

# NOTICE OF ANNUAL GENERAL MEETING 2016

## NOTICE OF PUBLICATION OF ANNUAL REPORT

Notice is hereby given that the Anglo American plc Annual Report 2015 has been published on the Company's website, [www.angloamerican.com](http://www.angloamerican.com)

If you have elected to receive shareholder correspondence in hard copy, then the Annual Report and Accounts will be enclosed herewith. Should you wish to change your election at any time, or if you wish to request a hard copy of the Annual Report and Accounts, you can do so by contacting the Company's UK Share Registrars or South African Transfer Secretaries as appropriate at the relevant address set out on page 2 of this document.

### VOTING ARRANGEMENTS

Holders of ordinary shares are entitled to attend and vote at general meetings of the Company. The total number of issued ordinary shares in the Company (excluding those held in treasury) on 15 February 2016, which is the latest practicable date before the publication of this document, is 1,401,861,508, carrying one vote each on a poll. Therefore, the total number of votes exercisable as at 15 February 2016 is 1,401,861,508.

A poll will be held at the Annual General Meeting (AGM) on each of the resolutions. A poll reflects the number of voting rights exercisable by each member and so is the most democratic method of voting. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalf, provided that each proxy is appointed to exercise the rights attached to a different share or shares by that shareholder. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the AGM in person.

A proxy need not be a shareholder of the Company. To be valid, proxy appointments must be received no later than 48 hours prior to the meeting. UK registered shareholders may appoint a proxy online by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the on screen instructions. You will need the Voting ID, Task ID and shareholder reference number printed on the accompanying form of proxy.

CREST members wishing to appoint a proxy using the CREST electronic proxy appointment service may do so via Equiniti (ID RA19). If you are a CREST personal member, a CREST sponsored member, or a CREST member who has appointed a voting service provider, you should refer to your sponsor or voting service provider who can take the appropriate action for you. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to them by other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### CORPORATE REPRESENTATIVES

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

### FORM OF PROXY

Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder as his/her proxy to exercise all or any of his/her rights, to attend, speak and vote on their behalf at the meeting. If a shareholder wishes to appoint a person other than the chairman, the name of the chosen proxy holder should be inserted in the space provided on the accompanying form of proxy. For shareholders outside South Africa, where the proxy is being appointed in relation to less than the shareholder's full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as proxy. If left blank the proxy will be deemed to be authorised in respect of the shareholder's full voting entitlement. If the proxy form has been issued in respect of a designated account for a shareholder, the proxy will be deemed to be authorised in respect of the full voting entitlement for that account.

To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Share Registrars or Transfer Secretaries or the form of proxy may be photocopied.

Shareholders should also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares, please send this document, together with the accompanying documents, immediately to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

## NOTICE OF PUBLICATION OF ANNUAL REPORT continued

### NOMINATED PERSONS

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ('nominated persons'). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

### RECORD DATE

Entitlement to attend and vote at the meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company's register of members at 18:00 UK time on 19 April 2016 or, if the meeting is adjourned, 18:00 two days prior to the time fixed for the adjourned meeting (as the case may be).

### SHAREHOLDER RIGHTS

Shareholders should note that, under Section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM for the financial year beginning 1 January 2015; or (ii) any circumstance connected with an auditor of the Company (appointed for the financial year beginning 1 January 2015) ceasing to hold office since the previous meeting at which the Annual Report and Accounts were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 (requirements as to website availability) of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors no later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting for the relevant financial year includes any statement that the Company has been required, under Section 527 of the Companies Act 2006, to publish on a website.

Shareholders meeting the threshold and time limit set out in sections 338 and 338A of the 2006 Act can require that the Company give its members notice of a resolution and/or include in the business to be dealt with at the AGM any matter which may be properly included in that business.

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:

- to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question;
- it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

### Information available on website

A copy of this notice and other information required by Section 311A of the Companies Act 2006 can be found at [www.angloamerican.com](http://www.angloamerican.com)

### LIMITATIONS OF ELECTRONIC ADDRESSES

You may not use any electronic address provided in either this Notice of General Meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

### STOCK EXCHANGE LISTINGS

The Company's ordinary shares are listed on the London Stock Exchange (the primary listing), the JSE Limited, the SWX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange.

### SHAREHOLDING ENQUIRIES

Enquiries relating to shareholdings should be made to the Company's UK Registrars, Equiniti or the South African Transfer Secretaries, Link Market Services South Africa (Pty) Limited, at the relevant address below:

### UK REGISTRARS

Equiniti  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA  
England.

#### Telephone:

In the UK: 0371 384 2026  
From overseas: +44 121 415 7558

### TRANSFER SECRETARIES IN SOUTH AFRICA

Link Market Services South Africa (Pty) Ltd  
13th Floor, Rennie House  
19 Ameshoff Street, Braamfontein 2001  
(PO Box 4844, Johannesburg 2000)  
South Africa

**Telephone:** +27 (0) 11 713 0800

**Fax:** +27 (0) 86 674 2450

Enquiries on other matters should be addressed to the Company Secretary at the following address:

### REGISTERED AND HEAD OFFICE

Anglo American plc  
20 Carlton House Terrace  
London SW1Y 5AN  
England

Telephone: +44 (0)20 7968 8888

Fax: +44 (0)20 7968 8500

Registered number: 3564138

Website: [www.angloamerican.com](http://www.angloamerican.com)

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Anglo American plc will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE at 14:30 on Thursday 21 April 2016 for the following business:

## ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass the following ordinary resolutions:

- 1 To receive the financial statements of the Company and the Group and the reports of the directors and auditors for the year ended 31 December 2015.
- 2 To elect Tony O'Neill as a director of the Company.<sup>(1)</sup>
- 3 To re-elect Mark Cutifani as a director of the Company.<sup>(2)</sup>
- 4 To re-elect Judy Dlamini as a director of the Company.<sup>(2)</sup>
- 5 To re-elect Byron Grote as a director of the Company.<sup>(2)</sup>
- 6 To re-elect Sir Philip Hampton as a director of the Company.<sup>(2)</sup>
- 7 To re-elect René Médori as a director of the Company.<sup>(2)</sup>
- 8 To re-elect Ray O'Rourke as a director of the Company.<sup>(2)</sup>
- 9 To re-elect Sir John Parker as a director of the Company.<sup>(2)</sup>
- 10 To re-elect Mphu Ramatlapeng as a director of the Company.<sup>(2)</sup>
- 11 To re-elect Jim Rutherford as a director of the Company.<sup>(2)</sup>
- 12 To re-elect Anne Stevens as a director of the Company.<sup>(2)</sup>
- 13 To re-elect Jack Thompson as a director of the Company.<sup>(2)</sup>
- 14 To re-appoint Deloitte LLP as auditors of the Company for the ensuing year.
- 15 To authorise the directors to determine the remuneration of the auditors.
- 16 To approve the implementation report section of the Directors' remuneration report set out in the Annual Report and Accounts for the year ended 31 December 2015.<sup>(3)</sup>
- 17 To resolve that the authority conferred on the directors by Article 9.2 of the Company's Articles of Association be renewed, such that the directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares of the Company up to a nominal value of US\$77.0 million, which represents not more than 10% of the total issued share capital of the Company, exclusive of treasury shares, as at 15 February 2016. This authority shall expire at the earlier of the conclusion of the Annual General Meeting in 2017 or on 30 June 2017. Such authority shall be in substitution for all previous authorities pursuant to Section 551 of the Companies Act 2006.<sup>(4)</sup>

## SPECIAL RESOLUTIONS

To consider and, if thought fit, to pass the following special resolutions:

- 18 To resolve that subject to the passing of Resolution 17 above, the power conferred on the directors by Article 9.3 of the Company's Articles of Association be renewed, such that the directors be empowered to allot shares wholly for cash pursuant to the authority granted by Resolution 17 above and to sell treasury shares wholly for cash in connection with a pre-emptive offer and, otherwise than in connection with a pre-emptive offer, up to a nominal value of US\$38.5 million, which represents no more than 5% of the total issued ordinary share capital of the Company, excluding treasury shares, in issue at 15 February 2016. This authority shall expire at the earlier of the conclusion of the Annual General Meeting in 2017 or on 30 June 2017. Such authority shall be in substitution for all previous authorities pursuant to Section 561 of the Companies Act 2006.<sup>(5)</sup>

- 19 To resolve that the Company be and is generally and unconditionally authorised for the purpose of Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693 of the Companies Act 2006) of ordinary shares of 54<sup>86/91</sup> US cents each in the capital of the Company provided that:
  - a) the maximum number of ordinary shares of 54<sup>86/91</sup> US cents each in the capital of the Company authorised to be acquired is 210.1 million
  - b) the minimum price which may be paid for an ordinary share is 54<sup>86/91</sup> US cents, which amount shall be exclusive of expenses
  - c) the maximum price which may be paid for an ordinary share is an amount (exclusive of expenses) equal to the higher of 105% of the average of the middle market quotation for an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which such ordinary share is contracted to be purchased and the higher of the price of the last independent trade and the highest current bid on the trading venues where the purchase is carried out
  - d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 (except in relation to the purchase of ordinary shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time.<sup>(6)</sup>
- 20 That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.<sup>(7)</sup>
- 21 That in order to address our interest in the longer term success of the Company, given the recognised risks and opportunities associated with climate change, we as shareholders of the Company direct that routine annual reporting from 2017 includes further information about:
  - a) ongoing operational emissions management;
  - b) asset portfolio resilience to the International Energy Agency's (IEA's) scenarios;
  - c) low-carbon energy research and development (R&D) and investment strategies;
  - d) relevant strategic key performance indicators (KPIs) and executive incentives;
  - e) and public policy positions relating to climate change.This additional ongoing annual reporting could build on the disclosures already made to CDP (formerly the Carbon Disclosure Project) and/or those already made within the Company's Annual Report and Sustainable Development Report.<sup>(8)</sup>

By order of the Board:

### JOHN MILLS

Company Secretary  
Anglo American plc  
20 Carlton House Terrace  
London SW1Y 5AN  
Registered Number 3564138

17 February 2016

## EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The directors believe that the proposed resolutions are in the best interests of the Company and its shareholders and unanimously recommend shareholders to vote in favour, as the directors intend to do in respect of their own beneficial shareholdings.

### **(1) Election of director**

Resolution 2 relates to the election of Tony O'Neill who was appointed by the Board on 22 July 2015. Tony's biographical details are set out on the following pages to enable shareholders to take an informed decision on his election.

### **(2) Re-election of directors**

Resolutions 3 to 13 relate to the annual re-election of directors. Their biographical details are set out on the following pages to enable shareholders to take an informed decision on their re-election. The Board confirms that all of the directors continue to perform effectively and demonstrate commitment to the role.

### **(3) Implementation report**

This is set out on pages 93–103 of the Annual Report and Accounts for the year ended 31 December 2015. In accordance with remuneration reporting rules, this is an advisory vote.

### **(4) Authority to allot securities**

The purpose of Resolution 17 is to renew the directors' power to allot shares. The authority will allow the directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a nominal value of US\$77.0 million, which represents not more than 10% of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 15 February 2016. At 15 February 2016, the Company held 3,603,824 treasury shares which represented 0.26% of the total ordinary issued share capital, excluding treasury shares, at that date.

There are no present plans to allot new shares, other than in relation to employee share plans.

If the resolution is passed, the authority will expire on the earlier of the conclusion of the Annual General Meeting in 2017 or 30 June 2017.

### **(5) Disapplication of statutory pre-emption rights**

The purpose of Resolution 18 is to authorise the directors (subject to the passing of Resolution 17) to allot new shares of the Company and to sell treasury shares for cash as if the pre-emption provisions of section 561 of the Companies Act 2006 do not apply. Under Section 561(1) of the Companies Act 2006, if the directors wish to allot shares, or grant rights to subscribe for, or convert securities into shares, or sell treasury shares for cash (other than pursuant to an employee share scheme), they must first be offered to existing shareholders pro-rata to their holdings.

Section 561 of the Companies Act is designed to prevent the holdings of existing shareholders being diluted against their wishes by the allotment of new shares. There may be occasions however, when the directors need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. This cannot be done under the Companies Act 2006 unless shareholders have first waived their statutory pre-emption rights. Resolution 18 asks shareholders to do this such that the shareholders will not receive any pre-emption rights in relation to the issue of shares for cash up to a nominal value of US\$38.5 million, which represents no more than 5% of the total issued ordinary share capital of the Company, excluding treasury shares, in issue at 15 February 2016 (being the last practicable date prior to publication of this Notice of AGM). The limit of 5% is derived from ABI guidelines.

For all issues of shares for cash above this 5% threshold, the Resolution 18 disapplication of Section 561 of the Companies Act allows the directors to conduct a pre-emptive offer or rights issue (being an offer of shares to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings) without the need to comply with the strict guidelines of the statutory pre-emption provisions but instead, subject to such limits, restrictions or arrangements as the directors consider necessary.

The authority granted by Resolution 18 will expire at the conclusion of the AGM in 2017 or on 30 June 2017, whichever is the earlier. The directors have no present intention of exercising this authority, other than in relation to employee share plans. The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles not to allot shares for cash on a non pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company within a rolling three-year period without prior consultation with shareholders.

### **(6) Authority for market purchases**

The directors are requesting this authority which, in accordance with practice in the UK, represents not more than 14.99% of the ordinary issued share capital, excluding treasury shares, as at 15 February 2016. The directors will only exercise this authority if they consider it is in the best interests of shareholders generally and if the purchase could be expected to result in an increase in earnings per share (other than in connection with an employee share scheme).

If any ordinary shares purchased pursuant to this authority are not held by the Company as treasury shares then such shares would be immediately cancelled, thereby reducing the number of ordinary shares in issue.

The total number of options to subscribe for shares outstanding at 15 February 2016 was 430,715 ordinary shares, which represents 0.03% of the issued ordinary share capital, excluding treasury shares, at that date. If the Company were to buy back the maximum number of shares permitted, then the number of options outstanding would represent 0.04% of the reduced share capital.

### **(7) Notice of general meetings**

Changes made to the Companies Act 2006 by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. AGMs will continue to be held on at least 21 clear days' notice.

Resolution 20 seeks such approval. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

### **(8) Strategic resilience for 2035 and beyond**

A group of members have requisitioned the circulation of this special resolution under the provisions of Section 338 of the Companies Act 2006. The supporting statement, supplied by the requisitionists together with the response of the Board, is set out below:

It is our intention that this is a supportive but stretching shareholder resolution. Like the resolutions filed at the 2015 BP and Royal Dutch Shell AGMs, which were approved by the boards of both companies, recommended for support by proxy advisers, and passed overwhelmingly by shareholders, this resolution has been prepared by the 'Aiming for A' investor coalition on behalf of a larger co-filing group.

The resolution seeks deeper disclosure on the same five issues of climate change risk and opportunity management as the BP and Shell Resolutions.

Following engagement with the mining companies covered by 'Aiming for A', and the development by the Global Investor Coalition on Climate Change of an expectations document for mining companies<sup>(1)</sup>, the filing group believes that the strategic issues identified for oil and gas companies apply equally in the diversified mining sector.

The 'Aiming for A' coalition includes the Local Authority Pension Fund Forum and the largest members of the Church Investors Group, together with Hermes Investment Management on behalf of its stewardship services clients, Sarasin & Partners, Pensions Trust and Rathbone Greenbank Investments. The coalition was initially convened by CCLA in 2011/12. The group is undertaking engagement with the 10 largest UK-listed extractives and utilities companies, with a particular focus on the companies' CDP performance bands.

There are several reasons why UK asset owners and managers have come together to support companies in their preparations for the low-carbon transition. These range from systemic risk management and our collective fiduciary duty to engage in economic transformation, through to amplifying longer-term investor voices and involving ultimate beneficiaries.

We believe that supportive but stretching shareholder resolutions can play a positive stewardship role in the UK and emphasise the need to balance the short- and longer-term aspects of shareholder value creation.

The wider co-filing group includes institutional asset owners and fund managers from both the UK and overseas. The asset owners span charitable foundations, Church investors and pension funds as well as individuals. The co-filing process has been assisted by the law firm Client Earth.

Awareness of the risk to long term investors from climate change, including the potential 'stranding' or underperformance of assets has risen significantly. Notable contributions to the debate have been made by the Bank of England<sup>(2)</sup>, Mercer<sup>(3)</sup>, and Carbon Tracker<sup>(4)</sup>. As an illustration of the magnitude of financial risks carried in the extractives sector, the IEA estimate that up to \$300 billion of fossil fuel investments alone could be stranded in a low carbon scenario<sup>(5)</sup>.

The resolution covers five related areas:

**1. Ongoing operational emissions management**

In 2015 Anglo American retained a CDP6 performance rating of B (on an A-E scale). Within the performance banding methodology, considerable weight is given to operational emissions management, alongside strategic and governance issues like those below. The 'Aiming for A' coalition and other investors would like to see the company progress towards reaching best in class performance.

**2. Asset portfolio resilience to post-2035 scenarios**

Anglo American has a diverse portfolio of assets, with significant exposure to commodities for which demand could rise during the move to a low carbon economy (such as copper and platinum) as well as exposure to commodities where demand is likely to fall, such as coal and iron-ore. We ask that an assessment of the portfolio's resilience against the range of IEA7, or other relevant post-2035, low carbon scenarios of equivalent ambition, be outlined to investors in routine reporting from 2017 for relevant potentially exposed commodity groups. Investors are also interested in the role that exploration, disposals and cash distributions to investors will play in the nearer term.

**3. Low carbon energy R&D and investment strategies**

Anglo American has highlighted the important role that technology could play to reduce greenhouse emissions whilst supporting economic growth. This is evidenced by its investment in low carbon technologies such as carbon capture and storage (CCS) and carbon capture, sequestration and reuse (CCR) technologies, together with its commitment to support carbon neutral mining operations. Given Anglo American's exposure to thermal coal, investors are interested in its long term strategy to reduce emissions from coal and its continued investment in low carbon technologies, including the amount to be invested.

**4. Strategic KPIs and executive incentives**

Anglo American recognises the importance of aligning senior management interests with those of long term shareholders. However, Anglo American's key performance indicators on sustainable development and the link to long term executive remuneration are not transparent to investors. Transitions that span decades are complex to manage and often require lead indicators and incentives. Investors are interested to understand the company's approach to key performance indicators and executive incentives relevant to the transition to a low carbon economy.

**5. Public policy interventions**

Anglo American is a member of the International Council on Mining and Metals (ICMM) and also aligns its principles with those of the United Nations Global Compact. Anglo American has made known its view that it is important to find global solutions to climate change which recognise the significant role of coal in today's energy mix. Investors are interested in the evolution of Anglo American's public policy strategy, including positions on key agreed public policy goals and likely implementing measures, especially for the critical policy-making period up to 2020 when governments are expected to be preparing to implement their international greenhouse gas reduction commitments.

These requests are consistent with the commitment made in the 'Global Investor Statement on Climate Change' signed by investors representing \$24 trillion of assets<sup>(8)</sup> and build on the Carbon Asset Risk (CAR) initiative<sup>(9)</sup>.

<sup>(1)</sup> [http://www.iigcc.org/files/publication-files/IIGCC\\_2015\\_Mining\\_Report\\_FINAL\\_WEB.PDF](http://www.iigcc.org/files/publication-files/IIGCC_2015_Mining_Report_FINAL_WEB.PDF)

<sup>(2)</sup> Breaking the Tragedy of the Horizon – climate change and financial stability, Mark Carney, September 2015

<sup>(3)</sup> Investing in a Time of Climate Change, Mercer, 2015

<sup>(4)</sup> <http://www.carbontracker.org/our-work/>

<sup>(5)</sup> World Energy Investment Outlook 2014, International Energy Agency

<sup>(6)</sup> <https://www.cdp.net/en-US/Results/Pages/Company-Responses.aspx?company=772>

<sup>(7)</sup> <http://www.worldenergyoutlook.org/weomodel/>. The WEO-2015 continues to present three scenarios: the New Policies Scenario, the Current Policies Scenario, and the 450 Scenario. These scenarios were extended to 2040 for the first time in 2014

<sup>(8)</sup> <http://globalinvestorcoalition.org/wp-content/uploads/2015/10/GISCC7Oct2015.pdf>

<sup>(9)</sup> <http://www.ceres.org/press/press-releases/investors-ask-fossil-fuel-companies-to-assess-how-business-plans-fare-in-low-carbon-future>

## EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING continued

### THE RESPONSE OF THE BOARD

#### The Board supports the 'Aiming for A' resolution

Anglo American recognises the complex global challenge posed by climate change and our responsibility to take action to address its causes and protect our investors, employees, assets and host communities, against its potential impacts. We are committed to working in partnership and consultation with all relevant stakeholders, including shareholders, to help address the causes and impacts of climate change, including impacts on our business.

We expect climate change and the associated public policy response to have implications for our business in three principle ways:

- the demand for some of our products will change;
- climate regulation and taxation will affect our operations; and
- the physical and social impacts of a changing climate, such as water scarcity and more frequent extreme weather events, may affect our operations and host communities.

The results of our portfolio review, announced on 16 February 2016, will focus on commodities that we expect will benefit from the transition to a low-carbon economy (platinum and copper), or which will not be materially affected (diamonds).

We report annually on our energy consumption and our greenhouse gas emissions – direct, indirect and product related – in both our Sustainability Report and our carbon disclosure to the CDP.

In response to the challenges posed by climate change we actively address our own carbon footprint through operational excellence and our ECO<sub>2</sub>MAN energy efficiency programme. In addition, we have invested in low-carbon technologies, such as platinum fuel cells and carbon capture and storage (CCS).

We recognise:

- the science of climate change and the need to limit global warming to 2°C, in accordance with the findings and recommendations of the United Nations Intergovernmental Panel on Climate Change;
- that all credible energy forecasts – including those consistent with limiting global warming to 2°C – show continued use of fossil fuels in the energy mix, together with an increased use of alternative energy sources;
- that there is a role for developed countries to support developing countries in their transition to a low-carbon economy; and
- that combustion efficiencies must play a critical role in reducing emissions, as they have the potential to almost halve carbon emissions from coal-fired power stations, but that efficiencies alone will not achieve the required reduction in global carbon emissions.

We therefore support:

- the agreement reached at COP21 in Paris in December 2015, and the stated intent to keep warming to below 2°C;
- collaborative multi-stakeholder actions in support of a global framework to support a diverse, low-carbon energy mix and to regulate carbon emissions;
- ending public subsidies for the production and consumption of fossil fuels, unless they are carefully and effectively targeted as a last resort at the poorest households in developing countries;
- the use of fair and well-designed market-based instruments, such as carbon pricing;
- greater provision of public-private funding for research and development and for the deployment of CCS and carbon capture, sequestration and reuse (CCR) technologies;
- treatment of CCS on a comparable basis to other technologies that abate carbon emissions;
- improved science-based understanding of physical climate risks, and for investment in adaptation measures, in particular to help build resilience in developing countries; and
- an honest, fact-based and open dialogue that engages all relevant parties, including utility companies, on how current fossil fuel producers and users can shape the future energy mix and be part of the transition to the low-carbon economy.

We will:

- review our portfolio for climate risk, including policy, technology and market risks as well as physical risks to our assets;
- continue to engage proactively and constructively on climate change issues with investors and other stakeholders;
- continue to measure and report on direct, indirect and product-related emissions;
- reduce our own carbon emissions and energy and water use, and investigate new technologies to support carbon and water neutral mining operations in the future;
- continue to invest in alternative and renewable, low-carbon energy technologies at our operations, including solar, fuel cells, waste heat recovery, biomass and biofuels;
- continue to implement appropriate climate adaptation measures at our operations and support our host governments and communities to adapt to the local consequences of climate change;
- use scenario planning to inform our view on climate and energy risks and opportunities, and continue to evaluate any future investments with climate risks in mind, including carbon pricing;
- proactively seek partnerships to adapt to the impacts of climate change; and
- continue to update our Board, investors, host governments and other relevant stakeholders on our own progress in reducing carbon emissions.

## DIRECTORS' BIOGRAPHIES

### SIR JOHN PARKER, CHAIRMAN

GBE, FREng, DSc (Eng), ScD (Hon), DSc (Hon), DUniv (Hon), FRINA

73, joined the Board as a non-executive director on 9 July 2009 and became chairman on 1 August 2009. Sir John is also chairman of the Nomination Committee and is a member of the Sustainability Committee. He is recognised as a highly experienced and independent chairman and brings a wealth of leadership experience across a range of industries in many countries, including in South Africa.

He is chairman of Pennon Group PLC and a non-executive director of Carnival Corporation and Airbus Group. Sir John is a Visiting Fellow of the University of Oxford and was the President of the Royal Academy of Engineering from 2011 to 2014. Sir John was previously chairman of National Grid plc, Deputy Chairman of DP World, senior non-executive director and chair of the Court of the Bank of England, joint chair of Mondi and chair of BVT and P&O plc.

### MARK CUTIFANI, CHIEF EXECUTIVE

BE (Mining Engineering)

57, was appointed as a director and chief executive with effect from 3 April 2013, and is chairman of the Group Management Committee (GMC) and a member of the Corporate Committee (CorpCo) and the Sustainability Committee. Mark has over 38 years' experience of the mining industry across a wide range of geographies and commodities.

Mark is a non-executive director of Anglo American Platinum Limited and chairman of Anglo American South Africa and of the De Beers group of companies. He was previously the CEO of AngloGold Ashanti Limited. Before joining AngloGold Ashanti, Mark was COO at Vale Inco, where he was responsible for Vale's global nickel business. Prior to this he held senior executive positions with the Normandy Group, Sons of Gwalia, Western Mining Corporation, Kalgoorlie Consolidated Gold Mines and CRA (Rio Tinto).

### RENÉ MÉDORI, FINANCE DIRECTOR

Doctorate in Economics

58, was appointed to the Board on 1 June 2005, becoming finance director on 1 September 2005. René is a member of the GMC and chairman of the CorpCo and the Investment Committee (InvestCo). René brings significant financial and commercial expertise from capital-intensive businesses, supplying products to the oil refining, steel and mining industries and experience in international finance in the UK, Europe and the US.

He is a non-executive director of Anglo American Platinum Limited and Petrofac Limited. René is a former finance director of The BOC Group plc and was a non-executive director of SSE plc (formerly Scottish and Southern Energy plc).

### SIR PHILIP HAMPTON, SENIOR INDEPENDENT DIRECTOR

MA, ACA, MBA

62, joined the Board on 9 November 2009. He is chairman of the Remuneration Committee and a member of the Audit and Nomination Committees. Sir Philip is chairman of GlaxoSmithKline and brings to Anglo American significant financial, strategic and boardroom experience across a number of industries.

His previous appointments include chairman of The Royal Bank of Scotland and J Sainsbury plc, finance director of Lloyds TSB Group plc, BT Group plc, BG Group plc, British Gas plc and British Steel plc, executive director of Lazards, and non-executive director of RMC Group plc and Belgacom SA. Sir Philip became the senior independent director at the conclusion of the 2014 AGM.

### JUDY DLAMINI, NON-EXECUTIVE DIRECTOR

MBChB, DOH, MBA, DBL

56, was appointed to the Board on 1 January 2014 and is a member of the Audit and Remuneration committees. Judy is a successful businesswoman with longstanding public company board experience across a range of geographies and sectors, including mining.

She is the founder and chairman of Mbekani Group, a South African healthcare investment company, and a former chairman of Aspen Pharmacare. Judy served as a non-executive director of Northam Platinum between 2004 and 2013, and as a member of that company's committees on: health; safety and environmental; investment; and social, ethics and human resources. She started her career as a medical practitioner and after spending two years at HSBC, she began to develop her entrepreneurial interests. Judy is also a founder and trustee of Mkhiva Trust, a family vehicle for social responsibility initiatives, and has served as a non-executive director on the boards of Discovery Holdings and Woolworths Holdings.

### BYRON GROTE, NON-EXECUTIVE DIRECTOR

PhD Quantitative Analysis

67, was appointed to the Board on 19 April 2013. He is chairman of the Audit Committee and a member of the Remuneration Committee. Byron contributes broad business, financial and board experience in numerous geographies.

He is a non-executive director of Standard Chartered, Akzo Nobel and Tesco PLC. Byron has extensive management experience across the oil and gas industry. He served on the BP plc board from 2000 until 2013 and was BP's chief financial officer during much of that period.

### TONY O'NEILL, TECHNICAL DIRECTOR

MBA, BAsC (ENG)

58, was appointed to the Board as technical director on 22 July 2015, having joined the Group in 2013. He is a member of the Sustainability and Investment Committees. He is also a non-executive director of De Beers and Anglo American Platinum Limited.

Tony joined AngloGold Ashanti in July 2008 as Executive Vice President – Business and Technical Development and served as Joint Acting CEO until July 2013. His 36-year career in the mining industry has spanned iron ore, copper, nickel and gold, and includes his roles as operations executive at Newcrest Mining and as the head of the gold business at Western Mining Corporation. Tony is a mining engineer with an MBA from the University of Melbourne.

### RAY O'ROURKE, NON-EXECUTIVE DIRECTOR

KBE, HonFREng, CEng, FIEI, FICE

69, joined the Board on 11 December 2009. He is a member of the Nomination, Remuneration and Sustainability committees. Ray has a proven track record in delivering complex and large-scale projects around the world, mobilising large numbers of people with great success and applying leading project management and engineering practices. As a member of the Sustainability Committee, he has a keen interest in safety.

Ray founded the O'Rourke Group in 1977, having begun his career at Kier and J Murphy & Sons. In 2001, the O'Rourke Group acquired John Laing to form Laing O'Rourke, now Europe's largest privately owned construction company, of which Ray is chairman.

## DIRECTORS' BIOGRAPHIES continued

**MPHU RAMATLAPENG, NON-EXECUTIVE DIRECTOR**

MD, MHSc

63, was appointed to the Board on 8 July 2013 and is a member of the Sustainability Committee. Mphu is a highly experienced leader who brings a broad range of South African and international health expertise at board level across both the public and private sectors. She has a clear vision and deep understanding of the social benefits of effective healthcare programmes and capacity building through partnership.

Mphu is the Executive Vice President of HIV/AIDS and Tuberculosis programmes for the Clinton Health Access Initiative and also the Vice Chair of the Global Fund to Fight AIDS, TB and Malaria. She served as Minister of Health and Social Welfare of Lesotho between 2007 and 2012. In this role, she championed Lesotho's significant achievements in reducing the transmission of HIV from mother to child. Across her career, she has also been a leading advocate for women in business, including serving as founding board member of Women in Business in Lesotho.

**JIM RUTHERFORD, NON-EXECUTIVE DIRECTOR**

BSc (Econ), MA (Econ)

56, joined the Board on 4 November 2013. Jim is a member of the Sustainability and Audit Committees. He has extensive experience in investment management and investment banking, both as an institutional investor and analyst. He brings to the Board considerable financial insight from the perspective of the capital markets and a deep understanding of the mining industry.

Jim is also a non-executive director of Dalradian Resources Inc. Between 1997 and 2013, he was a Senior Vice President of Capital International Investors, a division of the Capital Group, and had responsibility for investments in the mining and metals industry. Prior to joining Capital Group, Jim was an investment analyst covering the South American mining and metals industry for HSBC James Capel in New York.

**ANNE STEVENS, NON-EXECUTIVE DIRECTOR**

BSc, PhD

67, joined the Board on 14 May 2012 and is a member of the Audit and Nomination Committees. Anne brings a wealth of experience and wide-ranging commercial acumen from a number of global industries. She has experience gained across North, Central and South America.

Anne has served on the board of Lockheed Martin Corporation as a non-executive director since 2002, and is also the chairman of a privately held IT services business, SA IT. Anne's 16-year career with the Ford Motor Company culminated in her appointment as COO for the Americas, a position she held until 2006. Prior to joining Ford in 1990, Anne spent 10 years in a number of engineering, product development, and sales and marketing roles at Exxon Chemical Co, and three years as chairman and CEO of Carpenter Technology.

**JACK THOMPSON, NON-EXECUTIVE DIRECTOR**

BSc, PhD

65, joined the Board on 16 November 2009, is chairman of the Sustainability Committee and a member of the Remuneration Committee. Jack brings experience gained at all levels of the mining industry and has received wide recognition as a mining executive. He is currently a non-executive director of Tidewater Inc.

Jack was previously chairman and CEO of Homestake Mining Co., vice chairman of Barrick Gold Corp. and has served on the boards of Centerra Gold Inc., Century Aluminum Co., Molycorp Inc., Phelps Dodge Corp., Rinker Group Ltd., and Stillwater Mining.

## Beware of share fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

**HOW TO AVOID SHARE FRAUD**

- Keep in mind that firms authorised by the Financial Conduct Authority (FCA) are unlikely to contact you out of the blue with an offer to buy or sell shares.
- Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- Check the Financial Services Register from [www.fca.org.uk](http://www.fca.org.uk) to see if the person and firm contacting you is authorised by the FCA.
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- Use the firm's contact details listed on the Register if you want to call it back.

- Call the FCA on 0800 111 6768 if the firm does not have contact details on the Register or you are told they are out of date.
- Search the list of unauthorised firms to avoid at [www.fca.org.uk/scams](http://www.fca.org.uk/scams).
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- Think about getting independent financial and professional advice before you hand over any money.
- Remember: if it sounds too good to be true, it probably is!

**REPORT A SCAM**

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at [www.fca.org.uk/scams](http://www.fca.org.uk/scams), where you can find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768. If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040. Five thousand people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000.