

## **1.1 Matters Reserved for Anglo American plc Board (“PLC Board”) Decision**

The following matters shall be reserved for decision by the PLC Board:

### **Financial Reporting and Business Controls**

- 1.1.1 overall management of the Anglo American Group;
- 1.1.2 approval of any significant changes in accounting policies or practices;
- 1.1.3 approval of preliminary announcements of interim and final results;
- 1.1.4 approval of the annual report and accounts (including the corporate governance statement and remuneration report);
- 1.1.5 approval of the dividend policy. Declaration of interim and recommendation of final dividend;
- 1.1.6 approval of treasury policies including entry into loans to or from third parties or banking facilities in excess of US\$250 million, foreign currency exposure and use of financial derivatives (for the avoidance of doubt, loans to or from wholly owned subsidiaries of the Company may be approved by the GMC);
- 1.1.7 formulating the Company’s policy in relation to political donations;
- 1.1.8 approval of the Group’s long term objectives and commercial strategy;
- 1.1.9 approval of the annual operating and capital expenditure budgets, any material changes to them and monitoring performance against budget;
- 1.1.10 approval of any unbudgeted community investment contributions (singularly in excess of US\$1 million or in aggregate in excess of US\$5 million per annum);
- 1.1.11 approval of any material changes to the Company’s capital structure, its status as a listed company or its management and control structure;
- 1.1.12 the provision of guarantees or indemnities not in the ordinary course, or which could involve amounts in excess of US\$250 million;

### **Contracts**

- 1.1.13 approval of capital projects, acquisitions, disposals, joint ventures and other capital or operating expenditure commitments in excess of US\$250 million per transaction or programme;
- 1.1.14 unbudgeted exploration expenditure in excess of US\$25 million per programme;
- 1.1.15 unbudgeted pre-feasibility and feasibility expenditure in excess of US\$10 million per programme;
- 1.1.16 scope changes and cost overruns (meaning in excess of 10% above the approved expenditure (measured in US dollars)) to capital projects and similar transactions approved by GMC beneath the limit set out in 1.1.13 above.

### **Communication**

- 1.1.17 approval of resolutions and corresponding documentation to be put to shareholders at a general meeting;
- 1.1.18 approval of all circulars, prospectuses and listing particulars;

1.1.19 convening of meetings of shareholders of the Company;

**Statutory and administrative**

1.1.20 changes to the structure, size and composition of the PLC Board (including the Chairman and Chief Executive) and ensuring adequate succession planning;

1.1.21 appointment or removal of the Company Secretary;

1.1.22 recommendation of appointment, removal or re-appointment of external auditor;

1.1.23 constitution and terms of reference of PLC Board committees (save, for the avoidance of doubt, the constitution and terms of reference of GMC sub-committees, the Investment Committee, BU Executive committees and the Supply Chain Boards which shall be matters for the GMC);

1.1.24 receiving reports from PLC Board committees;

1.1.25 review of own performance, that of the PLC Board committees and individual directors (including a review of the directors' independence) and taking any necessary corrective action;

1.1.26 determining the remuneration policy for the Directors, Company Secretary and other senior executives;

**Internal Controls**

1.1.27 maintenance of a sound system of internal control and risk management;

**Other**

1.1.28 prosecution, defence or settlement of litigation where material and except in the ordinary course of business;

1.1.29 recommendation of any changes to the Memorandum and Articles of Association of the Company;

1.1.30 the appointment of responsible persons as may be required by applicable legislation;

1.1.31 the granting of any signing authority pursuant to the Company's Articles of Association;

1.1.32 the approval of any material amendment to the rules or management arrangements of any Company pension schemes or provident funds;

1.1.33 establishing any overseas branch or duplicate shareholder register for the Company;

1.1.34 approval of the Company's policies including in relation to:

- (i) industrial relations;
- (ii) equal opportunity employment;
- (iii) environment; and
- (iv) health and safety.

1.1.35 approval of any new, and approval of any amendments to any existing share incentive scheme as recommended by the Remuneration Committee; and

**1.1.36** any amendments to these terms of reference.

Nothing in this paragraph 1.1 shall restrict the PLC Board from delegating to any Committee in accordance with the Articles the exercise of any powers conferred on the Directors in connection with any particular transaction or matter considered by the PLC Board and in respect of which it resolves to establish such Committee for such purpose.