's South African workforce may be as high as 30 percent. AngloGold Ashanti continues to develop and implement programs to help those infected with HIV and prevent new infections from spreading. Since 2001, the company has offered a voluntary counseling and HIV testing program for employees in South Africa. In 2002, it began to offer anti-retroviral therapy (ART) to HIV positive employees who met the current medical criteria for the initiation of ART. From April 2003, AngloGold Ashanti began a roll-out of the treatment to all eligible employees desiring it. As at December 2011, approximately 2,400 employees were receiving treatment using anti-retroviral drugs.

Malaria and other tropical diseases pose significant health risks at all of the company's operations in central, west and east Africa where such diseases may assume epidemic proportions because of ineffective national control programs. Malaria is a major cause of death in young children and pregnant women but also gives rise to fatalities and absenteeism in adult men. Other conditions such as heart disease, chronic diseases, and obesity are of increasing incidence and concern.

Such diseases impair the health of workers and negatively affect productivity and profitability as a result of workers' diminished focus or skill, absenteeism, treatment costs and allocated resources. AngloGold Ashanti cannot guarantee that any current or future medical program will be successful in preventing or reducing the infection rate among its employees or in affecting consequent illness or mortality rates. AngloGold Ashanti may incur significant costs in addressing this issue in the future, which could also adversely impact the company's results of operations and financial condition.

**The costs and impacts associated with the pumping of water inflows from closed mines**

**adjacent to the company's operations could have an adverse effect on its results of operations.**

Certain of AngloGold Ashanti's mining operations are located adjacent to the mining operations of other mining companies. The closure of a mining operation may have an impact upon continued operations at the adjacent mine if appropriate preventative steps are not taken. In particular, this can include the ingress of underground water where pumping operations at the adjacent closed mine are suspended. Such ingress could have an adverse effect on any one of the company's mining operations as a result of property damage, disruption to operations, additional pollution liabilities and pumping costs and consequently could have an adverse impact upon its results of operations and financial condition.

**The potential costs associated with the remediation and prevention of groundwater contamination from the company's operations or due to flooding from closed mines adjacent to the company's operations could have a material adverse effect on the results of operations of AngloGold Ashanti and its financial condition.**

AngloGold Ashanti has identified groundwater contamination plumes at certain of its operations. Numerous scientific, technical and legal studies have been undertaken to assist in determining the magnitude of the contamination and to find sustainable remediation solutions, and, based thereon, the company has instituted processes to reduce seepage and to address soil and groundwater contamination, including monitored natural attenuation by the existing environment and phyto-technologies. Subject to the completion of trials, and the technology being a proven remediation technique, no reliable estimate can be made for the potential costs of remediation and prevention of groundwater contamination at AngloGold Ashanti's operations. Should these costs be significant, this could have a material adverse impact upon AngloGold Ashanti's results of operations and its financial condition.

Deep groundwater contamination is a significant issue in South Africa, where groundwater in some older mining regions has infiltrated mined-out workings. It becomes acidic if exposed to sulfide minerals in these workings, presenting a potential contamination risk to shallow groundwater and eventually surface water resources if allowed to spread. AngloGold Ashanti has identified a flooding and future pollution risk posed by deep groundwater in the Klerksdorp and Far West Rand goldfields. AngloGold Ashanti's Vaal River operations are part of the Klerksdorp goldfield and its West Wits operations are part of the Far West Rand goldfield. Various studies have been undertaken by AngloGold Ashanti since 1999. Due to the interconnected nature of underground mining operations in South Africa, any proposed solution needs to be a combined one supported by all the companies owning mines located in these goldfields. As a result, the South African Department of Mineral Resources and affected mining companies are now involved in the development of a "Regional Mine Closure Strategy".

In view of the limitation of current information for the accurate estimation of a liability, no reliable estimate can be made for this obligation, which could be material and have an adverse impact on

AngloGold Ashanti's financial condition.

**The occurrence of events for which AngloGold Ashanti is not insured or for which its insurance is inadequate may adversely affect cash flows and overall profitability.**

AngloGold Ashanti maintains insurance to protect only against catastrophic events which could have a significant adverse effect on its operations and profitability. This insurance is maintained in amounts that the company believes to be reasonable depending upon the circumstances surrounding each identified risk. However, damage and third-party claims arising from catastrophic events may exceed the limit of liability on insurance policies the company has in place. Furthermore, AngloGold Ashanti's insurance does not cover all potential risks associated with its business and may exclude certain parts of its business. AngloGold Ashanti may elect not to insure certain risks due to the high premiums or for various other reasons, including an assessment that the risks are remote.

The company may not be able to obtain insurance coverage at acceptable premiums. Insurance for certain risks in particular, such as loss of title to mineral property, environmental pollution, or other hazards resulting from exploration and production, is not generally available to mining companies on acceptable terms. The availability and cost of insurance coverage can vary considerably from year to year as a result of events beyond the company's control or from claims, and this can result in higher premiums and periodically being unable to maintain the levels or types of insurance carried.

The occurrence of events for which AngloGold Ashanti is not insured will adversely impact its cash flows, its results of operations and its financial condition.

**AngloGold Ashanti is subject to the risk of litigation, the causes and costs of which are not always known.**

AngloGold Ashanti is subject to litigation, arbitration and other legal proceedings arising in the normal course of business and may be involved in disputes that may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental and health and safety concerns, share price volatility or failure to comply with disclosure obligations. The results of litigation cannot be predicted with certainty but could include fines, and the loss of licenses, concessions, or rights, among other things.

In the event of a dispute involving foreign operations of the company, AngloGold Ashanti may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in South Africa or the United States.

A claim filed by a former employee of AngloGold Ashanti's predecessor, Vaal Reefs Mining and Exploration Company Limited, seeks approximately R2.6m for damages resulting from silicosis allegedly contracted while working on a mine. In March 2011, the Constitutional Court rejected the lower court's decision that the claim was precluded by statutory compensation and granted leave to the decedent's executor to proceed with his case in the High Court and seek a claim for damages under common law against AngloGold Ashanti. In Colombia, the company is also involved in an

action in the Administrative Superior Court of the Cundinamarca District against the Environmental Ministry following the issuance of a fine against AngloGold Ashanti; and six class action lawsuits flowing in part from the alleged breach of Article 34 of the Mining Code and in part from allegations that activities in 'restricted areas' contravene environmental legislation. See "Item 8A.: Consolidated statements and other financial information – Legal proceedings".

Should the company be unable to resolve disputes favorably or be able to enforce its rights, this may have a material adverse impact on the company's financial performance, cash flow and results of operations.

**Sales of large quantities of AngloGold Ashanti's ordinary shares and American Depository Shares (ADSs), and the perception that these sales may occur or other dilution of the company's equity, could adversely affect the prevailing market price of the company's securities.**

The bulk of AngloGold Ashanti's shares are held by a relatively small number of investors with the top four institutional holders controlling around 24 percent of free float.

The market price of the company's securities could fall if large quantities of ordinary shares or ADSs are sold in the public market, if there is divestment by certain types or groupings of investors, or if there is the perception in the marketplace that such sales could occur. Subject to applicable securities laws, holders of AngloGold Ashanti's ordinary shares or ADSs may sell them at any time. The market price of the company's ordinary shares or ADSs could also fall as a result of any future offerings AngloGold Ashanti makes of its ordinary shares, ADSs, or securities exchangeable or exercisable for the company's ordinary shares or ADSs, or the perception in the market place that these offerings might occur. AngloGold Ashanti may make such offerings, including offerings of additional ADS rights, share rights or similar securities, at any time or from time to time in the future.

**Fluctuations in the exchange rate of currencies may reduce the market value of AngloGold Ashanti's securities, as well as the market value of any dividends or distributions paid by the company.**

AngloGold Ashanti has historically declared all dividends in South African rands. As a result, exchange rate movements may have affected and may continue to affect the Australian dollar, the British pound, the Ghanaian cedi and the US dollar value of these dividends, as well as of any other distributions paid by the relevant depository to investors that hold the company's securities. This may reduce the value of these securities to investors.

AngloGold Ashanti's memorandum and articles of association allow for dividends and distributions to be declared in any currency at the discretion of the board of directors, or the company's shareholders at a general meeting. If and to the extent that AngloGold Ashanti opts to declare dividends and distributions in US dollars, exchange rate movements will not affect the US dollar value of any dividends or distributions. Nevertheless, the value of any dividend or distribution in Australian dollars,

British pounds, Ghanaian cedis or South African rands will continue to be affected. If and to the extent that dividends and distributions are declared in South African rands, exchange rate movements will continue to affect the Australian dollar, British pound, Ghanaian cedi and US dollar value of these dividends and distributions. Furthermore, the market value of AngloGold Ashanti's securities as expressed in Australian dollars, British pounds, Ghanaian cedis, US dollars and South African rands will continue to fluctuate in part as a result of foreign exchange fluctuations.

**The proposal announced by the South African government to replace the Secondary Tax on Companies with a withholding tax on dividends and other distributions may impact the amount of dividends or other distributions received by AngloGold Ashanti's shareholders.**

On February 21, 2007, the South African government announced that a 10 percent withholding tax on dividends and other distributions payable to shareholders would be implemented. In his budget speech on February 22, 2012, the South African Minister of Finance announced that the withholding tax on dividends and other distributions payable to shareholders will be increased from 10 percent to 15 percent effective April 1, 2012.

This withholding tax replaces the Secondary Tax on Companies and although this may reduce the tax payable by AngloGold Ashanti's South African operations, thereby potentially increasing distributable earnings, the withholding tax on dividends and other distributions will generally reduce the amount of dividends or other distributions received by AngloGold Ashanti shareholders.

**AngloGold Ashanti may not pay dividends or make similar payments to shareholders in the future.**

AngloGold Ashanti pays cash dividends only if there are sufficient funds available for that purpose. Fund availability depends upon many factors that include the amount of cash available in relation to AngloGold Ashanti's capital expenditure on existing infrastructure and exploration and other projects.

Under South African law, companies are entitled to pay a dividend or similar payment to its shareholders only if the company meets the solvency and liquidity tests set out in legislation, and the company's articles of association.

Given these factors, including the capital and investment needs of the company, and the board of directors' discretion to declare a dividend that includes the amount and timing thereof, cash dividends may not be paid in the future.

**The implementation of an integrated Enterprise Resource Planning (ERP) system could have an adverse effect on AngloGold Ashanti's operational results and its financial condition.**

AngloGold Ashanti is implementing a single, global ERP system to support all operations managed by AngloGold Ashanti. The ERP system is being implemented over a three-and-a-half-year period which commenced in August 2011. The contemplated implementation of an ERP system on a global basis is inherently a high-risk initiative due to the potential for implementation cost and time

overruns. In addition, such implementation could affect the ability of AngloGold Ashanti to report and manage information if difficulties in the implementation and operation of the system are experienced, which could have an adverse effect upon AngloGold Ashanti's operational results and its financial condition.

***Any material changes to the information disclosed in this Description of the AngloGold Ashanti Limited section will be disclosed in the consolidated annual financial statements of AngloGold Ashanti Limited and will also be available on the Issuers website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com).***



## **SETTLEMENT, CLEARING AND TRANSFERS OF NOTES**

### **Notes held in the Central Securities Depository**

#### *Clearing systems*

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and issued in uncertificated form, will be cleared through the Central Securities Depository which, as the operator of an electronic clearing system, has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Each such Tranche of Notes will be issued, cleared and transferred in accordance with the Applicable Procedures and the Terms and Conditions. Each such Tranche of Notes will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the Central Securities Depository. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

A Tranche of unlisted Notes may also be held in the Central Securities Depository. With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades in such Tranche of Notes to take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository.

#### *Participants*

As at the date of this Programme Memorandum, the Participants which are approved by the JSE, in terms of the rules of the JSE, as settlement agents to perform electronic settlement of funds and scrip are the South African Reserve Bank, Absa Bank Limited, Citibank NA, FirstRand Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African Participant.

#### *Settlement and clearing*

### **Notes issued in uncertificated form**

The Issuer will, subject to Applicable Laws, issue Notes that are to be listed on the Interest Rate Market of the JSE in uncertificated form. Unlisted Notes may also be issued in uncertificated form.

Notes issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Securities Services Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the Central Securities Depository will apply to Notes issued in uncertificated form.

### **Beneficial Interests**

The Central Securities Depository will hold each Tranche of Notes issued in uncertificated form, subject to the Securities Services Act and the Applicable Procedures. Each Tranche of Notes issued in uncertificated form, will be registered in the name of the Central Securities Depository's Nominee, and the Central Securities Depository's Nominee will be named in the Register as the sole Noteholder of such Tranche of Notes.

Accordingly, and except where the contrary is provided in the Terms and Conditions, all amounts to be paid and all rights to be exercised in respect of the Notes held in uncertificated form, will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Notes.

The Central Securities Depository maintains central securities accounts only for Participants.

The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Notes, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest.

Payments of interest and principal in respect of Notes held in uncertificated form, and registered in the name of the Central Securities Depository's Nominee, will be made in accordance with Condition 9 to the Central Securities Depository's Nominee, or such other registered holder of the uncertificated Notes as shown in the Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid. The registered holder of such uncertificated Notes will in turn transfer such funds, via the Participants, to the holders of Beneficial Interests.

Each of the persons shown in the records of the Central Securities Depository and the relevant Participant, as the case may be, as the holders of Beneficial Interests will look solely to the Central Securities Depository's Nominee or the relevant Participant, as the case may be, for such person's share of such payment so made by the Issuer to, or to the order of, the registered holder of such Notes.

The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests.

#### *Transfers and exchanges*

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Terms and Conditions and the rules and operating procedures for the time being of the Central Securities Depository, Participants and the JSE.

The Issuer shall regard the Register as the conclusive record of title to the Notes.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 13.4.

**Individual Certificates**

The Notes represented by Individual Certificates will be registered in the name of the individual Noteholders in the Register of Noteholders.

Notes represented by Individual Certificates may be transferred only in accordance with the Terms and Conditions.

Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition 9 to the person reflected as the registered holder of such Individual Certificates in the Register at 17h00 (Johannesburg time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.

**The BESA Guarantee Fund Trust**

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust. Unlisted notes are not regulated by the JSE.

**Notes listed on any exchange other than (or in addition to) the JSE**

Each Tranche of Notes which is listed on any exchange other than (or in addition to) the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures of that exchange. The settlement, clearing and redemption procedures for trades of a Tranche of Notes issued on an exchange other than (or in addition to) the JSE will be specified in the Applicable Pricing Supplement.

## **SOUTH AFRICAN TAXATION**

*The comments below are intended as a general guide to the current position under the laws of South Africa. The contents of this section headed "South African Taxation" do not constitute tax advice and persons should consult their professional advisers.*

### **1. Securities Transfer Tax**

No securities transfer tax will be payable, in terms of the South African Securities Transfer Tax Act, 2007, in respect of either the issue of the Notes or on the subsequent transfer of the Notes on the basis that the Notes will not comprise a "security" as defined in section 1 of the Securities Transfer Tax Act.

### **2. Withholding Tax**

Withholding Tax on interest in respect of certain debt instruments (which could include any Notes issued from this Programme) may be applicable to certain persons, who are regarded as non-resident for tax purposes in South Africa. Certain exemptions may or may not be applicable in this regard. This withholding tax is only payable on interest which becomes payable after 1 January 2013.

### **3. Income Tax**

#### **3.1 Nature of any original issue discount or premium**

Any original issue discount to the face value of the Notes will be treated as interest for tax purposes and will be deemed to accrue to the Noteholder on a day-to-day basis until maturity or until such time as such Noteholder disposes of its beneficial interest in the Note. The amount to be included in the Noteholder's taxable income is normally calculated on a yield to maturity basis.

Any original issue premium will be added to the face value of the Notes to determine the initial amount which will be used to determine the interest which is deemed, under Section 24J of the Income Tax Act, 1962, to have been incurred or to have accrued in respect of the Notes.

#### **3.2 Position in respect of the current tax year**

Under current taxation law in South Africa:

- (a) a person ordinarily resident in South Africa will, subject to any available exemptions, be taxed on their worldwide income; and
- (b) a person not ordinarily resident in South Africa will be exempt from tax in South Africa on any interest received or accrued on the Notes, unless that person:
  - (i) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate in the tax year; or
  - (ii) at any time during this tax year carried on business through a permanent establishment in South Africa.

#### 4. **Capital gains**

Any subsequent disposal of the Notes by a Noteholder who is resident in South Africa prior to their redemption may be subject to Capital Gains Tax, where applicable.

Capital gains are taxable at normal tax rates, but in the case of a natural person only 33.3% of the gain is taxable, and in the case of companies and trusts, 66.6% of the capital gain is taxable.

Noteholders who are not tax resident in South Africa will generally not be subject to capital gains tax (if any) on the disposal of Notes unless the Notes are assets of a trading permanent establishment of such non-resident located in South Africa.

## **EXCHANGE CONTROL**

*The comments below are intended as a general guide to the current position under the Exchange Control Regulations, 1961 as promulgated under the Currency and Exchanges Act, 1933, as amended, (the "Regulations") and are not a comprehensive statement of the Regulations. The information below is not intended as advice and it does not purport to describe all of the considerations that may be relevant to a prospective subscriber for, or purchaser of any Notes. Prospective subscribers for, or purchasers of any Notes who are non-South African residents or who are emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the subscription for, or purchase of any Notes.*

### **Non-South African Resident Noteholders and Emigrants from the Common Monetary Area**

Dealings in the Notes, the performance by the Issuer of its obligations under the Notes may be subject to the Regulations.

#### **Blocked Rand**

Blocked Rands may be used for the subscription for or purchase of Notes. Any amounts payable by the Issuer in respect of the Notes subscribed for or purchased with Blocked Rands may not, in terms of the Regulations, be remitted out of South Africa or paid into any non-South African bank account. For the purposes of this clause, "Blocked Rands" are defined as funds which may not be remitted out of South Africa or paid into a non-South African resident's bank account. The relevant legislation relating to Blocked Rand is the Regulations promulgated under the Currency and Exchanges Act, 1933, as amended.

#### **Emigrants from the Common Monetary Area**

Any Individual Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed "emigrant". Such restrictively endorsed Individual Certificates will be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets.

In the event that a Beneficial Interest in Notes is held by an emigrant from the Common Monetary Area through the Central Securities Depository and its relevant Participants, the securities account of such emigrant will be designated as an "emigrant" account.

Any payments of interest and/or principal due to an emigrant Noteholder will be deposited into such emigrant's Blocked Rands account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Regulations.

#### **Non-residents of the Common Monetary Area**

Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "non-resident". In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area through the Central Securities Depository and its relevant Participants, the securities account of such Noteholder will be designated as a "non-resident" account.

It will be incumbent on any such non-resident to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Notes are to be dealt with. Such funds may, in terms of the Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into South Africa and provided that the relevant Certificate or securities account is designated "non-resident".

For the purposes of these paragraphs, the Common Monetary Area comprises South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of Swaziland.

## SUBSCRIPTION AND SALE

In terms of (and subject to) the Programme Agreement, RMB has been appointed as Dealer on an ongoing basis for the duration of the Programme. The Issuer may appoint one or more Dealers for a specific issue of one or more Tranches of Notes or on an ongoing basis. In terms of (and subject to) the Programme Agreement, the Issuer may from time to time agree with any Dealer(s) to issue, and any Dealer(s) may agree to place, one or more Tranches of Notes.

### South Africa

Prior to the issue of any Tranche of Notes under the Programme by the Issuer, each Dealer for that Tranche of Notes will be required to represent and agree that it will not solicit any offers for subscription for or sale of the Notes in that Tranche of Notes, and will itself not sell Notes, in South Africa, in contravention of the Companies Act, the Banks Act, 1990, the Exchange Control Regulations and/or any other applicable laws or regulations of South Africa in force from time to time. In particular, without limitation, the Programme Memorandum does not, nor is it intended to, constitute a prospectus (as that term is defined in the Companies Act) and each Dealer will be required to represent and agree that it will not make "an offer to the public" (as that term is defined in the Companies Act) of any of the Notes in that Tranche of Notes (whether or subscription or sale) and any regulations promulgated thereunder. Notes will not be offered for subscription to any single addressee for an amount of less than R1 000 000.

### United States of America

The Notes have not been and will not be registered under the United States Securities Act, 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Prior to the issue of any Tranche of Notes under the Programme by the Issuer, each Dealer for that Tranche of Notes will be required to represent and agree that:

- (i) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (ii) it has not offered or sold or delivered any Notes in that Tranche, and will not offer or sell or deliver any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution, as determined and certified by the Dealer or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons;
- (iii) it will send to each dealer to which it sells any Notes in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons; and
- (iv) it, its affiliates and any persons acting on its or any of its affiliates behalf have not engaged and will not engage in any directed selling efforts with respect to the Notes in that Tranche and it, its affiliates and any persons acting on



its or any of its affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Until 40 days after the commencement of the offering of a Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

### **United Kingdom**

Prior to the issue of any Tranche of Notes under the Programme by the Issuer, each Dealer for that Tranche of Notes will be required to represent and agree that:

- (i) it has not offered or sold, and prior to the expiry of a period six months from the Issue Date in respect of each Tranche of Notes will not offer or sell, any Notes in that Tranche to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations, 1995 of the United Kingdom;
- (ii) it has complied with and will comply with all applicable provisions of the Financial Services and Markets Act, 2000 (the "**FSMA**") with respect to anything done by it in relation to the Notes in that Tranche in, from or otherwise involving the United Kingdom; and
- (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in that Tranche in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the prospectus directive (each, a "**Relevant Member State**"), each of the Issuer and Dealer(s) has represented and agreed that, with effect from and including the date on which the prospectus directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), it has not made, and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of a prospectus in relation to those Notes which prospectus has been approved by the competent authority in that Relevant Member State in accordance with the prospectus directive and/or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the prospectus directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

- (c) at any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000 as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the prospectus directive.

For the purposes of this provision, the expression an “*offer of Notes to the public*” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the prospectus directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### **General**

Prior to the issue of any Tranche of Notes under the Programme, each Dealer for that Tranche of Notes will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures subscriptions for, offers or sells Notes in that Tranche or has in its possession or distributes the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales.

Each Dealer for a Tranche of Notes will be required to represent and agree that it will comply with such other or additional restrictions in relation to that Tranche of Notes as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

Neither the Issuer nor any of the Dealers represent that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such subscription or sale.

## **GENERAL INFORMATION**

### **Authorisations**

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa have been given for the establishment of the Programme and the issue of Notes under the Programme. No exchange control approval is required for the establishment of the Programme. If exchange control approval is required for the issue of any Tranche of Notes, such exchange control approval will be obtained prior to issue of such tranche of Notes.

### **Listing**

This updated Programme memorandum was been registered by the JSE on • 2012. Notes to be issued under the Programme may be listed on the Interest Rate Market of the JSE or any successor exchange and/or such other or further exchange(s) as may be agreed between the Issuer and the Dealer(s) and subject to any relevant ruling law. Unlisted Notes may also be issued. Unlisted Notes are not regulated by the JSE.

### **Clearing systems**

The Notes listed on the Interest Rate Market of the JSE have been accepted for clearance through the Central Securities Depository, which forms part of the JSE clearing system and may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

The settlement, clearing and redemption procedures for trades of Notes issued on an exchange other than the JSE, irrespective of whether the Notes are listed on the Interest Rate Market of the JSE as well, will be specified in the Applicable Pricing Supplements.

### **Participants**

As at the date of this Programme Memorandum, the JSE recognised Participants are the South African Reserve Bank, Absa Bank Limited, Citibank NA, FirstRand Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through South African Settlement Agents.

### **Auditors**

Ernst & Young Inc. are the current auditors of the Issuer.

### **Litigation**

The Issuer is not engaged (whether as defendant or otherwise) in any legal, arbitration, administration or other proceedings other than those disclosed in this Programme Memorandum, if any, the results of which might have or have had a material adverse effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

**Material change**

As at the date of this Programme Memorandum, following due and careful enquiry, there has been no material change in the financial or trading position of the Issuer since the date of its last audited financial statements. No auditors have been involved in making such statement.

**Documents**

So long as any Note remains outstanding, one copy of this Programme Memorandum and each of the documents referred to in the section of this Programme Memorandum headed "*Documents Incorporated by Reference*" including the Issuer's updated constitutional documents from time to time will be available for inspection by the investors at the Specified Office of the Issuer and on the Issuer's website [www.anglogoldashanti.com](http://www.anglogoldashanti.com).

Signed at Johannesburg on behalf of AngloGold Ashanti Limited on 29 June 2012



ANGLOGOLD ASHANTI  
00 | E | 502  
Executive Director Finance  
Director

Signed at Johannesburg on behalf of AngloGold Ashanti Limited on 29 June 2012



ANGLOGOLD ASHANTI  
00 | E | 500  
Chief Executive Officer  
Director

## CORPORATE INFORMATION

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