

Corporate governance

The company is committed to high standards of corporate governance throughout the group and is required to comply with the Code of Corporate Practice and Conduct, as set out in the King Report on Corporate Governance.

With effect from 1 January 2000, the company implemented the Turnbull Report on Internal Control: Guidance for Directors on the "Combined Code". The Combined Code published in the United Kingdom in June 1998, and containing Principles of Good Corporate Governance and Code of Best Practice, consolidated the guidelines and codes developed over the last few years by the Cadbury, Greenbury and Hempel Committees in the United Kingdom.

The board is accountable to the company's shareholders for good governance and the information and statements below describe how the principles identified in the King and Turnbull Reports are applied by the company.

Statement of compliance

The board believes, based on the information below, that, other than as indicated, the company has complied, throughout the accounting period, with the principles of the abovementioned reports.

The principal corporate governance procedures are summarised as follows:

Board and committee structure

The company has a unitary board structure comprising 12 non-executive directors, five of whom are directors of AngloGold's ultimate holding company, Anglo American plc, namely Dr J W Campbell and Messrs M W King, N F Oppenheimer, J Ogilvie Thompson and A J Trahar; the seven remaining, being Mrs E le R Bradley, Dr V K Fung and Messrs F B Arisman, C B Brayshaw, R P Edey, T J Motlatsi and D M J Ncube, are all independent of management and free from any business or relationship which could materially interfere with the exercise of their independent judgement. Non-executive directors derive no benefits from the company for their services as directors other than their fee. The non-executive directors are of a high calibre and sufficient number for their independent views to carry significant weight in the board's deliberations and decisions.

The three executive directors are Mr J G Best, finance, Mr K H Williams, marketing, and the chief executive officer, Mr R M Godsell, who was appointed chairman of the board on 11 December 2000, in succession to Mr N F Oppenheimer who resigned owing to his numerous other corporate responsibilities. Any governance concerns arising out of the combined role of chairman and chief executive officer are sufficiently mitigated by a strong and independent element on the board, and the presence on the board of an independent deputy chairman, Mr R P Edey, who was appointed on 11 December 2000. The board will, however, keep the position of the combined role under review. No executive directors hold service contracts.

All directors are subject to retirement by rotation and re-election by shareholders at least once every three years in accordance with the company's Articles of Association. In addition, all directors are subject to re-election by shareholders at the first annual general meeting following their appointment. The appointment of new directors is approved by the board as a whole.

The board retains full and effective control over the group, meeting five times a year with additional meetings being arranged when necessary, to review strategy, planning, operational and financial performance, acquisitions and disposals, major capital expenditure, stakeholder communications and other material matters reserved for its decision. The board is also responsible for monitoring the activities of executive management within the group. Board meetings are held on four occasions during the year in Johannesburg and once in London. Where a director is not able to attend a board meeting personally, telephonic or video conference facilities are made available to include them in relevant proceedings and permit participation in decisions and conclusions reached.

The directors have access to the advice and services of a managing secretary, as well as a company secretary, who are both responsible to the board for ensuring compliance with procedures and regulations of a statutory nature. Directors are entitled to seek independent professional advice concerning the affairs of the group at the group's expense, should they believe that course of action would be in the best interest of the group.

The board has established a number of standing committees in which, with the exception of the Executive Committee, the non-executive directors play an active role, particularly in the capacity as chairman of the committee concerned. All standing committees operate within written terms of references established by the board. Minutes of the meetings of all standing committees are circulated to members of the board. Remuneration of non-executive directors for their services on the various committees has been determined by the board.

Executive Committee

The Executive Committee of the board comprises the three executive directors, namely the chief executive officer as chairman of the committee, the marketing director and the finance director, as well as ten executive officers. The committee meets regularly to review current operations in detail, develop strategy and policy proposals for consideration by the board and to implement its directives.

The names of the members of the committee appear on page 40.

Audit Committee

C B Brayshaw (Chairman)
Mrs E le R Bradley

R P Edey
R P Garnett

To assist the board in discharging its responsibilities to maintain financial controls, the Audit Committee meets five times a year with the external audit partner, the group's internal audit manager and the finance director to review the audit plans of the internal and external auditors, to ascertain the extent to which the scope of the audit can be relied upon to detect weaknesses in internal controls and to review the half-yearly results, the audited preliminary announcement of the annual results and the annual financial statements prior to approval by the board.

Corporate governance (continued)

The committee comprises four non-executive directors. The group's internal audit manager and the external audit partner have unrestricted access to the chairman of the committee and, where necessary, to the chairman of the board and chief executive officer. All important findings arising from audit procedures are brought to the attention of the committee and, if necessary, to the board.

Employment Equity Committee

T J Motlatsi (Chairman)	R M Godsell
F B Arisman	W A Nairn

The company is committed to promoting an organisational culture which provides all employees with opportunities to progress to their optimal levels of career development. To ensure that the company achieves its employment equity objectives and the proper implementation of its strategies, the Employment Equity Committee, comprising the chief executive officer and three non-executive directors, meets four times a year.

Investment Committee

R P Edey (Chairman)	Dr J W Campbell
J G Best	M W King
Mrs E le R Bradley	K H Williams

The board has established an Investment Committee for the purpose of assessing capital projects and ensuring that investments, disinvestments and financing proposals are in accordance with the company's primary objective of creating wealth for its shareholders on a sustainable long-term basis. This committee, which meets as and when required, is composed of the finance and marketing directors and four non-executive directors.

Market Development Committee

Dr V K Fung (Chairman)	R M Godsell
F B Arisman	T J Motlatsi
Mrs E le R Bradley	K H Williams

The primary objective of the Market Development Committee is to extend the influence of the company, as the world's largest gold company, in the development of a broader gold business both nationally and internationally. This committee, which meets three times a year, is composed of the chief executive officer, the marketing director and four non-executive directors.

Remuneration Committee

R P Edey (Chairman)	J Ogilvie Thompson
D M J Ncube	N F Oppenheimer

The Remuneration Committee is primarily responsible for approving the remuneration policies of the company and the terms and conditions of employment of executive directors and officers, including the determination of salaries, performance-linked bonuses and the administration of the company's share incentive scheme. The committee, consisting of four non-executive directors, meets on an annual basis.

Safety, Health and Environment Committee

D M J Ncube (Chairman)	T J Motlatsi
R M Godsell	W A Nairn

The company attaches great importance to the safety and health of its employees and to the environment at large. One of the prime objectives of this committee is the elimination of all accidents of a mining nature. The committee conducts on-site inspections in regard to matters of serious concern.

Through a comprehensive environmental policy, the committee assesses the impact that the company's operations might have on the environment.

The committee, which meets on a quarterly basis, comprises the chief executive officer and three non-executive directors.

Annual financial statements

The directors are required by the South African Companies Act, 1973, to maintain adequate accounting records and to prepare annual financial statements which fairly present the state of affairs of the company and the AngloGold group at the end of the financial year, and the results of operations and cash flows for the year, in conformity with generally accepted accounting practice.

In preparing the annual financial statements reflected in both South African rands and United States dollars on pages 43 to 99, the group has complied with South African Statements of Generally Accepted Accounting Practice and International Accounting Standards and has used appropriate accounting policies supported by reasonable and prudent judgements and estimates. The directors are of the opinion that these financial statements fairly present the financial position of the company and the group at 31 December 2000, and the results of their operations and cash flow information for the year then ended.

The directors have reviewed the group's budget and cash flow forecast for the year to 31 December 2001. On the basis of this review, and in the light of the current financial position and existing borrowing facilities, the directors are satisfied that AngloGold is a going concern and have continued to adopt the going-concern basis in preparing the financial statements.

The external auditors, Ernst & Young, are responsible for independently auditing and reporting on the financial statements in conformity with South African Auditing Standards. Their unqualified report on these financial statements appears on page 42.

As part of its listing on the New York Stock Exchange (NYSE), the company is registered with the United States Securities and Exchange Commission (SEC). To comply with requirements for reporting by non-US companies registered with the SEC, the company is preparing a set of

financial statements in accordance with US Generally Accepted Accounting Principles which will be available from The Bank of New York to holders of the company's securities listed in the form of American Depositary Shares on the NYSE. Copies of these particular financial statements will also be available to stakeholders and other interested parties upon request to the company's corporate office and its office in New York.

Risk management and internal control

The board is responsible for the total risk management process within the group. Management is accountable to the board and has established a groupwide system of internal control to manage significant group risks. This system supports the board in discharging its responsibility for ensuring that the wide range of risks, associated with the group's international operations, are effectively managed in support of the creation and preservation of shareholder wealth.

The management of risk encompasses all significant business risks, including operational risk, which could undermine the achievement of business objectives. The board has approved the level of acceptable risk and required that operations manage and report in terms thereof. Issues and circumstances, which could give rise to material adverse reputational considerations, are also considered to be unacceptable risk.

There is clear accountability for risk management. The requisite risk and control capability is assured through board control and appropriate management selection and skills development. Managers are supported in giving effect to their risk responsibilities through sound policies and guidelines on control management. Continual monitoring of risk and control processes, across significant risk areas, provides the basis for regular and exception reporting to the audit and executive committees.

For key risk areas, group risk owners have been appointed and board policies issued. The risk assessment and reporting criteria are designed to provide the board with a consistent, groupwide perspective of the key risks. The system of internal control, which is embedded in all key operations, provides reasonable assurance rather than absolute assurance that the group's business objectives will be achieved within the risk tolerance levels defined by the board.

Regular management reports, which provide a balanced assessment of key risks, is an important component of board assurance. Additional sources include assertions by divisional heads as well as board committees established to focus on specific risks such as safety, health and environment and capital investment. The board also receives assurance from the Audit Committee which derives its information, in part, from regular internal and external audit reports throughout the group on risk and internal control.

The company seeks to have a sound system of internal control, based on the group's policies and guidelines, in all material associates and joint ventures. Where this is not possible the directors, who are represented on the boards of these entities, seek assurance that significant risks are being managed.

In conducting its annual review of the effectiveness of risk management, the board considers the key findings from the ongoing monitoring and reporting process, management assertions and independent assurance reports. The board also takes account of material changes and trends in the risk profile and considers whether the control system, including reporting, adequately supports the board in achieving its risk management objectives.

During the course of the year the board considered the group's responsiveness to changes within its business environment and material inadequacies in systems of control. Remedial steps have been effected and the board is satisfied that there is an ongoing process, which has been operational since 1 January 2000, for identifying, evaluating and managing the significant risks faced by the group.

Relations with stakeholders

The company subscribes to a policy of open communication with its stakeholders worldwide. Shareholders and members of investment communities around the world may direct their comments and questions on issues concerning the company to the investor relations officials detailed in all reports published by the company. The company also encourages shareholders to attend its annual general meetings, which provide opportunities for shareholders to ask questions of the board, including the chairmen of the various committees of the board.

International media and investor briefings are held when the company's results are announced at quarterly intervals. The company also has a website containing up-to-date information.

Equally high value is placed on the process of internal communication to all employees at corporate office and operating units.

Worker participation

The company employs a variety of strategies and structures, which are designed to promote worker participation. These strategies and structures are further developed and adapted from time to time to meet variations in operational requirements and to accommodate changing circumstances. Management and worker representatives meet in formal and informal forums at company and operational levels to share information and to address matters of mutual interest.

Code of ethics

In view of the growth of the company's international operations, the Code of Ethics previously adopted is being revised.

All directors and employees are required to maintain the highest ethical standards in ensuring that the group's business practices are conducted in a manner which, in all reasonable circumstances, is above reproach.

In addition, the company operates a 'closed period' prior to the publication of its quarterly and year-end financial results during which period directors and officers of the company may not deal in the shares of the company. The closed period extends from the end of the quarter up to and including the day the results are released. Where appropriate, this is also extended to include other 'sensitive' periods.