NOTICE TO SHAREHOLDERS 2019

VALUE OVER VOLUME

WELCOME TO OUR 2019 NOTICE TO SHAREHOLDERS

OUR HEADQUARTERS ARE LOCATED IN JOHANNESBURG AND WE HAVE FIVE MINING OPERATIONS: IMPALA, ZIMPLATS, MARULA, MIMOSA AND TWO RIVERS. THE STRUCTURE OF OUR OPERATING FRAMEWORK ALLOWS FOR EACH OF OUR OPERATIONS TO ESTABLISH AND MAINTAIN CLOSE RELATIONSHIPS WITH THEIR STAKEHOLDERS WHILE OPERATING WITHIN A GROUP-WIDE APPROACH TO MANAGING THE ECONOMIC, SOCIAL AND ENVIRONMENTAL ASPECTS OF SUSTAINABILITY.

SUSTAINABLE DEVELOPMENT REPORT

- Detail on material economic, social and environmental performance
- GRI G4 core compliance
- Internal reporting guidelines in line with the UN Global Compacts
- Independent assurance report

MINERAL RESOURCE AND MINERAL RESERVE STATEMENT

- Provides updated estimates and reconciliation of Mineral Resources and Mineral Reserves
- Conforms to the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC)
- Conforms to section 12.13 of the JSE Listings Requirements
- Been signed off by the competent persons

NOTICE TO SHAREHOLDERS

- Corporate governance report
- Abridged financial report
- Audit committee report
- Social, transformation and remuneration committee report
- Notice of annual general meeting
- Proxy and comparative information

ANNUAL FINANCIAL STATEMENTS

These annual financial statements were prepared according to International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act, No 71 of 2008, the Listings Requirements of the JSE Limited and the recommendations of King IV™*.

ONLINE

- Direct access to all our reports
- Our website has detailed investor, sustainability and business information

@impalaplatinum.com

http://www.youtube.com/implats

http://www.linkedin.com/company/impalaplatinum limited

IMPALA PLATINUM HOLDINGS LIMITED (IMPLATS, GROUP OR COMPANY) IS ONE OF THE WORLD'S FOREMOST PRODUCERS OF PLATINUM AND ASSOCIATED PLATINUM GROUP METALS (PGMS). IMPLATS IS CURRENTLY STRUCTURED AROUND FIVE MAIN OPERATIONS WITH A TOTAL OF 20 UNDERGROUND SHAFTS. OUR OPERATIONS ARE LOCATED WITHIN THE BUSHVELD COMPLEX IN SOUTH AFRICA AND THE GREAT DYKE IN ZIMBABWE, THE TWO MOST SIGNIFICANT PGM-BEARING ORE BODIES IN THE WORLD.

CONTENTS

CHAIRMAN'S STATEMENT – GOVERNANCE

The board of Impala Platinum continuously strives to ensure that the Company maintains the highest standards of good governance. In the conduct of its business, the board seeks to promote quality decision making, and to oversee the execution of its decisions within a disciplined framework of policies, procedures and authorities.

Good governance exists in an environment where roles and responsibilities are clearly defined, forums are conducive to robust debate and performance is regularly reviewed, among others. Over the remainder of this chapter, the integrated report, as well as other supplementary reports, an assessment is provided of the Company's ongoing efforts to meet its aspirations of attaining and maintaining world-class standards of good corporate governance.

The Implats board is committed to providing effective leadership to the Group. The Implats board embraces the principles of ethical leadership in setting and implementing the Company's strategy and is guided by the principles of the King IV Code on Corporate Governance (King IV), the Companies Act, 2008, the JSE Listings Requirements and all other applicable laws, standards and codes. A compliance schedule can be found at www.implats.co.za.

To ensure we make and execute good decisions, which are transparently in the interest of Implats, its shareholders and other stakeholders, the Implats board works continuously to maintain and develop its governance framework.

The Implats board exercises independent judgement on all issues reserved for its review and approval, while simultaneously considering the needs of all stakeholders, and takes full responsibility for the management, direction and performance of the Group.

Dr Mandla SV Gantsho

STATEMENT OF COMMITMENT TO GOOD GOVERNANCE

KEY DEVELOPMENTS FOR THE YEAR

The board made several changes in the beginning of the year under review. Three new board members were appointed in Ms Kerber who was appointed as an executive director and chief financial officer and Ms Earp and Mr Speckmann both of whom are independent non-executive directors and members of the audit committee. Ms Mpho Nkeli stepped down as a member of the audit committee at the same time as the new members were being appointed. In a post year-end event, Mr Udo Lucht, submitted his resignation from the board and the Royal Bafokeng Nation nominated Ms Boitumelo Koshane to replace Mr Lucht as their representative.

Training and development

- The company secretary offers new directors an induction programme tailored to their specific requirements. During the year under review, the directors continued to familiarise them with the Company and this process includes site visits. board members requested one-on-one engagements with executives for in-depth sessions on a specific part of the business to gain a better understanding.
- At the quarterly board meetings, directors are kept abreast of all applicable legislation and regulations, changes to rules, standards and codes as well as relevant sector developments that could impact the Group and its operations.
- The board receives formal training at the end of two scheduled board meetings during the year and each committee includes training specific to the work it does.

Role of the board

The board is responsible for:

- Overseeing continuous development and approval of strategic objectives for the Group.
- Continuously reviewing management's performance in executing the approved strategy and holding management accountable for delivery.
- Ensuring that there is clear delegation of authority to enable management to executive their duties accordingly.
- Establishing a culture of ethical leadership within the Group.

Board appointment process

The board has established a formal process of appointing directors to the board. The nomination, governance and ethics committee assists the board to develop the succession plan and to implement it through a rigorous appointment process. The board succession plan ensures that the board appoints directors who have the requisite skills and experience and that diversity including race and gender is prioritised.

Board evaluation process

The board and the subcommittees undergo an effectiveness evaluation every two years on an alternating schedule. During the year under review, an external in-depth effectiveness evaluation of the board and individual board members was conducted. The results of the evaluation indicated that the board remains very effective but that there was room for improvement.

The board also assessed the directors who retire by normal rotation in terms of the memorandum of incorporation. The NGE committee assisted the board to assess the independence of the retiring directors and they were all found to be independent and value adding. The board unanimously resolved to recommended the directors who offer themselves for re-election by shareholders at the 2019 annual general meeting.

STATEMENT OF COMMITMENT TO GOOD GOVERNANCE

Roles of the chairman and CEO

The chairman is responsible for the leadership of the board, which involves exercising sound judgement based on knowledge, skills and experience. The CEO, supported by the executive committee, is responsible for the day-to-day management of the Group and the development, implementation and monitoring of the delivery of the Group's strategy. The roles and duties of the independent non-executive chairman, and the CEO are separate and clearly defined. This division of responsibilities ensures a balance of authority and power, with no individual having unrestricted decision-making powers.

Role of the company secretary

The primary role of the company secretary is to ensure that the board remains mindful of its duties and responsibilities and to assist the board to discharge such duties and responsibilities. In addition, the company secretary keeps the board informed of relevant changes in legislation and governance best practice. The company secretary is also secretary to the board committees. All directors have access to the services of the company secretary.

In compliance with the Listing Requirements of the JSE, the board hereby confirms the following:

- The company secretary has the necessary experience, expertise and competence to carry out his duties.
- The company secretary has an arm's-length relationship with the board and was not a director of the Company or any of its subsidiaries.

Board and committees

The board has delegated various duties to the appropriate sub-committees, as specified by relevant legislation, to ensure the fulfilment of their duties. In addition to the statutory committees, the board has established the health, safety environment and risk committee, the capital allocation and investment committee and the nomination, governance and ethics committee. The committees execute their mandates and make recommendations to the board through their respective chairmen. Each board committee is chaired by an independent non-executive director and the membership thereof is majority independent non-executive directors. The composition of board committees takes account of the skill requirements and the recommendations of the King Code. Additional information regarding the functions of the committees and how they executed the respective mandates is contained in the Integrated Report. The table below depicts the diversity of the board, the balance of power and the skills and experience required to deliver on the overall mandate of the board.

STATEMENT OF COMMITMENT TO GOOD GOVERNANCE

Board of directors

Independent non-executive directors
Mandla Gantsho
Peter Davey
Dawn Earp
Babalwa Ngonyama
Alastair Macfarlane
Mpho Nkeli
Sydney Mufamadi
Bernard Swanepoel
Preston Speckmann

Non-executive directors
Boitumelo Koshane

Executive directors
Nico Muller
Meroonisha Kerber
Lee-Ann Samuel

Right balance of skills and experience to make a meaningful contribution to the business of the Group

Board skills, experience and diversity

EXPERIENCE	• Public and private sector stewardship • Mining engineering, capital projects and operations • Corporate finance and Investment banking • Human resources management • Global experience • External audit and regulatory compliance • Mineral asset valuation	
SKILLS	• Strategic planning and risk management • Corporate governance • Regulatory knowledge • Capital projects and mineral asset valuations • Financial acumen • Environmental management	
TENURE	Five years and longer number of directors	7
	Three to five years number of directors	0
	Less than three years number of directors	6
DIVERSITY	Female	46%
	Historically disadvantaged	69%

Board profiles on pages 7 and 8.

STATEMENT OF COMMITMENT TO GOOD GOVERNANCE

BOARD MEETINGS AND ATTENDANCE

Frequency of meetings

The board met eight times during the financial year under review. Four of the meetings were regular scheduled board meetings, one of the meetings was used to approve business plans and adjustments to approved strategy. The board and the committees also met on an *ad hoc* basis to consider specific issues as the need arises. The status of identified strategic issues is reported and monitored at the quarterly board meetings. Non-executive directors meet both formally and informally with executive management on a regular basis.

Meeting attendance

Directors	Board*	Audit committee	Social, transformation and remuneration committee	Nomination, governance and ethics committee	Capital allocation and investment committee	HSER committee
MSV Gantsho	7/7	–	4/4	4/4	–	–
PW Davey	7/8	6/6	–	3/4	4/4	3/3
D Earp	8/8	5/5	–	–	3/3	–
M Kerber	5/5	–	–	–	2/2	–
UH Lucht$	7/7	–	–	–	4/4	–
AS Macfarlane	8/8	–	–	–	–	4/4
FS Mufamadi	5/8	–	–	2/4	–	–
NJ Muller	7/7	–	–	–	4/4	–
B Ngonyama	7/7	6/6	4/4	3/3	–	–
MEK Nkeli	8/8	–	4/4	–	–	4/4
LN Samuel	7/7	–	–	–	–	3/3
PE Speckmann	6/7	5/5	2/3	–	–	–
ZB Swanepoel	7/7	2/2	–	–	4/4	4/4

$ *Resigned 27 August 2019.*
* *Includes ad hoc meetings.*

Directors who were absent from meetings submitted a formal apology to the chairman providing reasons why they were unable to attend the meeting.

BOARD PROFILES

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mandla Gantsho 57 – Chairman
BCom (Hons), CTA, CA(SA), MSc, MPhil, PhD

Experience
Appointed in November 2010. Held senior executive positions in public and private sector organisations, including vice-president for infrastructure at the African Development Bank, CEO and MD of the Development Bank of Southern Africa. A former non-executive director of the SARB and Ithala Development Finance Corporation. Currently the chairman of Africa Rising Capital, Sasol Limited and Kumba Iron Ore.

Peter Davey 66 (British)
BSc (Hons) Mining engineering, MBA

Experience
Appointed to the board in July 2013 as an independent non-executive director. He was previously a resource analyst at various investment banks in the United Kingdom and he also has extensive production experience in the South African gold and platinum mining industry.

Dawn Earp 57
BCom, BAcc, CA(SA)

Experience
Appointed to the board in August 2018 as independent non-executive director. Ms Earp has formerly held positions as financial director at both Implats and Rand Refineries. She is a non-executive director at Transit Freight Forwarding (Pty) Ltd and a director at Moolmans, a division of Aveng Africa (Pty) Ltd.

Alastair Macfarlane 68 (British)
MSc Mining engineering

Experience
Appointed in December 2012. Extensive experience in senior and executive management positions in the mining industry, consults to many mining companies within the sector locally and internationally. Is a visiting senior lecturer at the University of the Witwatersrand.

Babalwa Ngonyama 44
BCompt (Hons), CA(SA), MBA

Experience
Appointed in November 2010. She is the founding chairman of the African Women Chartered Accountants (AWCA). She is CEO of Sinayo Securities and also serves as a non-executive director on the boards of Hollard Life Assurance Company, Clover Industries Limited, Aspen Pharmacare Holdings, and enX Group.

Mpho Nkeli 54
BSc (Environmental Studies), MBA

Experience
Appointed in April 2015. Previously director of Alexander Forbes, Vodacom SA, African Bank and Chairperson of the Commission for Employment Equity. She is currently a director of Search Partners International, she is an independent non-executive director of Life Healthcare and Sasol Limited.

Preston Speckmann 62
BCompt (Hons), CA(SA)

Experience
Appointed in August 2018. Mr Speckmann was the group finance director of MMi Holdings for a period of 16 years prior to his retirement. He also held various senior positions in Pepcor and Old Mutual as well as and audit partner at PwC.

He serves as a non-executive director on the boards of Santam and some of its subsidiary companies and Sanlam subsidiary companies.

BOARD PROFILES

Sydney Mufamadi 60
MSc and PhD (Oriental and African Studies)

Experience
Appointed in March 2015 and is chairman of Zimplats Holdings Ltd. Director of Transnet Limited (SOC), various subsidiary boards of Barclays Bank Africa Group in Mozambique and Tanzania, director of the School of Leadership at the University of Johannesburg.

Bernard Swanepoel 58
BSc (Mining Engineering) and BCom (Hons)

Experience
Appointed in March 2015. Non-executive director of African Rainbow Minerals, Eqstra Holdings Limited and Zimplats Holdings Limited.

NON-EXECUTIVE DIRECTOR

Boitumelo Koshane 40
BCom (Hons), CA(SA)

Experience
Appointed in August 2019 as a non-executive director representing Royal Bafokeng Nation (RBN). Ms Koshane serves on various boards linked to the Royal Bafokeng entities and is a non-executive director of Impala Platinum Limited.

EXECUTIVE DIRECTORS

Nico Muller 52
BSc Mining Engineering

Experience
Appointed to the board on 3 April 2017 as chief executive officer and executive director. Mr Muller has had a 28-year mining career that has exposed him to multiple commodities ranging from diamonds gold and platinum.

Lee-Ann Samuel 41
BA Psychology and Honours Political Science, UJ

Experience
Appointed to the board on 27 November, 2017. Ms Samuel has 16 years of human resources experience in financial services, mining and telecommunications; and spent three years at Telkom Media as head of people development.

Meroonisha Kerber 46
BComm, HDipAcc, CA(SA)

Experience
Appointed to the board in August 2018 as chief financial officer and executive director. Ms Kerber previously worked at Deloitte, Anglo American Platinum, where she held various senior positions and lastly, as Senior Vice-President of Finance at AngloGold Ashanti. She also served as a non-executive director Rand Mutual Assurance for eight years.

AUDIT COMMITTEE REPORT

The committee is pleased to present its report for the financial year ended 30 June 2019 which details the work done during the year under review. This report has been prepared based on the requirements of the South African Companies Act, No 71 of 2008, as amended, King IV and the JSE Listings Requirements. The audit committee assists the board in discharging its duties by monitoring the adequacy and effectiveness of the Company's controls environment. The chairman of the audit committee reports to the board on the committee's deliberations, recommendations and decisions at every board meeting. In line with best practice, the internal and external auditors have unrestricted access to the committee where they are able to raise any matter which requires the committee's attention.

COMPOSITION AND STATUS

The committee comprises four members all of whom are independent non-executive directors. Ms Dawn Earp and Mr Preston Speckmann were appointed at the beginning of the year under review. Ms Babalwa Ngonyama was interim chairman of the committee until 1 August 2018 when a new chairman was appointed. Ms Mpho Nkeli stepped down as a member of the committee on 1 August 2018. The membership has remained unchanged throughout the financial year. The committee held four scheduled meetings and two *ad hoc* meetings which were convened to attend to special business.

Members	Attendance	Appointed
Ms D Earp (Chairman)	5/5	1 August 2018
Mr PW Davey	6/6	18 February 2016
Ms B Ngonyama	6/6	1 November 2010
Mr PE Speckmann	5/5	1 August 2018

EXECUTION OF THE FUNCTION OF THE COMMITTEE

The committee has discharged all its responsibilities as contained in the charter including but not limited to reviewing accounting policies and ensuring that financial information issued to stakeholders is supported by robust internal controls and risk management processes. The overall high-level functions performed by the committee during the year were:

- Discharging its duties relating to safeguarding of the Company's assets by monitoring the proper operation of adequate and effective systems of internal controls.
- Monitored the reporting processes and the preparation of fairly presented financial statements in compliance with the applicable legal and regulatory requirements and accounting standards.
- Monitored the activities of internal auditors, ensured independence of the function and recommended the internal audit charter for board approval.
- Reviewed the independence of external auditors and monitored their activities including ensuring that the scope of their non-audit services provided did not impair their independence.
- Made recommendations regarding dividend declarations.
- Recommended the integrated report for board approval.
- Performed duties that are attributed to it by the Act, the Johannesburg Stock Exchange (JSE) and King IV.
- Received and reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment.
- Encouraged cooperation between internal and external audit during the year in line with the Company's assurance model.
- Reviewed and recommended, for adoption by the board, the financial information that is publicly disclosed, which for the year included:
  - The interim results for the six months ended 31 December 2018.
  - The annual results for the year ended 30 June 2019.
- Considered the effectiveness of internal audit, approved the five-year operational strategic internal audit plan and monitored adherence of internal audit to its annual plan. The committee also approved deviations from the annual internal audit plan.

AUDIT COMMITTEE REPORT

- Monitored initiatives implemented by the compliance function which included assurance.
- Considered the effectiveness of the information technology (IT) function and recommended IT strategy for board approval.
- Reviewed the Group tax policy.
- Recommended the appointment of external auditors for shareholder approval.

The objectives of the committee were adequately met during the year under review.

INTERNAL AUDIT

The committee approved the internal audit plan and departmental budgets and ensured that there was coverage of the Group audit universe.

The committee reviews the performance appraisals of the chief audit executive and determines the competence of the internal audit department as a whole. The chief audit executive, Ms Nonhlanhla Mgadza, has the necessary experience to fulfil this role and she has performed satisfactorily during the year under review. The committee meets with her where management is not present and she is able to raise any matter to the attention of the committee.

Ms Mgadza has unrestricted access to the members of the committee and her audit reports are circulated to the members of the committee and are reviewed quarterly in detail.

EXTERNAL AUDIT

The committee has satisfied itself, through enquiry, that the auditor of the Company is independent, as defined by the Companies Act. The committee, in consultation with executive management, agreed the audit fee for FY2019. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. The auditor performed a satisfactory audit which covered all the significant risks to the Company and submitted their report accordingly. Audit fees are disclosed in note 23 to the annual financial statements.

The independence of the external auditor is regularly reviewed. Additionally, the approval of all non-audit-related services is governed by an appropriate approval framework. During the year under review, PricewaterhouseCoopers Inc. (PwC) were appointed to conduct non-audit services and the permission of the committee was granted after the proposed fee was tested against the provision of non-audit fees policy. The services provided during the year under review were related to taxation pre-filing reviews as well as the tax treatment prior to the launch of the 2022 Convertible Bond. PwC assisted management to conduct a review of the overhead cost structure for Impala Rustenburg in line with the announced strategic review. The audit partner and his team were not involved with any of the non-audit services provided by PwC.

Meetings were held with the external auditor in the absence of management, where concerns could be raised. The auditor did not have any concerns to raise; however, the committee was informed that all disagreements with management were adequately dealt with and were brought to the committee's attention in meetings.

The audit committee, after following a comprehensive formal tender process, as well as due process as set out in paragraph 3.84(g)(iii) of the JSE Listings Requirements (LR), has recommended the appointment of Deloitte as the Company's external auditor with Mr Mandisi Mantyi as the designated lead audit partner. The appointment of Deloitte as the new external auditor will be recommended to shareholders for approval at the Annual General Meeting (AGM) scheduled for 22 October 2019. The committee has received and reviewed the Partner Suitability Pack, and is satisfied with the performance of the external auditors. PwC, the Company's current external auditor, will step down as external auditor at the conclusion of the AGM after having been auditor of the Group for 46 years.

AUDIT COMMITTEE REPORT

CHIEF FINANCIAL OFFICER REVIEW

Ms Meroonisha Kerber was appointed Group chief financial officer with effect from 1 August 2018. The committee has reviewed her qualifications and expertise and have found her to be suitably qualified and experienced to lead the finance function. Additionally, the committee has satisfied itself of the performance, qualifications and expertise of the financial accounting and the taxation departments.

ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared using appropriate accounting policies, which conform to International Financial Reporting Standards (IFRS). The committee has recommended the approval of the annual financial statements to the board. The significant matters considered by the committee included the impairment of assets and the going concern statement. The board has subsequently approved the annual financial statements.

INTERNAL FINANCIAL CONTROL (STATEMENT ON EFFECTIVENESS OF INTERNAL FINANCIAL CONTROLS)

Based on the results of the formally documented review of the Company's system of internal financial controls, which was performed by the internal audit function and external auditors, and a formal documented review of the Company's mature system of combined assurance, nothing has come to the attention of the audit committee to indicate that the internal financial controls were not operating effectively.

COMMENTS ON KEY AUDIT MATTERS, ADDRESSED BY PWC IN THIS EXTERNAL AUDITOR'S REPORT

The external auditors have reported on one key audit matter in respect of their 2019 audit, being: impairment of property, plant and equipment and investment in subsidiaries. This key audit matter related to material financial statement line items and require judgement and estimates to be applied by management. The committee assessed the methodology, assumptions and judgements applied by management in dealing with the key audit matter. Furthermore, the committee discussed the key audit matter with the external auditors to understand their related audit processes and views. Following our assessment, the committee was comfortable with the conclusions reached by management and the external auditors.

Ms Dawn Earp
Chairman of the audit committee

5 September 2019

SOCIAL, TRANSFORMATION AND REMUNERATION COMMITTEE REPORT

IMPLATS REMAINS IN A STRONG POSITION TO ENSURE SUSTAINABLE VALUE-CREATION FOR ALL OUR STAKEHOLDERS. TO DO SO WITHOUT HARM IS OUR ONGOING INTENT.

It gives me pleasure to introduce Implats' annual Sustainable Development Report, and to share some high-level reflections about our sustainability performance over the year. I encourage you to also refer to the review by my colleague, CEO Nico Muller, for his reflections on issues critical to Implats' longer-term sustainability, including the Group's progress in optimising and repositioning the Impala Rustenburg operation.

This has been a very encouraging year for Implats, with improved operational and financial results accompanied by a predominantly positive sustainability performance. Tragically, however, five employees lost their lives at our managed operations during the year. Any loss of life is unacceptable, and we remain unwavering in our commitment towards achieving and maintaining our vision of zero harm across all operations. The Group's progress this year was underpinned by maintaining our social legitimacy, ensuring appropriate investment in our employees and communities, minimising our environmental impacts, and being accountable to our stakeholders. Our ongoing efforts to build and maintain trusted relationships with all stakeholder groups have been critical in enabling us to meet our commitments, and to manage expectations and challenges.

Details on these issues are provided in the respective sections of this report, which supplements our Integrated Annual Report. I invite you to share your feedback on this report in terms of our performance and the quality of disclosure. Frank feedback from stakeholders is essential to foster greater accountability and helps us deliver more effectively on our sustainability goals.

GROWING EXPECTATIONS FOR SUSTAINABILITY DISCLOSURE

In recent years, the sustainable development agenda has been gaining ground, with investors and other stakeholders increasing their focus on environmental, social and governance issues. Implats is highly rated among its peers in demonstrating socially and environmentally responsible practices and good governance. In line with our commitment to making lasting positive contributions to the communities around our operations, we are developing our understanding of how we can optimise our contribution towards the attainment of the United Nations Sustainable Development Goals (SDGs). This work builds on our ongoing commitment to the UN Global Compact and its 10 principles.

To monitor and improve our sustainability reporting, we engaged external advisory services for a consecutive year to provide a critique on our most recent Sustainable Development Report. This 2019 report aims to address the recommendations made in the evaluation of our 2018 report, which was generally well received as demonstrating a year-on-year improvement in quality and disclosure.

VALUING OUR PASSIONATE WORKFORCE

The turnaround in our business, reflected in improved safety performances and productivity – especially at our more challenging mines, Impala Rustenburg and Marula – is driven by our people. As part of our organisational culture transformation process, we are embedding our improved approach to valuing, developing and empowering our people.

We maintain a focus on instilling organisational discipline and having the right leaders in place who understand our vision, path and strategic objectives. This year, new appointments were made to our executive committee team that not only enhance our leadership capabilities but help drive the transformation imperative. The representation of historically disadvantaged South Africans (HDSA) at this level of our organisation has improved from 25% in 2018 to 55%.

SOCIAL, TRANSFORMATION AND REMUNERATION COMMITTEE REPORT

We have also taken decisive steps to improve our approach to creating an environment conducive to gender equality and to address barriers to the employment, retention and the advancement of women. To enhance our ethical culture, we are developing a formal ethics programme to be rolled out across the Group, which will include training, awareness, monitoring and reporting.

The sustained good relations the Group enjoys with employees and their union representatives has been evident throughout the restructuring undertaken at Impala Rustenburg, as well as the wage negotiations which commenced in July 2019.

Sustaining our focus on passionate, resilient safety leadership and mining discipline is imperative to deliver on our commitment to eliminate fatalities and reduce levels of injuries and harm. Regrettably, 36 new cases were compensated for hearing loss this year. While we still use some equipment at Marula which emits noise levels above the industry 2024 milestone target limit of 107dB, the roll-out of replacement units will be completed in FY2020.

In managing the principal non-occupational health risks facing our employees – pulmonary tuberculosis (TB) and the associated human immunodeficiency virus (HIV) co-infection – we have kept levels of both under control, with improvements in most performance indicators. In promoting employee well-being, we are enhancing our financial wellness programmes, to mitigate mental health challenges associated with financial difficulties, especially over-indebtedness.

We endeavour to enable our employees to reside with their families in decent housing and within easy commuting distance of work.

We have conducted accommodation and living-out allowance surveys among our workforce at Impala Rustenburg, Marula and Impala Springs, to inform our housing strategies at the respective operations. Our primary objectives are to facilitate home ownership, and to reduce levels of employees living in backyard dwellings and informal settlements around our operations.

INVESTING IN OUR COMMUNITIES

In seeking to build and maintain our social licence to operate, we invest in socio-economic development initiatives aligned with our legislated transformation requirements. We engage proactively with community representatives and government officials at all levels to maintain constructive relationships with local stakeholders and manage expectations. This has been vital in the face of growing frustration and community activism in many of the communities neighbouring our South African operations, with escalating community demands directed at our operations, relating primarily to employment and procurement. The appointment of a dedicated Group executive for stakeholder relations this year has provided additional oversight and support in managing stakeholder issues. Notwithstanding the seven-day operational disruption at Marula this year due to community unrest, I am pleased with the progress made in improving community relations and mitigating unrest in a challenging operating environment at the mine.

Details on our collaborative efforts to address challenges, including community leadership disputes, are provided in the sustainable development report. Priorities are to secure a sustainable resolution to the ongoing disputes around the governance and distribution of the community-managed dividends from the Makgomo Chrome project, and to ensure more inclusive efforts to achieve and maintain stability around the operation.

Much of our attention this year was directed at mitigating the socio-economic impacts on our employees and communities due to the Impala restructuring process. The outcomes to date are more positive than we initially envisaged, notably the success of our job-loss avoidance measures undertaken in consultation with our employees and unions, government, and community leadership. Our improved operational performance and the positive price environment for palladium and rhodium, have supported our efforts to increase local procurement opportunities in the face of increasing demands from our local communities.

STATEMENT BY THE CHAIRPERSON OF THE SOCIAL, TRANSFORMATION AND REMUNERATION COMMITTEE

We have delivered effectively on our commitments in our social and labour plans (SLPs) at our South African operations, although Impala Rustenburg awaits a response to its request for a two-year extension of the implementation period to complete certain infrastructure projects. Ongoing Group financial constraints continue to impact our spending on social investments. Our third generation SLPs focus on supporting sustainable job creation. Our South African operations have continued to make good progress in increasing localised and preferential procurement, particularly with black-owned and black women-owned suppliers.

In Zimbabwe, amid a downturn in the socio-economic economic climate, Zimplats maintained cordial relations with its communities, ensuring uninterrupted business operations. The operation continues to deliver pleasing results through its local procurement and local enterprise development activities. In support of government's efforts to place mining at the centre of economic reform initiatives, Zimplats has initiated enterprise development and industrial linkages in underground roof support manufacturing and is developing a high-impact commercial livestock project that incorporates community involvement. This year, Zimplats also responded quickly and contributed meaningfully to relief efforts for the following national disasters: a major cholera outbreak, tropical cyclone Idai, and trapped artisanal miners.

ENVIRONMENTAL STEWARDSHIP

We have maintained a good performance across key areas of responsible environmental stewardship. All operations are now certified against ISO 14001:2015 for their environmental management systems. This year there were no major non-compliances at our operations. The number of limited impact (level 3) environmental incidents recorded continues to decrease.

The majority of energy savings have already been realised at our operations. Additional efficiency improvement initiatives will require substantial capital. Water use remains a critical priority and we continue to exceed our target of ensuring that 40% of the water used is recycled water.

All operations are sensitive to the amount of waste they generate. To this end, we recycled 70% of our non-mineral waste against a 60% target and reduced the amount of hazardous waste disposed to landfill by 38%.

A focus this year has been the introduction of South Africa's long-delayed Carbon Tax Bill.

We assessed the potential carbon tax liability for Impala Platinum and continue to evaluate our approach to reducing our emissions.

Another focus has been tailings dam integrity, which is under increased scrutiny following several serious tailings dam breaches internationally in recent years. We have further scrutinised our practices and identified areas for improvement to ensure we comply with world-class Canadian standards for tailings dam management.

STATEMENT BY THE CHAIRPERSON OF THE SOCIAL, TRANSFORMATION AND REMUNERATION COMMITTEE

CONCLUSION AND APPRECIATION

Looking to the future, I believe there is still more that we can do to ensure that the Group achieves its aspirations to be a sustainable, profitable and safe PGM-focused organisation. We must continue to cultivate a culture of performance and care in order to deliver on our commitment to zero harm. Further, there remains scope for us to extend our efforts in promoting employment and local socio-economic opportunities through our procurement and enterprise and supplier development activities.

I encourage management to continue engaging with communities and to leverage partnerships with business, government and labour to address the challenges facing the sector and society at large.

In closing, I express my thanks to our CEO, Nico Muller, for his transformative leadership, as well as my colleagues on the STR committee, the management team and all employees for their work towards delivering on Implats' sustainability commitments. I convey my particular appreciation to community leaders and the government for their collaborative efforts. I believe our progress this year sets us up well for further value growth and delivery on our commitments relating to zero harm, transformation, socio-economic development and environmental protection.

Mpho Nkeli
Chairperson: social, transformation and remuneration committee

REMUNERATION REPORT

PART 1: MESSAGE FROM THE CHAIRPERSON OF SOCIAL, TRANSFORMATION AND REMUNERATION COMMITTEE (STRCOM)

Dear Shareholders,

It gives me great pleasure to present the Implats Remuneration Report for the financial year ended 30 June 2019, a year in which the turnaround at Implats has gained in momentum. While we are definitely not out of the woods yet, there are clear indications that things are improving, and we believe that if we stay the course then the financial fundamentals will soon follow. We are extremely pleased that our 2019 Remuneration Report was viewed favourably by our shareholders, garnering a 94.27% vote in favour of our Remuneration Policy; and a 78.65% vote in favour of our Implementation Report. This was a significant improvement to the previous year, and while we celebrate this, we are cognisant of the fact that the Implementation Report is unfavourably viewed by 21.35% of our shareholders. We will thus continue engaging with our shareholders in order to, where reasonable, align our practices with their expectations.

We are aligning this report with the best practice recommendations of King IV, and as such, this report is presented in three parts:

Part 1: An overview of the way the Company subscribes to the principle of fair, responsible and transparent remuneration practices.

Part 2: The Implats Remuneration Policy.

Part 3: The Implementation of the Company's Remuneration Policy.

It is our intention to improve our alignment to the prescripts of King IV, with the ultimate aim of ensuring that our stakeholders experience increased transparency in our reports regarding the Company's remuneration policies and practices. As always, the Remuneration Report will focus on the elements of fixed and variable remuneration, specifically for the executive team and the Executive Directors, but will also highlight the continued improvements to ensure that our pay practices are fair, responsible and transparent across the entire organisation.

We have had the benefit of a stable executive committee team for FY2019, and we believe that this has played a significant role in the improved levels of performance across the Group. A key focus for the STR committee in FY2020 is to ensure the retention of these skills over the medium to long term.

The social, transformation and remuneration committee (the STRCom or the committee) has oversight of the remuneration function at Implats. The committee takes into account the wider societal issues affecting the Company, good corporate governance and business sustainability over and above compliance to the regulatory framework. The committee regularly reviews the Company's compliance in relation to legislation, applicable codes, best practice guidelines and other industry or national standards relevant to its work.

The STRCom is constituted by the board of directors of the Company in terms of section 72(4) of the Companies Act, 2008 (the Act), read with regulation 43 of the Companies Regulations. The committee consists of the following four independent non-executive directors:

Table 1

Name	Profile	Meetings held	Meetings attended
Ms Mpho Nkeli (chairperson)	See page 7	4	4
Ms Babalwa Ngonyama	See page 7	4	4
Mr Preston Speckmann	See page 7	3	2
Dr Mandla Gantsho	See page 7	4	4

REMUNERATION REPORT

In addition, the CEO, the CFO, the Group Executive: People, and the committee-appointed remuneration adviser are permanent invitees to the STRCom meetings. The CEO, the CFO and Group Executive: People do not participate in discussions relating to their own remuneration.

The responsibility of the committee is to ensure that executive remuneration is aligned with the execution of the Group's strategy to deliver long-term sustainable growth in shareholder returns.

The terms of reference of the committee in relation to remuneration, in line with its delegated authority from the board, stipulates that its primary functions are to:
- Assist the board in designing and maintaining a Remuneration Policy for executive directors and senior executives that will promote the achievement of strategic objectives and encourage individual performance.
- Ensure that the mix of fixed and variable pay in cash, shares and other elements, meet the Group's needs and strategic objectives.
- Review incentive schemes to ensure continued contribution to shareholder value creation.
- Determine any criteria necessary to measure the performance of the Group executive committee in discharging their functions and responsibilities.
- Review the outcomes of the implementation of the Remuneration Policy to determine if objectives were achieved.
- Oversee the preparation of the Remuneration Report (as contained in the Integrated Annual Report) to ensure that it is clear, concise and transparent.
- Ensure that the Remuneration Policy is put to a non-binding advisory vote by shareholders, and to engage with shareholders and other stakeholders on the Group's remuneration philosophy.

The committee has a mandate to ensure responsible remuneration practices are applied across the Group, and strives to ensure that our employees receive a fair living wage which is in line with our peers. The Implats minimum wage for permanent full-time employees remains significantly higher than the prescribed national minimum wage, and following a review by PwC, our Gini coefficient is 0.252 which compares favourably to the National (0.429) and Mining Circle (0.418) data in the PwC database. We intend improving on our internal Gini coefficient by continuously reviewing the pay mix of executives and management to grow the variable components of total remuneration which is risk-based.

The Implats remuneration mix for management and executives consists of the following three elements:
- Guaranteed pay, informed by the position and grade of the incumbent, as well as his/her responsibilities; aligned to the median of the relevant market.
- Short-term incentives, based on both corporate and individual performance measures over the financial period.
- Long-term incentives, based primarily on corporate performance measures over an extended period (generally three years).

In addition to these direct remuneration elements, we also offer a range of employee benefits such as leave; an effective medical aid scheme; provision of retirement benefits and compensation schemes in the event of sickness or accidents. We regularly review and compare our remuneration and benefits offering to that of our peer group to ensure we remain competitive in this area.

A key focus for the 2019 financial year has been the alignment of the Group's strategic objectives with the Remuneration Policy and ensuring that the CEO and exco team's performance is evaluated in terms of these objectives. Their earning capacity therefore has to be aligned with their attainment of the strategic objectives.

REMUNERATION REPORT

The six strategic objectives of the Company are defined in Diagram 1, below:

These strategic objectives are then converted into strategic key performance areas which are cascaded into the Implats Balanced Scorecard and the CEO's personal scorecard. The CEO's BSC for FY2019 was agreed as follows, and includes deliverables related to each of the strategic objectives listed above:

Table 2

CEO'S FY2019 BSC

KPA	Objective	Target	Per target weighting	Objective weighting
Operational excellence	Improve Group overall operational efficiency	1. **4%** year-on-year improvement in Implats Group overall tons milled per total employee costed (TEC).	100%	15%
Financial and capital management	Optimise balance sheet and enhance capital allocation framework	2. Improve the BP2019 projected Group free cash flow through effective optimisation of operating costs (achieve budgeted cost range) and capital expenditure.	40%	30%
		3. Ensure effective management of Group liquidity: 3.1 Management of **debt covenants and headroom** with no breaches throughout the period. 3.2 Ensure **liquidity of R5 billion** at all times (undrawn RCF and cash). 3.3 Finalising the **club revolving credit facility**. 3.4 Ongoing management of the **metal pipeline** through Rustenburg restructure period.	30%	
	Optimise balance sheet and enhance capital allocation framework	4. Develop and implement an effective **Group capital allocation strategy** which provides clear priorities between key business requirements, including shareholder proceeds. Agree and enforce specific investment criteria and hurdle rates (to be determined).	30%	

REMUNERATION REPORT

KPA	Objective	Target	Per target weighting	Objective weighting
Strategy and business development	Develop and implement an effective Company strategy	5. Update the strategy based on changing market conditions and competitive environment. 5.1 Ensure board alignment and approval. 5.2 Ensure effective implementation of the strategy.	20%	35%
	Advance Waterberg feasibility study	6. Advance the Waterberg DFS in accordance with the project plan and in alignment with the Group strategic requirements. Enforce specific investment criteria and hurdle rates (to be determined).	10%	
	Implement the outcomes of the Impala Rustenburg strategic review	7. As part of the business optimisation project, reduce the total number of employees at Impala Lease area by **1 500 by December 2018**, without causing material **business disruptions**.	35%	
		8. Develop and implement **commercial options** (outsourcing and/or disposal) for **1 Shaft** by the end of June 2019, ensuring any outcome provides a cash flow neutral solution relative to the base case plan.	20%	
	Evaluate Rustenburg commercial options	9. In addition to the communicated strategic review outcomes, evaluate broader commercial options for Impala Rustenburg to achieve the Group Strategy of rebalancing the asset portfolio towards shallow, low cost, mechanised mining operations.	15%	
Organisational effectiveness	Strengthen organisational capacity	10. Ensure effective organisational structures and personnel appointments to support the execution of the Company strategy.	20%	10%
		11. Board approved succession plan for CEO by June 2019.	30%	
	Develop a culture of accountability and performance	12. Define and communicate the desired Company culture.	50%	

REMUNERATION REPORT

KPA	Objective	Target	Per target weighting	Objective weighting
Social licence	Effective stakeholder engagement to ensure business sustainability and prosperity	13. Engage key stakeholders to mitigate the risk of business disruption.	50%	10%
		14. Commence the 2019 wage negotiations internally for Impala and Marula without material business interruptions.	50%	
Total				100%

The CEO's scorecard is then cascaded down to the executive committee members, who in turn cascade their goals and objectives to their direct reports. This pattern continues through the organisation, and ensures that all employees are aligned with the key strategic objectives that have been set by the board.

The appraisal of the CEO's performance and the STI award related to his performance for FY2019 is reflected in Part 3 of the Remuneration Report.

Shareholder engagements

We have continued our approach of proactively engaging with our shareholders in order to ensure increasing alignment between our Remuneration Policy and practices and the views of our shareholders. Our round of engagements in FY2019 provided key insights into the views of shareholders, and where appropriate these have been or will be incorporated into our remuneration approach. The key takeouts from the last round of engagements are the following:

- Support for the implementation of the Minimum Shareholding Requirement policy, but concern that the required level is too low;
- Need to increase the LTI weighting in our remuneration mix, specifically for the CEO and exco team;
- Positive feedback on the STI measures – the reduction from 14 to three measures was welcomed;
- Concerns about the vesting performance targets for the LTI awards. ROE is not very popular and preference is ROCE or some other efficiency measure;
- General support for the strategic direction that the Company has embarked on;
- Requirement to improve on our ESG (environmental; social and governance) reporting; and
- Implementation of a Malus and Clawback policy.

Where appropriate, this feedback will be incorporated into our Remuneration Policy.

As explained in the 2018 Remuneration Report, our remuneration strategy and policy were comprehensively overhauled, and the new principles will be applied going forward. This review encompassed elements of policy, job grading/sizing, benchmarking, guaranteed remuneration, short-term and long-term incentives. The detailed policy is reflected in Part 2 of the report.

REMUNERATION REPORT

PART 2: IMPLATS REMUNERATION POLICY

Shareholders are requested to vote on the following Remuneration Policy by means of a non-binding advisory resolution.

REMUNERATION PHILOSOPHY AND POLICY

Introduction

The Remuneration Policy addresses remuneration on a Company-wide basis and is one of the key components of the HR strategy, both of which fully support the overall business strategy. The main functions of the Remuneration Policy are to:

- Ensure that the Company's Remuneration Policy and practices encourage, reinforce and reward the delivery of sustainable shareholder value creation.
- Attract, motivate and reward executives and employees for establishing a high-performance culture that delivers on its promises to all stakeholders.
- Motivate and reinforce individual, team and business performance in the short, medium and long term.

Remuneration strategy

The principle of performance-based remuneration is one of the cornerstones of the remuneration strategy. It is further underpinned by sound remuneration management and governance principles, which are promoted across Implats to ensure the consistent application of the remuneration strategy and the Remuneration Policy.

Key remuneration principles

The Implats Remuneration Policy is based fundamentally on the following principles:

- The Remuneration Policy is aligned to the overall business strategy, objectives and values of the Group.
- The Remuneration Policy ensures that executive remuneration is fair and responsible in the context of overall Company remuneration.
- Salaried employees are rewarded on a total remuneration basis, which includes fixed, variable, short and long-term (where appropriate) remuneration as well as intangible rewards in line with market best practice.
- Remuneration is benchmarked against the appropriate target markets depending on the location of the operation, the nature of the work and the level in the organisation.
- The fixed (guaranteed) component of the reward structure includes a base salary, pension and benefits that are set within an appropriate band above and below the appropriate market median.
- Total remuneration (base salary, pension, benefits and incentives) is targeted at the median for on-target performance and at the upper quartile for superior performance of the relevant peer Group.
- Incentives used for retention are clearly distinguished from those used to reward performance.
- Performance bonuses are capped at a maximum percentage of 200% of the on-target incentive.
- Adherence to principles of good corporate governance, as depicted in "best practice" and regulatory frameworks (eg King IV).
- The risks associated with performance metrics and levels of performance for each metric are considered when designing incentive schemes and personal performance scorecards.
- Performance levels are set using a sliding scale to avoid an "all or nothing" result. Thresholds are applied below which there is no reward and caps are applied at the stretch level of performance.

Pay mix principles

Implats remuneration philosophy aims to attract and retain motivated, high-calibre employees, whose interests are aligned with those of our shareholders. This is achieved through the right mix of guaranteed and performance-based remuneration (variable pay), which provides for differentiation between high, average and low performers. The pay mix of guaranteed and variable remuneration differs according to the level of the employee to reflect the employee's ability to influence the outcome of the Company's performance, the more senior the employee, the higher the proportion of variable pay in his/her total remuneration package.

REMUNERATION REPORT

Guaranteed pay principles

The key objective is to reward executives and employees fairly and consistently according to their role and their individual contribution to the Company's performance. To achieve external equity and competitive remuneration, Implats uses surveys of peer-group deep level mining companies. The benchmark for guaranteed pay is the market median of the relevant peer group.

Benefits principles

The key objective is to provide benefits in addition to cash remuneration based on the needs of our executives and employees.

Implats policy is to provide, where appropriate, additional elements of compensation as listed below:

- Participation in the retirement scheme. In most instances, the Company and the employee contribute towards retirement savings.
- Implats provides healthcare assistance through providing a flat rate contribution for the principal member and dependants.
- Life insurance is provided as a fixed amount or a multiple of salary.
- Disability insurance, which comprises an amount to replace partially lost compensation during a period of medical incapacity or disability, is provided to all employees and executives as part of the retirement funds.

Short-term incentive principles

The key objective is to create a high performance culture by rewarding individuals and teams for achieving and/or exceeding the Company's objectives. These objectives include financial and non-financial measures.

The threshold, target and stretch levels of performance are set relative to the budget and operational plans. The on-target annual incentive for different levels is set relative to the comparator market as a percentage of the GP. Incentives are not paid for performance below threshold and incentives paid at stretch performance are capped to limit the liability of the Company. The incentive scenarios are modelled to ensure affordability while offering a meaningful reward.

Performance targets and measures are approved annually in advance by the STRCom.

Operational objectives for each shaft are measured against the operational plans approved by the board and include safety, production and costs. The corporate strategy and operational objectives in terms of the annual business plans form the basis of the Group objectives.

Medium-term incentive principles

The short-term incentive is linked to a medium-term incentive whereby bonus shares are awarded to management based on the quantum of the annual bonus received and the bonus shares vest in equal parts after 12 and 24 months. The objective of the medium-term incentive is to support the delivery of the annual business plans over multi years and to incentivise management for the consistent meeting of annual performance targets.

Long-term incentive principles

The key objective of the long-term incentive is to attract, motivate, retain and reward senior employees who can influence the medium to long-term performance and strategic direction of the Group. Long-term incentives are aligned to multi-year targets of growth and long-term value creation.

The long-term incentive is seen as a mechanism to:

- Encourage senior and key employees to identify closely with the objectives of Implats and shareholders over the medium to long term.
- Align senior and key employees interests with the continuing growth of the Company and delivery of sustainable value to its shareholders.
- Allow participants of the scheme to participate in the future financial success of Implats.

REMUNERATION REPORT

Principles for other remuneration options

Sign-on awards

In exceptional cases for certain business critical appointments Implats may offer sign-on awards (short term or long term) to new members of executive management and key employees. The long-term incentive awards are ordinarily subject to a three-year vesting period. The long-term incentive award will be subject to forfeiture should the employee resign or be dismissed by Implats during the vesting period (in accordance with the rules of the LTIP). Any cash sign-on awards will be subject to claw back and these employees will have to repay such awards should they leave within a specified period, as documented in their employment contracts. The Group CEO has discretion to determine sign-on awards for levels below the executive team. For the CEO and direct reports, the STRcom must approve the awards.

Retention payments

Management has the discretion to make retention payments in the form of cash or equity-based payments to executives and key employees below the Group executive team. Any retention payments to the Group executive team have to be approved by STRCom. Implats reserves the right to make the retention payment subject to vesting periods and performance and/or continued employment provisions as well as pre-vesting forfeiture where appropriate.

REMUNERATION OVERVIEW

Implats remuneration currently consists of a guaranteed remuneration package and variable remuneration in the form of short-term and long-term incentives and these elements together form the total remuneration package.

The Implats remuneration strategy comprises the following essential elements, and their strategic intent is displayed in the graphic below:

Table 3

	Reward component	Strategic intent
Total remuneration	Guaranteed package (GP) – includes basic salary and employee benefits	• Competitive GP to attract and retain high calibre executives and employees, based on expertise, track record and experience • The GP is reviewed annually by the committee (effective 1 October each year), taking account of Company performance and affordability, individual performance, market trends, changes in responsibility and levels of increase for the broader employee population • Market benchmarking is used to assist in determining pay ranges for executives and employees to ensure the Company is able to attract and retain the best talent
	Benefits – included in GP Standard benefits with flexible options: • Medical aid • Retirement • Car and travel allowances • Leave is excluded from GP	• To ensure external competitiveness and advance employee wellness, engagement and effectiveness • To comply with legislation • Benefits are managed to ensure affordability for employees and the Company • Executives and employees have reasonable flexibility to structure their package to meet their lifestyle requirements

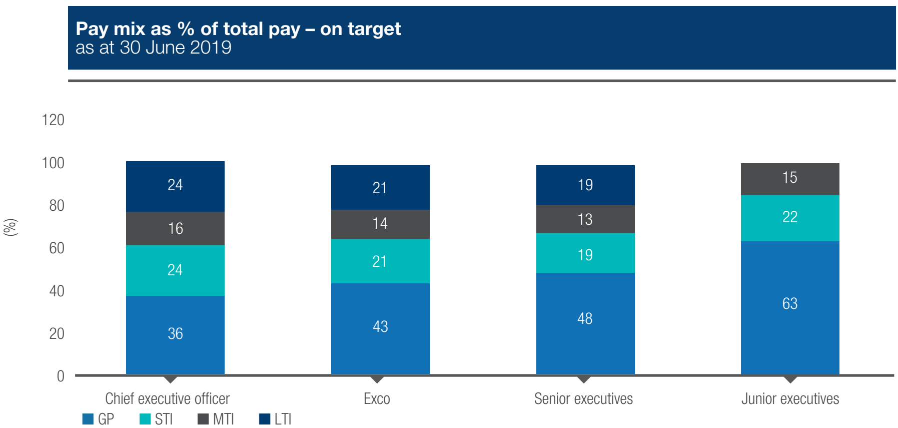
REMUNERATION REPORT

	Reward component	Strategic intent
Total remuneration	Short-term incentive (annual or shorter performance incentives) • Executive Incentive Scheme (EIS) • Employee production bonus schemes	• To encourage and reward executives and employees for short-term (12 months or less) performance • To drive improved performance at Group, operational and individual level • To differentiate performance-based pay in a defendable, transparent manner and attract and retain high performers • To ensure behaviours are aligned to annual operational business plans • Linked to medium-term bonus share plan
	Long-term Incentive Plan • The Implats 2018 Share Plan – Bonus shares – Performance shares – Restricted shares – Matching shares	• Bonus shares – to encourage ownership and engagement to improve performance at all levels of management over multi-years – linking short-term performance to medium and long-term business drivers (vesting 12 and 24 months) • Performance shares – only offered to executives to encourage and reward long-term performance that aligns with shareholders (36 months)

Implats pay mix

The CEO's proportion of variable pay is 64% of his total on-target remuneration, and thus more of his remuneration is performance based. Consideration will be given to further increasing the variable pay proportion for the CEO and the Executive Team in future years, but we believe the current pay mix is appropriate.

Figure 1



REMUNERATION REPORT

Figure 2

Pay mix as % of GP – on target
as at 30 June 2019

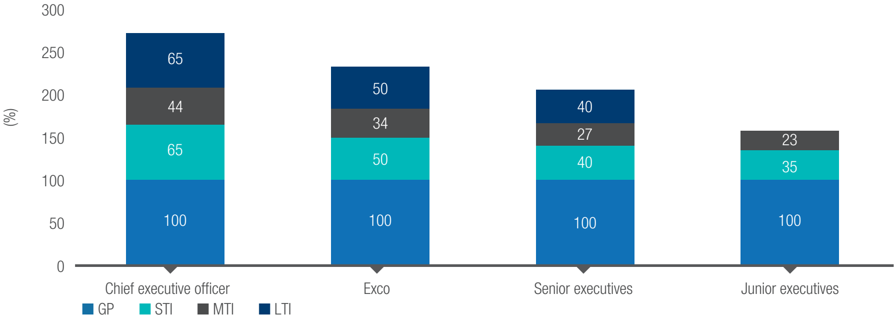
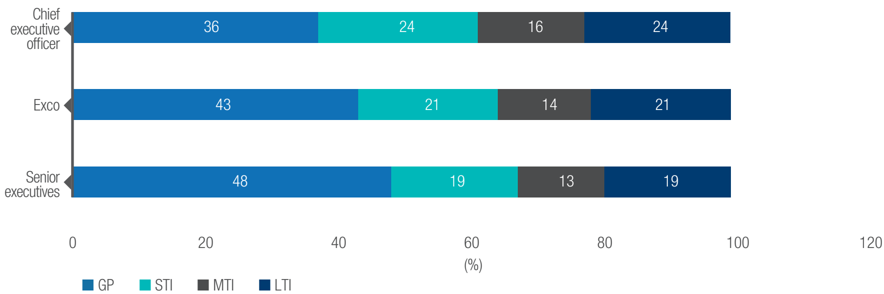


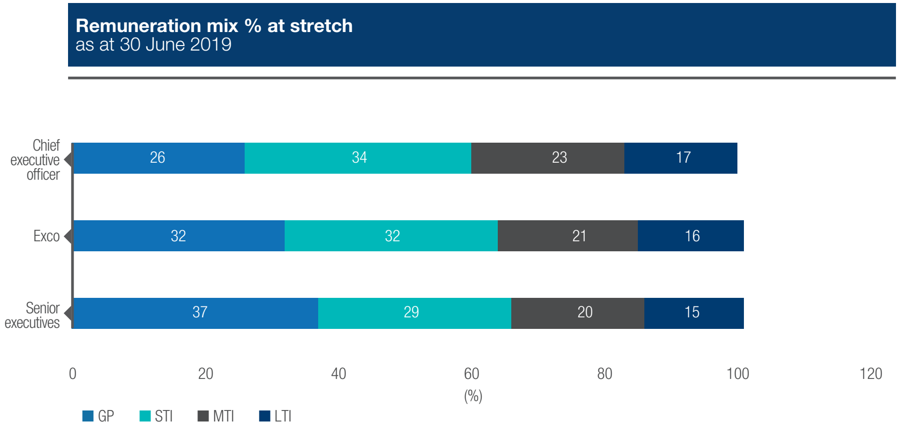
Figure 3

Remuneration mix % at target
as at 30 June 2019



REMUNERATION REPORT

Figure 4



The introduction of the medium-term bonus share award for management employees and the discontinuation of Performance Shares for employees below Executive level were two of the major changes in the remuneration review completed last year. The impact of this change for employees at executive level is that a higher proportion of their total pay is linked to performance.

Guaranteed pay

The key principles which underpin our approach to guaranteed pay will remain in place. The guaranteed package structure consists of a Basic Salary plus Benefits. The benchmarking of salaries will continue to be done on this basis.

We acknowledge that retention of key critical skills, especially in the levels below the Group executive committee and their direct reports, remains a challenge especially given the solid performance in FY2019. We are paying much closer attention to the levels of pay to this critical layer of management, and have embarked on a detailed benchmarking exercise to ensure our employees at this level are paid in line with the market in order to mitigate the potential loss of skills. Employees who are top performers and are paid below the desired market position will be adjusted over time.

Short-term incentives

In FY2018 we reduced the 14 STI measures used in prior years to three measures, and have retained this for FY2019. In addition, in line with feedback received from our shareholders, the Impala Rustenburg weighting in the STI build-up has been increased and a profitability measure, free cash flow, has been added. The four STI measures and their respective weightings for FY2020 are reflected in Table 4.

Table 4

Safety	Ensuring the safety and well-being of our workforce	20%
Platinum ounces	The productive measure of our operations	40%
Cost per platinum ounce	The financial measure of our operations	20%
Free cash flow	The profitability measure for our operations	20%

REMUNERATION REPORT

Targets for these four elements are set for Group and each of the operating units and approved by the STR committee on an annual basis. Performance against these targets are measured and audited by our external auditors before the committee reviews and approves the STI awards. The committee has discretion to adjust the Group or operating unit's incentive awards, either by increasing or decreasing them.

Organisational; divisional and individual performance is taken into account when determining bonuses. For the executive directors, the organisational element is based on performance against Group objectives. For the Group executive team, the organisational element is based on a combination of Group, operational and business unit objectives. This is illustrated in the table below:

Table 5

Employee category	Organisational objectives			Personal objectives
	Group	Business	Operational	
CEO	70	–	–	30
Corporate executives	70	–	–	30
Business executives	20	50	–	30
General managers	–	20	50	30

Note: The same approach was used to cascade the weightings through the rest of the Group executive team and their teams.

The final individual personal performance score is converted to a percentage using the following table:

Table 6

Final performance rating	Bonus percentage
5.0	200%
4.0	150%
3.0	**100%**
2.5	50%
<2.5	0%

The bonus percentage in the table above is multiplied by the on-target incentive (rand) for each person to compute the final incentive pay-out. The on-target incentive (rand) is a sum of guaranteed package multiplied by the on-target percentage for the STI as per the pay mix, after taking business performance into account.

REMUNERATION REPORT

FY2020 KEY STRATEGIC OBJECTIVES

The key deliverables for the CEO for FY2020 have been agreed with the board and are defined as follows in his balanced scorecard:

KPI	Weighting
Financial: Improve the BP2020 projected Group free cash flow.	20%
Rustenburg: Deliver the Impala Rustenburg restructuring objectives for FY2020.	20%
Growth: Implement decision on Waterberg post-DFS and develop a suitable funding strategy.	20%
Portfolio optimisation: Identify and develop value accretive business development opportunities to optimise our current asset base and enhance the portfolio in line with the Company strategy.	20%
Stakeholder relations: Strengthen stakeholder engagement to ensure: • All stakeholders remain fully engaged in the Rustenburg restructuring and wage negotiation processes to mitigate any potential related operational disruptions. • The long-term prosperity of our business investments in Zimbabwe and to advance the country's economic development aspirations. • Our licence to operate at Marula is not compromised due to chrome disputes. • Culture and performance: Promote actions and behaviours in others that instils ownership, leadership and accountability at all levels within the organisation. Create an energetic and vibrant working environment which stimulates a desire to succeed and actively engages all employees. Improve employee engagement score by 5% on identified areas of improvement.	20%
Total	**100%**

Long-term incentives

Implats 2018 share plan

The Implats Limited 2018 Share Plan (the 2018 plan) was approved at the AGM held in October 2018. The 2018 plan contains the following four equity instruments:

(i) Performance shares.
(ii) Bonus shares.
(iii) Restricted shares linked to the Minimum Shareholding Requirement policy.
(iv) Matching shares which are linked to the Minimum Shareholding Requirement policy.

REMUNERATION REPORT

Performance shares

The performance shares have similar features of the Implats Limited 2012 Share Plan (the 2012 plan). These shares are limited to senior executives after the introduction of the bonus share scheme.

The performance share awards are subject to corporate performance conditions, and the committee has approved the following:

Total shareholder return (TSR) relative (50% weighting)

An index (Index) for a peer group will be calculated and used for the vesting of the performance shares as described in the table below. The index will be the average of the peer group TSR over the three-year period.

The peer group is listed below:

- Angloplats
- Northam
- Sibanye-Stillwater
- ARM
- RBPlats

The percentages of the allocation vesting for each level of performance are as per the table below:

Table 7

Description of performance	Performance	% of allocation vesting
Maximum/stretch	Index + 10%	100%
Target	Index + 2%	50%
Threshold	Index	25%
Below threshold	Below Index	0%

Straight-line interpolation applied between the points in the table above.

Absolute return on equity (ROE) (50% weighting)

The cost of capital (risk adjusted return required by shareholders from Implats) is approximately 15%.

- ROE is calculated as:

$$\frac{\text{(sum of “Net cash flow from operating entities” before finance and investment activities for three years)/three}}{\text{(sum of “Equity attributable to owners of the Company” at 30 June for the last three years)/three}}$$

REMUNERATION REPORT

The percentages of the allocation vesting for each level of performance are as per the table below:

Table 8

Description of performance	Performance	% of allocation vesting
Maximum/stretch	16.5% (10% over target)	100%
Target	15%	50%
Threshold	13.5% (10% less than target)	25%
Below threshold	Below 13.5%	0%

Straight-line interpolation applied between the points in the table above.

The next annual performance share award will be allocated in October 2019. The STR committee is reviewing the corporate performance conditions, and while relative TSR may remain, return on equity may be replaced with a return on capital employed or return on invested capital measure. This will be finalised before the allocation is awarded.

Bonus shares

Share appreciation rights (SARs) and Conditional Share Plan (CSP) awards for employees below senior executive level were discontinued in 2018 and have been replaced with Bonus Shares. An award of bonus shares will be made based on an employee's annual cash bonus calculated with reference to:

- Actual business performance for the financial year ending preceding the award date. Group and operational objectives that focus on safety, production and costs are measured against the business plans as approved by the board; and
- Actual individual performance for the financial year ending preceding the award date. Personal objectives, which are embodied in the balanced scorecard system, are developed every year for each employee based on key performance areas and are approved at the beginning of the year by the board for the CEO, and the CEO approves the performance objectives for his direct reports.

Performance against these objectives is reviewed by the committee at the end of the year.

The bonus shares will vest over a 12-month and 24-month period from the award date in equal parts. The bonus shares (forfeitable shares) are registered in the name of the employee on settlement, which will occur subsequent to the award date, from which time the employee has all shareholder rights, subject to forfeiture and disposal restrictions. With respect to performance shares (conditional shares), an employee will not be entitled to any voting rights or dividends prior to settlement, which will occur subsequent to the vesting date.

Minimum shareholding requirement policy

The Company has introduced a Minimum Shareholding Requirement (MSR) policy for the Implats Limited Group executive committee (Group exco) and for other persons otherwise designated by the STRCom. Group exco members are required to hold a percentage of their annual salary (100% of annual salary for the CEO and 50% of the annual salary for the CFO and other Group exco members) in Implats Limited shares. The designated executives will be given six (6) years to accumulate the required holding, but are expected to meet annual targets set by the STRCom in order to be awarded matching shares as explained below.

Two additional instruments have been introduced into the plan namely:

(i) Restricted shares for executives who defer the vesting of performance shares, annual cash bonus awards or bonus share awards into restricted shares to meet the MSR; and

(ii) Matching shares for executives who comply with the required terms of the MSR. These will be awarded on the basis of one share for every three shares held as an incentive for meeting the requirements on an annual basis.

The MSR policy allows executives to elect, prior to the vesting of performance shares, annual cash bonus awards or Bonus share awards, to hold all or a percentage of the annual cash bonus, performance shares or bonus share awards in restricted shares.

The committee is considering increasing the current multiples and this will be subject to discussion at the committee meeting to be held in November 2019.

REMUNERATION REPORT

PART 3: IMPLEMENTATION OF THE REMUNERATION POLICY FOR THE FINANCIAL YEAR

The two principles underpinning our remuneration review are: improved alignment of rewards and key strategic objectives and creating a stronger link between pay and performance. The stronger link between pay and performance is an outcome of the revised Remuneration Policy introduced in 2018.

Pay mix

The pay mix for the CEO; executive committee and other executives for FY2019 is reflected in Figure 5.

Figure 5

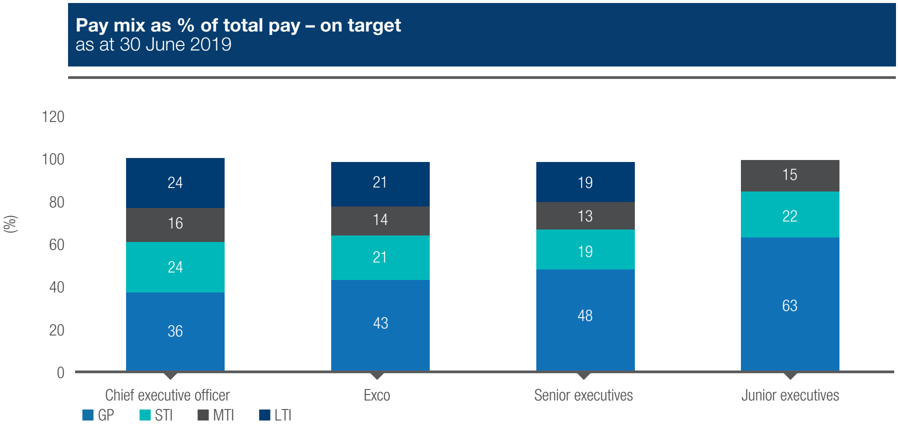
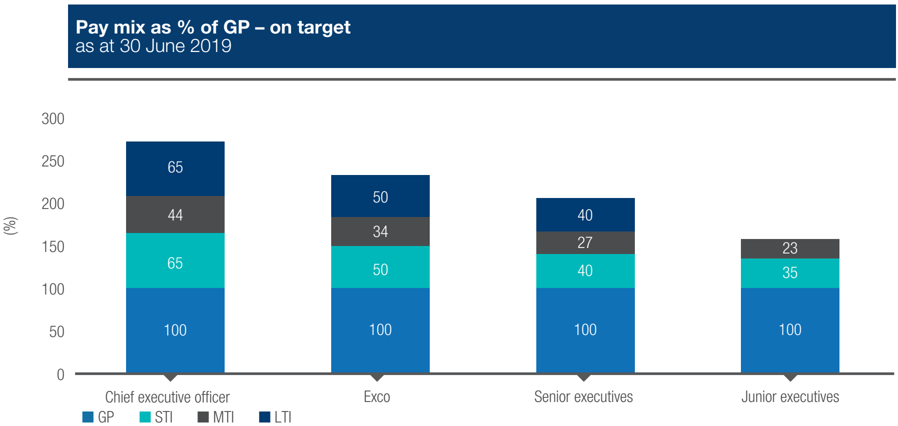


Figure 6



REMUNERATION REPORT

Short-term incentive outcomes for FY2019

The STI scheme and related performance targets for the 2019 financial year were approved by the STRCom. As in FY2018, the operational targets were substantially simplified, and focused specifically on the following:

- Safety 20%
- Production 40%
- Costs 40%

The Group targets for FY2019 were based on these three measures and are shown in Table 9:

Table 9

Description	Unit	Weight	FY2019 Budget	Actual	Threshold 0%	Target 100%	Maximum 200%	Bonus % achieved
GROUP		100%					Performance rating	106%
Safety LTIFR	per million	20%	4.88	5.30	5.90	5.00	4.20	67%
Mine-to-market pt ounces	000 oz	40%	1 333	1 306	1 235	1 299	1 380	108%
Unit costs (W/C & SIB)	R/pt oz	40%	25 693	26 004	27 718	26 366	24 840	124%

STI as a % of GP for the various levels for FY2019 is set out in the table below:

Table 10

Component	CEO	Executive directors	Senior executives	Executives
Level	NG	25	25, 24, 23	22, 21
STI as a % of GP	65%	50%	40%	35%

The operational targets make up 70% of an employee's STI award, with the remaining 30% being derived from the employee's performance on his/her personal scorecard. The final audited achievement against target for the Group for FY2019 is reflected in Table 9 above. The Group achieved an overall result of 106% but this was adjusted by the STR committee to 130% after having taken account of other factors that improved significantly in FY2019 for example the strengthening of the balance sheet.

Both organisational and individual performance is taken into account when determining bonuses. For the executive committee members, the organisational element is based on a combination of Group, operational and business unit objectives as illustrated below:

Table 11

Employee category	Organisational objectives			Personal objectives
	Group	Business	Operational	
CEO	70	–	–	30
Corporate executives	70	–	–	30
Business executives	20	50	–	30
General managers	–	20	50	30

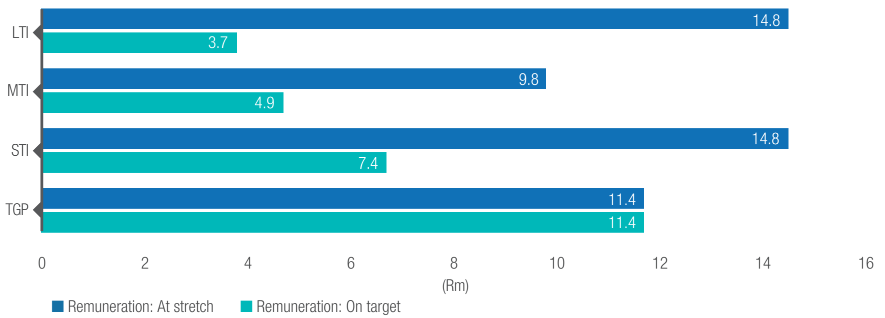
REMUNERATION REPORT

The CEO's FY2019 annual performance bonus is made up of performance against the above mentioned three key areas or Group objectives (70%) and his personal performance objectives (30%).

The CEO's individual performance was assessed and rated by the board as a rating of 4.3 on the 5 point scale which is 165% of the on-target award for the individual portion. The CEO's bonus calculation is (130% x 70%) + (165% x 30%) = 140.5% of the on-target award of 65% of guaranteed pay. His annual guaranteed remuneration package is R11.35 million x 65% x 140.5% = R10.4 million annual bonus award for FY2019.

Figure 7

CEO remuneration: Target versus stretch
as at 30 June 2019



The CEO's actual earnings for FY2019 are thus 131% of on-target remuneration or 70% of stretch remuneration.

On-target and actual bonus pay-outs for executives:

Table 12

Financial year	On-target awards	Actual STI awards	Payout as % of on-target
FY2017	R65.1m	R31.5m	48.4%
FY2018	R72.0m	R43.0m	59.7%
FY2019	**R117.4m**	**R128.0m**	**109.0%**

LONG-TERM INCENTIVES

November 2015 share vesting

The corporate performance targets for the vesting of CSP2s and SARs awarded in November 2015 were the following:

- Absolute total shareholder return (33.3% weighting)
- Relative earnings before interest, tax, dividends and amortisation (33.3% weighting)
- Relative Fatality Frequency Rate (33.3% weighting)

These corporate performance targets were not fully met resulting in only 33.3% of CSP2s vesting in November 2018. In addition, only 33.3% of the share appreciation rights vested in November 2018, but participants in the SAR scheme have three years after the date of vesting to exercise their rights.

REMUNERATION REPORT

November 2018 share award

The first awards under the Implats Limited 2018 Share Plan were issued in November 2018. Performance shares were issued to all senior executives, and these will vest in November 2021 subject to vesting performance targets. These vesting performance targets were approved by the STR committee and are:

- **Relative total shareholder return:**
  The peer group, in line with the STRCom recommendations, is listed below:
  - Angloplats
  - Northam
  - Sibanye-Stillwater
  - ARM
  - RBPlats

An index (Index) for the above peer group will be calculated and used for the vesting of the CSPs as described in the table below. The index will be the average of the peer group TSR over the three-year period.

The percentages of the allocation vesting for each level of performance are as per the table below:

Table 13

Description of performance	Performance	% of allocation vesting
Maximum/stretch	Index + 10%	100%
Target	Index + 2%	50%
Threshold	Index	25%
Below threshold	Below Index	0%

Straight-line interpolation applied between the points in the table above.

Absolute return on equity (ROE):

The cost of capital (risk adjusted return required by shareholders from Implats) is approximately 15%.

ROE is calculated as:

$$\frac{\text{(sum of “Net cash flow from operating entities” before finance and investment activities for three years)/three}}{\text{(sum of “Equity attributable to owners of the Company” at 30 June for the last three years)/three}}$$

The percentages of the allocation vesting for each level of performance are as per the table below:

Table 14

Description of performance	Performance	% of allocation vesting
Maximum/stretch	16.5% (10% over target)	100%
Target	15%	50%
Threshold	13.5% (10% less than target)	25%
Below threshold	Below 13.5%	0%

Straight-line interpolation applied between the points in the table above.

THE EMPLOYEE SHARE OWNERSHIP TRUST (ESOT)

In terms of the trust deed of the Employer Share Ownership Trust, no dividends were declared during the past financial year and thus no benefits accrued to the employees.

REMUNERATION REPORT

TOTAL REMUNERATION FOR EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

Table 15 reflects the total remuneration earned and paid to the executive directors and prescribed officers during the 2018 financial year:

Table 15

(ZAR '000)	Financial year	Salary	Retirement and medical benefits	Other[2] benefits	Deferred increase	Bonus[5] FY2019	Retention awards	LTI vested	LTI awarded[6]	Total remuneration
Executive directors										
NJ Muller	**2019**	**9 739**	**1 421**			**10 365**		**7 104**	**10 037**	**38 666**
	2018	9 117	1 334	9		3 990		5 351	10 600	31 082
M Kerber[1]	**2019**	**3 794**	**483**				**1 350**		**3 353**	**8 980**
L N Samuel[3]	**2019**	**5 188**	**652**	**18**		**4 165**			**3 909**	**13 932**
	2018	3 548	458			1 417			2 386	7 809
Prescribed officers										
PD Finney[8]	**2019**	**2 588**	**276**	**62**	**–**		**–**	**390**		**3 316**
	2018	3 750	711	1 305	418	1 004	–	300	1 925	9 824
A Mhembere	**2019**	**599**	**90**	**58**		**449**		**68**	**915**	**2 179**
(US Dollars '000)	2018	583	107	43		467		46	275	1 521
GS Potgieter	**2019**	**8 540**	**239**	**12**		**5 955**	**–**	**536**	**5 677**	**20 959**
	2018	5 825	250	1 877	593	2 366	–	491	2 611	15 735
M Munroe[4]	**2019**	**5 724**	**447**	**11**		**4 995**			**5 468**	**16 645**
	2018	2 362	306			798	1 400		1 865	6 731
J Andrews[7]	**2019**	**4 355**	**521**	**67**		**2 714**		**129**	**2 448**	**10 234**
J Theron[7]	**2019**	**4 934**	**407**			**2 913**		**333**	**2 665**	**11 252**
V Nhlapo[7]	**2019**	**3 658**	**250**	**29**		**2 234**			**2 020**	**8 191**
K Pillay[7]	**2019**	**2 824**	**362**			**1 826**			**1 329**	**6 341**
S Sibiya[7]	**2019**	**2 028**	**243**	**144**		**1 357**		**275**	**1 586**	**5 633**
TT Llale	**2019**	**2 142**	**206**	**52**		**1 241**		**294**	**1 237**	**5 172**
(Company secretary)	2018	1 840	223		188	355		124	653	3 504

Notes:

1. *M Kerber was appointed as CFO with effect from 1 August 2018.*
2. *The Other Benefits include travel reimbursements and leave encashments.*
3. *LN Samuel joined the Company on 16 October 2017.*
4. *M Munroe joined the Company on 18 January 2018.*
5. *The FY2019 Bonus was earned in FY2019 and was paid in August 2019.*
6. *LTI awards include Bonus Shares that vest after 12 and 24 months in equal parts, and Performance Shares that vest after three years and are subject to corporate performance targets.*
7. *Remuneration disclosed for the first time.*
8. *PD Finney retired on 31 December 2018.*

Last year's report provided further details on the retention awards made to the CEO on his appointment in 2017. The second tranche of 112 537 shares (25%) vested on 3 April 2019 at a VWAP of R63.13, resulting in a pre-tax value of R7 104 461 which represents a c142% vesting due to improved share price performance during the year. The only outstanding element of the retention award relates to the third tranche of the R20 million on-appointment share award, and this tranche (25%) with a notional value of R5 million will vest on 3 April 2020. The value of the award on vesting will be determined by using a five-day VWAP as at the vesting date, and will be settled in cash. There are no further performance targets linked to these share awards.

REMUNERATION REPORT

Table 16

Details of share awards held by executive directors and prescribed officers

The following table reflects the status of shares and unexercised options held by executive directors, prescribed officers and other senior executives and the gains made by them as a result of past awards during the year ended 30 June 2019:

Name	Balance at 30 June 2018	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year#	Date exercised	Balance at 30 June 2019	Allocation price (R)	First vesting date
Directors									
N Muller									
Sign-on	225 074	–		–	112 537	3 Apr 19	**112 537**		
							112 537	44.43	3 Apr 20
LTIP SAR	631 481	–		–	–		**631 481**		
							145 781	43.29	16 May 20
							485 700	36.75	21 Nov 20
LTIP CSP	288 859	–		–	–		**288 859**		
							80 379	–	16 May 20
							208 480	–	21 Nov 20
LTIP BSP	–	85 042	20 Nov 18	–	–		**85 042**		
							42 521	–	20 Nov 19
							42 521	–	20 Nov 20
LTIP PSP	–	236 004	20 Nov 18	–	–		**236 004**		
							236 004	–	20 Nov 21
M Kerber									
LTIP SAR	–	34 211	20 Sep 18	–	–		**34 211**	17.92	20 Sep 21
							34 211		
LTIP CSP	–	20 095	20 Sep 18	–	–		**20 095**		
							20 095	–	20 Sep 21
LTIP PSP	–	76 136	20 Nov 18	–	–		**76 136**		
							76 136	–	20 Nov 21
LN Samuel									
LTIP SAR	87 444	–		–	–		**87 444**		
							87 444	36.75	21 Nov 20
LTIP CSP	56 301	–		–	–		**56 301**		
							56 301	–	21 Nov 20
LTIP BSP	–	30 215	20 Nov 18	–	–		**30 215**		
							15 107	–	20 Nov 19
							15 108	–	20 Nov 20
LTIP PSP	–	94 834	20 Nov 18	–	–		**94 834**		
							94 834	–	20 Nov 21

For associated gains refer table on page 35.

REMUNERATION REPORT

Name	Balance at 30 June 2018	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year#	Date exercised	**Balance at 30 June 2019**	Allocation price (R)	First vesting date
Company secretary									
TT Llale									
Share appreciation scheme	12 896	–		3 846	–		**9 050**		
							494	171.39	4 Nov 11
							1 000	209.09	13 May 12
							1 224	193.83	1 Nov 12
							1 540	193.79	12 May 13
							853	171.76	10 Nov 13
							3 939	145.48	24 May 14
LTIP SAR	36 830	–		9 194	4 591	20 Nov 18	**23 045**		
							1 038	81.90	13 Nov 17
							7 041	54.29	9 Nov 19
							14 966	80.97	21 Nov 20
LTIP CSP	47 779	–		11 029	5 507	12 Nov 18	**31 243**		
							11 971	–	9 Nov 19
							19 272	–	21 Nov 20
LTIP BSP	–	7 568	20 Nov 18	–	–		**7 568**		
							3 784	–	20 Nov 19
							3 784	–	20 Nov 20
LTIP PSP	–	31 990	20 Nov 18	–	–		**31 990**		
							31 990	–	20 Nov 21

REMUNERATION REPORT

Name	Balance at 30 June 2018	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year#	Date exercised	**Balance at 30 June 2019**	Allocation price (R)	First vesting date
Prescribed officers									
J Andrews									
Share appreciation scheme	48 788	–		–	–		**48 788**		
							8 348	171.39	4 Nov 11
							2 882	209.09	13 May 12
							19 260	193.83	1 Nov 12
							2 675	193.79	12 May 13
							13 219	171.76	10 Nov 13
							2 404	145.48	24 May 14
LTIP SAR	145 475	–		–	38 499	20 Nov 18	**106 976**		
							4 121	134.91	11 Nov 16
							3 937	81.90	13 Nov 17
							17 374	35.16	12 Nov 18
							26 102	54.29	9 Nov 19
							55 442	80.97	21 Nov 20
LTIP CSP	89 176	–		–	10 421	12 Nov 18	**78 755**		
							22 188	–	9 Nov 19
							35 696	–	21 Nov 20
LTIP BSP	–	15 165	20 Nov 18	–	–		**15 165**		
							7 582	–	20 Nov 19
							7 583	–	20 Nov 20
LTIP PSP	–	63 148	20 Nov 18	–	–		**63 148**		
							63 148	–	20 Nov 21
PD Finney									
Share appreciation scheme	74 950	–		74 950	–		**–**		
LTIP SAR	185 996	–		185 996	–		**–**		
LTIP CSP	144 499	–		144 499	–		**–**		
M Munroe									
LTIP SAR	90 770	–		–	–		**90 770**		
							90 770	29.27	6 Mar 21
LTIP CSP	54 363	–	–	–	–		**54 363**		
							54 353	–	6 Mar 21
LTIP BSP	–	17 013	20 Nov 18	–	–		**17 013**		
							8 506	–	20 Nov 19
							8 507	–	20 Nov 20
LTIP PSP	–	137 746	20 Nov 18	–	–		**137 746**		
							137 746	–	20 Nov 21

For associated gains refer table on page 35.

REMUNERATION REPORT

Name	Balance at 30 June 2018	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year#	Date exercised	Balance at 30 June 2019	Allocation price (R)	First vesting date
Prescribed officers (continued)									
V Nhlapo									
LTIP SAR	62 129	–		–	–		**62 129**		
							62 129	80.97	21 Nov 20
LTIP CSP	40 002	–		–	–		**40 002**		
							40 002	–	21 Nov 20
LTIP BSP	–	10 867	20 Nov 18	–	–		**10 867**		
							5 434	–	20 Nov 19
							5 433	–	20 Nov 20
LTIP PSP	–	53 743	20 Nov 18	–	–		**53 743**		
							53 743	–	20 Nov 21
K Pillay									
LTIP SAR	42 394	–		–	–		**42 394**		
							42 934	80.97	17 May 21
LTIP CSP	27 294	–		–	–		**27 294**		
							27 294	–	5 June 21
LTIP BSP	–	932	20 Nov 18	–	–		**932**		
							466	–	20 Nov 19
							466	–	20 Nov 20
LTIP PSP	–	41 587	20 Nov 18	–	–		**41 587**		
							41 587	–	20 Nov 20
GS Potgieter									
Share appreciation scheme	98 878	–		–	–		**98 878**		
							93 783	186.60	1 Jul 12
							5 095	171.76	10 Nov 13
LTIP SAR	255 145	–		68 187	–		**186 958**		
							7 174	134.91	11 Nov 16
							8 228	81.90	13 Nov 17
							30 773	35.16	12 Nov 18
							45 067	54.29	9 Nov 19
							95 716	36.75	21 Nov 20
LTIP CSP	155 363	–		36 969	18 457	12 Nov 18	**99 937**		
							38 310	–	9 Nov 19
							61 627	–	21 Nov 20
LTIP BSP	–	50 449	20 Nov 18	–	–		**50 449**		
							25 224	–	20 Nov 19
							25 225	–	20 Nov 20
LTIP PSP	–	137 060	20 Nov 18	–	–		**137 060**		
							137 060	–	20 Nov 21

REMUNERATION REPORT

Name	Balance at 30 June 2018	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year#	Date exercised	**Balance at 30 June 2019**	Allocation price (R)	First vesting date
Prescribed officers (continued)									
S Sibiya									
Share appreciation scheme	13 483	–		–	–		**13 483**		
							1 220	171.39	4 Nov 11
							1 914	209.09	13 May 12
							1 383	193.83	1 Nov 12
							885	193.79	12 May 13
							1 893	171.76	10 Nov 13
							6 188	145.48	24 May 14
LTIP SAR	38 787	–		8 375	6 669	20 Nov 18	**23 743**		
							777	134.91	11 Nov 16
							1 078	81.90	13 Nov 17
							7 000	54.29	9 Nov 19
							14 888	80.97	21 Nov 20
LTIP CSP	48 274	–		11 029	5 507	12 Nov 18	**31 738**		
							11 971	–	9 Nov 19
							19 171	–	21 Nov 20
LTIP BSP	–	12 347	20 Nov 18	–	–		**12 347**		
							6 173	–	20 Nov 19
							6 174	–	20 Nov 20
LTIP PSP	–	38 388	20 Nov 18	–	–		**38 388**		
							38 388	–	20 Nov 21

REMUNERATION REPORT

Name	Balance at 30 June 2018	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year#	Date exercised	**Balance at 30 June 2019**	Allocation price (R)	First vesting date
Prescribed officers (continued)									
J Theron									
Share appreciation scheme	80 344	–		30 913	–		**49 421**		
							7 272	171.39	4 Nov 11
							2 062	209.09	13 May 12
							19 236	193.83	1 Nov 12
							3 848	193.79	12 May 13
							12 658	171.76	10 Nov 13
							4 345	145.48	24 May 14
LTIP SAR	158 332	–		42 459	–		**115 873**		
							4 477	134.91	11 Nov 16
							4 329	81.90	13 Nov 17
							19 167	35.16	12 Nov 18
							28 102	54.29	9 Nov 19
							59 798	36.75	21 Nov 20
LTIP CSP	96 911	–		23 025	11 496	12 Nov 18	**62 390**		
							23 889	–	9 Nov 19
							38 501	–	21 Nov 20
LTIP BSP	–	16 737	20 Nov 18	–	–		**16 737**		
							8 369	–	20 Nov 19
							8 368	–	20 Nov 20
LTIP PSP	–	68 522	20 Nov 18	–	–		**68 522**		
							68 522	–	20 Nov 21

REMUNERATION REPORT

Name	Balance at 30 June 2018	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year#	Date exercised	**Balance at 30 June 2019**	Allocation price (R)	First vesting date
Prescribed officers (continued)									
A Mhembere									
LTIP SAR	409 989	–		119 501	–		**290 488**		
							10 620	134.91	11 Nov 16
							9 900	81.90	13 Nov 17
							55 338	35.16	12 Nov 18
							69 178	54.29	9 Nov 19
							145 452	36.75	21 Nov 20
LTIP CSP	252 131	–		66 480	33 191	12 Nov 18	**152 460**		
							58 807	–	9 Nov 19
							93 653	–	21 Nov 20
LTIP BSP	–	153 310	20 Nov 18	–	–		**153 310**		
							76 655	–	20 Nov 19
							76 655	–	20 Nov 20
LTIP PSP	–	263 861	20 Nov 18	–	–		**263 861**	–	20 Nov 21

For associated gains refer table on page 35.

Non-executive directors remuneration

The role of the board and the non-executive director has become more prominent in recent times, especially following some of the failures and scandals within the corporate and state-owned enterprise environments. Members of the board have a critical role to play in ensuring that appropriate levels of governance and control are maintained in the organisation. The fee structures of the board and committee members therefore have to ensure appropriate retention of the right mix of skills and competencies to ensure that the board operates optimally.

Fee structures for the board are reviewed annually, and following a market comparison of NED fees of peer group companies, Implats NED fees lag the market by around 18%. This is due to a freeze in increases of NED fees in previous years. As previously reported, the intention is to close the gap in a phased manner, to this end the fees will be reviewed annually and based on the operating environment and business conditions an above inflationary increase may be proposed. On this basis, the board recommends that the shareholders approve a structural adjustment of 6% to the board fee and sub-committee fees in addition to a standard increase of 6%.

The fee structure of the non-executive directors is the following:

- The chairman of the board receives an annual fee.
- Other members of the board receive.
  - An annual fee as a board member.
  - An annual fee as a sub-committee member.
  - An annual fee as chairman of a sub-committee.
  - A fee per meeting for additional *ad hoc* meetings during the year.

REMUNERATION REPORT

Directors' fees in aggregate for the year under review were as follows:

Table 17

	Board (R'000)	Audit committee (R'000)	Health, safety, environment and risk committee (R'000)	Nominations, governance and ethics committee (R'000)	Social, trans-formation and remu-neration committee (R'000)	Capital allocation and investment committee (R'000)	*Ad hoc* meetings (R'000)	Total (R'000)
MSV Gantsho	2 025	–	–	–	–	–	–	2 025
PW Davey	394	186	120	140	–	140	70	1 050
D Earp	361	361	–	–	–	119	122	963
UH Lucht (RBH)	394	–	–	–	–	140	35	569
AS Macfarlane	394	–	311	–	–	–	53	758
FS Mufamadi	394	–	–	140	–	–	35	569
B Ngonyama	1 239	31	–	–	11	–	34	1 315
MEK Nkeli	394	15	140	–	311	–	53	913
PE Speckmann	361	174	–	–	119	–	53	707
ZB Swanepoel	394	–	140	–	–	311	52	897

REMUNERATION REPORT

The table below shows the current fees paid to board and committee members for FY2019 and the proposed fees for FY2020: (But excluding the structural adjustment proposed in special resolution number 2.)

Table 18

With effect from	1 July 2019 (R)	Proposed increase %	1 July 2018 (R)
Board of directors			
Chairperson	2 150 000	6	2 025 660
Lead independent director	1 400 000	7	1 312 500
Member	417 289	6	393 669
Audit committee			
Chairperson	417 289	6	393 669
Member	197 215	6	186 052
Social, transformation and remuneration committee			
Chairperson	329 188	6	310 555
Member	148 035	6	139 656
Nominations, governance and ethics committee			
Chairperson*			–
Member	148 035	6	139 656
Health, safety, environment and risk committee			
Chairperson	329 188	6	310 555
Member	148 035	6	139 656
Capital allocation and investment committee			
Chairperson	329 188	6	310 555
Member	148 035	6	139 656
Ad hoc fees per additional board or committee meeting	18 876	6	17 808
Chairman of meeting will be paid twice the *ad hoc* fee			

* *The chairperson of the board serves as chairperson of the nominations committee.*

SPECIAL CONTRACTUAL ARRANGEMENTS

No fixed term employment contracts are in place for executive directors.

The periods of notice applying to executive directors is six months on either side in the case of the CEO and three months on either side in the case of the CFO.

The senior management members appointed to the executive committee (exco) are required to serve a three-month notice period. All other managers are on a one-month notice period.

Members of exco are entitled to a lump sum of one times their annual guaranteed package, should there be a change of control of the Company and as a result the executive's employment is terminated through retrenchment or constructive dismissal (excluding performance issues) within a period of 24 months from the date of the effective change of control.

DIRECTORS' REPORT

PROFILE

Nature and business of the Company

Impala Platinum Holdings Limited (Implats/Company/Group) is one of the foremost producers and suppliers of Platinum Group Metals (PGMs) to industrial economies. The Company's holdings in various mining and exploration activities as at 30 June 2019 are described below:

Company	Effective interest %	Activity
Impala Platinum Limited (Impala and Impala Refining Services division)	**96**	PGM mining processing and refining. Purchase of concentrate and/or smelter matte. Processing of concentrate and matte by the smelting, refining and sale of resultant PGMs and base metals, and toll refining
Afplats Proprietary Limited	**74**	PGM mining (project on hold)
Marula Platinum Proprietary Limited	**73**	PGM mining
Zimplats Holdings Limited	**87**	PGM mining
Mimosa Investments Limited	**50***	PGM mining
Two Rivers Platinum Proprietary Limited	**46***	PGM mining
Makgomo Chrome Proprietary Limited	**50***	Purchase of chrome in tailings. Processing and sale of the product
Impala Chrome Proprietary Limited	**65**	Purchase of chrome in tailings. Processing and sale of the product

* *Equity-accounted entities.*

SHARE CAPITAL

AUTHORISED SHARE CAPITAL	**944 008 000**	ordinary no par value shares
ISSUED SHARE CAPITAL	**734 778 378**	ordinary no par value shares
UNISSUED SHARE CAPITAL	**209 229 622**	ordinary no par value shares

The authorised share capital has remained unchanged at 944 008 000 no par value shares. As at 30 June 2019, the issued share capital of the Company was unchanged from the previous financial year at 734 778 378; however, in a post-year-end event the Company issued 64 255 769 ordinary no par value shares. The additional shares were issued as a result of the induced conversion of the US dollar denominated 2022 convertible bond. The new issued capital has increased to 799 034 147.

DIRECTORS' REPORT

American depositary receipts

At 30 June 2019, there were 11 619 983 (2018: 14 102 592) sponsored Implats American depositary receipts in issue through Deutsche Bank AG London and trading on the over-the-counter markets in the US. Each American depositary share is equal to one Implats ordinary share.

Treasury shares

The Group holds 16 233 994 ordinary shares which were bought in terms of an approved share buy-back scheme in prior years. No additional shares were bought by the Company during the year under review. The shares are held as "treasury shares" by a wholly owned subsidiary of the Company.

Share-based compensation

Details of participation in the share option scheme are set out in note 32 of the consolidated financial statements.

Shareholding in the Company

The issued capital of the Company held by public and non-public entities as at 30 June 2019 was as follows:

Shareholders	Number of shareholders	Number of shares (000)	%
Public	**20 693**	**707 448**	96.3
Non-public	**9**	**27 330**	3.7
Directors	**3**	**33**	0.0
Royal Bafokeng Holdings Proprietary Limited*	**3**	**11 063**	1.5
Treasury shares	**3**	**16 234**	2.2
Total	**20 702**	**734 778**	100.0

* *Has the right to appoint one director.*

Beneficial shareholders

>5%

Shareholders	Number of shares (000)	%
Government Employees Pension Fund	**97 995**	13.3
Total	**97 995**	13.3

DIRECTORS' REPORT

Investment management shareholding

>3%

Shareholders	Number of shares (000)	%
Investec Asset Management	**109 084**	14.9
PIC	**76 647**	10.4
Allan Gray Investment Council	**44 992**	6.1
Sanlam Investment Managers	**35 100**	4.8
BlackRock Inc	**35 088**	4.8
Fairtree Capital (Pty) Ltd	**33 781**	4.6
Fidelity Management & Research Company	**33 499**	4.5
Old Mutual Ltd	**25 197**	3.4
Coronation Asset Management (Pty) Ltd	**24 304**	3.3
The Vanguard Group Ltd	**23 215**	3.2
Dimensional Fund Advisors	**22 383**	3.0
Total	**463 290**	63.0

Black economic empowerment (BEE) ownership

The Group recognises that the transformation of the equity ownership of the Company is a key strategic goal and believes that it has fully met the equity ownership objectives of the Mineral and Petroleum Resources Development Act. The Royal Bafokeng Nation originally held 13.2% of Implats, which, with the agreement of the DMR, was attributed to a 26% notional holding in Impala Platinum Limited (Impala). The Royal Bafokeng have been selling its holding down since 2016 to realise value. Its current shareholding is 1.5% (2018: 2.2%) at year-end.

The Morokotso Trust, which was an ESOP established in 2006 for a 10-year period, came to an end in July 2016. At inception, the scheme managed more than 16 million Implats shares on behalf of Impala and Marula employees. In December 2015, the Group established a new Employee Share Ownership Trust which holds 4% of the issued shares in Impala.

Our other BEE partners are drawn from a wide range of groups including smaller BEE companies and community groups.

DIRECTORS' REPORT

INVESTMENTS

Zimplats Holdings Limited (Zimplats)

During the period under review, the Company owns 87% (2018: 87%) of Zimplats, which in turn holds 90% (2018: 90%) of Zimbabwe Platinum Mines (Pvt) Limited – an operating company in Zimbabwe. An employee share ownership trust was issued 10% of the issued capital in the operating subsidiary Zimbabwe Platinum Mines (Pvt) Limited as part of Zimplats' plans to comply with the indigenisation legislation.

Mimosa Investments Limited (Mimosa)

The Company holds a 50% (2018: 50%) shareholding in Mimosa, with the balance being held by Sibanye-Stillwater Limited. Mimosa Mining Company (Pvt) Limited (Mimosa Pvt), the operating company, is a wholly owned subsidiary of Mimosa. Implats equity-accounted its 50% interest in the joint venture.

Two Rivers Platinum Proprietary Limited (Two Rivers)

The Company owns a 46% (2018: 46%) interest in Two Rivers with the balance held by African Rainbow Minerals Limited (ARM). The mine is operated by ARM and Implats has board representation.

Marula Platinum Proprietary Limited (Marula)

The Company owns a 73% (2018: 73%) interest in Marula.

The 27% non-controlling interest comprises a 9% equity stake in Marula held by each of the following BEE entities:

- Tubatse Platinum Proprietary Limited.
- Mmakau Mining Proprietary Limited.
- Marula Community Trust.

Implats has consolidated the BEE interest as the vendor finance is guaranteed by Implats.

Afplats Proprietary Limited (Afplats)

The Company owns a 74% (2018: 74%) interest in Afplats, which completed the sinking of the main shaft to a depth of 1 198 metres below surface. Activities to further develop the project have been deferred. Implats continues to consolidate its interest in Afplats.

Makgomo Chrome Proprietary Limited (Makgomo Chrome)

The Company owns a 50% (2018: 50%) stake in Makgomo Chrome, a company established pursuant to Implats' local economic development strategy for the Marula communities. Of this 50% stake, 20% is held through Marula and all dividends received by Marula are used to fund community development projects. The balance of the issued shares are held by the communities in the Marula area of operations. Implats equity accounts its interest in Makgomo Chrome.

Impala Chrome Proprietary Limited (Impala Chrome)

The Company holds 65% (2018: 65%) of the shares in issue and Chrome Traders Processing Proprietary Limited (Chrome Traders) holds 31.15% (2018: 31.15%) and 3.85% is held by a special purpose vehicle controlled by several local community members in Rustenburg. Implats consolidates its interest in Impala Chrome.

DIRECTORS' REPORT

FINANCIAL AFFAIRS

Results for the year

The financial results for FY2019 have benefited from higher sales volumes, an improvement in operational performance and the partial destocking of the processing pipeline. This, together with higher rand metal prices, has resulted in substantial free cash flow generation and the consequent reduction in net debt, which has declined from net debt of R5.3 billion at the end of FY2018 to a closing net cash of R1.1 billion at 30 June 2019.

Revenue increased by 36% or R12.8 billion to R48.6 billion as a result of the following factors:

- A 12% or R4.4 billion increase due to higher sales volumes. Sales in the previous year were impacted by the transformer fire and the resultant build-up of inventory, as well as the contractual obligation to return 140 000 platinum ounces to a toll customer. In FY2019, circa 57 000 platinum ounces were released, together with other associated precious metals, from previously identified excess inventory of circa 160 000 platinum ounces.
- The 10% or R3.7 billion increase from higher realised dollar metal prices. Rhodium revenue increased by R2.8 billion while palladium revenue increased by R2.5 billion. Higher iridium and ruthenium pricing increased attributable revenue by R383 million and R342 million respectively. These gains were partially offset by the R2.3 billion negative impact of the 12% decline in platinum pricing. The overall improvement in the prices, together with changes in the sales mix, resulted in an 11% improvement in total dollar revenue per platinum ounce sold to $2 237.
- An increase of 13% or R4.6 billion due to a weaker rand. The average achieved exchange rate of R14.20/$, weakened by 11% from R12.82/$ realised in FY2018. Together with higher dollar metal prices, the rand revenue basket increased by 22% to R31 765 per platinum ounce.

Cost of sales increased by 20% or R7.1 billion to R41.8 billion for the year, largely due to:

- A R3.2 billion decrease in the movement in inventory. In FY2018 costs of R3.4 billion were deferred to inventory due to a substantial increase in pipeline stocks as a result of constrained smelting capacity after the scheduled rebuild of the No 5 furnace at Impala Rustenburg. In FY2019, the increase in inventory only resulted in a R182 million credit to cost of sales.
- An increase of R2.1 billion in the cost of IRS metal purchases due primarily to higher rand metal prices in the current year.
- Cash costs associated with mining, processing, marketing and corporate activities increased by 7% or R1.7 billion. Calculated mining inflation of 7% was partially offset by the 3% cumulative increase in production volumes at Impala, Zimplats and Marula and resulted in the Group's stock-adjusted unit costs, including corporate and marketing spend, rising by 4% to R23 942 per platinum ounce from R22 931 in the FY2018.

Higher revenue and well-controlled costs resulted in the Group generating a gross profit of R6.8 billion for the year, a five-fold or R5.7 billion gain from R1.1 billion achieved in FY2018. Following the reclassification of certain operating items to the cost of sales (including royalties, and fair value adjustments on metals purchased), gross profit in the prior comparable period has been restated to R1.1 billion from R1.6 billion, a reduction of R440 million (refer note 26 for additional detail).

There were several cash and non-cash items accounted for in profit before tax. The investment in Afplats has been impaired by a further R2.4 billion (R2.2 billion post-tax and R2.30 per share) during the year (in FY2018 total impairments of the Impala and Afplats assets amounted to R13.6 billion, or R9.7 billion post-tax and R13.50 per share). The mark-to-market of the conversion option on the US$ bond was impacted by the higher closing share price at year-end, resulting in a non-cash expense of R1.6 billion (a non-tax-deductible expense and equating to R2.17 per share). Other income included the benefit of insurance receipts of R300 million from the No 5 furnace fire, R516 million in Zimbabwean export incentives, a gain of R229 million on foreign exchange derivative financial instruments, and a refund in customs' duty penalties of R136 million. In FY2018, the Group incurred restructuring costs of R525 million which did not recur in the current year. In total, profit before tax increased by 125% to R3.3 billion while EBITDA improved by 90% or R5.0 billion to R10.5 billion.

DIRECTORS' REPORT

The FY2019 tax charge of R2.1 billion (2018: R2.2 billion credit) was largely due to the improved profitability of the operations, partially offset by lower tax charges from Zimplats where, in FY2018, a once-off deferred tax charge of R1.2 billion relating to the conversion from the Special Mining Lease to the Mining Lease was incurred. The higher statutory tax rate associated with the Mining Lease is more than compensated for by the absence of additional profits tax incurred under a special mining lease resulting in an overall lower average taxation rate for Zimplats.

Headline earnings increased to R3.0 billion from a loss of R1.2 million in the prior year. Basic earnings of R1.5 billion (2018: loss of R10.7 billion) were impacted by the attributable after-tax adjustment relating to the impairment charge of R1.7 billion (2018: R9.7 billion).

Net cash from operating activities increased by R10.7 billion, from a cash outflow of R1 million during the prior year to a cash inflow of R10.7 billion The higher cash flow was due to improved profitability at the operations and positive working capital movements of R399 million, which included a net movement in payables and receivables of R551 million and a significantly lower increase in inventories of R152 million compared to the outflow of R3.5 billion in the prior year due to the increase in inventories.

Dividends of R473 million were received, mainly from Two Rivers and Mimosa.

Cash and cash equivalents amounted to R8.2 billion after repaying R2.2 billion (2018: R1.0 billion) of borrowings. The Group ended the period in a closing net cash position of R1.1 billion (FY2018: net debt of R5.33 billion) excluding finance leases of R1.2 billion but including the financial asset of R151 million associated with the cross-currency interest rate swap (CCIRS).

The balance sheet remains strong with undrawn revolving credit facilities of R4.0 billion available until June 2021. The combination of cash balances and undrawn facilities results in headroom of R12.2 billion, ensuring that the Group has adequate liquidity and flexibility to address upcoming debt maturities, while funding the ongoing needs of the business.

The optimisation of the Group's balance sheet via the reduction and restructuring of existing debt is a key strategic pillar to reposition Implats as a profitable, sustainable and competitive business with clear capital allocation priorities. The US$ convertible bonds were identified as a priority given the higher relative risk profile and cost when combined with the CCIRS. Due to strong cash generation in FY2019, and the share price trading above the conversion price, the US$ bondholders were invited to convert their bonds early, and in doing so, extinguish a material Group debt liability.

Dividends

Given volatile local and global economy and the continued restructuring at Rustenburg, the board has resolved not to declare a final dividend for the year ended 30 June 2019 (2018: no dividend).

Capital expenditure

Capital expenditure, amounted to R3.8 billion (2018: R4.6 billion), of which R350 million (2018: R686 million) was spent on 16 and 20 Shafts and R254 million and R396 million spent on Bimha and Mupani respectively.

DIRECTORS' REPORT

POST-BALANCE SHEET EVENTS

On 17 July 2019 Implats announced an offer to holders (bondholders) of its US dollar 3.25% convertible bonds due 2022 (USD bonds) to pay the bondholders a cash consideration to incentivise them to exercise their conversion rights, in accordance with the terms and condition of the bonds, to convert their USD bonds into ordinary shares in Implats. Bondholders representing US$249.8 million of the USD bonds accepted this offer. As a result, a cash consideration of R510 million was paid to the bondholders and 64.2 million ordinary shares were issued by Implats to bondholders that elected to accept this offer. On 13 August 2019, the remaining bondholder elected to convert his US$200 000 bond into 51 404 shares in terms of the terms and conditions of the bond. The shares were issued on 27 August 2019. Consequently, the total number of ordinary shares in issue, post the conversion, increased to 799 million. Refer note 18.

GOING CONCERN

The consolidated financial statements have been prepared on a going-concern basis using the appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors believe that the Company and the Group will continue to be in operation in the foreseeable future.

ASSOCIATED AND SUBSIDIARY COMPANIES

Information regarding the Company's associated and subsidiary companies is given in note 2 and note 3 of the annual financial statements of the Company, which can be found on the Company's website, www.implats.co.za.

PROPERTY

Details of the freehold and leasehold land and buildings of the various companies are contained in registers which are available for inspection at the registered offices of those companies.

DIRECTORATE

Name	Position as director	Date appointed
MSV Gantsho	Independent non-executive chairman	1 November 2010
PW Davey	Independent non-executive director	1 July 2013
D Earp	Independent non-executive director	1 August 2018
M Kerber	Chief financial officer	1 August 2018
BT Koshane	Non-executive director	27 August 2019
AS Macfarlane	Independent non-executive director	1 December 2012
FS Mufamadi	Independent non-executive director	5 March 2015
NJ Muller	Chief executive officer	3 April 2017
B Ngonyama	Independent non-executive director	1 November 2010
MEK Nkeli	Independent non-executive director	29 April 2015
LN Samuel	Executive director	27 November 2017
PE Speckmann	Independent non-executive director	1 August 2018
ZB Swanepoel	Independent non-executive director	5 March 2015

DIRECTORS' REPORT

Changes to the board

The board appointed one executive director and two independent non-executive directors in Ms Meroonisha Kerber, Ms Dawn Earp and Mr Preston Speckmann respectively. No other changes were made to the board. The average length of service of the current 10 non-executive directors is 3.8 years (2018: 3.7), while that of the three executive directors is 1.6 years (2018: 0.7). The Company announced the resignation of Mr Udo Lucht as a member of the board and the appointment of Ms Boitumelo Koshane in his place. The resignation and appointment were triggered by internal restructuring with the Royal Bafokeng structures. Both directors are nominated by a shareholder who is entitled to do so in terms of an agreement with the Company.

Board diversity

GENDER	7	Male
	6	Female
NATIONALITY	8	Black South African
	3	White South African
	2	Non-South African
INDEPENDENCE	3	Executive
	1	Non-executive
	9	Independent non-executive

DIRECTORS' REPORT

Interests of directors

The interests of directors in the shares of the Company for the year ended 30 June 2019 were as follows and did not individually exceed 1% of the issued share capital or voting control of the Company:

	Direct		Indirect	
	2019	2018	**2019**	2018
BENEFICIAL				
Directors	**33 180**	33 180	**–**	–
ZB Swanepoel	**30 000**	30 000	**–**	–
B Ngonyama	**3 180**	3 180	**–**	–
Senior management	**73 532**	53 324	**–**	–

There have been no changes to the directors' shareholding outlined above since the end of the financial year to the date of this report.

Directors' interests

No contracts of significance were entered into in which the directors of the Company were materially interested during the financial year. No material change in the foregoing interests has taken place between 30 June 2019 and the date of this report.

DIRECTORS' REPORT

Directors' remuneration

Directors' remuneration is disclosed in the annual financial statements (note 32) in line with the Companies Act requirements.

SPECIAL RESOLUTIONS PASSED

During the year, the following special resolutions were passed by the shareholders:

Approval of directors' remuneration

Shareholders approved the remuneration which was paid to non-executive directors during the year under review.

Approval of financial assistance

Shareholders approved that the Company may offer financial assistance in terms of sections 44 and 45 of the Companies Act.

Acquisition of the Company's shares by the Company or subsidiaries

A renewal of the general authority to acquire up to 5% of the Company's shares subject to the provisions of the JSE Listings Requirements and the Companies Act, provided that the authority does not extend beyond 15 months from the date of the granting of that authority.

ADMINISTRATION

Financial, administrative and technical advisers

In terms of a service agreement, Impala acted as financial, administrative and technical advisers to the Group during the year on a fee basis. Mr ZB Swanepoel, Mr PW Davey, Mr NJ Muller and Ms M Kerber had an interest in the contract by virtue of the membership of the Impala board.

Company secretary

Mr TT Llale acted as secretary to Implats and Impala. Impala acted as secretaries to other subsidiaries in the Group. The business and postal addresses of the company secretary are set out on page 87.

United Kingdom secretaries

The business and postal addresses of the United Kingdom secretaries are set out on page 88.

Public officer

Mr B Jager acted as public officer to companies in the Group for the year under review.

APPROVAL OF THE FINANCIAL STATEMENTS

The summarised financial statements is extracted from the audited information, but is not itself audited. The directors of the Company take full responsibility for the preparation of the summarised financial statements for the period ended 30 June 2019 and that the financial information has been correctly extracted from the underlying consolidated financial statements.

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation of the consolidated financial statements and related information in a manner that fairly presents the state of the affairs of the Company. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards and incorporate full and responsible disclosure in line with the accounting policies of the Group which are supported by prudent judgements and estimates.

The consolidated financial statements have been prepared under the supervision of the chief financial officer Ms M Kerber, CA(SA).

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the consolidated financial statements, and to prevent and detect material misstatement and loss.

The consolidated financial statements have been prepared on a going-concern basis as the directors believe that the Company and the Group will continue to be in operation in the foreseeable future.

The consolidated financial statements have been approved by the board of directors and are signed on its behalf by:

MSV Gantsho
Chairman

NJ Muller
Chief executive officer

Johannesburg
5 September 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019 Rm	2018 Rm
Assets			
Non-current assets			
Property, plant and equipment	6	**34 499**	36 045
Investment property		**90**	90
Investment in equity-accounted entities	7	**4 437**	4 317
Deferred tax		**3 096**	4 757
Financial assets at fair value through other comprehensive income*		**265**	–
Available-for-sale financial assets*		**–**	198
Other financial assets		**316**	175
		42 703	45 582
Current assets			
Inventories	8	**11 811**	11 745
Trade and other receivables		**3 266**	3513
Current tax receivable		**216**	896
Other financial assets		**232**	3
Prepayments		**484**	724
Cash and cash equivalents		**8 242**	3 705
		24 251	20 586
Total assets		**66 954**	66 168
Equity and liabilities			
Equity			
Share capital		**20 536**	20 491
Retained earnings		**13 773**	12 302
Foreign currency translation reserve		**4 668**	4 324
Other components of equity		**160**	96
Equity attributable to owners of the Company		**39 137**	37 213
Non-controlling interests		**1 943**	2 380
Total equity		**41 080**	39 593
Liabilities			
Non-current liabilities			
Provision for environmental rehabilitation		**1 492**	1 225
Deferred tax		**5 503**	5 485
Borrowings	9	**6 677**	7 925
Other financial liabilities		**1 652**	50
Other liabilities		**267**	285
		15 591	14 970
Current liabilities			
Trade and other payables		**8 294**	8 086
Current tax payable		**66**	992
Borrowings	9	**1 885**	2 427
Other financial liabilities		**6**	69
Other liabilities		**32**	31
		10 283	11 605
Total liabilities		**25 874**	26 575
Total equity and liabilities		**66 954**	66 168

* *Available-for-sale financial assets were reclassified to financial assets at fair value through other comprehensive income following the adoption of IFRS 9 Financial Instruments, which was effective. Refer to note 17 for the impact of the adoption of IFRS 9.*

The notes on pages 61 to 78 are an integral part of these summarised financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 Rm	2018 Rm (Restated)*
Revenue	10	**48 629**	35 854
Cost of sales*	11	**(41 791)**	(34 717)
Gross (loss)/profit		**6 838**	1 137
Impairment	12	**(2 432)**	(13 629)
Other income*		**1 424**	1 584
Other expenses*		**(1 799)**	(1 154)
Finance income		**368**	350
Finance cost		**(1 136)**	(1 051)
Net foreign exchange transaction gains/(losses)		**(362)**	(662)
Share of profit of equity-accounted entities		**398**	383
Profit/(loss) before tax		**3 299**	(13 042)
Income tax (expense)/credit		**(2 120)**	2 249
Profit/(loss) for the year		**1 179**	(10 793)
Other comprehensive income/(loss), comprising items that may subsequently be reclassified to profit or loss:			
Available-for-sale financial assets		**–**	19
Deferred tax thereon		**–**	(3)
Share of other comprehensive income of equity-accounted entities		**65**	108
Deferred tax thereon		**(6)**	(11)
Exchange differences on translating foreign operations		**387**	650
Deferred tax thereon		**(51)**	(84)
Other comprehensive (loss)/income, comprising items that will not be subsequently reclassified to profit or loss:			
Financial assets at fair value through other comprehensive income		**(28)**	–
Deferred tax thereon		**(2)**	–
Actuarial loss on post-employment medical benefit		**–**	(1)
Deferred tax thereon		**–**	–
Total comprehensive income/(loss)		**1 544**	(10 115)
Profit/(loss) attributable to:			
Owners of the Company		**1 471**	(10 679)
Non-controlling interest		**(292)**	(114)
		1 179	(10 793)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**1 785**	(10 070)
Non-controlling interest		**(241)**	(45)
		1 544	(10 115)
Earnings/(loss) per share (cents)			
Basic		**205**	(1 486)
Diluted		**203**	(1 486)

* *Comparatives have been restated as a result of changes in the classification of certain expense items during the current year. Refer notes 11 and 19.*

The notes on pages 61 to 78 are an integral part of these summarised financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Ordinary shares Rm	Share premium Rm	Share-based payment Rm
Balance at 30 June 2017	18	17 614	2 368
ZAR bond conversion option	–	450	–
Shares purchased – Long-term Incentive Plan	–	(78)	–
Share-based compensation expense	–	–	119
Total comprehensive income/(loss)	–	–	–
– Loss for the year	–	–	–
– Other comprehensive income/(loss)	–	–	–
Cash distributions to non-controlling interest	–	–	–
Balance at 30 June 2018	**18**	**17 986**	**2 487**
Adjustments on initial application of IFRS 9	**–**	**–**	**–**
Shares purchased – Long-term Incentive Plan	**–**	**(111)**	**–**
Share-based compensation expense	**–**	**–**	**156**
Total comprehensive income/(loss)	**–**	**–**	**–**
– Profit/(loss) for the year	**–**	**–**	**–**
– Other comprehensive income/(loss)	**–**	**–**	**–**
Cash distributions to non-controlling interest	**–**	**–**	**–**
Balance at 30 June 2019	**18**	**17 875**	**2 643**

The table above excludes the treasury shares.

The notes on pages 61 to 78 are an integral part of these summarised financial statements.

					Attributable to:	
Total share capital Rm	**Retained earnings Rm**	**Foreign currency translation reserve Rm**	**Other components of equity Rm**	**Owners of the Company Rm**	**Non-controlling interest Rm**	**Total equity Rm**
20 000	22 982	3 745	80	46 807	2 425	49 232
450	–	–	–	450	–	450
(78)	–	–	–	(78)	–	(78)
119	–	–	–	119	–	119
–	(10 680)	579	16	(10 085)	(30)	(10 115)
–	(10 679)	–	–	(10 679)	(114)	(10 793)
–	(1)	579	16	594	84	678
–	–	–	–	–	(15)	(15)
20 491	**12 302**	**4 324**	**96**	**37 213**	**2 380**	**39 593**
–	**–**	**–**	**94**	**94**	**–**	**94**
(111)	**–**	**–**	**–**	**(111)**	**–**	**(111)**
156	**–**	**–**	**–**	**156**	**–**	**156**
–	**1 471**	**344**	**(30)**	**1 785**	**(241)**	**1 544**
–	**1 471**	**–**	**–**	**1 471**	**(292)**	**1 179**
–	**–**	**344**	**(30)**	**314**	**51**	**365**
–	**–**	**–**	**–**	**–**	**(196)**	**(196)**
20 536	**13 773**	**4 668**	**160**	**39 137**	**1 943**	**41 080**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 Rm	2018 Rm
Cash flows from operating activities			
Cash generated from operations	13	**11 844**	2 360
Finance cost paid (net of interest capitalised)		**(963)**	(1 025)
Income tax paid		**(223)**	(1 336)
Net cash from/(used in) operating activities		**10 658**	(1)
Cash flows from investing activities			
Purchase of property, plant and equipment (including interest capitalised)		**(3 877)**	(4 667)
Proceeds from sale of property, plant and equipment		**74**	26
Purchase of investment property		**–**	(1)
Purchase of interest in associate – Waterberg		**–**	(408)
Waterberg shareholder funding		**(19)**	(17)
Interest received from held-to-maturity financial assets		**–**	3
Loans granted		**(1)**	–
Finance income received		**358**	182
Dividends received		**473**	253
Net cash used in investing activities		**(2 992)**	(4 629)
Cash flows from financing activities			
Shares purchased – Long-term Incentive Plan		**(111)**	(78)
Repayments of borrowings		**(2 169)**	(999)
Proceeds from borrowings net of transaction costs		**–**	1 500
Cash distributions paid to non-controlling interest		**(196)**	(15)
Net cash (used in)/from financing activities		**(2 476)**	408
Net increase/(decrease) in cash and cash equivalents		**5 190**	(4 222)
Cash and cash equivalents at the beginning of the year		**3 705**	7 839
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		**(653)**	88
Cash and cash equivalents at the end of the year		**8 242**	3 705

The notes on pages 61 to 78 are an integral part of these summarised financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

1. GENERAL INFORMATION

Impala Platinum Holdings Limited (Implats, Group or Company) is one of the world's foremost producers of platinum and associated Platinum Group Metals (PGMs). Implats is currently structured around five main operations with a total of 20 underground shafts. Our operations are located within the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, the two most significant PGM-bearing ore bodies in the world.

The Company has its listing on the securities exchange operated by JSE Limited in South Africa, the Frankfurt Stock Exchange (2022 US$ convertible bonds) and a level 1 American Depository Receipt programme in the United States of America.

The summarised consolidated financial information was approved for issue on 5 September 2019 by the board of directors.

2. AUDIT OPINION

This summarised report is extracted from audited information, but is not itself audited. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office and on the Company's website.

The directors take full responsibility for the preparation of the summarised consolidated financial statements and that the financial information has been correctly extracted from the underlying annual financial statements.

3. BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 30 June 2019 have been prepared in accordance with the JSE Limited Listings Requirements (Listings Requirements) and the requirements of the Companies Act, No 71 of 2008 applicable to summarised financial statements. The Listings Requirements require financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and contain the information required by IAS 34 Interim Financial Reporting.

The summarised consolidated financial information should be read in conjunction with the consolidated financial statements for the year ended 30 June 2019, which have been prepared in accordance with IFRS.

The summarised consolidated financial information has been prepared under the historical cost convention except for certain financial assets, financial liabilities and derivative financial instruments which are measured at fair value and liabilities for cash-settled share-based payment arrangements which are measured using a binomial option model.

The summarised consolidated financial information is presented in South African rand, which is the Company's functional currency.

4. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS. The following new standards and amendments to standards have become effective or have been early adopted by the Group as from 1 July 2018:

- IFRS 15 *Revenue from Contracts with Customers* (note 10)
- IFRS 9 *Financial Instruments* (note 17)

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

5. SEGMENT INFORMATION

The Group distinguishes its segments between the different mining operations, refining services, chrome processing and an "all other segments".

Management has determined the operating segments based on the business activities and management structure within the Group.

Capital expenditure comprises additions to property, plant and equipment (note 6).

The reportable segments' measure of profit or loss is profit after tax. This is reconciled to the consolidated profit after tax.

Impala mining segment's two largest sales customers amounted to 10% each of total sales (June 2018: 12% and 8%).

	2019		2018	
	Revenue Rm	Profit/(loss) after tax Rm	Revenue Rm	Profit/(loss) after tax Rm
Mining				
– Impala	21 522	1 185	13 255	(12 332)
– Zimplats	8 954	1 899	7 485	40
– Marula	2 976	149	2 357	(30)
Impala Refining Services	26 899	2 080	22 044	1 210
Impala Chrome	247	54	226	47
All other segments	–	(3 442)	–	266
Inter-segment revenue	(11 969)	–	(9 513)	–
Total segmental revenue/profit or loss after tax	48 629	1 925	35 854	(10 799)
Reconciliation:				
Unrealised profit in stock consolidation adjustment		(457)		(211)
IRS pre-production Group consolidation adjustment		(259)		217
Inventory adjustments made on consolidation		(30)		–
Total consolidated profit/(loss) after tax		1 179		(10 793)

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

5. SEGMENT INFORMATION CONTINUED

	2019		2018	
	Capital expenditure Rm	Total assets Rm	Capital expenditure Rm	Total assets Rm
Mining				
– Impala	2 006	28 850	2 766	30 063
– Zimplats	1 628	21 232	1 739	20 612
– Marula	152	3 512	101	3 796
Impala Refining Services	–	18 701	–	8 334
Impala Chrome	–	95	–	150
All other segments	–	36 121	–	46 856
Total	3 786	108 511	4 606	109 811
Intercompany accounts eliminated		(39 356)		(42 757)
Unrealised profit in stock, NRV and other inventory adjustments		(1 476)		(886)
Segmental deferred tax asset/ liability allocations		(725)		–
Total consolidated assets		66 954		66 168

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

5. SEGMENT INFORMATION CONTINUED

	Year ended 30 June 2019						
(Rm)	Impala	Zimplats	Marula	IRS	Impala Chrome	Inter-segment revenue	Total
Revenue from:							
Platinum	8 739	2 761	835	9 057	–	(3 596)	17 796
Palladium	6 233	3 365	1 257	9 415	–	(4 622)	15 648
Rhodium	3 625	744	562	3 848	–	(1 306)	7 473
Nickel	696	700	34	1 622	–	(734)	2 318
Other metals	2 229	911	132	2 434	247	(1 063)	4 890
Movements in commodity prices	–	473	156	–	–	(629)	–
Treatment income	–	–	–	523	–	(19)	504
Revenue	21 522	8 954	2 976	26 899	247	(11 969)	48 629

	Year ended 30 June 2018						
(Rm)	Impala	Zimplats	Marula	IRS	Impala Chrome	Inter-segment revenue	Total
Revenue from:							
Platinum	6 730	2 870	864	9 500	–	(3 537)	16 427
Palladium	3 194	2 575	957	6 778	–	(3 858)	9 646
Rhodium	1 814	552	386	1 854	–	(843)	3 763
Nickel	506	685	31	1 441	–	(800)	1 863
Other metals	1 011	803	119	1 719	226	(441)	3 437
Treatment income	–	–	–	752	–	(34)	718
Revenue	13 255	7 485	2 357	22 044	226	(9 513)	35 854

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

6. PROPERTY, PLANT AND EQUIPMENT

	30 June 2019 Rm	30 June 2018 Rm
Opening net book amount	**36 045**	47 798
Capital expenditure	**3 786**	4 606
Interest capitalised	**89**	61
Disposals	**(15)**	(26)
Depreciation (note 11)	**(3 488)**	(3 838)
Impairment	**(2 432)**	(13 244)
Rehabilitation adjustment	**123**	(34)
Exchange adjustment on translation	**391**	722
Closing net book amount	**34 499**	36 045
Capital commitment		
Commitments contracted for	**1 462**	1 703
Approved expenditure not yet contracted	**4 946**	8 071
	6 408	9 774
Less than one year	**3 394**	4 017
Between one and five years	**3 014**	5 757
	6 408	9 774

This expenditure will be funded internally and from borrowings, where necessary.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

7. INVESTMENT IN EQUITY-ACCOUNTED ENTITIES

	30 June 2019 Rm	30 June 2018 Rm
Summary balances		
Joint venture		
Mimosa	**2 353**	2 268
Associates		
Two Rivers	**1 569**	1 528
Makgomo Chrome	**62**	78
Friedshelf	**42**	33
Waterberg	**411**	410
Total investment in equity-accounted entities	**4 437**	4 317
Summary movement		
Beginning of the period	**4 317**	3 316
Addition – Waterberg	**–**	408
Shareholder funding – Waterberg	**19**	17
Share of profit	**475**	473
Gain – Two Rivers change of interest	**–**	248
Share of other comprehensive income	**65**	108
Dividends received	**(439)**	(253)
End of the period	**4 437**	4 317
Share of equity-accounted entities is made up as follows:		
Share of profit	**475**	473
Movement in unrealised profit in stock	**(77)**	(90)
Total share of profit of equity-accounted entities	**398**	383

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

8. INVENTORIES

	30 June 2019 Rm	30 June 2018 Rm
Mining metal		
Refined metal	**518**	1 381
In-process metal	**5 036**	4 585
	5 554	5 966
Purchased metal#		
Refined metal	**1 571**	776
In-process metal	**3 818**	4 120
	5 389	4 896
Total metal inventories	**10 943**	10 862
Stores and materials inventories	**868**	883
Total carrying amount	**11 811**	11 745

During the current year, the fair value exposure on purchased metal and resultant stock has been designated as a hedged item and is included in the calculation of the cost of inventories. The fair value exposure relates to adjustments made to commodity prices and US$ exchange rates from the date of delivery until the final pricing date as per the relevant contract.

The net realisable value (NRV) adjustment included in inventory in the prior period comprises R250 million for refined metal and R1 268 million for in-process metal.

Included in refined metal is ruthenium on lease to third parties of 25 600 ounces (2018: 45 000 ounces). Metal lease fee income is disclosed under Finance income.

Purchased metal consists mainly of inventory held by Impala Refining Services.

No inventories are encumbered.

Change in engineering estimate
Changes in engineering estimates of metal contained in-process resulted in a R404 million (June 2018: R435 million) (pre-tax) increase of in-process metal.

Change in accounting estimate
Due to the increase in the value of nickel, relative to total revenue for the Group, management has changed the classification of nickel from a by-product to a main product with effect from 1 July 2018. In terms of IFRS by-products, by nature, should be immaterial. When assessed, total by-product revenue including nickel would be in excess of 10% of total revenue. Nickel therefore can no longer be considered immaterial and a by-product.

Following the reclassification of nickel as a main product, the metal inventory cost allocation methodology was re-assessed and amended to allocate production costs, net of by-product revenue, based on relative sales value. In the previous years, production costs, net of by-product revenue was allocated on the basis of ounces. However, given that nickel is measured in tonnes, a different basis of cost allocation was required.

This change in cost allocation methodology resulted in an overall increase in inventory value of R510 million.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

9. BORROWINGS

	30 June 2019 Rm	30 June 2018 Rm
Standard Bank Limited – BEE partners Marula	**888**	887
Standard Bank Limited – Zimplats term loan	**599**	1 167
Convertible bonds – ZAR	**2 764**	2 631
Convertible bonds – US$	**3 067**	2 858
Standard Bank Limited – Revolving credit facility	**–**	1 510
Finance leases	**1 244**	1 299
	8 562	10 352
Current	**1 885**	2 427
Non-current	**6 677**	7 925
Reconciliation		
Beginning of the year	**10 352**	9 461
Proceeds	**–**	1 500
Interest accrued	**906**	928
Interest repayments	**(639)**	(689)
Capital repayments	**(2 169)**	(999)
Exchange adjustment	**112**	151
End of the year	**8 562**	10 352
Facilities		
Committed credit limit facility	**4 000**	4 000
Revolving discounting facility (US$34 million)	**479**	466
	4 479	4 466

All of the facilities remain undrawn. Of these facilities, R4.0 billion expires on 30 June 2021.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

10. REVENUE

	30 June 2019 Rm	30 June 2018 Rm
Disaggregation of revenue by category		
Sales of goods		
Precious metals		
Platinum	**17 796**	16 427
Palladium	**15 648**	9 646
Rhodium	**7 473**	3 763
Ruthenium	**902**	477
Iridium	**1 346**	798
Gold	**1 524**	1 148
Silver	**24**	22
	44 713	32 281
Base metals		
Nickel	**2 318**	1 863
Copper	**610**	537
Cobalt	**59**	86
Chrome	**425**	369
	3 412	2 855
Revenue from services		
Toll refining	**504**	718
	48 629	35 854

Note 5 contains additional disclosure of revenue per operating segment.

Adoption of IFRS 15 *Revenue from Contracts with Customers*

This standard replaces IAS 18 *Revenue*.

In accordance with the transition provisions in IFRS 15, the new rules were adopted retrospectively, to open, unfulfilled customer contracts on 1 July 2017, and the effect of the adoption reflected in current year opening retained earnings. The financial impact of the application of the revenue recognition adjustments to opening retained earnings was Rnil.

The Group's accounting policy has been revised to align with IFRS 15, and additional disclosures have been introduced, particularly on the disaggregation of revenue as per this note.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

11. COST OF SALES

	30 June 2019 Rm	30 June 2018 Rm (Restated)*
Production costs		
On-mine operations	**17 686**	16 392
Processing operations	**5 410**	5 340
Refining and selling	**1 621**	1 522
Depreciation of operating assets	**3 488**	3 838
Other costs		
Metals purchased	**11 746**	9 651
Corporate costs	**981**	710
Royalty expense*	**646**	350
Change in metal inventories	**(182)**	(3 404)
Chrome operation – cost of sales	**144**	146
Other	**251**	172
	41 791	34 717

* *Royalty expense, previously presented separately in the "Consolidated statement of profit or loss and other comprehensive income" and the movement in the rehabilitation provision previously presented in "other operating expenses" were reclassified to cost of sales. These items have been reclassified due to their nature, which is directly related to cost of production. Refer note 19.*

12. IMPAIRMENT

	30 June 2019 Rm	30 June 2018 Rm
Impairment of non-financial assets was made up of the following:		
Property, plant and equipment	**2 432**	13 244
Exploration and evaluation assets	**–**	385
	2 432	13 629

Refer to commentary on page 49 as well as note 21 of the consolidated annual financial statements for more detail regarding the impairment.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

13. CASH GENERATED FROM OPERATIONS

	30 June 2019 Rm	30 June 2018 Rm
Profit/(loss) before tax	**3 299**	(13 042)
Adjustments for:		
Depreciation	**3 488**	3 838
Finance cost	**1 136**	1 051
Impairments	**2 432**	13 629
Fair value adjustments on derivative financial instruments	**1 402**	(366)
Other	**(312)**	(415)
	11 445	4 695
Cash movements from changes in working capital:		
Inventory	**(152)**	(3 521)
Receivables/Payables	**551**	1 186
Cash generated from operations	**11 844**	2 360

14. HEADLINE EARNINGS

	30 June 2019 Rm	30 June 2018 Rm
Headline earnings attributable to equity holders of the Company arise from operations as follows:		
Profit/(loss) attributable to owners of the Company	**1 471**	(10 679)
Remeasurement adjustments:		
Profit on disposal of property, plant and equipment	**(60)**	–
Impairments	**2 432**	13 629
Gain – Two Rivers change in interest	**–**	(248)
Insurance compensation relating to scrapping of property, plant and equipment	**(64)**	–
Total non-controlling interest effects of adjustments	**(582)**	(114)
Total tax effects of adjustments	**(159)**	(3 816)
Headline earnings	**3 038**	(1 228)
Weighted average number of ordinary shares in issue for basic earnings per share (millions)	**718.55**	718.55
Weighted average number of ordinary shares for diluted earnings per share (millions)	**789.69**	722.11
Headline earnings/(loss) per share (cents)		
Basic	**423**	(171)
Diluted	**416**	(171)

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

15. CONTINGENT LIABILITIES AND GUARANTEES

As at the end of June 2019 the Group had contingent liabilities in respect of guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. The Group has issued guarantees of R1 587 million (2018: R2 163 million). Guarantees of R1 877 million (2018: R1 477 million) have been issued by third parties and financial institutions on behalf of the Group consisting mainly of guarantees to the Department of Mineral Resources for R1 755 million (2018: R1 355).

16. RELATED PARTY TRANSACTIONS

The Group entered into PGM purchase transactions of R5 175 million (June 2018: R3 749 million) with Two Rivers Platinum, an associate company, resulting in an amount payable of R1 361 million (June 2018: R1 145 million) at year-end. It also received refining fees to the value of R33 million (June 2018: R33 million).

The Group previously entered into sale and leaseback transactions with Friedshelf, an associate company. At the end of the period, an amount of R1 154 million (June 2018: R1 192 million) was outstanding in terms of the lease liability. During the period, interest of R122 million (June 2018: R125 million) was charged and a R160 million (June 2018: R148 million) repayment was made. The finance leases have an effective interest rate of 10.2%.

The Group entered into PGM purchase transactions of R4 876 million (June 2018: R3 372 million) with Mimosa Investments, a joint venture, resulting in an amount payable of R1 166 million (June 2018: R965 million) at year-end. It also received refining fees to the value of R317 million (June 2018: R285 million).

These transactions are entered into on an arm's-length basis at prevailing market rates.

Fixed and variable key management compensation is disclosed on page 35 of this report.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

17. FINANCIAL INSTRUMENTS

	30 June 2019 Rm	30 June 2018 Rm
Financial assets – carrying amount		
Financial assets at amortised cost	**11 170**	6 368
Trade and other receivables	**2 761**	2 506
Cash and cash equivalents	**8 242**	3 705
Other financial assets	**167**	157
Financial assets at fair value through profit and loss[2]	**381**	21
Financial assets at fair value through other comprehensive income[1]	**265**	–
Available-for-sale financial assets[1]	**–**	198
Total financial assets	**11 816**	6 587
Financial liabilities – carrying amount		
Financial liabilities at amortised cost	**11 913**	16 967
Borrowings	**8 562**	10 352
Commitments	**47**	69
Trade payables	**3 296**	6 535
Other payables	**8**	11
Financial instruments at fair value through profit and loss	**5 115**	50
Trade payables – metal purchases[2]	**3 504**	–
Other financial liabilities[2]	**1 611**	50
Total financial liabilities	**17 028**	17 017

[1] *Level 1 of the fair value hierarchy – Quoted prices in active markets for the same instrument.*
[2] *Level 2 of the fair value hierarchy – Valuation techniques for which significant inputs are based on observable market data.*

The carrying amounts of financial assets and liabilities approximate their fair values with the exception of the US$ convertible bond (carrying amount R3 067 million) which has a fair value of approximately R3 430 million, and the ZAR convertible bond (carrying amount R2 764 million) which has a fair value of approximately R3 002 million. These fair values are categorised within level 3 of the fair value hierarchy. A discounted cash-flow valuation technique was used, using a 4.25% discount rate on the US$ convertible bond and 9.57% discount rate on the ZAR convertible bond.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

17. FINANCIAL INSTRUMENTS CONTINUED

Adoption of IFRS 9 *Financial Instruments*

This standard replaces IAS 39 *Financial Instruments*.

The adoption of IFRS 9 *Financial Instruments* from 1 July 2018 resulted in changes in accounting policies and resulted in an adjustment to opening "other reserves". The adjustment of R94 million is as a result of the valuation of the equity investment in Rand Mutual Assurance (RMA) which was previously measured at cost (Rnil) in accordance with IAS 39 and has now been measured at fair value through other comprehensive income. The Group has not restated comparatives on transition because the Group was not able to meet the requirement in the standard to do so without the use of hindsight. IFRS 9 adoption has impacted both the classification and impairment requirements of financial assets. The Group now classifies former loans and receivables and held-to-maturity financial assets as measured at amortised cost. Derivative financial instruments and available-for-sale financial assets have now been classified as measured at fair value through profit and loss (FVTPL) and fair value through other comprehensive income (FVOCI) respectively.

The following table indicates the reclassifications and adjustments recognised for each individual line item as per the statement of financial position as at 1 July 2018:

IAS 39 classifications	Balance at 30 June 2018 Rm	Reclassification Rm	IFRS 9 classifications: Amortised cost Rm	Fair value through profit on loss Rm	Fair value through other comprehensive income* Rm	**Balance at 1 July 2018 Rm**
Financial assets						
Available-for-sale financial assets*	198	(198)	–	–	292	**292**
Other financial assets	178	(178)	157	21	–	**178**
Derivative financial asset#	21	(21)	–	21	–	**21**
Held-to-maturity financial asset@	73	(73)	73	–	–	**73**
Loans carried at amortised cost@	84	(84)	84	–	–	**84**
Trade and other receivables@	2 506	(2 506)	2 506	–	–	**2 506**
Cash and cash equivalents	3 705	(3 705)	3 705	–	–	**3 705**
Total financial assets	6 587	(6 587)	6 368	21	292	**6 681**
Financial liabilities						
Borrowings@	10 352	(10 352)	10 352	–	–	**10 352**
Other financial liabilities	119	(119)	69	50	–	**119**
Derivative financial liability#	50	(50)	–	50	–	**50**
Future commitment@	69	(69)	69	–	–	**69**
Trade and other payables@	6 546	(6 546)	3 501	3 045	–	**6 546**
Total financial liabilities	17 017	(17 017)	13 922	3 095	–	**17 017**

Continues to be measured subsequently at fair value through profit or loss.

@ *Continues to be measured subsequently at amortised cost, except for "Trade payables – metal purchases" measured subsequently at fair value through profit or loss.*

* *Includes R94 million investment in equity instrument (Rand Mutual Assurance) that was previously measured at Rnil.*

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

17. FINANCIAL INSTRUMENTS CONTINUED

Adoption of IFRS 9 *Financial Instruments* continued

The reclassification detailed in the table on page 34 was informed by the Implats' business models for managing financial assets and the following Implats financial asset characteristics:

Reclassifying equity instruments previously classified as available-for-sale to FVOCI

The Group elected to present changes in the fair value of all its equity investments previously classified as available-for-sale in other comprehensive income, due to the Group's business model to hold these assets for value appreciation over the long term as well as collecting contractual cash flows. The cumulative fair value gains or losses on these instruments were not reclassified and will continue to be recognised in "other reserves" in equity. The gains or losses on these investments will not be reclassified to profit or loss upon derecognition.

Reclassification to amortised cost

Held-to-maturity financial assets and loans and receivables (including cash and cash equivalents) carried at amortised cost were reclassified to financial assets at amortised cost. This is in line with the Group's business model to hold the assets to maturity, and to collect contractual cash flows that consists solely of payments of principal and interest on the outstanding amount.

Financial assets and liabilities at fair value through profit or loss

The derivative financial assets do not meet the criteria for classification at either amortised cost or FVOCI. The derivative financial assets are therefore classified as measured at FVTPL. The derivative financial liabilities are measured in accordance with IFRS 9 at FVTPL.

Impairment of financial assets

The Group has five types of financial assets that are subject to IFRS 9's new expected credit loss model (ECL):

- Trade receivables for sales of inventory and tolling refining services;
- Other receivables, which consist mainly of employee receivables;
- Interest-free housing loans to employees;
- Debt instruments carried at amortised cost; and
- Cash and cash equivalents.

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The lifetime ECL was applied to the outstanding trade receivable balances at 1 July 2018 which resulted in a negligible amount of impairment. All trade receivable balances have been recovered in full for the past five years.

The 12-month ECL (general approach ECL) has been applied to the following financial assets whose credit risk is considered to be low:

- Housing loans;
- Employee receivables;
- Debt instruments held at a financial institution; and
- Cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

17. FINANCIAL INSTRUMENTS CONTINUED

Adoption of IFRS 9 *Financial Instruments* continued

Housing loans consist of housing loans advanced to Implats employees in terms of the Implats housing scheme. These loans are secured by a second bond over residential properties. Prior to granting the loan, employees undergo a screening process by an institutional bank to assess their creditworthiness for the entire value of the loan (bank and Implats loan value). After the bank's approval, Implats issues the employee with the housing loan, secured by a secondary bond over the property. An impairment rate of 0.5% was applied to housing loans. This impairment assumption is based on expected default rates on the overdue loans, by employees showing signs of financial distress and adverse expected changes in macro-economic circumstances that could affect employees, such as increases in interest and inflation rates, which would move the loan from a low credit risk category to a higher risk category.

Employee receivables consist of short-term advances. These receivables are generally recovered from the employees' salaries within 30 days, and due to their short-term nature, are consider to have a low credit risk. Indicators of increased credit risk include failure to recover the advances within 30 days.

Long-term debt instruments at amortised cost are considered to have low credit risk and are mostly held with investment grade entities. The loss assessment on the total carrying amount of the investments was therefore limited to 12 months expected losses.

The Group's cash and cash equivalents are also subject to the impairment requirements of IFRS 9. The Group's cash is held at investment grade financial institutions, which are considered to have a low credit risk and the expected credit losses were immaterial.

General factors of an increase in credit risk in long-term debt investments and cash and cash equivalents include a downgrade in the sovereign or financial institution's credit ratings.

The outcome of the general approach ECL model assessments on the above financial assets was immaterial at 1 July 2018, therefore no adjustment was made to opening retained earnings.

At 30 June 2019 the ECL was reassessed. There were no significant changes in the circumstances that impact credit risk, therefore no changes in the value of the provisions were required since initial adoption.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2019

18. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 17 July 2019, Implats announced an offer to holders (bondholders) of its US$ 3.25% convertible bonds due 2022 (US$ bonds) to pay the bondholders a cash consideration to incentivise them to exercise their conversion rights, in accordance with the terms and condition of the bonds, to convert their US$ bonds into ordinary shares in Implats. Bondholders representing US$249.8 million of the US$ bonds accepted this offer. As a result, a cash consideration of R510 million was paid to the bondholders and 64.2 million ordinary shares were issued by Implats to bondholders who elected to accept this offer. On 13 August 2019, the remaining bondholder elected to convert his US$200 000 bond into 51 404 shares in terms of the terms and conditions of the bond. The shares were issued on 27 August 2019. Consequently, the total number of ordinary shares in issue, post the conversion, increased to 799 million.

At year-end, the US$ bonds did not have a dilutive impact on earnings per share or headline earnings per share.

On the conversion date, Implats will:

- Expense the cash consideration of R510 million paid to bondholders;
- Transfer the carrying value of its US$ bonds at that date to ordinary share capital (the carrying value at 30 June 2019 was R3 067 million (note 9)); and
- Transfer the fair value of the US$ bond conversion option at that date to other equity reserves (the carrying value at 30 June 2019 was R1 611 million (note 10.1)).

The movement in the carrying value of the US$ bonds and fair value of the US$ bond conversion option between 1 July 2019 to the conversion date, will be accounted for in the profit or loss for the period.

In addition, the 64.3 million ordinary shares will be included in the weighted average number of ordinary shares in issue from the date of issue.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

19. RESTATEMENT DUE TO CHANGE IN CLASSIFICATION IN THE STATEMENT OF PROFIT OR LOSS

	2018		
	Prior year classification Rm	Reclassification Rm	New classification Rm
Cost of sales	(34 277)	(440)	(34 717)
Royalty expense*	(350)	350	–
Other operating income*	180	(180)	–
Other operating expenses*	(944)	944	–
Other income	1 404	180	1 584
Other expense	(300)	(854)	(1 154)
Total	(34 287)	–	(34 287)

* *Royalty expense, other operating income and other operating expenses have been re-allocated in the table above to cost of sales, other income and other expense respectively.*

The June 2018 royalty expense of R350 million, which was previously disclosed separately on the Consolidated statement of profit or loss and other comprehensive income, and the prior year's movement in the rehabilitation provision expense of R90 million, previously included in other operating expenses, were reclassified to cost of sales in the current financial year.

These items were reclassified due to their nature, which is directly related to cost of production.

The residual other operating income and expense items were not directly related to cost of production and were therefore reclassified to other income and other expenses respectively.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the sixty-third annual general meeting of shareholders of the Company will be held at the Company's head office in the Platinum boardroom, 2nd Floor, 2 Fricker Road, Illovo, Johannesburg, on Tuesday 22 October 2019 at 11:00 for the following purposes:

ORDINARY BUSINESS OF THE ANNUAL GENERAL MEETING

The purpose of the annual general meeting is for the following business to be transacted and to consider, and, if deemed fit, pass, the following ordinary resolutions with or without modification (in order to be adopted these resolutions require the support of a majority of votes cast by shareholders present or represented by proxy at the annual general meeting):

Presentation of annual financial statements

To present the annual financial statements of the Company and the Group for the year ended 30 June 2019 including the reports of the directors, the audit committee and the external auditors.

The annual financial statements are available on the Company's website, www.implats.co.za, or a printed copy can be obtained from the transfer secretaries.

Social, transformation and remuneration committee report

To present the report of the social, transformation and remuneration committee to the shareholders as required by the Companies Act, 2008. The report appears on pages 12 to 15 of this report.

ORDINARY RESOLUTIONS

1. Ordinary resolution number 1: Appointment of external auditors

Resolved that Deloitte be and are hereby appointed as independent auditor of the Company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company.

The re-appointment of the external auditors has been recommended by the audit committee.

2. Ordinary resolution number 2: Re-election of directors

Resolved that each of the following persons, who retire from office at this meeting and who offer themselves for re-election, be and are hereby re-elected as a director of the Company:

2.1 Mr Peter Davey
2.2 Ms Boitumelo Koshane
2.3 Mr Alastair Macfarlane
2.4 Ms Babalwa Ngonyama
2.5 Dr Mandla Gantsho

Brief biographies of these directors appear on pages 7 and 9 of this report.

Each of the appointments numbered 2.1 to 2.5 constitute separate ordinary resolutions and will be considered by separate votes.

The board, assisted by the nomination, governance and ethics committee, and the Company Secretary, evaluated the performance of the directors retiring by normal rotation and the board of directors unanimously recommends their re-election.

NOTICE OF ANNUAL GENERAL MEETING

3. Ordinary resolution number 3: Appointment of members of audit committee

Resolved that each of the following independent non-executive directors, who are eligible and offer themselves for re-election, be and are hereby re-elected as members of the Implats audit committee:

3.1 Ms Dawn Earp
3.2 Mr Peter Davey
3.3 Mr Preston Speckmann

Brief biographies of these independent directors appear on page 7 of this report. Each of the appointments numbered 3.1 to 3.3 constitute separate ordinary resolutions and will be considered by separate votes.

4. Ordinary resolution number 4: Endorsement of the Company's Remuneration Policy

Resolved that the Company's Remuneration Policy for the 2019 financial year, appearing on page 21 to 30; of this book, be and is hereby endorsed by a non-binding advisory vote.

5. Ordinary resolution number 5: Endorsement of the Company's remuneration implementation report

Resolved that the Company's remuneration implementation report for the 2019 financial year, appearing on page 31 to 44; of this report, be and is hereby endorsed by a non-binding advisory vote.

If the Company's remuneration policy and implementation report is voted against by 25% or more of the voting rights exercised on these resolutions, the Company will in its voting results announcement extend an invitation to such dissenting shareholders to engage with the Company to discuss their reasons. The manner and timing of such engagement will be specified in the announcement.

SPECIAL BUSINESS OF THE ANNUAL GENERAL MEETING

To consider, and if deemed fit, pass the following special resolution with or without modification (in order to be adopted this resolution requires the support of a majority of at least 75% of votes cast by shareholders present or represented by proxy at the meeting):

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

6. Special resolution number 1: Approval of increase to director's remuneration

Resolved that in terms of section 66(9) of the Companies Act, 2008, the Company may pay remuneration to its directors for their services.

	With effect from	**1 July 2019 (R)**	Proposed increase %	1 July 2018 (R)
1.1	Board of directors chairperson	**2 150 000**	6	2 025 660
1.2	Lead independent director	**1 400 000**	7	1 312 500
1.3	Remuneration for non-executive directors	**417 289**	6	393 669
1.4	Audit committee chairperson	**417 289**	6	393 669
1.5	Audit committee member	**197 215**	6	186 052
1.6	Social, transformation and remuneration committee chairperson	**329 188**	6	310 555
1.7	Social, transformation and remuneration committee member	**148 035**	6	139 656
1.8	Nominations, governance and ethics committee member	**148 035**	6	139 656
1.9	Health, safety, environment and risk committee chairperson	**329 188**	6	310 555
1.10	Health, safety, environment and risk committee member	**148 035**	6	139 656
1.11	Capital allocation and investment committee chairperson	**329 188**	6	310 555
1.12	Capital allocation and investment committee member	**148 035**	6	139 656
1.13	*Ad hoc* fees per additional board or committee meeting	**18 876**	6	17 808
Chairperson of meeting will be paid twice the *ad hoc* fee				

Each of the resolutions numbered 1.1 to 1.13 constitute separate special resolutions and will be considered by separate votes.

NOTICE OF ANNUAL GENERAL MEETING

7. Special resolution number 2: Approval of a 6% structural adjustment

Resolved that in terms of section 66(9) of the Companies Act, 2008, the Company may adjust the remuneration for non-executive directors and board committees, by a further 6%. This additional adjustment will not apply to special resolutions 1.1 and 1.2.

The reason for and the effect of this special resolution number 2 is to grant the Company permission to increase the remuneration paid to non-executive directors for their services to the Company by a further 6%. The additional increase will make the total increase to the fee 12% for the new financial year.

The effect of the structural adjustment will be as follows:
- Board member: R442 000
- Audit committee chair: R442 000
- Audit committee member: R209 000
- Chairs of other committees: R349 000
- Members of other committees: R157 000

8. Special resolution number 3: Acquisition of Company's shares by Company or subsidiary

Resolved that the Company and/or a subsidiary of the Company be and is hereby authorised to repurchase or purchase, as the case may be, ordinary shares issued by the Company on such terms and conditions and in such amounts as the directors of the Company may decide, but subject always to the provisions of section 48 of the Companies Act, 2008 (the Act), JSE Limited (JSE) Listings Requirements (JSE Listings Requirements) and the following limitations:
- That this authority shall be valid until the Company's next annual general meeting provided that it shall not extend beyond 15 months from the date of this annual general meeting
- That any such repurchase be effected through the order book operated by the JSE trading system and done without any prior understanding or agreement between the Company and the counterparty
- That authorisation thereto is given by the Company's memorandum of incorporation
- That a paid announcement giving such details as may be required in terms of the JSE Listings Requirements be published when the Company or its subsidiaries have repurchased in aggregate three percent (3%) of the initial number of shares in issue, as at the time that the general authority was granted, and for each three percent (3%) in aggregate of the initial number of shares which are acquired thereafter
- That a general repurchase may not in the aggregate in any one financial year exceed five percent (5%) of the number of shares in the Company's issued share capital at the time this authority is given, provided that a subsidiary of the Company may not hold at any one time more than five percent (5%) of the number of issued shares of the Company
- That no repurchase will be effected during a prohibited period (as defined by the JSE Listings Requirements) unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed (not subject to variation) and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE
- That at any one point in time, the Company may appoint only one agent to effect repurchases on the Company's behalf
- That, in determining the price at which shares may be repurchased in terms of this authority, the maximum premium permitted is ten percent (10%) above the weighted average traded price of the shares as determined over the five business days immediately preceding the date of repurchase (the maximum price)

NOTICE OF ANNUAL GENERAL MEETING

- Prior to entering the market to proceed with the repurchase, the board of directors (board), by resolution authorising the repurchase, has applied the solvency and liquidity test as set out in section 4 of the Act and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the proposed repurchase, and that since the test was performed there have been no material changes to the financial position of the Group.

The board as at the date of this notice has stated its intention to examine methods of returning capital to shareholders in terms of the general authority granted at the last annual general meeting. The board believes it to be in the best interests of Implats that shareholders pass a special resolution granting the Company and/or its subsidiaries a further general authority to acquire Implats shares. Such general authority will provide Implats and its subsidiaries with the flexibility, subject to the requirements of the Act and the JSE Listings Requirements, to purchase shares should it be in the interest of Implats and/or its subsidiaries at any time while the general authority subsists.

After considering the effect of such maximum repurchase:
- The Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the notice of the annual general meeting
- The assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the notice of the annual general meeting. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited Group annual financial statements
- The share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting
- The working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting
- A resolution being passed by the board that it has authorised the repurchase, that the Company and the Group have passed the solvency and liquidity test and that since the test was performed there have been no material changes to the financial position of the Group.

The reason for and the effect of this special resolution number 3 is to grant the Company's directors a general authority, up to and including the date of the following annual general meeting of the Company, to approve the Company's purchase of shares in itself, or to permit a subsidiary of the Company to purchase shares in the Company.

For purposes of considering the special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, the information listed below has been disclosed in the indicated pages of the accompanying notice to shareholders:
- Major shareholders – refer page 44
- Share capital of the Company – refer page 45
- The directors, whose names are set out on pages 7 and 8 collectively and individually accept full responsibility for the accuracy of the information contained in this special resolution and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard
- Material change – at the date of completing this notice, there have been no material changes in the financial or trading position of the Company and its subsidiaries that have occurred since 30 June 2019.

NOTICE OF ANNUAL GENERAL MEETING

Salient dates of the annual general meeting

The record date of the annual general meeting for shareholders to attend, participate in and vote at the annual general meeting is Friday, 11 October 2019. Accordingly, the last day to trade in order to attend, participate in, and vote at, the annual general meeting is Tuesday, 8 October 2019.

Persons intending to attend or participate in the annual general meeting will be required to present reasonably satisfactory identification.

By order of the board

TT Llale
Company secretary

Registered office

2 Fricker Road
Illovo
Johannesburg
2196

23 September 2019

Note

A shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend, speak and vote in his stead. A proxy need not be a shareholder.

A form of proxy, for use by certificated registered shareholders on the South African and United Kingdom registers and dematerialised own name registered holders, accompanies this document.

FORM OF PROXY

IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1957/001979/06)
(Share code: IMP) (ISIN: ZAE000083648)
(Implats or the Company)

FOR USE BY:

- **CERTIFICATED REGISTERED SHAREHOLDERS on the South African and United Kingdom register**
- **DEMATERIALISED "OWN NAME" REGISTERED HOLDERS**

This form of proxy is not for use by shareholders who have already dematerialised their Implats shares through a CSDP other than "own name" dematerialised shareholders.

For use at the annual general meeting of the Company to be held on Tuesday, 22 October 2019 at 11:00 (the annual general meeting).

I/We

of appoint (see note 3)

1. or failing him/her

2. or failing him/her

3. the chairman of the annual general meeting

as my/our proxy to act for me/us at the annual general meeting of the Company which will be held in the boardroom, 2nd Floor, 2 Fricker Road, Illovo, Johannesburg, at 11:00 on Tuesday, 22 October 2019, and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name/s (see note 4).

Resolutions	Number of ordinary shares		
	For	Against	Abstain
Ordinary resolutions			
Ordinary resolution number 1 – Appointment of external auditors			
Ordinary resolution number 2 – Re-election of directors			
2.1 PW Davey			
2.2 BT Koshane			
2.3 AS Macfarlane			
2.4 B Ngonyama			
2.5 MSV Gantsho			
Ordinary resolution number 3 – Appointment of audit committee members			
3.1 D Earp			
3.2 PW Davey			
3.3 PE Speckmann			
Ordinary resolution number 4 – Endorsement of the Company's Remuneration Policy			
Ordinary resolution number 5 – Endorsement of the Company's remuneration implementation report			
Special resolutions			
Special resolution number 1 – Approval of non-executive director's remuneration			
1.1 Remuneration of the chairperson of the Board			
1.2 Remuneration of the Lead Independent Director			
1.3 Remuneration of non-executive directors			
1.4 Remuneration of Audit committee Chairperson			
1.5 Remuneration of Audit committee member			
1.6 Remuneration of Social, transformation and remuneration committee Chairperson			
1.7 Remuneration of Social, transformation and remuneration committee member			
1.8 Remuneration of Nominations, governance and ethics committee member			
1.9 Remuneration of Health, safety, environment and risk committee Chairperson			
1.10 Remuneration of Health, safety, environment and risk committee member			
1.11 Remuneration of Capital allocation and investment committee Chairperson			
1.12 Remuneration of Capital allocation and investment committee member			
1.13 Remuneration for *ad hoc* meetings			
Special resolution number 2 – Approval of a 6% structural adjustment			
Special resolution number 3 – Acquisition of Company's shares by Company or subsidiary			

Insert in the relevant space above the number of shares held.

Signed at on 2019

Signature of shareholder(s)

Assisted by (where applicable)

Each ordinary shareholder is entitled to appoint one or more proxies (who need not be a shareholder/s of the Company) to attend, speak and vote in place of that shareholder at the annual general meeting.

NOTES TO THE FORM OF PROXY

1. A shareholder on the Implats share register who has dematerialised his/her/its ordinary shares through Strate, other than that whose shareholding is recorded in his/her/its “own name” in the sub-register maintained by his/her/its CSDP, and who wishes to attend the meeting in person, will need to request his/her/its CSDP or broker to provide him/her/it with the necessary authority to do so in terms of the custody agreement entered into between the dematerialised shareholder and his/her/its CSDP or broker.
2. A shareholder (including certificated shareholders and dematerialised shareholders who hold his/her/its shares with “own name” registration) entitled to attend and vote at the meeting may appoint one or more proxies to attend, participate and vote in his/her/its stead.
3. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder’s choice in the space provided, with or without deleting ‘the chairman of the annual general meeting’. Any such deletion must be initialled by the shareholder. The person present at the meeting whose name appears first on the form of proxy and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.
4. A shareholder’s instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he deems fit in respect of the entire shareholder’s votes exercisable thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or his proxy.
5. Any alteration or correction to this form of proxy must be initialled by the signatory(ies).
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of the Company or waived by the chairman of the annual general meeting.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
8. Forms of proxy must be lodged with or posted to the Company’s transfer secretaries to be received not later than 24 hours (excluding Saturdays, Sundays and public holidays) before the time of the meeting.
9. This form of proxy expires after the conclusion of the meeting stated herein except at an adjournment of that meeting or at a poll demanded at such meeting.

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
PO Box 61051
Marshalltown
2107

United Kingdom transfer secretaries
Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

CORPORATE INFORMATION

REGISTERED OFFICE
2 Fricker Road
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Private Bag X18
Northlands, 2116
Telephone: +27 (11) 731 9000
Telefax: +27 (11) 731 9254
Email: investor@implats.co.za
Registration number: 1957/001979/06
Share codes:
JSE: IMP
ADRs: IMPUY
ISIN: ZAE000083648
Website: http://www.implats.co.za

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Zimplats
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Harare, Zimbabwe
PO Box 6380
Harare
Zimbabwe
Telephone: +263 (242) 886 878/85/87
Fax: +263 (242) 886 876/7
Email: info@zimplats.com

SPONSOR
Nedbank Corporate and Investment Banking

IMPALA PLATINUM JAPAN LIMITED
Uchisaiwaicho Daibiru, room number 702
3-3 Uchisaiwaicho
1-Chome, Chiyoda-ku
Tokyo
Japan
Telephone: +81 (3) 3504 0712
Telefax: +81 (3) 3508 9199

COMPANY SECRETARY
Tebogo Llale
Email: tebogo.llale@implats.co.za

CORPORATE INFORMATION

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Suite 31, Second Floor
107 Cheapside
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EC2V 6DN
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Telephone: +44 (020) 7796 8644
Telefax: +44 (020) 7796 8645
Email: phil.dexter@corpserv.co.uk

PUBLIC OFFICER

Ben Jager
Email: ben.jager@implats.co.za

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15 Biermann Avenue
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PO Box 61051
Marshalltown, 2107
Telephone: +27 (11) 370 5000
Telefax: +27 (11) 688 5200

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Bristol
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PricewaterhouseCoopers Inc
4 Lisbon Lane
Waterfall City
Jukskei View
Johannesburg
2090

CORPORATE AFFAIRS

Johan Theron
Investor queries may be directed to:
Email: investor@implats.co.za

Bastion

Distinctly Platinum

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