

INDEPENDENT REMUNERATION REPORT REVIEW

This letter contains the findings and conclusions from our review of the processes followed by Anglo American's Remuneration Committee (the Committee) during 2011. The review was undertaken at your request as Chairman of the Committee in order to provide shareholders with assurance that the processes followed by the Committee supported the policy stated in Anglo American's Remuneration Report.

It is our view that the processes followed by the Committee during 2011 fully supported the Company's remuneration policy. Please find below a description of the process that we followed in coming to our conclusion, along with our detailed observations and recommendations.

REVIEW PROCESS

In order to reach our view we undertook the following:

- A review of the Committee's terms of reference
- A review of the minutes of the Committee covering the period from January to December 2011
- A review of any briefing materials prepared for the Committee during the year
- An interview with Chris Corrin in his capacity as Secretary to the Committee
- An interview with the Chairman of the Committee

FINDINGS

The Committee comprises entirely of independent non-executive directors. It met formally on three occasions in 2011.

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

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

We are also satisfied that the Committee seeks the advice of external consultants on technical issues where appropriate and gives careful consideration to the information and recommendations that it receives, before reaching an informed decision. Furthermore we note that the Committee undertook shareholder consultation during the year in relation to changes to the Long Term Incentive Plan.

CONCLUSIONS

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

Yours sincerely

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