

ANGLOGOLD ASHANTI LTD

Form 6-K

June 08, 2007

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

Report on Form 6-K dated June 8, 2007

Commission File Number 1-14846

AngloGold Ashanti Limited

(Translation of registrant's name into English)

11 Diagonal Street

Johannesburg, 2001

(P.O. Box 62117, Marshalltown, 2107)

South Africa

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Enclosure: Press release – AngloGold Ashanti announces sale of assets from Ergo to Mintails / DRD Joint Venture

news release

AngloGold Ashanti Limited \ (Incorporated in the Republic of South Africa)

(Reg. No.1944/017354/06) \ ISIN Number: ZAE000043485

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AGA06.07

8 June 2007

ANGLOGOLD ASHANTI ANNOUNCES SALE OF ASSETS FROM ERGO TO MINTAILS/DRD JOINT VENTURE

AngloGold Ashanti Limited has sold to a consortium of Mintails South Africa (Pty) Limited / DRD South African Operations (Pty) Limited Joint Venture most of the remaining moveable and immovable assets of Ergo, the surface reclamation operation east of Johannesburg, discontinued in March 2005. The site is currently being rehabilitated by AngloGold Ashanti. The assets and associated liabilities were sold for R42,800,000. The Joint Venture will operate, for its own account, under the AngloGold Ashanti authorisations until new order mining rights have been obtained and transferred to the Joint Venture. A specific exclusion from the sale to the JV is the Brakpan Tailings Storage Facility which will continue to be rehabilitated by AngloGold Ashanti.

ENDS

Queries

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Disclaimer

Certain statements made during this presentation, including, without limitation, those concerning the economic outlook for the gold

mining industry, expectations regarding gold prices, production, cash costs and other operating results, growth prospects and the

outlook of AngloGold Ashanti's operations including the completion and commencement of commercial operations of certain of

AngloGold Ashanti's exploration and production projects, and its liquidity and capital resources and expenditure, contain certain forward-

looking statements regarding AngloGold Ashanti's operations, economic performance and financial condition.

Although AngloGold

Ashanti believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such

expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking

statements as a result of, among other factors, changes in economic and market conditions, success of business and operating

initiatives, changes in the regulatory environment and other government actions, fluctuations in gold prices and exchange rates, and

business and operational risk management. For a discussion of such factors, refer to AngloGold Ashanti's annual

report for the year ended 31 December 2006, which was distributed to shareholders on 29 March 2007. AngloGold Ashanti undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AngloGold Ashanti Limited

Date: June 8, 2007

By:

/s/ L Eatwell_____

Name: L EATWELL

Title: Company Secretary

2" COLOR="#000000"> **STOCK PERFORMANCE GRAPH**

The following graph provides a comparison of cumulative total stockholder return for the period from December 31, 1997 through December 31, 2002, among Boston Properties, the Standard & Poor's (S&P) 500 Index and the National Association of Real Estate Investment Trusts, Inc. (NAREIT) Equity REIT Total Return Index (the Equity REIT Index). The Equity REIT Index includes all tax qualified equity REITs listed on the New York Stock Exchange, the American Stock Exchange or the NASDAQ Stock Market. Equity REITs are defined as those with 75% or more of their gross invested book value of assets invested directly or indirectly in the equity ownership of real estate. Upon written request, Boston Properties will provide any stockholder with a list of the REITs included in the Equity REIT Index. The stock performance graph assumes an investment of \$100 in each of Boston Properties and the two indices, and the reinvestment of any dividends. The historical information set forth below is not necessarily indicative of future performance. Data for the Equity REIT Index and the S&P 500 Index were provided to us by NAREIT. The data shown is based on the share prices or index values, as applicable, at the end of each month shown.

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COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Philosophy of Executive Compensation

Boston Properties' executive compensation program is administered under the direction of the Compensation Committee of our Board of Directors. The current members of the Compensation Committee are Ivan G. Seidenberg (Chairman), Alan J. Patricof and Richard E. Salomon. None of the members of the Compensation Committee are employees of Boston Properties and each of them is independent for purposes of the requirements of the New York Stock Exchange. The philosophy of our executive compensation program is to:

Attract, retain and reward executives who have the motivation, experience, and skills necessary to lead Boston Properties effectively and continue our short-term and long-term profitability, growth and return to stockholders.

Create a link between the performance of our stock and executive compensation.

Base executive compensation levels on the overall financial and operational performance of Boston Properties, the regional contribution to the overall financial and operational performance and the individual contribution of the executive officer to the success of Boston Properties' financial performance.

Position executive compensation levels to be competitive with other similarly situated public companies including the real estate industry in general and real estate investment trusts, or REITs, in particular, with an emphasis on office REITs and REITs with a comparable market capitalization. During 2001, the Compensation Committee engaged an independent outside compensation consultant to review current executive compensation practices. The consultant prepared a survey of executive compensation arrangements for executives at various levels provided by a peer group of 24 REITs of similar size and makeup. The consultant's report was the basis on which the Compensation Committee has implemented our executive compensation program. Our overall philosophy is to provide total compensation to our executives at a target level around the 75th percentile for executives in comparable positions in our peer group. The Compensation Committee has annually reviewed publicly available executive compensation surveys of peer groups and the real estate industry in general in order to ensure that our executive compensation program remains comparable to executives in our peer group, as well as the real estate industry in general.

Compensation Committee Procedures

In order to implement the above policy, the Compensation Committee exercises its independent discretion in reviewing and approving the executive compensation plan as a whole, as well as specific compensation levels for each executive officer. Final aggregate compensation determinations for each fiscal year are generally made after the end of the fiscal year, after financial statements for such year become available. At that time, the Compensation Committee determines bonuses, if any, for the past year's performance, sets base salaries for the following fiscal year, and makes awards of equity-based compensation, if any. Mr. Edward H. Linde makes recommendations to the Compensation Committee with respect to the compensation of all executive officers. In addition to Mr. E. Linde's recommendation, the Compensation Committee, particularly with respect to the compensation of Mr. Mortimer B. Zuckerman, Mr. E. Linde and Mr. Douglas T. Linde, bases its decisions on the most recent publicly available compensation data for executive chairmen, chief executive officers, chief financial officers and other senior executives of comparable REITs, as well as various compensation studies and surveys, to ensure that compensation packages are in line with our peer group and the real estate industry in general. In particular, the Compensation Committee reviews the compensation (including total compensation, as well as the individual components of base salary, annual incentive and long-term incentives) awarded to senior executives by a

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comparative peer group consisting of office REITs with a comparable market capitalization and geographic presence to Boston Properties. While benchmarks and comparative market data are valuable tools to assist the

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Compensation Committee in setting reasonable and fair compensation for our Chairman, Chief Executive Officer, Chief Financial Officer and other executives, the stated philosophy of our executive compensation program is to recognize individual contributions to the performance of Boston Properties and to create a link between the performance of our stock and executive compensation.

The elements of our executive compensation package are primarily comprised of the following, with all three elements working together to satisfy the ultimate goal of enhancing stockholder value:

1. *Base Salary.* Base salaries are set for executive officers on the basis of assigned responsibilities and on an evaluation of appropriate compensation levels for such responsibilities based upon the recommendations set forth in the 2001 independent consultant report discussed above, as updated by the recently available public surveys referred to previously.

Individual base salaries are reviewed annually. The granting of salary increases within the established applicable salary range for each executive officer and the point within such range their salary will fall is based upon certain factors which include the overall financial performance of Boston Properties, the regional contribution to the overall financial performance of Boston Properties, if applicable, to such executive officer, and individual performance. Assessment of individual performance is based on previously established goals for each executive officer comprised of both subjective and objective elements. With respect to base salaries, the Compensation Committee generally intends to target base salary levels to be at approximately the 75th percentile for executives in comparable positions in comparable public real estate companies. Based on the Compensation Committee's philosophy and the factors as stated above, the Compensation Committee approved 2003 base salaries for the named executive officers as follows: Mr. Zuckerman, \$600,000; Mr. E. Linde, \$600,000; Mr. Robert E. Burke, \$395,000, Mr. Raymond A. Ritchey, \$410,000; and Mr. D. Linde, \$410,000.

2. *Cash Bonuses.* Boston Properties intends to provide annual performance awards to our executive officers in the form of cash bonuses based on favorable performance by both Boston Properties and the individual executive. The Compensation Committee intends that annual growth in funds from operations, or FFO, as measured against targets established at the beginning of each year and against the relative performance of Boston Properties in comparison to its peer group of companies, will be the principal overall performance measure that is used to determine the maximum bonus to which each executive officer will be entitled and the achievement of individual performance will be used to determine whether each executive officer will receive the maximum bonus or some lesser amount. Where appropriate for an executive officer, the Compensation Committee will factor in regional contribution to the overall performance of Boston Properties in determining the cash bonus for such executive officer. In determining cash bonuses for 2002, the Compensation Committee noted that fiscal year 2002 was a year of significant achievements, including the following:

A 13.5% actual increase in total FFO over 2001 and a per-share FFO increase from \$3.57 per share (diluted) in 2001 to \$4.05 per share (diluted) in 2002.

Continued growth through \$1.06 billion in new acquisitions, \$449 million in developments in progress and \$952 million in developments placed in service.

The successful placement of \$750 million in unsecured senior notes of the Operating Partnership, with an additional \$175 million in unsecured senior notes raised in January 2003.

The Compensation Committee intends that aggregate cash compensation (base salary plus bonus) will be at approximately the 75th percentile of cash compensation paid by comparable companies in the event that target performance is achieved. Reflecting the actual performance of Boston Properties as described above and the individual performance of each named executive officer, the Compensation Committee awarded cash

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bonuses to the named executive officers for the year ended December 31, 2002 as follows: Mr. Zuckerman, \$1,000,000; Mr. E. Linde, \$1,000,000; Mr. Burke, \$300,000; Mr. Ritchey, \$400,000; and Mr. D. Linde, \$375,000.

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3. *Equity-Based Incentive Compensation.* While recognizing that cash bonus awards provide rewards for positive short-term performance, the Compensation Committee believes that awards of equity interests provide long-term incentive compensation to executive officers that is aligned directly with the achievement of enhanced value for stockholders. Historically, the Compensation Committee has granted stock options and restricted stock annually on the basis of Boston Properties' performance and regional and individual contributions to its success. Long before the accounting treatment of stock options and corporate governance considerations led many companies to rethink their use of stock options, publicly-traded REITs questioned stock options as an attractive form of equity-based incentive compensation for this sector because of the low volatility and high dividend yield associated with REIT stocks. Accordingly, beginning in 1999 the Compensation Committee began awarding a mix of restricted stock and stock options, and in 2003 made the decision to move to restricted stock for all equity-based incentive compensation awards. Based on the Compensation Committee's review of Boston Properties' overall performance, regional performance and individual performance for 2002, on January 24, 2003, the Compensation Committee granted restricted stock to Messrs. Burke, Ritchey and D. Linde of 8,523, 17,045 and 17,045 shares, respectively. The equity-based compensation of Messrs. Zuckerman and E. Linde is discussed separately in this report. The shares of restricted stock will vest over five years, with no shares vesting in the first two years following the date of grant, 25% vesting on February 1 in the third year following the date of grant, 35% vesting on February 1 in the fourth year following the date of grant, and 40% vesting on February 1 in the fifth year following the date of grant, or upon the recipient turning 65 years old. No stock options were granted for 2002. The Compensation Committee continues to believe that restricted stock can deliver more value to our executives than options, is a better program to reward performance due to the clearer value associated with a given award, can serve as a retention tool when combined with a back-loaded five-year vesting schedule, and in general serves the interests of our stockholders better than options. We account for restricted stock awards ratably over the vesting period by recording compensation expense in an amount equal to the value of the restricted stock measured as of the time of grant.

During 2002 the Compensation Committee began evaluating a new program designed to offer executives the same long-term incentive as restricted stock, while allowing them to enjoy more favorable income tax treatment. This program was ultimately approved by the Board on March 4, 2003 as the Boston Properties Long Term Incentive Plan or LTIP. The LTIP uses a new class of partnership interests in the Operating Partnership, called LTIP units. Grants of LTIP units will constitute Other Stock-Based Awards coupled with Dividend Equivalent Rights under the 1997 Stock Plan. Each LTIP unit awarded will be deemed equivalent to an award of one share of our common stock reserved under the 1997 Stock Plan, reducing availability for other equity awards on a one-for-one basis. Beginning with equity-based compensation awards for 2003 performance (expected to be made in early 2004), all officers, employees and non-employee directors of Boston Properties eligible to receive awards under the 1997 Stock Plan are also eligible to participate in the LTIP, and the general terms of the 1997 Stock Plan apply to the program.

Under the LTIP, vesting is expected to be the same as under our current restricted stock program, subject to the Compensation Committee's discretion to make changes in the future as permitted by the 1997 Stock Plan. LTIP units, whether vested or not, will receive the same quarterly per unit distributions as common units of the Operating Partnership, which equal per share dividends on our common stock. This treatment with respect to quarterly distributions is similar to the current treatment of restricted stock, which receives full dividends, whether vested or not. Initially, LTIP units will not have full parity with common units with respect to liquidating distributions. Upon the occurrence of specified events LTIP units will over time achieve full parity with common units of the Operating Partnership for all purposes, and therefore accrete to an economic value for executives equivalent to our common stock on a one-for-one basis. If such parity is reached, vested LTIP units may be converted into an equal number of common units at any time, and thereafter enjoy all the rights of common units. However, there are circumstances under which such parity would not be reached. Until and unless such parity is reached, the value that an executive will realize for a given number of vested LTIP units will be less than the value of an equal number of shares of our common stock.

The LTIP was established under the 1997 Stock Plan as an alternative to our current restricted stock program. Its establishment required neither an amendment to the plan nor an increase in the number of shares of

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common stock reserved under the plan. One key disadvantage of restricted stock is that executives are generally taxed on the full market value of a grant at the time of vesting, even if they choose to hold the stock; as a result executives often need to sell a portion of their vested shares every year to pay taxes on their restricted stock awards from prior years. This tax treatment therefore may limit an executive's ability to increase his or her ownership in Boston Properties over the long term. Conversely under the LTIP, an executive would generally be taxed only when he or she chooses to liquidate his or her LTIP units, rather than at the time of vesting. Therefore, an executive who wishes to hold his or her equity awards for the long term could do so more efficiently under the LTIP and ultimately enjoy a significantly greater after-tax return when he or she chooses to sell. The Compensation Committee conditioned its approval of the LTIP upon receipt of a ruling from the Internal Revenue Service with respect to the federal income tax treatment of the LTIP. Boston Properties' request for a private letter ruling was approved by the IRS on February 21, 2003. On March 4, 2003, the Compensation Committee recommended the LTIP for approval to the entire Board, and the Board approved it.

The Compensation Committee believes that the LTIP will (1) serve the objectives of Boston Properties by increasing the after-tax value of a given award of equity interests, and therefore enhance our equity-based compensation package for executives as a whole, (2) advance the separate goal of promoting long-term equity ownership in Boston Properties by executives (see *Stock Ownership Requirement* below), (3) have no adverse impact on dilution, (4) not increase the economic cost to Boston Properties of equity-based compensation awards as compared with our current restricted stock program, (5) further align the interests of executives with the interests of stockholders, and (6) be accounted for consistently with our current restricted stock program to reflect the full compensation costs incurred by Boston Properties. Accordingly, beginning in 2004 we intend to offer eligible officers and employees, as well as non-employee directors the ability to elect between restricted stock and LTIP units on a one-for-one basis. This election will also be made available to a group of senior executives with respect to their recent restricted stock awards for 2002 performance, in the form of a one-time offer to tender back to us their 2003 unvested shares in exchange for a grant of an equal number of LTIP units. As part of its analysis, the Compensation Committee considered the small impact on our stockholders as a group of the loss at the corporate level of the tax deduction for compensation expense paid from a shift to LTIP units from restricted stock.

Mandatory Minimum Equity Ownership Policy for Senior Executives

The Compensation Committee has always believed that it is important to align the interests of those in senior management positions with those of our stockholders, and this belief has been reinforced by the events of the past few years across corporate America. As one concrete step to ensure such alignment, on January 16, 2003, the Compensation Committee adopted a mandatory stock ownership requirement for senior management. Under this policy, all executive vice presidents must achieve minimum equity ownership equal to three times their annual base salary and all senior vice presidents minimum equity ownership equal two times their annual base salary, and then maintain such ownership during their continuing employment. Current senior executives have until January 1, 2008 to achieve this ownership requirement, while those who may be hired or promoted to senior management positions in the future will have a five year period beginning on January 1 of the year following their appointment. Exceptions can be made for significant extenuating personal circumstances. The types of securities that will be counted toward the equity ownership requirement include shares of our common stock, units of limited partnership interest of our Operating Partnership, restricted stock and LTIP units, in each case both vested and unvested, and shares held in our stock purchase and dividend reinvestment plans. Stock options will not be counted. The Compensation Committee believes that this stock ownership requirement will send a powerful message to our stockholders and the investment community that our senior management is personally committed to the financial success of Boston Properties.

Compensation of the Chairman of the Board and the President and Chief Executive Officer

Based on the benchmarks and comparative market data discussed earlier in this report and Boston Properties' financial performance in 2002, the Compensation Committee approved a base salary for 2003 of \$600,000 for each of Mr. Zuckerman and Mr. E. Linde, an increase from their 2001 and 2002 base salary of

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\$500,000. Prior to 1999, Mr. Zuckerman received no salary and Mr. E. Linde received a base salary of \$150,000 which was significantly below competitive levels. Mr. Zuckerman and Mr. E. Linde each received cash bonuses for the fiscal year ended December 31, 2002 in the amount of \$1,000,000. They did not receive cash bonuses for the fiscal year ended December 31, 2001.

Because the Compensation Committee believes it is important to provide long-term incentive compensation that is tied directly to the creation of value for stockholders, to reward Messrs. Zuckerman and E. Linde for their past efforts, and their contribution to the performance of Boston Properties, and as incentive to continue their efforts in the future, as previously reported, each of Mr. Zuckerman and Mr. E. Linde were awarded stock options on February 2, 2001. The amount of these awards is the same as the previous stock option awards granted to Messrs. Zuckerman and E. Linde in 1998. These awards are meant to serve as three-year grants and vest in three equal annual installments beginning on the first anniversary of the date of grant. Accordingly, Mr. Zuckerman and Mr. E. Linde were not awarded additional equity-based incentive compensation for the fiscal year ended December 31, 2002.

Tax Deductibility of Compensation. Section 162(m) of the Code limits the deductibility on Boston Properties' tax return of compensation over \$1 million to any of the named executive officers unless, in general, the compensation is paid pursuant to a plan which is performance-related, non-discretionary and has been approved by our stockholders. The Compensation Committee's policy with respect to Section 162(m) is to make every reasonable effort to ensure that compensation is deductible to the extent permitted while simultaneously providing our executives with appropriate rewards for their performance. In the appropriate circumstances, however, the Compensation Committee is prepared to exceed the limit on deductibility under Section 162(m) to the extent necessary to insure executive officers are compensated in a manner consistent with Boston Properties' best interests and those of our stockholders.

Submitted by the Compensation Committee:

Ivan G. Seidenberg, Chairman

Alan J. Patricof

Richard E. Salomon

Compensation Committee Interlocks and Insider Participation

Boston Properties established a Compensation Committee consisting of Messrs. Seidenberg, Patricof and Salomon. None of them has served as an officer or employee of Boston Properties or has any other business relationship or affiliation with Boston Properties, except his service as a director. None of these persons had any relationships with Boston Properties requiring disclosure under applicable rules and regulations.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the executive officers and directors of Boston Properties, and persons who own more than ten percent of a registered class of Boston Properties' equity securities, to file reports of ownership and changes in ownership with the SEC and the New York Stock Exchange. Officers, directors and greater than ten percent beneficial owners are required by SEC regulations to furnish Boston

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Properties with copies of all Section 16(a) forms they file. To our knowledge, based solely on our review of the copies of such reports furnished to us and written representations that no other reports were required during the fiscal year ended December 31, 2002, all Section 16(a) filing requirements applicable to our executive officers, directors and greater than ten percent beneficial owners were satisfied, except that Mr. Burke, an Executive Vice President, failed to timely report a change in beneficial ownership.

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AUDIT COMMITTEE REPORT

The undersigned members of the Audit Committee of the Board of Directors of Boston Properties submit this report in connection with the committee's review of the financial reports for the fiscal year ended December 31, 2002 as follows:

1. The Audit Committee has reviewed and discussed with management the audited financial statements for Boston Properties for the fiscal year ended December 31, 2002 and the related disclosure controls and procedures.
2. The Audit Committee has discussed with representatives of PricewaterhouseCoopers LLP the matters which are required to be discussed with them under the provisions of SAS 61. That Statement of Accounting Standards requires the auditors to ensure that the Audit Committee received information regarding the scope and results of the audit.
3. The Audit Committee has discussed with PricewaterhouseCoopers LLP the auditors' independence from management and Boston Properties including the written disclosures and the letter from the independent auditors required by the Independence Standards Board, Standard No. 1. In addition, the Audit Committee considered whether the provision of certain non-audit services by PricewaterhouseCoopers LLP is compatible with maintaining its independence and pre-approved certain non-audit services to be performed by PricewaterhouseCoopers LLP during 2003.
4. The Audit Committee received a report from the Disclosure Committee, established by Boston Properties to comply with the requirements of the Sarbanes-Oxley Act of 2002, with respect to the Disclosure Committee's review process for our annual report on Form 10-K and the results of such review.

In reliance on the reviews, discussions and report referred to above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Boston Properties Annual Report on Form 10-K for the fiscal year ended December 31, 2002 for filing with the SEC.

The Audit Committee operates pursuant to a charter that was re-approved by our Board of Directors on February 22, 2002. Pursuant to the requirements of the Sarbanes-Oxley Act of 2002, the New York Stock Exchange is in the process of formulating new rules regarding the role and responsibilities of public company audit committees. Members of our management team have apprised the Audit Committee of legal developments and Boston Properties' enhanced policies and procedures in response thereto, particularly with respect to disclosure controls and procedures. The Audit Committee is monitoring this process and intends to amend its charter in conformity with the requirements of the new rules once they are finalized and effective.

Submitted by the Audit Committee:

Alan J. Patricof, Chairman

Richard E. Salomon

Ivan G. Seidenberg

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PricewaterhouseCoopers LLP served as our independent accountants for the fiscal year ended December 31, 2002 and has reported on our 2002 consolidated financial statements. Aggregate fees for professional services rendered by PricewaterhouseCoopers LLP for the years ended December 31, 2002 and 2001 were as follows:

	<u>2002</u>	<u>2001</u>
Audit Fees		
Recurring audit(1)	\$ 305,000	\$ 276,000
Comfort letters, consents, Rule 3-14 audits (property acquisitions) and assistance with documents filed with the SEC	272,081	93,150
Subtotal	577,081	369,150
Audit Related Services		
Audits required by lenders, joint venture agreements, tenants and employee benefit plan requirements	295,305	268,850
Accounting assistance for new accounting standards and potential transactions	104,675	278,047
Subtotal	399,980	546,897
Income Tax Compliance and Related Tax Services		
Recurring tax compliance(2)	83,525	129,850
Tax planning and research	185,945	140,625
REIT and other compliance matters	85,795	43,950
Tax assistance for potential transactions	67,120	152,750
Sales and use tax examinations	28,280	88,850
Subtotal	450,665	556,025
All Other Fees	23,802	
Total	\$ 1,451,528	\$ 1,472,072

(1) Includes annual audit of the Company's financial statements on Form 10-K and interim reviews of the Company's financial statements on Form 10-Q.

(2) Includes income tax compliance for the Company and affiliated entities for the tax years ended December 31, 2002 and 2001, respectively.

Financial Information Systems Design and Implementation Fees

During the years ended December 31, 2002 and 2001, PricewaterhouseCoopers LLP rendered no professional services to Boston Properties in connection with the design and implementation of financial information systems.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On June 30, 1998, we acquired from entities controlled by Mr. Alan B. Landis a portfolio of properties known as the Carnegie Center Portfolio and Tower Center One and related operations and development rights (collectively, the Carnegie Center Portfolio) and Mr. Landis became a director of Boston Properties. In connection with the acquisition of the Carnegie Center Portfolio, the Operating Partnership entered into a development agreement with affiliates of Mr. Landis providing for up to approximately 2,000,000 square feet of development in or adjacent to the Carnegie Center office complex. One affiliate of Mr. Landis is entitled to a purchase price for each parcel developed under the development agreement calculated on the basis of \$20 per rentable square foot of property developed. Another affiliate of Mr. Landis could earn a contingent payment for each developed property that achieves a stabilized return in excess of a target annual return ranging between 10.5% and 11%. The development agreement also provides that upon negotiated terms and conditions, we and Mr. Landis would form a development company to provide development services for these development projects and would share the expenses and profits, if any, of this new company.

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A joint venture in which we have a 50% interest as of December 31, 2002, paid aggregate leasing commissions in 2002 of approximately \$600,000 to a firm controlled by Mr. Raymond A. Ritchey's brother. Mr. Ritchey is an Executive Vice President of Boston Properties. The terms of the related agreement are at least as favorable to us as arrangements with other brokers in comparable markets.

Mr. Martin Turchin, a director of Boston Properties, is a non-executive/non-director Vice Chairman of Insignia/ESG, Inc. Through an arrangement with Insignia that has been in place since 1985, Turchin & Associates, an affiliate of Mr. Turchin, participates in brokerage activities for which Insignia is retained as leasing agent, some of which involve leases for space within buildings owned by us. During the period from the date Mr. Turchin became a member of our Board of Directors in 1997 through December 31, 2002, Turchin & Associates has advised us that it has received an aggregate of \$2.3 million from Insignia attributable to properties owned by us. Of this amount, \$0.7 million (or approximately 30%) is in conjunction with funds we owed to Insignia related to the acquisition of 280 Park Avenue. The total amount that was paid to Turchin & Associates, excluding amounts paid related to obligations assumed in connection with the acquisition of 280 Park Avenue, represents approximately 4.83% of the total amount we have paid to Insignia since the date Mr. Turchin became a director of Boston Properties in 1997. Pursuant to its arrangement with Insignia, Turchin & Associates has confirmed to us that it is paid on the same basis with respect to properties owned by us as it is with respect to properties owned by other clients of Insignia. Mr. Turchin does not participate in any discussions or other activities relating to our contractual arrangements with Insignia either in his capacity as a member of our Board of Directors or as a Vice Chairman of Insignia.

Mr. David A. Twardock, a nominee for director, is the President and Chief Executive Officer of Prudential Mortgage Capital Company, LLC, an affiliate of Prudential Financial, Inc. (collectively, Prudential). Prudential is one of our lenders and we have obtained financing from them on customary terms and conditions comparable with transactions involving other lenders. The total principal amount of loans from Prudential represented less than 2.5% of our total debt as of December 31, 2002. Prudential is also a tenant at various buildings that we own, but such leases in the aggregate represent less than one percent (approximately 0.35%) of our total in-service rentable square feet of office space. The leases are on customary conditions and terms comparable with transactions involving other lessees. On July 9, 2002, at the request of certain security holders, we offered Prudential, and all other holders of our Series A preferred stock and Series Two and Series Three preferred units (collectively, the Preferred Securities) the opportunity to convert such Preferred Securities in advance of December 31, 2002, the date on which our Preferred Securities would otherwise have become convertible. Prudential took part in this early conversion relating to its 2,000,000 shares of Series A preferred stock, which constitutes all of the Series A preferred stock outstanding, and its 167,394 Series Three preferred units. In connection with the conversion of the Series A preferred stock, Prudential received 2,624,671 shares of our common stock and in connection with the conversion of the Series Three preferred units, Prudential received 219,676 common units of the Operating Partnership.

We paid Applied Printing Technologies, a printing company affiliated with Mr. Mortimer B. Zuckerman, Chairman of our Board of Directors, approximately \$80,000 for printing services provided in 2002, principally relating to the printing of our annual report to stockholders. The selection of Applied Printing Technologies as the printer for our annual report to stockholders was made through a bidding process open to multiple printing companies. Mr. Zuckerman has substantial business interests and relationships outside of his interest in Boston Properties, and such relationships are occasionally with entities that have business relationships or engage in commercial transactions in the ordinary course of business directly with Boston Properties. Mr. Zuckerman may have an indirect interest in such transactions by reason of his position or relationship with one or more of these parties.

In the six-month period ending March 25, 2003, we completed six sales of assets using Internal Revenue Code Section 1031's Like Kind Exchange (LKE) technique. The acquisition of 399 Park Avenue on September 25, 2002 for cash consideration of \$1.06 billion presented Boston Properties with a unique opportunity; it allowed us to use it as a replacement property for asset sales aggregating up to \$1.06 billion and to potentially sell assets which were encumbered by no sale clauses or other types of contractual tax protection

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for former owners of specific assets. In September, the Company publicly announced that it intended to strategically sell several assets and to use the net sale proceeds to retire the interim financing on 399 Park Avenue so as not to increase our balance sheet leverage on a *pro forma* basis. 399 Park Avenue was purchased pursuant to a Section 1031 LKE to facilitate the execution of this strategy. A number of potential sale properties were identified. Within the six-month statutory period, we sold six assets totaling approximately \$895 million: 875 Third Avenue (New York), One and Two Independence Square (D.C.), 2391 West Winston Avenue (California), a land parcel at New Dominion Technology Park (Virginia), Candler Building (Maryland), and 2300 N Street, (D.C.). There were no federal or state income tax consequences from these sales because of our reliance on the LKE structure, which allowed us to maximize the amount of net proceeds we could use to reduce debt. Persons who had formerly owned interests in the sale properties before their original acquisition by the Operating Partnership, including Mortimer B. Zuckerman, Edward H. Linde, Raymond A. Ritchey, Robert E. Burke and other owners of partnership units of the Operating Partnership, also deferred recognition of taxable gain as a result of our use of the LKE structure. In the case of 875 Third Avenue, One and Two Independence Square and 2300 N Street we could not have sold the assets other than through an LKE because each property was encumbered by a no sale clause as part of its original acquisition by the Operating Partnership, and taxable sales would have triggered contract damages or required third party consents. 2391 West Winton Avenue did not have any restrictions on sale; however, if we had sold it in a taxable sale, there would have been adverse tax consequences to both Boston Properties and Mr. Zuckerman as the former owner. The independent members of Boston Properties Board of Directors determined that it was in the best interests of Boston Properties to effect the sale as an LKE. The Candler Building was sold using the LKE structure to avoid adverse federal tax consequences to Boston Properties emanating from the way we acquired this asset and no third parties benefited from the LKE structure. The benefits of an LKE for the sale of the Virginia property also inured to us only. As discussed above, some of our executive officers are among the prior owners of the disposed assets who derived an indirect benefit from our use of the LKE structure. If all of the assets we have sold since September 25, 2002 had been sold in taxable transactions, approximately 35% of the aggregate taxable gains recognized would have been allocated to those executive officers. No third parties, including executives, received any portion of the net proceeds from these sales.

OTHER MATTERS

Expenses of Solicitation

The cost of solicitation of proxies will be borne by Boston Properties. In an effort to have as large a representation at the annual meeting as possible, special solicitation of proxies may, in certain instances, be made personally or by telephone, telegraph or mail by one or more employees of Boston Properties. We also may reimburse brokers, banks, nominees and other fiduciaries for postage and reasonable clerical expenses of forwarding the proxy material to their principals who are beneficial owners of shares of our common stock.

Stockholder Proposals for Annual Meetings

Any stockholder proposals submitted pursuant to Exchange Act Rule 14a-8 for inclusion in Boston Properties proxy statement and form of proxy for its 2004 annual meeting must be received by Boston Properties on or before November 29, 2003 in order to be considered for inclusion in its proxy statement and form of proxy. Such proposals must also comply with the requirements as to form and substance established by the SEC if such proposals are to be included in the proxy statement and form of proxy. Any such proposal should be mailed to: Boston Properties, Inc., 111 Huntington Avenue, Suite 300, Boston, Massachusetts 02199-7610, Attn.: Secretary.

Stockholder proposals to be presented at Boston Properties 2004 annual meeting, other than stockholder proposals submitted pursuant to Exchange Act Rule 14a-8 for inclusion in Boston Properties proxy statement and form of proxy for its 2004 annual meeting, must be received in writing at our principal executive office not

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earlier than January 8, 2004, nor later than February 22, 2004, unless our 2004 annual meeting of stockholders is scheduled to take place before April 1, 2004 or after June 30, 2004. Our by-laws state that the stockholder must provide timely written notice of such nomination or proposal and supporting documentation as well as be present at such meeting, either in person or by a representative. A stockholder's notice shall be timely received by Boston Properties at its principal executive office not less than seventy-five (75) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting (the Anniversary Date); provided, however, that in the event the annual meeting is scheduled to be held on a date more than thirty (30) days before the Anniversary Date or more than sixty (60) days after the Anniversary Date, a stockholder's notice shall be timely if received by Boston Properties at its principal executive office not later than the close of business on the later of (1) the seventy-fifth (75th) day prior to the scheduled date of such annual meeting or (2) the fifteenth (15th) day following the day on which public announcement of the date of such annual meeting is first made by Boston Properties. Proxies solicited by our Board of Directors will confer discretionary voting authority with respect to these proposals, subject to SEC rules and regulations governing the exercise of this authority. Any such proposals shall be mailed to: Boston Properties, Inc., 111 Huntington Avenue, Suite 300, Boston, Massachusetts 02199-7610, Attn: Secretary.

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DETACH HERE IF YOU ARE RETURNING YOUR PROXY CARD BY MAIL

PROXY

BOSTON PROPERTIES, INC.

111 Huntington Avenue

Suite 300

Boston, Massachusetts 02199-7610

SOLICITED BY THE BOARD OF DIRECTORS

FOR THE ANNUAL MEETING OF STOCKHOLDERS

The undersigned hereby appoints Douglas T. Linde and William J. Wedge, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side, all shares of common stock of Boston Properties, Inc. held of record by the undersigned on March 12, 2003, at the Annual Meeting of Stockholders to be held on May 7, 2003 and any adjournments or postponements thereof.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED. IF NO DIRECTION IS GIVEN WITH RESPECT TO A PARTICULAR PROPOSAL, THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE BOARD OF DIRECTORS. The undersigned's vote will be cast in accordance with the proxies' discretion on such other business as may properly come before the meeting or at any adjournments or postponements thereof.

PLEASE MARK, DATE, SIGN AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

CONTINUED AND TO BE SIGNED ON REVERSE SIDE

SEE REVERSE SIDE

SEE REVERSE SIDE

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BOSTON PROPERTIES, INC.

C/O EQUISERVE TRUST COMPANY N.A.

P.O. BOX 8694

EDISON, NJ 08818-8694

Voter Control Number

Your vote is important. Please vote immediately.

Vote-by-Internet

1. Log on to the Internet and go to
<http://www.eproxyvote.com/bxp>

Vote-by-Telephone

1. Call toll free
1-877-PRX-VOTE (1-877-779-8683)

OR

2. Enter your Voter Control Number listed
above and follow the easy steps outlined
on the secured website.

2. Enter your Voter Control Number listed
above and follow the easy recorded
instructions.

If you vote over the Internet or by telephone, please do not mail your card.

DETACH HERE IF YOU ARE RETURNING YOUR PROXY CARD BY MAIL

ZBPR21

Please mark

x votes as in

this example.

The Board of Directors recommends a vote FOR all the nominees.

The Board of Directors recommends a vote FOR Proposal 2.

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1. Proposal to elect one Class II Director and three

Class III Directors:

Class II Nominees: (01) Lawrence S. Bacow

Class III Nominees: (02) William M. Daley

(03) Edward H. Linde and

(04) David A. Twardock

FOR " " WITHHELD

ALL FROM ALL

"

WITHHELD AS TO THE NOMINEE(S) NOTED ABOVE

2. Ratify the appointment of **FOR AGAINST ABSTAIN**

PricewaterhouseCoopers " " "

LLP as independent

accountants.

3. In their discretion, the proxies are authorized to

vote upon any other business that may properly

come before the meeting or any adjournments

or postponements thereof.

MARK HERE FOR ADDRESS CHANGE AND

NOTE AT LEFT "

Please sign exactly as name appears hereon. Joint owners should each sign. Executors, administrators, trustees, guardians or other fiduciaries should give full title as such. If signing for a corporation, please sign in full corporate name by a duly authorized officer.

Signature: _____ Date: _____ Signature: _____ Date: _____