

10. REMUNERATION OUTCOMES DURING 2011

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

10.1 Directors' emoluments

Executive directors

Figure 14 sets out an analysis of the pre-tax remuneration during the years ended 31 December 2011 and 2010, including bonuses but excluding pensions, for individual directors who held office in the Company during the year ended 31 December 2011.

Non-executive directors

Figure 15 sets out the fees and other emoluments paid to non-executive directors during the year ended 31 December 2011 which amounted to £1,367,000 (2010: £1,489,000).

10.2 Bonus Share Plan

Details of shares awarded under the BSP to executive directors during 2011 and their current holdings are shown in Figure 16.

10.3 Long Term Incentive Plan

Conditional awards of shares were made in 2011 to executive directors under the LTIP as shown in Figure 17.

10.4 Directors' share options

No executive share options have been granted to any director since 2003. Options granted under SAYE are shown in Figure 18.

The highest and lowest mid-market prices of the Company's shares during the period 1 January 2011 to 31 December 2011 were £34.37 and £21.39 respectively. The mid-market price of the Company's shares at 31 December 2011 was £23.79.

10.5 Share Incentive Plan (SIP)

During the year, Cynthia Carroll and René Médori each purchased 53 shares under the SIP, in addition to the shares held by them at 1 January 2011. If these shares are held for three years, they will be matched by the Company on a one-for-one basis, conditional upon the director's continued employment. In addition, and in common with other participants in the SIP, Cynthia Carroll and René Médori were each awarded 91 free shares under the SIP in March 2011. Participants in the SIP are entitled to receive dividends on their shares.

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

10.6 Pensions

10.6.1 Directors' pension arrangements
Cynthia Carroll and René Médori participated in defined contribution pension arrangements in terms of their contracts with AAS. In 2011, normal contributions were payable on their behalf at the rate of 30% of their basic salaries payable under these contracts.

10.6.2 Defined contribution pension schemes

The amounts payable into defined contribution pension schemes by the Group in respect of the individual directors were as shown in Figure 19 on page 114.

10.6.3 Defined benefit pension schemes

No director was eligible in 2011 for membership of any defined benefit pension scheme.

Figure 15: Non-executive directors' emoluments⁽¹⁾⁽²⁾

	Total	
	2011 £000	2010 £000
Sir John Parker	650	650
David Challen	115	115
Sir CK Chow	80	80
Sir Philip Hampton	95	90
Phuthuma Nhleko	65	–
Nicky Oppenheimer ⁽³⁾	27	88
Ray O'Rourke ⁽⁴⁾	80	80
Mamphela Ramphele	80	80
Jack Thompson	80	80
Peter Woicke	95	90

⁽¹⁾ Each non-executive director, with the exception of Sir John Parker, was paid a fee of £80,000 (2010: £80,000) per annum, and those non-executive directors who act as chairmen of the Audit Committee, Safety and Sustainable Development Committee and Remuneration Committee were paid an additional sum of £15,000 (2010: £15,000) per annum. The chairman of the Nomination Committee was paid an additional sum of £7,500 (2010: £7,500) per annum. The senior independent director (SID) received additional fees of £20,000 per annum.

⁽²⁾ In addition to the fees reported above for 2010, Chris Fay, who retired on 22 April 2010, received fees in 2010 of £30,000, Sir Rob Margetts, who retired on 22 April 2010, received fees in 2010 of £30,000 and Fred Phaswana, who retired on 1 January 2010, received fees in 2010 of £76,000.

⁽³⁾ Nicky Oppenheimer received fees for his services as a non-executive director of Anglo American South Africa Limited amounting to £3,000 (2010: £8,000), which are included in the above table.

⁽⁴⁾ Ray O'Rourke has instructed the Company that his net fees be donated to charity.

Figure 14: Executive directors' emoluments⁽¹⁾

	Total basic salary ⁽²⁾		Annual performance bonus – cash element ⁽³⁾		Benefits in kind ⁽⁴⁾		Total	
	2011 £000	2010 £000	2011 £000	2010 £000	2011 £000	2010 £000	2011 £000	2010 £000
Cynthia Carroll	1,170	1,125	962	411	42	37	2,174	1,573
René Médori	736	707	600	253	33	29	1,369	989

⁽¹⁾ In 2011, Cynthia Carroll and René Médori held non-executive directorships of Anglo American Platinum Limited and René Médori held a non-executive directorship of Anglo American South Africa Limited. The fees for these directorships were ceded to their employer, AAS.

⁽²⁾ AAS agreed with the executive directors that supplementary pension contributions be made into their defined-contribution pension arrangements in return for equivalent reductions in their basic salaries and in the cash elements payable under the BSP. The figures shown include these supplementary contributions.

⁽³⁾ The split between the cash and share elements of the Bonus Share Plan is set out on page 106 and in Figure 4 on page 107; the above figures represent the elections made in 2012 by each executive director to defer 50% of their total bonus into shares, compared to 75% in 2011.

⁽⁴⁾ Each executive director receives a car allowance and a limited amount of personal taxation/financial advice; they also receive death and disability benefits and medical insurance.

Figure 16: Bonus Share Plan

BSP interests ⁽¹⁾	Total interest at 1 January 2011	Number of Bonus Shares conditionally awarded during 2011	Number of Enhancement Shares conditionally awarded during 2011	Number of Bonus Shares vested during 2011	Number of Enhancement Shares vested during 2011	Number of Enhancement Shares lapsed during 2011	Total interest at 31 December 2011	Market price at date of 2011 award £	Date of vesting of Bonus Shares awarded during 2011	End date of performance period for Enhancement Shares awarded during 2011
Cynthia Carroll	203,640	38,422	28,816	(13,410)	–	(17,048)	240,420	32.08	01/01/2014	31/12/2013
René Médori	130,766	23,650	17,737	(8,515)	–	(10,826)	152,812	32.08	01/01/2014	31/12/2013

⁽¹⁾ The performance period applicable to each award is three years. Cynthia Carroll and René Médori were awarded BSP shares in 2008, which vested in 2011.

Shares vested (2008 BSP Award)	Number of shares vested	Dates of conditional award	Market price at date of award £	Market price at date of vesting £	Value at date of vesting £
Cynthia Carroll	13,410	29/02/2008	28.21	33.16	444,676
René Médori	8,515	29/02/2008	28.21	33.16	282,357

In the case of the BSP awards granted in 2008, the determinant for the vesting of Enhancement Shares was real EPS growth, based on earnings per share growth against growth in the UK Retail Price Index (RPI) over the performance period. 44% of the Enhancement Shares would vest if EPS growth was RPI+9%, and 100% would vest if EPS growth was RPI+15%. As the EPS growth was below the threshold target over the period, the Enhancement Shares did not vest.

Figure 17: Long Term Incentive Plan

LTIP interests ⁽¹⁾⁽²⁾	Total beneficial interest in LTIP at 1 January 2011	Number of shares conditionally awarded during 2011	Notional number of shares vested during 2011 ⁽²⁾	Number of shares lapsed during 2011	Total beneficial interest in LTIP at 31 December 2011	Latest performance period end date
Cynthia Carroll	276,969	128,008	(33,492)	(33,493)	337,992	31/12/2013
René Médori	174,083	69,021	(21,052)	(21,053)	200,999	31/12/2013

⁽¹⁾ The LTIP awards made in 2011 are conditional on two performance conditions as outlined on pages 107 to 109: the first is based on the Company's TSR relative to a weighted group of international mining companies and to the constituents of the FTSE 100; the second is based on the value delivered from AOSC initiatives during the medium term. Further details on the structure of the LTIP, the required level of performance for the 2011 award and how performance against targets is measured can be found on pages 107 to 109. The market price of the shares at the date of award was £31.99.

⁽²⁾ The performance period applicable to each award is three years. The performance period relating to the LTIP awards in 2008 (which were granted on 17 March) ended on 31 December 2010. Vesting was subject to two performance conditions: the first based on the Company's TSR relative to a weighted group of international mining companies and the FTSE 100; the second based on an underlying operating measure which focused on improvements in the Company's ROCE in the medium term. Part of each award was based on the TSR measure and part on the operating measure. Cynthia Carroll and René Médori contractually agreed with AAS that supplementary pension contributions would be made in return for their surrendering the potential right to receive shares in the Company, pursuant to an award granted in 2008 under the LTIP. Had Cynthia Carroll and René Médori not surrendered this right, vesting of the 2008 LTIP would have been:

Notional shares vested	Notional number of shares vested	Dates of conditional award	Market price at date of award £	Market price at date of vesting £	Notional value at date of vesting £
Cynthia Carroll	33,492	17/03/2008	31.35	32.57	1,090,834
René Médori	21,052	17/03/2008	31.35	32.57	685,664

In the case of the LTIP awards granted in 2008, the determinants for vesting were 50% on relative TSR and 50% on meeting specified Group ROCE targets. The ROCE targets are a function of targeted improvement in returns on existing capital employed at the start of the performance period and targeted returns in excess of the cost of capital on new capital investment over that period. The entry-level target for any LTIP has been the actual return achieved on the capital employed, excluding capital work in progress, in the year immediately preceding the commencement of the performance period. In order to maintain the effectiveness of the plan in driving long-term performance, the actual returns in the final performance year are adjusted for movements in commodity prices, certain foreign exchange rate effects (e.g. translation windfalls), capital in progress (to reflect the fact that mines under construction absorb large amounts of capital before producing a return), relevant changes in the composition of the Group (e.g. significant acquisitions and disposals) and other one-off factors which would otherwise result in a misleading outcome.

The threshold blended target (i.e. the target on existing and new capital) for the performance period for the 2008 LTIP was 39.67% and the upper blended target 41.67%. The ROCE achieved was 51.85% and the outcome on this element of the LTIP was thus 100%. On the TSR measure, Anglo American achieved a TSR over the three-year performance period of -17% which generated a nil vesting in terms of the 2008 Sector Index Comparator Group (against a median target of -2%) and a nil vesting against the FTSE 100 (being lower than the 50th percentile). The overall vesting level for those directors with a 50% Group ROCE, 25% Sectoral TSR and 25% FTSE 100 TSR split would therefore have been 50%.

Figure 18: Directors' share options (SAYE)

Anglo American options	Beneficial holding at 1 January 2011 ⁽¹⁾	Granted	Exercised	Lapsed	Beneficial holding at 31 December 2011	Weighted average option price £	Earliest date from which exercisable	Latest expiry date
René Médori	951	636	–	–	1,587	20.98	01/09/2013	28/02/2019

⁽¹⁾ Beneficial holdings comprise SAYE options held in respect of shares by René Médori of 951 options with an option price of £17.97 and 636 options with an option price of £25.47. The market price of the Company's shares at the end of the year and the highest and lowest mid-market prices during the period are disclosed in Section 10.4. There are no performance conditions attached to these options.

Figure 19: Defined contribution pension schemes

	Normal contributions ⁽²⁾⁽³⁾	
	2011 £000	2010 £000
Cynthia Carroll ⁽¹⁾	351	338
René Médori	221	212

⁽¹⁾ The contributions payable into pension arrangements for Cynthia Carroll amounted in 2011 to £343,000 (2010: £199,000), the balance, in both years, being payable in the form of a cash allowance to an equivalent cost to the employer. The cost of this allowance is included in the pension figures above. The allowance does not form part of basic salary disclosed in the directors' emoluments table on page 112 nor is it included in determining awards under the BSP. In addition, supplementary contributions of £74,000 were paid, or treated as paid, into a defined contribution pension scheme as compensation for costs incurred as a result of the Company's implementation of the transition to new pension arrangements to reflect changes in pensions regulation.

⁽²⁾ Cynthia Carroll and René Médori contractually agreed with AAS that supplementary pension contributions should be made into their respective defined-contribution pension arrangements in return for reductions in their future basic salaries; these supplementary contributions of £340,000 (2010: £187,000) and £611,000 (2010: £450,000) respectively, are included in the 'Total basic salary' amounts disclosed in the executive directors' emoluments table on page 112. In addition, Cynthia Carroll and René Médori contractually agreed with AAS that supplementary pension contributions should be made into their respective defined-contribution pension arrangements in return for reductions in the cash elements payable under the BSP for performance in 2010; these supplementary contributions of £411,000 (2010: £nil) and £253,000 (2010: £nil) respectively are included in the 'Annual performance bonus – cash element' amounts for 2010 disclosed in the executive directors' emoluments table on page 112.

⁽³⁾ Cynthia Carroll and René Médori contractually agreed with AAS that supplementary pension contributions should be made into their respective defined-contribution pension arrangements in return for surrendering the potential right to receive shares, pursuant to an award granted in 2008 under the Long Term Incentive Plan; these supplementary contributions amounted to £1,095,000 (2010: £nil) and £689,000 (2010: £nil) respectively and reflected the notional value of the shares at the date of vesting plus the notional value of dividends that would have accrued on the notional net number of shares between the date of vesting and when the contributions were paid.

Figure 20: Shares in Anglo American plc

As at 31 December 2011 and 1 January 2012

Directors	Beneficial					Conditional
	SIP	LTIP	BSP Bonus Shares	BSP Enhancement Shares	Other	
Cynthia Carroll	65,315	786	337,992	114,673	125,747	–
René Médori ⁽¹⁾	54,444	785	200,999	72,710	80,102	–
Sir John Parker ⁽²⁾	26,909	–	–	–	–	38,552
David Challen	1,820	–	–	–	–	–
Sir CK Chow	5,500	–	–	–	–	–
Sir Philip Hampton	2,085	–	–	–	–	–
Phuthuma Nhleko ⁽³⁾	0	–	–	–	–	–
Ray O'Rourke ⁽⁴⁾	76,965	–	–	–	–	–
Mamphela Ramphela	4,788	–	–	–	–	–
Jack Thompson ⁽⁴⁾	6,100	–	–	–	–	–
Peter Woicke ⁽⁴⁾	17,677	–	–	–	–	–

Footnotes are below Figure 22.

Figure 21: Shares in Anglo American plc

As at 1 January 2011 (or, if later, date of appointment)

Directors	Beneficial					Conditional
	SIP	LTIP	BSP Bonus Shares	BSP Enhancement Shares	Other	
Cynthia Carroll	51,787	707	276,969	89,661	113,979	–
René Médori ⁽¹⁾	89,811	706	174,083	57,575	73,191	–
Sir John Parker ⁽²⁾	11,655	–	–	–	–	31,000
David Challen	1,820	–	–	–	–	–
Sir CK Chow	5,500	–	–	–	–	–
Sir Philip Hampton	1,200	–	–	–	–	–
Phuthuma Nhleko ⁽³⁾	0	–	–	–	–	–
Ray O'Rourke ⁽⁴⁾	34,500	–	–	–	–	–
Mamphela Ramphela	3,520	–	–	–	–	–
Jack Thompson ⁽⁴⁾	5,000	–	–	–	–	–
Peter Woicke ⁽⁴⁾	10,177	–	–	–	–	–

Footnotes are below Figure 22.

Figure 22: Shares in Anglo American plc

As at 16 February 2012

Directors	Beneficial			Conditional		
		SIP	LTIP	BSP Bonus Shares	BSP Enhancement Shares	Other
Cynthia Carroll	65,341	778	337,992	114,673	125,747	–
René Médori ⁽¹⁾	54,471	778	200,999	72,710	80,102	–
Sir John Parker ⁽²⁾	26,909	–	–	–	–	38,552
David Challen	1,820	–	–	–	–	–
Sir CK Chow	5,500	–	–	–	–	–
Sir Philip Hampton	2,331	–	–	–	–	–
Phuthuma Nhleko ⁽³⁾	597	–	–	–	–	–
Ray O'Rourke ⁽⁴⁾	76,965	–	–	–	–	–
Mamphela Ramphela	5,386	–	–	–	–	–
Jack Thompson ⁽⁴⁾	6,100	–	–	–	–	–
Peter Woicke ⁽⁴⁾	17,677	–	–	–	–	–

⁽¹⁾ René Médori's beneficial interest in 53,946 of the shares held at the date of this report arises as a result of his wife's interest in these shares.

⁽²⁾ Following his appointment as chairman of the Company on 1 August 2009, Sir John Parker was awarded 31,000 ordinary shares in the Company which will be released in full on the third anniversary of his appointment, subject to his continued chairmanship. As set out in last year's report, Sir John Parker was awarded a further 7,552 shares in the Company on 28 February 2011, which will be released in full on the third anniversary of the award date, subject to his continued chairmanship.

⁽³⁾ Phuthuma Nhleko was appointed to the Board on 9 March 2011, although he was prevented from acquiring shares for most of 2011 due to various restricted periods in the year.

⁽⁴⁾ Included in the interests of Messrs O'Rourke, Thompson and Woicke are un-sponsored ADRs representing 0.5 ordinary shares of \$0.54945 each.

10.6.4 Excess retirement benefits

No person who served as a director of the Company during or before 2011 has been paid or received retirement benefits in excess of the retirement benefits to which he/she was entitled on the date on which benefits first became payable (or 31 March 1997, whichever is later).

11. SUMS PAID TO THIRD PARTIES IN RESPECT OF A DIRECTOR'S SERVICES

No consideration was paid to or became receivable by third parties for making available the services of any person as a director of the Company, or while a director of the Company, as a director of any of the Company's subsidiary undertakings, or as a director of any other undertaking of which he/she was (while a director of the Company) a director by virtue of the Company's nomination, or otherwise in connection with the management of the Company or any undertaking during the year to 31 December 2011.

12. DIRECTORS' SHARE INTERESTS

The interests of directors who held office during the period 1 January 2011 to 31 December 2011 in Ordinary Shares (Shares) of the Company and its subsidiaries were as shown in Figures 20 and 21.

Figure 22 outlines the changes in the above interests which occurred between 1 January 2012 and the date of this report.

APPROVAL

This directors' remuneration report has been approved by the Board of directors of Anglo American plc.

Signed on behalf of the Board of directors.



Sir Philip Hampton
Chairman, Remuneration Committee

16 February 2012