



accountability

management

EXECUTIVE COMMITTEE (EXCO)

Area of responsibility: Day-to-day management of group operations

Keith Rumble (Chairman)

Chief Executive Officer

David Brown

Chief Financial Officer

Cathie Markus

Executive Director

Les Paton

Executive Director

Ramun Mahadevey (Secretary)

Group Secretary and Senior Manager Legal Services

Shadwick Bessit

Operations Executive – Rustenburg

Rob Dey

Group Engineering Manager

Derek Engelbrecht

Marketing Executive

Paul Finney

General Manager – Refineries

Bob Gilmour

Group Investor Relations Manager

Nonhlanhla Mgadza

Group Internal Auditor

Mike Rossouw

Group Consulting Engineer – Assets and Risk

Mike Teke

Group Human Resources Executive

Dirk Theuninck

Operations Executive – Nickel Strategy

EXCOM

Area of responsibility: Interfaces between Board and management and in particular reviews Board papers and submissions and ensures implementation of Board decisions

Keith Rumble (Chairman)

David Brown

Cathie Markus

Les Paton

Ramun Mahadevey (Secretary)

RISK MANAGEMENT COMMITTEE

Areas of responsibility: Minimising risk to assets and income earning capacity

Mike Rossouw (Chairman)

Shadwick Bessit

David Brown

Rob Dey

Bob Gilmour

Cathie Markus

Chris McDowell

Les Paton

Dirk Theuninck

Valentine Nti

HEDGING COMMITTEE

Area of responsibility: Hedging metal sales and conversion of foreign exchange proceeds to rands

Keith Rumble (Chairman)

David Brown

Derek Engelbrecht

Johan van Deventer

IMPLATS ENVIRONMENTAL MANAGEMENT COMMITTEE

Area of responsibility: Managing and rectifying the impact which mining and processing have on the environment

Dirk Theuninck (Chairman)

Paul Dunne

Pierre Lourens

Cathie Markus

Johan van Deventer



INDEPENDENT NON-EXECUTIVE DIRECTORS

1. Fred Roux (57) (Chairman)

BSc, MSc, PhD, MBA. Non-executive director of Xstrata plc. Joined the Board in 2004 and appointed Chairman in 2004.

2. Michael McMahon* (58)

Pr.Eng. BSc (Mech Eng). Director of Gold Fields Limited, Murray & Roberts Holdings Limited. Joined the group in 1990 as managing director, appointed Chairman in 1993 and a non-executive director in 2002.

* British

3. Vivienne Mennell (62)

BA, MBA, FCMA, THD. Joined the Board in 1990 as financial director. Re-joined the Board in 1998 as a non-executive director.

4. Khotso Mokhele (49)

BSc (Agriculture), MSc (Food Science), PhD (Microbiology). Director Mittal Steel South Africa Limited, President and Chief Executive Officer of the National Research Foundation. Joined the Board in 2004.

5. Thandi Orleyn (49)

B Juris, B Proc, LLB. Director of Routledge-Modise attorneys. Joined the Board in 2004.

6. John Roberts (63)

FCIS, FCMA, MBA (Henley). Joined the Board in 1998.

7. Lex van Vught (62)

BSc (Hons) (Chemistry), B Comm. Director AECL, Tiger Brands Limited. Joined the Board in 2004.



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NON-EXECUTIVE DIRECTOR

8. Thabo Mokgatla (30)

CA (SA). Financial Director of Royal Bafokeng Resources Management Services (Pty) Limited. Joined the Board in 2003 as nominee of the Royal Bafokeng Nation.

EXECUTIVE DIRECTORS

9. Keith Rumble (51) (*Chief executive officer*)

BSc (Hons), MSc (Geology). Joined the group in 2001 in that capacity.

10. David Brown (43) (*Executive director and chief financial officer*)

CA (SA). Joined the group in 1999 in that capacity.

11. Cathie Markus (48) (*Executive director*)

BA, LLB. Joined the group as legal adviser in 1991 and appointed to the Board in 1998.

12. Les Paton (53) (*Executive director*)

BSc (Hons) (Geology), B Comm. Joined the group as geologist in 1975 and appointed to the Board in 2003.

the board

corporate governance

Corporate governance in South Africa is regulated by the King Report on Corporate Governance. First issued in 1994, the King Report was revised and expanded in 2002 (King Report II) to cover Boards and directors, accounting and auditing, internal audit and risk management, non-financial matters, compliance and enforcement. The King Report II incorporates best international practice. The JSE endorsed the King Report II by requiring disclosure of compliance and non-compliance (and the reasons therefore) in the JSE listings requirements. Implats' compliance with the King Report II is detailed and explained below.

KING II RECOMMENDATIONS

IMPLATS COMPLIANCE

Board and directors

Unitary board structures comprising executive and non-executive directors.

Unitary board structure comprising four executive directors, seven independent non-executive directors and one non-executive director. Refer pages 32 to 33.

The Board to give strategic direction to the company.

A full day session is held each year, attended by the Board and senior executives of the company, to determine strategy. Once issues are identified, they are reported on and monitored by the Board at each quarterly Board meeting.

The Board should ensure that the company complies with all relevant laws, regulations and business practice.

During the year, at the instance of the Board, an intensive audit was undertaken on all legal compliance issues. The results are reported to the Board on an ongoing basis. No major areas of concern were identified and steps are being taken to rectify minor issues identified.

The Board should define clear levels of materiality and reserve specific power to itself, other matters with the written authority to management.

The Board has a formal board charter regulating the role of the Board and outlining matters reserved for Board approval. An approval framework defines the delegated authority of management.

The Board should have access to independent professional advice.

In terms of a written policy (which also stipulates the procedure to be followed), Board members, through the company secretary, have access to independent professional advice.

The Board should identify and monitor non-financial aspects of the company.

Safety, health and environmental issues are reported at quarterly board meetings. Corporate social investment is included in the company's business plan. The company also produces a Corporate Responsibility Report dealing with issues such as safety, health and the environment.

The Board should consider whether the company will continue as a going concern in the financial year ahead.

In place, refer to Directors' report on page 108.

Items of special business in the notice of the annual general meeting should be accompanied by an explanation of the effects of the special resolutions.

In place, refer to page 45.

Encourage shareholders to attend general meetings and the chairmen of Board committees should attend annual general meetings.

Timeous notice of annual general meetings is provided. The chairmen of the Remuneration, Nomination and Audit Committees attended the annual general meeting on 29 October 2004. The chairmen of all Board committees are encouraged to attend annual general meetings.

A brief CV of each director standing for re-election to the Board should accompany the notice of the meeting.

In place, refer to page 38.

Every Board should have a Board charter setting out its responsibility.

The Board has adopted a Board charter which is available on the company website: www.implats.co.za.

Board composition

The company should be headed by an effective Board comprising a balance of executive and non-executive directors preferably with a majority of non-executive directors who are independent of management. In a South African context the demographics should also be brought into consideration.

The Board comprises seven independent non-executive directors, one non-executive director and four executive directors: 42% of the board are HDSAs and 25% female.

Procedures for appointments to the Board should be formal and transparent assisted by a Nomination Committee.

A Nomination Committee comprising three independent non-executive directors recommends candidates to the Board for appointment. The procedure in recommending appointment to the board is formal and transparent.

Board composition (continued)

Rotation of directors should be staggered.	The Board members are elected for three-year terms of office. Re-election of Board members is on a staggered basis to ensure Board continuity. Executive directors retire at the AGM following their 63rd birthday, and non-executive directors following their 67th birthday, provided that, in the case of non-executive directors, their terms of office continue on an annual basis, if a majority of their co-directors so request.
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Chairperson and Chief Executive Officer

Chairperson should be an independent non-executive director.	The chairman of Implats is an independent non-executive director as defined in King II.
Separation of the roles of the chief executive officer (CEO) and chairman.	The role of the CEO and chairman are separate.
Board should appraise the performance of the Chairman on an annual basis or other such basis as the Board may determine.	The performance of the directors retiring by rotation was appraised by the Board prior to their nomination for re-election. This is standard procedure and is included in the terms of reference of the Nominations Committee. See page 40.
The performance of the CEO should be evaluated annually and the results of the evaluation considered by the Remuneration Committee.	The Remuneration Committee appraises the performance of the CEO against pre-agreed criteria at the end of each financial year.

Directors

Executive directors should be encouraged to hold other non-executive directorships to the extent that they do not interfere with their executive duties.	In terms of written policy, executive directors and senior managers are encouraged to hold non-executive directorship. The executive directors do hold external directorships in companies in which the group has interests but limited directorships in companies in which the group has no interest.
Formal induction programme and training should be provided for directors.	A formal induction and orientation programme has been established for directors, in line with the terms of reference of the Nominations Committee. See page 40.

Remuneration

Remuneration Committee to be appointed comprising independent non-executive directors.	Details of the Remuneration Committee membership can be found below.
Chairman of Remuneration Committee to be an independent non-executive director and attend annual general meeting to answer questions from shareholders.	The Chairman of the Remuneration Committee, an independent non-executive director, attended the annual general meeting on 29 October 2004.
Full disclosure of directors remuneration on an individual basis including share options granted to directors.	Full disclosure of the directors remuneration, bonus and share scheme is given on pages 109 to 112. No share options have been granted to non-executive directors.
Executive directors fixed term contract should not exceed three years without prior shareholder approval.	No contracts of employment for a period exceeding three years exist.
Remuneration philosophy should be disclosed.	The remuneration philosophy of the group is disclosed in the report from the Remuneration Committee.
Remuneration of non-executive directors should be approved by shareholders prior to payment.	The remuneration for non-executive directors for FY2005 was approved at the last annual general meeting and only paid to directors once approved by shareholders.

Board meeting

The Board should meet at least once a quarter and more frequently if circumstances require. Attendance by the directors at Board and committee meetings should be disclosed in the annual report.	The Board meets regularly – six times a year – to review the operational performance of the group, strategic issues, the business plan, acquisition, disposals and other major contracts and commitments. The Board meets on an ad hoc basis to consider specific issues, if the need arises. Details of attendance at Board and committee meetings is given on page 38.
The Board should be briefed timeously and relevant information should be subject to internal controls to ensure a high standard of reporting at all times to enable the Board to make informed decisions.	Board papers are distributed to Board members approximately seven days prior to Board meetings. Board papers are reviewed by an executive committee, Excom, which comprises the CEO, the chief financial officer, executive directors and the company secretary, to ensure that pertinent and sufficient information is provided in Board papers. In response to this year's annual Board review, a process of continuous improvement has been adopted.
Non-executive directors should have access to management without the attendance of executive directors.	Non-executive directors interact directly and informally with management regularly.

Board committees

Board committees should:

- assist the Board in fulfilling their duties
- be established with clear terms of reference
- ensure transparency and disclosure from the Board committee to the Board
- be free to take independent professional advice
- provide a brief remit of their duties and details of attendance at their meetings.
- be subject to regular evaluation.

The Board has established four Board committees:

- Audit Committee
- Safety, Health and Environmental (SHE) Audit Committee
- Remuneration Committee
- Nominations Committee

All committees have been established in terms of clear written terms of reference and are chaired by independent non-executive directors.

All committees report back regularly to the Board at Board meetings. A report from the chairman of and the minutes of the relevant committee meeting are tabled at the Board meeting. Members of Board committees are able to request outside independent advice when required. A brief description of each committee and their respective terms of reference are set out below under the relevant headings. Over the course of the last two financial years, the effectiveness of all Board committees has been evaluated and, where necessary, issues have been addressed.

Board and directors' evaluation

Retiring directors are evaluated prior to their nomination for re-election. In accordance with the terms of reference of the Nomination Committee, assessments of the Board are conducted every two years, of Board committees every alternate year and of directors retiring in terms of the articles, annually. During the year, assessments were conducted of the Board and retiring directors.

Dealings in securities

The group observes a closed period from the end of the relevant accounting period to the announcement of the interim or year-end results, as the case may be, during which neither directors nor officers may deal, either directly or indirectly, in the shares of the company or its listed subsidiaries.

Company secretary

Board members have access to a group secretary to provide guidance on their responsibilities and the discharge thereof.

Risk management

The risk management philosophy of the group is detailed below under the relevant heading.

Internal audit

An independent, objective, assurance function, which holds regular meetings with management and the Audit Committee and has direct access to the Chairman of the Board, and independently monitors the internal control systems. The Audit Committee give input on the scope of coverage and approves the internal audit plan.

Sustainability reporting

The group publishes a Corporate Responsibility Report in conjunction with the Annual Report. Details of this report are available on the company's website: www.implats.co.za.

Code of ethics

Implats has a *bona fide* code of business practice to which all employees and suppliers are expected to adhere. The policy outlines conflicts of interest, the prevention of dissemination of company information, the acceptance of donations and gifts, and protection of the intellectual property and patent rights of the company. The policy outlines the disciplinary action (including dismissal or prosecution) which will be taken in the event of any contravention.

ACCOUNTING AND AUDITING

Auditing and non-auditing services

Audit Committee should recommend the appointment of auditors and approve the use of the external auditor for non-audit work.

The appointment of external auditors is recommended by the Audit Committee for consideration by the Board. The use of the external auditors for non-audit services is regulated by the Audit Committee and the nature and extent of their use for non-audit tasks is disclosed in the Annual Financial Statements.

Meetings are held on a regular basis between the external auditors and internal auditors to discuss the scope of audit plans and matters of mutual interest.

REPORTING OF A FINANCIAL AND NON-FINANCIAL NATURE

Information

The Board reviews the going concern statement at year-end and reconsiders such a statement at the interim stage.

Audit committee

Details of membership and attendance at Audit Committee meetings are set out on page 40.

Relations with shareholders

Investors, fund managers, analysts, the media and the market are kept fully, timeously and openly informed on all developments. Implats communicates regularly with shareholders and other stakeholders regarding its financial and operational performance. Communication with interested institutional and private investors pays due regard to the statutory and regulatory requirements on the communication of price sensitive information by the company and its officers.

It is company policy to pay dividends twice a year, at the end of the interim financial period (when approximately one-third of the dividend is paid) and at the end of the financial year (when usually the remaining two-thirds are paid). While the payment of dividends is not guaranteed, they have been paid consistently. Currently, the dividend cover is 1.9. The company has paid a special dividend previously and would consider doing so again if there was cash available in excess of the company's requirements and it elected not to pursue any other means of returning excess cash to shareholders.

The shareholder communication functions of the group secretary and the share registrar are supported by an investor relations programme which operates in South Africa, Europe, the United States and Canada. This programme is aimed at maintaining contact with institutional shareholders, fund managers and analysts in these countries, as well as the media, and to undertake formal financial disclosure through the interim and annual results announcements, the annual report, roadshows, press releases, ad hoc investor meetings, participation in investment conferences and the website. In particular, roadshows and teleconference calls also provide investors with the opportunity to communicate with management and to make recommendations to the Board. Management is also open to meetings requested by shareholders and contact details are available on the website.

The results announcements, both interim and annual, take the form of live presentations which are webcast simultaneously. International conference calls are also held. All presentations, webcasts and conference call transcripts are available on the website. In addition, copies of all presentations made by executive management are posted on the website.

Communication

A statement on the directors and auditors responsibility in reporting in this financial statement is set out in the Approval of the Financial Statements and Auditors report on pages 102 and 103.

BOARD OF DIRECTORS

There are seven independent directors, one non-executive and four executive directors on the Board.

Mr TV Mokgattha is not considered to be independent due to his relationship with the Royal Bafokeng Nation, a substantial shareholder of the company.

During the year Mr PG Joubert, Mr MF Fleming and Mr DM O'Connor retired from the Board and Mr RS Dabengwa resigned. There were no new appointments.

The responsibilities of the Board of directors are set out in the table on page 34 to 37.

The curriculum vitae of all directors to be re-elected at the AGM are set out below:

David Brown (43) Executive Director and Chief Financial Officer, CA(SA), joined the group in January 1999 as Financial Director. Director of Zimplats Holdings Limited, Mimosa Investments Limited and Two Rivers Platinum (Pty) Limited. Member of the Executive, Risk Management and Hedging Committees. Prior to joining the group he worked in the information technology sector for four years and Exxon Mobil in Europe for five years.

Thabo Mokgattha (30) Non-executive Director, CA(SA), graduated from the University of the North West. Centre Manager at the office of the Auditor General (representative of the North West Provisional Audit Committee) and partner at Moku & Associates, audit firm. Currently Financial Director of Royal Bafokeng Resources Management Services (Pty) Limited. Joined the Board in 2003 as representative of the Royal Bafokeng Nation.

Les Paton (53) Executive Director, BSc (Hons) (Geology) B.Comm, joined the group as geologist in February 1975 and has served in the group in various exploration and operational geology roles. Appointed as Consulting Geologist in September 1990 and Senior Consulting Geologist in August 2000. Appointed to the Board in August 2003. Director of Zimplats Holdings Limited, Mimosa Investments Limited, Aquarius Platinum (SA) (Pty) Limited and Two Rivers Platinum (Pty) Limited. Member of the Executive and Risk Management Committees.

Vivienne Mennell (62) Independent Non-executive Director, BA, MBA, FCMA, THD, former Financial Director of Rustenburg Platinum Mines Limited, Trans-Natal Coal Corporation Limited, Implats and Gencor Limited. Joined the Board in 1990 as Financial Director and re-joined the Board in 1998 as a non-executive director.

Attendance at Board meetings during the year is detailed below:

Attendee	Date of meeting						Number of meetings	Attended
	16.8.04	30.9.04	8.12.04	15.2.05	13.5.05	15.6.05		
FJP Roux (Chairman)	√	√	√	√	√	√	6	6
KC Rumble (CEO)	√	√	√	√	√	√	6	6
DH Brown (CFO)	√	√	√	√	√	√	6	6
CE Markus	√	√	√	√	√	√	6	6
JM McMahon	√	√	√	√	√	√	6	6
MV Mennell	√	√	√	√	√	√	6	6
K Mokhele	√	√	√	√	√	√	6	6
TV Mokgattha	√	x	√	√	x	√	6	4
NDB Orley	x	√	√	√	√	√	6	5
LJ Paton	√	√	√	√	√	√	6	6
JV Roberts	√	√	√	√	√	√	6	6
LC van Vught	√	√	√	√	√	√	6	6
PG Joubert	√	√	retired				2	2
RS Dabengwa*	x	x	resigned				2	0
MF Fleming	√	√	√	retired			3	3
DM O'Connor	x	√	√	√	retired		4	3

* Mr Dabengwa, an executive director of MTN(SA), was transferred to Nigeria during the year, which made attendance at meetings and, ultimately, continued service on the Board difficult.

REMUNERATION COMMITTEE Members

John Roberts – Chairman
Thandi Orleyn
Michael McMahon

The Remuneration Committee comprises three non-executive directors, and is chaired by an independent non-executive director. The Chairman, Chief Executive Officer and the Human Resources Executive are invited to attend all Remuneration Committee meetings except when their own remuneration is under consideration.

The policy of the group is based on the premise that fair and competitive remuneration should motivate individual achievement to enhance company prosperity, through a balanced mixture of both guaranteed and performance enhancing incentives to attract and retain highly skilled employees in the group.

The main functions of the Remuneration Committee are to:

- propose the remuneration (including incentive schemes) of executive directors and senior executives;
- benchmark remuneration practices against both local and international best practice;

- prepare innovative policies to attract and retain the services of highly skilled executives;
- ensure that terms and conditions of services of all staff are equitable and competitive;
- ensure that a succession planning process is in place;
- monitor employment equity ratios and targets;
- administer the share incentive scheme; and
- administer the share appreciation bonus plan.

Employees participate in a bonus scheme, which is based on individual achievement, certain value added criteria (such as volume and cost) and safety improvements. All senior employees set objectives for the year and apportionment of the bonus is based on the achievement of these objectives.

The Implats Share Incentive Scheme was closed to future issues with effect from October 2004. All share options issued and accepted prior to this date are still governed under the rules of the Implats Share Incentive Scheme. A new scheme called the Implats Share Appreciation Bonus Plan has been introduced to replace the Share Incentive Scheme. The new scheme pays out in the form of a cash bonus, equal to the increase in the price of the Implats' share on the stock exchange. Details of directors' remuneration are given on pages 109 to 112.

Attendance at Remuneration Committee meetings during the year was as follows:

Attendee	Date of meeting						Number of meetings	Attended
	16.08.04	15.09.04	3.11.04	12.02.05	5.03.05	12.05.05		
JV Roberts (Chairman)	√	√	√	√	√	√	6	6
NDB Orleyn	x	√	√	√	√	√	6	5
JM McMahon	√	√	√	√	√	√	6	6
FJP Roux			√	√	√	√	4	4
PG Joubert	√	√	retired				2	2

Attendance at Nomination Committee meetings during the year was as follows:

Attendee	Date of meeting					Number of meetings	Attended
	28.07.04	28.10.04	14.02.05	5.05.05	15.06.05		
MV Mennell (Chairman)	√	√	√	√	√	5	5
K Mokhele		√	√	√	√	4	4
FJP Roux		√	√	√	√	4	4
PG Joubert	√	√	retired			2	2
MF Fleming	√	√	retired			2	2

NOMINATION COMMITTEE Members

Vivienne Mennell – Chairman

Fred Roux

Khotso Mokhele

During the year Mr PG Joubert and Mr MF Fleming retired from the Committee and Dr FJP Roux and Dr K Mokhele were appointed in their stead.

The Committee comprises three non-executive directors. It assists the Board in ensuring that the structure, size, effectiveness and composition of the Board and its committees:

- are reviewed regularly;
- comprise the requisite mix of skills, experience, diversity and other qualities;
- align with the strategic direction and requirements of Implats, and
- meet the requirements of sound corporate governance.

The Nomination Committee is responsible for ensuring that the Board, its directors and its committees are assessed regularly; proposing adjustments to the Board and its committees, as appropriate; planning for the succession of directors; recommending appointments and re-elections of directors; establishing a formal induction process and ensuring that a training and development programme is in place for Board members.

During the year, the evaluation exercises conducted on the Remuneration Committee and Nomination Committee were finalised and corrective action will be taken to address issues identified.

During the year, a self-evaluation exercise was undertaken by the Board and corrective action is being taken to address issues identified. In addition, the directors retiring and available for re-election were

evaluated by their fellow Board members who endorsed their re-appointment.

AUDIT COMMITTEE Members

Lex van Vught – Chairman

Vivienne Mennell

Thabo Mokgatla

John Roberts

The Audit Committee comprises three independent non-executive directors and one non-executive director. Its role is to provide assurance that relevant Board duties are discharged by:

- monitoring the integrity of the financial statements and other relevant external financial reports of Implats and reviewing all significant inputs, judgements and outputs in order to present a balanced and understandable assessment of the position, performance and prospects of Implats, as appropriate;
- reviewing the company's internal financial control system and financial risk management system in order to safeguard Implats' assets;
- monitoring and reviewing the effectiveness of Implats' internal audit functions; and
- recommending to the Board the appointment of the external auditors, approving the remuneration and terms of engagement of the external auditors and monitoring their independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements.

The committee, in carrying out its tasks, has a wide range of powers to consult both internally and externally. The overriding principle is that the committee shall be provided with sufficient resources to undertake its duties.

During the year attendance at the Audit Committee meetings was as follows:

Attendee	Date of meeting					Number of meetings	Attended
	12.08.04	20.09.04	4.11.04	8.02.05	5.05.05		
LC van Vught	√	√	√	√	√	5	5
MV Mennell	√	√	√	√	√	5	5
TV Mokgatla	√	√	√	√	√	5	5
JV Roberts	√	√	√	√	√	5	5



Its terms of reference allow the investigation into any activity of the company and permit the seeking of information or advice from any employee in the course of its duties. The Chairman of the Audit Committee meets once a year on an individual basis with the external and internal auditors, the Chief Executive Officer and the Chief Financial Officer without any other executive member of the Board in attendance.

The Audit Committee oversees the Risk Management Committee. A "whistle blowing" toll free helpline is in place to facilitate the confidential reporting of alleged incidents which are communicated to the Chairman of the Board.

SAFETY, HEALTH AND ENVIRONMENTAL AUDIT COMMITTEE

Members

Michael McMahon – Chairman
 Fred Roux
 Khotso Mokhele
 Tony Scurr (external consultant)
 Dirk Theuninck (executive)

A Board appointed Safety, Health and Environmental (SHE) Audit Committee has been in place since 1988. Its role in terms of its mandate is to monitor and review health, safety and environmental performance and

Attendance at SHE Audit Meetings during the year were as follows:

Attendee	Date of meeting				Number of meetings	Attended
	27.09.04	2.11.04	14.02.05	4.05.05		
JM McMahon (Chairman)	√	√	√	√	4	4
FJP Roux		√	√	√	3	3
K Mokhele			X	√	2	1
T Scurr #	√	√	√	√	4	4
DJM Theuninck *	√	X	√	√	4	3
MF Pleming	√	√	retired		2	2
DM O'Connor		√	√	retired	2	2
PG Joubert	√	retired			1	1

independent consultant

* executive

standards. The SHE Audit Committee supplements and gives support, advice and guidance on the effectiveness or otherwise of management's effort in the SHE arena. The committee consists of three independent directors, one executive and a consultant. The Chairman is an independent non-executive director.

Mr PG Joubert, Mr MF Pleming and Mr DM O'Connor retired from the committee during the year and Mr Dabengwa resigned. Mr JM McMahon was appointed as Chairman and Dr FJP Roux and Dr K Mokhele as members.

The committee meets at least once a quarter. Meetings are held alternately at operations, coinciding with visits to sites of SHE importance/relevance or at Implats' head office. At all meetings, Implats' overall performance in all areas of safety, health and the environment is critically appraised. Internal Audit regularly reviews reporting systems to ensure that accidents and injuries sustained by employees/contractors are reported timeously and effectively.

RISK MANAGEMENT

Implats has adopted an integrated approach to risk management and a common risk management methodology has been implemented at all business units and functions. The company believes that its risk management process and system design are in line with internationally recognised best practice and provide for all internal and external forms of business risks. A key consideration in designing the process and system was to ensure that these become an integral part of managing the business, with line managers taking full responsibility for the process and all the risk under their control.

All risks identified, their associated controls and risk mitigation plans are reviewed and reported by line managers on an ongoing basis to ensure compliance, where required, and the development of strategies to ensure the continuous reduction of risk where this is possible.

Ultimate accountability for risk management rests with the Board. The Board assumes this responsibility by undertaking self audits of compliance, regularly reviewing the group's strategic risks and assessing the effectiveness of management's application of risk management. The objective of these reviews and audits is to ensure sustainability and continuous improvement in the management of risks and that

appropriate and timely action is taken in response to the inevitable changes in the external and internal business environments.

The Board is assisted in performing its duty by the management executive committee, sub-committees of the Board, external specialists and internal and external audit as and when this assistance is required.

As part of the process of continuous improvement and embedding risk management within the company, the following activities were completed in the period under review:

- A self-assessment of the Board and its compliance with corporate governance requirements such as King II was conducted;
- A comprehensive risk management manual was compiled that explains the group's risk management strategy, structures, processes, framework and systems. The manual also serves as the basis for training on risk management and is communicated to all employees involved with risk management. The manual contains the Implats Risk Management Policy and the Risk Financing Policy;
- An internal safety peer review methodology that is aligned and integrated with the risk management framework was designed and is being implemented across the group. Peer reviews are an additional means of strengthening existing assurance processes for safe work practices and towards eliminating injuries at work;
- Management reviewed the group's strategic risks to ensure the alignment of these risks with the group, business unit and functional strategies, business plans and executive responsibilities;
- Ongoing reviews of business unit base line risk assessments and project risk reviews were undertaken.
- An operational risk review, by an external risk assessment agency, of the physical assets and business interruption risks which serves to integrate and align the activities of risk management and insurance, was completed. The review assists Implats in achieving the best possible insurance terms and assists insurers in better understanding how risk is managed;
- Internal audit methodology has been integrated with the risk management framework. This ensures audit activities are enterprise risk-based, prioritised in line with risk assessments and that all controls are audited; and
- Compiled a stakeholder risk report which is available on the Implats website.



The strategic issues that currently face the group and which inform business planning, risk management and resource allocation priorities are:

- sustaining our commitment and drive towards zero harm to employees and ensuring their general wellness;
- managing where appropriate the uncertainties associated with volatile currency exchange rates. (It is the Board's policy not to participate in ongoing hedging against volatile currency exchange rates);
- ensuring legal and regulatory compliance in an environment that is continuously changing;
- retaining a focussed and sustainable growth portfolio and form of assets that ensures that the company remains in the top quartile of performers and within its areas of core competence;
- defending and, where possible, developing its market share;
- addressing relevant issues in respect of corporate responsibility, and being recognised as a good corporate citizen in the countries and communities where the company operates;
- maintaining reliable and effective production processes and delivering product on time and to specification;
- protecting and maintaining security and reliability of physical assets;
- maintaining mutually beneficial and healthy employee relations;
- sustaining unit production costs in the lowest quartile of the industry;
- maintaining effective project management processes and skills that ensure successful project implementation and delivery;
- managing appropriately the uncertainties associated with volatile metal prices. (It is the Board's policy not to participate in ongoing hedging against metal price volatility);
- maintaining an effective up-to-date group strategy and business plan;
- sustaining the group's commitment and drive towards zero harm to the natural environment and maintaining sound and mutually beneficial relationships with the communities in the vicinity of operations and with the general public;
- retaining process, systems and management technology competitiveness; and
- attracting, developing and retaining the requisite management, operational, technical and business skills, talent pool and employee motivation.

INSURABLE RISKS

A regular review of the group's major insurable risks and associated potential losses was undertaken. The company has taken steps to ameliorate potential losses through a variety of means. A comprehensive enterprise-wide risk management programme is in operation, which incorporates an appropriate level of self-insurance. Conventional insurance policies are utilised to provide cover for the group above this group self-insurance level.

INTERNAL CONTROL SYSTEM

The group maintains accounting and administrative control systems designed to provide reasonable assurance that the accounting records accurately reflect that all transactions are executed and recorded in accordance with sound business practices, the assets are safeguarded and that protection is provided against serious risk of error or loss in a cost-effective manner.

Employment equity

	Total employees	Total designated*	% designated*
Senior management	84	17	20.2
Middle management	500	168	33.6
Skilled	3,457	2,377	68.8
Total#	4,041	2,562	63.4

* The term "designated employee" refers to those employees designated in terms of the Employment Equity Act as having been historically disadvantaged and does not include white females.

Total employees in service as at June 2005 (including Impala, capital projects and Marula). The targets as required by the Mining Charter are 40% HDSAs in management and 10% women in mining by 2009.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls has occurred during the year under review.

LEGISLATION

The Mineral and Petroleum Resources Development Act (the Act), which came into effect on 1 May 2004, has profound implications for the mining industry.

Together with the Broad-Based Socio-Economic Empowerment Charter for the Mining Industry (Mining Charter), the Scorecard for the Mining Charter and the Royalty Bill, this legislation presents a significant departure from the previous legislative regime and will govern the security of tenure of mineral resources and reserve assets for all South African mining and prospecting operations. Although the interim arrangements provided for in the Act allow for a five-year period to complete the conversion process, Implats applied during FY2005 to convert all the old order mining rights obtained under the Minerals Act of 1991. Significant milestones such as the facilitation of BEE participation in the Incwala Resources arrangement are in the public domain and are detailed elsewhere in the annual report.

In terms of the new minerals legislation, a mining right may be granted for a period not exceeding 30 years. It is presently envisaged that most of Implats' mineral resource and mineral reserve areas within South Africa will be mined out within this period. An extension will be required for some areas. Mineral resources presently

contained within old order prospecting right areas also form an important part of the long-term mine plans and due priority will be allocated to these for the eventual progression to new order mining rights.

TRANSFORMATION

The business plan of the organisation includes interventions to support the transformation process, to develop and empower the workforce and to accommodate both anticipated and recently promulgated legislation.

The commitment to the process of unlocking the potential of our employees applies in particular to those who fall into the category of designated groups. All the developmental programmes, succession planning, career path programmes and the bursary project take cognisance of this commitment.

A Transformation Advisory Committee, which reports to the Board, and management transformation steering committees at each of the South African operations, have been established and specific numerical targets have been set over a five-year period to achieve a transformed workplace. The planned target levels and the levels of achievement are set out in the table above. Some progress against targets has been made, particularly at supervisory and management levels but there is still some way to go to meet the set targets.

The report above is a requirement in terms of the Employment Equity Act, the targets for which are reviewed periodically.

EMPLOYEE PARTICIPATION

The group is committed to open and transparent communication with employees and employee participation is encouraged through various short-term and long-term initiatives and campaigns. Regular leadership summits facilitate communication between management and employee representatives across the organisation. In addition, representatives of all unions serve on key committees such as the Impala HIV/AIDS and Best Practice Committees.

CODE OF VALUES

The group has adopted a code of values governing the manner in which it does business with its stakeholders and, in particular, covering business integrity and development, and safety of employees. The process whereby employees have committed themselves to these values has resulted in the development of the principles of that code into a "value statement" which interprets those values in a practical and easily understandable form. All employees and directors are required to adhere to the ethical standards contained in this code.

ACCESS TO INFORMATION

Implats has complied with the requirements of the Promotion of Access to Information Act of 2000. The corporate manuals are available on the website and from the Group Secretary.

SPONSOR

Deutsche Bank is the corporate sponsor, in compliance with the JSE's listing requirements.

EFFECTS AND IMPLICATIONS OF THE ANNUAL GENERAL MEETING

The notice of the annual general meeting set out on page 173 states:

Item

1. To approve the annual financial statements for the year ended 30 June 2005.
2. Re-appointment as directors of the company Messrs DH Brown, U Paton, TV Mokgatla and Ms MV Mennell who retire from office at the meeting.

The articles of association require that at least one-third of the Board retire from office annually but may be re-elected by shareholders at the annual general meeting. The curriculum vitae of the retiring directors are set out on page 38.

3. To grant the directors general authority to issue shares in the capital of the company subject to a maximum of 10% of the issued capital and the provisions of the Companies Act. The directors are required to issue shares in the capital of the company in terms of the employee share scheme.
4. To increase the remuneration of the directors by 5% to keep pace with the rate of inflation and in line with other increases granted within the organisation.

Special business

5. Share buy-back
To extend for a further year the authority of the directors to buy-back a maximum of 10% of the company's issued share capital. The company bought back approximately 1.8% of the issued shares capital in the past financial year, utilising surplus cash to support the company share price in times of weakness.

The special resolution requires approval by a 75% majority of members present at the meeting.

6. Amendments to articles of association
To amend the articles of association to regulate the appointment of the Chairman for a maximum period of six years (which may be extended with the approval of the Board).

The special resolution requires a 75% majority of members present at the meeting.