

MERCER

Human Resource Consulting

Dexter House, 2 Royal Mint Court
London EC3N 4NA
020 7488 4949 Fax 020 7480 6132
www.mercerHR.com

18 February 2003

Chairman and Members of the Remuneration Committee
Anglo American plc
20 Carlton House Terrace
London SW1Y 5AN

Subject:

Remuneration Report Review

This letter reports on the results of the review by Mercer Human Resource Consulting of the executive remuneration processes and outcomes that underlie Anglo American's Remuneration Report for the financial year 2002. Mercer undertook the review at the request of the Company's Remuneration Committee (the "Committee") in order to provide shareholders with assurance that the remuneration processes that you have followed are appropriate and that the Company has complied with the policies set out in the Remuneration Report.

In order to reach our opinion, we reviewed the Remuneration Committee's Terms of Reference and the minutes of its meetings during the year as well as the materials prepared for the Committee's review. We also interviewed the Committee Chairman and Secretary. Our review was not intended to audit the compensation data set forth in the Remuneration Report or to evaluate the merits of Anglo American's executive remuneration programme.

Based on our review, Mercer is of the opinion that Anglo American's executive remuneration process with respect to 2002 was fully consistent with the description set forth in the Remuneration Report and that the remuneration decisions for the year were made based on the principles and policies laid out in the Report. Furthermore, it is our view that the Remuneration Committee continues to take a suitably robust approach to its work. One area of potential improvement that we identified was that of ensuring that effective training procedures are put in place for new appointments to the Committee. Management have undertaken to do this.

Additional detail regarding Mercer's review is included in a letter of this date to the Committee Chairman; we understand that this letter will be available on the Company's website.

Yours sincerely



Eric Scoones



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18 February 2003

R J Margetts
Chairman of the Remuneration Committee
Anglo American plc
20 Carlton House Terrace
London SW1Y 5AN

Subject:

Remuneration Report Review

Dear Rob

This letter reports on the results of our review of the executive remuneration processes and outcomes that underlie Anglo American's Remuneration Report for the financial year 2002. Mercer undertook the review at the request of the Company's Remuneration Committee (the "Committee") in order to provide shareholders with assurance that the remuneration processes that you have followed are appropriate.

As explained below, it is Mercer's opinion that, with respect to the year 2002, Anglo American has fully complied with the policies and processes explained in its Remuneration Report.

Mercer Review Process

In order to reach our opinion, we undertook the following steps:

Reviewed the Remuneration Committee's Terms of Reference;

Reviewed the minutes of the meetings of the Committee from January through November 2002;

- Reviewed the briefing materials prepared for the Committee during the year;
- Reviewed copies of the rules of the Company's Share Option Scheme, Long-Term Incentive Plan and Deferred Annual Bonus Plan;
- Interviewed Chris Corrin, in his role as the Secretary to the Remuneration Committee;
- Interviewed you, in your role as the Chairman of the Remuneration Committee.

The Company provided us with access to all materials that we requested.



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R J Margetts

Anglo American plc

Mercer did not audit the compensation data set forth in the Remuneration Report, which we understand has been separately audited by your independent audit firm. As you know, our review was not intended to evaluate the merits of Anglo American's executive remuneration programme.

Conclusions

Based on our review, Mercer is of the opinion that Anglo American's executive remuneration process with respect to 2002 was fully consistent with the description set forth in the Remuneration Report and that the remuneration decisions for the year were made based on the principles laid out in the Report. Furthermore, it is our view that the Remuneration Committee continues to take a suitably robust approach to its work:

The Committee had sufficient time and was given sufficient background to make informed decisions;

The Committee was actively involved in the debate of significant issues and the making of remuneration decisions;

The Committee Chairman was involved in meaningful pre-meeting preparation and discussion with outside advisors, management, and shareholder representatives.

We note that the Committee has implemented the two process recommendations that we noted in our report last year, by incorporating specific incentive award figures for Executive Directors in the Committee's minutes (rather than in other documentation) and by formally considering and approving the selection of outside advisors. Our single process recommendation this year is that the Committee ensure that the Directors recently appointed to the Committee have sufficient training to undertake their new responsibilities on the Committee efficiently and on an informed basis. We understand that implementation of this recommendation is about to commence.



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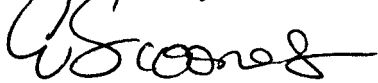
18 February 2003

R J Margetts

Anglo American plc

We would be pleased to respond to any questions with regard to our review process or conclusions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Eric Scoones', written in a cursive style.

Eric Scoones

Mercer Human Resource Consulting