

Directors' report

Profile

Business of the company

Impala Platinum Holdings Limited (Implats/company/group) is principally in the business of producing and supplying platinum group metals (PGMs) to industrial economies. The company's holdings in various mining and exploration activities as at 30 June 2006 are described below:

Company	Short name	Effective Interest %	Activity
Impala Platinum Limited	Impala	100	PGM mining, processing and refining and sale of resultant PGM metals
Impala Refining Services Limited	IRS	100*	Purchase of concentrate, and/or smelter matte Processing of concentrate and matte through smelting, refining and sale of resultant PGMs and base metals, and toll-refining
Zimplats Holdings Limited	Zimplats	86.9	PGM mining
Marula Platinum Limited	Marula	77.5†	PGM mining
Mimosa Investments Limited	Mimosa	50	PGM mining
Two Rivers Platinum (Pty) Limited	Two Rivers	45	PGM mining
Aquarius Platinum (South Africa) (Pty) Limited	AQPSA	20	PGM mining
Aquarius Platinum Limited	Aquarius Platinum	8.6	PGM mining

* 49% to be sold subject to certain conditions precedent being fulfilled.

† 22.5% sold as at 30 June 2006

Capital

Authorised and issued capital

The authorised share capital of the company as at 30 June 2006 was 100,000,000 ordinary shares of 20 cents each.

At a general meeting on 4 July 2006, the authorised share capital of the company was increased to:

	Rm
100,000,000 ordinary shares of 20 cents each	20.0
5,501,000 "A" ordinary shares of 20 cents each	1.1
	21.1

During the year, 335,348 new ordinary shares were issued in terms of the Implats share option scheme. Following these allotments, the issued capital of the company was 67,180,543 ordinary shares of 20 cents each (2005: 66,845,195).

After the year end 2,054,072 new ordinary shares were issued to the Morokotso Trust at a price of R1,274.40 per share. These shares were issued in terms of an employee share ownership programme approved at a general meeting of shareholders on 4 July 2006. Following this issue the issued share capital currently stands at 69,234,615 ordinary shares of 20 cents each.

The company has an obligation, subject to certain conditions precedent being fulfilled to issue 5,501,000 "A" ordinary shares to the Royal Bafokeng Tholo Holding Company (Proprietary) Limited (RBTIH) in terms of a black economic empowerment (BEE) initiative as described under the heading of Post Balance Sheet Events later in this report.

The "A" shares will be unlisted, rank pari passu with the Implats ordinary shares in all respects save that the Implats "A" ordinary shares do not participate in any dividend distributions other than extraordinary dividend distributions outside the stated dividend policy of 1.8 to 2.2 times headline earnings.

It is proposed to subdivide the authorised and issued share capital of the company by a factor of 8 to improve liquidity and tradability of the company's shares. Should the share split be approved, it will result in the following authorised and issued share capital for the company:

Prior to the subdivision:

Authorised share capital	R
100,000,000 Ordinary shares of 20 cents each	20,000,000
5,501,000 "A" Ordinary shares of 20 cents each (after 30 June 2006)	1,100,200
	<u>21,100,200</u>

Issued share capital	R
67,180,543 Ordinary shares of 20 cents each	13,436,109
1,054,072 Ordinary shares of 20 cents each (after 30 June 2006)	410,814

After the subdivision:

Authorised share capital	R
800,000,000 Ordinary shares of 2.5 cents each	20,000,000
44,008,000 "A" Ordinary shares of 2.5 cents each	1,100,200
	<u>21,100,200</u>

Issued share capital	R
553,876,920 Ordinary shares of 2.5 cents each	13,846,923

Further details of the subdivision are given on page 173. Details of the proposed special resolutions are set out in the notice of meeting.

In terms of a resolution passed at the last annual general meeting, 10% of the unissued shares are under the control of the directors until the forthcoming annual general meeting. Shareholders will be asked to extend the general authority to issue up to 10% of the company's issued share capital at the forthcoming annual general meeting.

Treasury shares

The group holds 1,230,622 (1.83%) (2005: 1,230,622) of its own shares in terms of an approved share buy-back scheme. The shares are held as "treasury shares" by a subsidiary.

The general authority for the company or any of its subsidiaries to acquire up to 10% of the shares issued by the company expires at the forthcoming annual general meeting. Shareholders will be asked to consider a resolution renewing this general authority in terms of the Companies Act and the Listing Requirements of the JSE Limited (JSE). The proposed resolution is set out in the notice convening the annual general meeting.

Share option scheme

The directors are authorised to issue, allot or grant options to acquire up to a maximum of 2,177,000 ordinary shares in the unissued share capital of the company in terms of employee share option schemes. Details of participation in the share option scheme are set out in Note 13 of the financial statements.

In line with recent remuneration developments, the group will no longer offer employees any further options under the existing Share Incentive Scheme, but will pay relevant employees a fully taxable bonus based on the increase in the share price. Employees' interests will still be aligned with those of shareholders but without any dilutionary effect.

The rules governing the quantum and timing of benefits to be delivered to employees under the new bonus scheme will be no different from those under the existing Share Incentive Scheme.

The trustees of the scheme are Ms NDB Orleyn and Messrs JM McMahon and JV Roberts.

Shareholding in the company

The issued capital of the company held by public and non-public entities as at 30 June 2006 is as follows:

	Number of shares (000)	%
Public	64,904	96.6
Non-public	2,277	3.4
Directors	44	0.1
Trustees of share scheme	2	–
Right to appoint a director	1,000	1.5
Treasury shares	1,231	1.8
Total	67,181	100.0

The following shareholders beneficially hold more than 5% of the issued share capital:

	Number of shares (000)	%
Public Investment Corporation	4,837	7.2
Old Mutual Group	4,394	6.5
Merrill Lynch	4,298	6.4
Tegniese Mynbeleggings Limited (Remgro Limited)	3,336	5.0

Investments

Zimplats Holdings Limited

The company owns 86.9% of Zimplats Holdings Limited (Zimplats). Zimbabwe Platinum Mines Limited is a wholly owned subsidiary of Zimplats.

Zimplats has entered into an agreement with the Government of Zimbabwe to exchange 36% of its resource base, with a market value of US\$153 million, for a combination of empowerment credits and cash or an equity share in a joint venture. The resources exchanged contain an estimated 51 million ounces of platinum or 99 million ounces of PGMs (3E + Au). The agreement also allowed for the extension of the existing special mining lease to include all ground required for long-term expansion. The land released has no impact on the production programme to produce 1 million ounces of platinum annually over the 50-year life-of-mine.

Mimosa Holdings (Pvt) Limited

The company holds a 50% shareholding in Mimosa Holdings (Pvt) Limited (Mimosa) with the balance held by Aquarius Platinum Limited.

Two Rivers (Pty) Limited

The company owns a 45% interest in Two Rivers (Pty) Limited (Two Rivers) with the balance held by African Rainbow Minerals Limited.

Aquarius Platinum Limited

The company holds an 8.6% interest in Aquarius Platinum Limited (Aquarius). Aquarius is listed on the Australian Stock Exchange, London Stock Exchange and the JSE.

Aquarius Platinum (SA) (Pty) Limited

The company holds a 20% interest in Aquarius Platinum (SA) (Pty) Limited.

Marula Platinum

The company owns a 77.5% interest in Marula Platinum.

During the year, Implats entered into BEE transactions to sell 7.5% equity stakes in Marula Platinum to each of the following companies:

- ▶ Tubatse Platinum (Pty) Limited (Tubatse)
- ▶ Mmakau Mining (Pty) Limited (Mmakau)
- ▶ Marula Community Trust (the Trust)

The purchase price to each of the parties was R158.1 million of which R145 million was payable in cash on closure of the sale and the balance of R13.1 million is payable in instalments on commencement of phase II of the mine development. Implats will guarantee the vendor finance for Tubatse and Mmakau until 31 December 2014, and for the Trust until such time as the debt is repaid. Refer to Note 32 in the annual financial statements.

Ambatovy

The company withdrew from the feasibility study on the Ambatovy nickel project in Madagascar as the project no longer met Implats' internal hurdle rates. Mining capital and production costs had escalated significantly since the original feasibility study was concluded in February 2005. The cost to Implats of its participation in the project was R193 million, of which R127 million represented the investment and R66 million the cost of the feasibility study.

Financial affairs

Results for the year

The results for the year are fully dealt with in the financial statements forming part of the annual report. Refer to pages 108 to 171.

Accounting policies

During the year the following accounting standards and interpretation of standards were adopted (IFRIC):

- ▶ IAS 16 Property, plant and equipment (revised)
- ▶ IAS 21 The effects of changes in foreign exchange rates (revised)
- ▶ IAS 39 Financial instruments recognition and measurement (revised)
- ▶ IFRS 4 Insurance contracts
- ▶ IFRS 5 Non-current assets held for sale and discontinued operations
- ▶ IFRIC 6 Liabilities arising from participation in a specific market – waste electrical and electronic equipment
- ▶ IFRIC 7 Applying the Restatement Approach under IAS 29 (Financial Reporting in Hyperinflationary Economies)
- ▶ IFRIC 8 Scope of IFRS 2 Share-Based Payments and AC 503 Accounting for BEE Transactions
- ▶ IFRIC 9 Reassessment of Embedded Derivatives

The adoption of these accounting policies had no material effect on the results of the group, apart from IFRIC 8, the impact of which is described in Note 1.2 to the financial statements on page 124.

Dividends

An interim dividend (No 76) of 1,000 cents per share and a special dividend of 5,500 cents per share was declared on 16 February 2006. A final dividend (No 77) of 2,200 cents per share was declared on 25 August 2006, payable on 25 September 2006 to give a total dividend of 8,700 cents per share (2005: 2,300 cents per share). These dividends amounted to R5,809 million of the year (2005:R1,535 million).

Capital expenditure

Capital expenditure for the year amounted to R2,248 million (2005: R1,992 million).

The estimated R2.9 billion capital expenditure envisaged by Implats for the 2007 financial year will be funded from internal resources and, if appropriate, borrowings.

Post balance sheet events

Employee Share Ownership Programme

Following the general meeting of shareholders on 4 July 2006, 2,054,072 ordinary shares were issued at a price of R1,274.40 per share to the Morokotso Trust in terms of an Employees Share Ownership Programme (ESOP). The Morokotso Trust will facilitate the acquisition of approximately 3% of Implats ordinary shares for the benefit of a broad band of staff employed by Implats' South African subsidiaries who are A, B and C grade employees on the Patterson grading system as at the date of approval, and for any new employees who may become so employed in the two years thereafter.

Royal Bafokeng transaction

The company has entered into a transaction with Royal Bafokeng Tholo Investment Holdings Company (Pty) Limited (RBTIH), a wholly owned subsidiary of Royal Bafokeng Holdings Limited in terms of which RBTIH will acquire a 49% holding in the IRS business for a cash consideration of R3.405 billion. The joint holders of the interests in the IRS business will contribute their interests into an unincorporated joint venture.

RBTIH will acquire 5,501,000 "A" ordinary shares in the company for a consideration of R1.1 million. These shares will be unlisted, rank pari passu with Implats ordinary shares in all respects save that the Implats "A" ordinary shares do not participate in any dividend distributions other than extraordinary dividend distributions outside the stated dividend policy of 1.8 to 2.2 times headline earnings and carry voting rights on categorised transactions. The company shall be entitled to repurchase the "A" ordinary shares for a cash consideration of R1.1 million when RBTIH converts its holding in the IRS business to ordinary Implats share as described below.

RBTIH is entitled (but not obliged) to convert, between the second anniversary and the tenth anniversary, its share in the IRS business into Implats ordinary shares. The price of an Implats ordinary share will be the then traded price less a 22.5% discount. If the number of conversion shares is less than the number of "A" ordinary shares, then RBTIH is entitled to subscribe for additional Implats shares (5,501,000 less the number of conversion shares) at a price of 75% of the then traded price. It is envisaged that the conversion will amount to approximately 7.44% of the issued share capital of Implats. Thereafter the "A" ordinary shares will be re-purchased (as described above) and cancelled in the authorised and issued share capital of Implats.

The transaction is subject to the fulfilment of a significant condition precedent that the transaction satisfy the ownership requirement of the Minerals and Petroleum Resources Development Act by 30 September 2006. This transaction will result in a BEE compensation charge which will be calculated in terms of accounting policy 1.24 per the financial statements.

No other material events have occurred since the date of these financial statements and the date of approval thereof, the knowledge of which would affect the ability of the users of these statements to make proper evaluations and decisions.

Going concern

The financial statements have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors have a reasonable expectation that the group has adequate resources to continue as a going concern in the foreseeable future.

Associated and subsidiary companies

Information regarding the company's associated companies is given in Note 6 and regarding subsidiaries in Annexure A, both to the financial statements.

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

Composition of the board

The board comprises seven independent directors, one non-executive director and five executive directors.

During the year, Mr S Bessit was appointed as an additional executive director of the board. In terms of the articles of association, appointments by the directors of additional directors retain office until the next annual general meeting when they shall retire but be eligible for the re-election. Shareholders will be asked to consider the re-election of Mr S Bessit at the forthcoming annual general meeting.

The directors who retire at the next general meeting are Ms NDB Orleyn, Messrs KC Rumble; L van Vught and K Mokhele, being eligible, they offer themselves for re-election.

Interest of directors

The interests of directors in the shares of the company were as follows and did not individually exceed 1% of the issued share capital or voting control of the company.

As at 30 June	Direct		Indirect	
	2006	2005	2006	2005
Beneficial				
Directors	32,737	44,737	11,500	500
DH Brown	6,000	10,000		
CE Markus	15,011	18,011		
MV Mennell	7,726	7,726		
IJ Paton	4,000	9,000	100	100
KC Rumble			11,000	–
LC van Vught			400	400
Senior management	17,340	20,628		
Non-beneficial	–	–	–	–

Directors' remuneration

The Remuneration Committee provides guidance regarding remuneration for executive directors and senior executives, among other duties. Further details on the composition and roles of this committee may be found on page 96.

Directors' remuneration in aggregate for the year under review was as follows:

Fixed remuneration

30 June 2006 (R000)	Fees	Package	Retirement Funds	Other Benefits	Total
Executive directors					
KC Rumble	–	3,791	398	388	4,577
S Bessit	–	1,475	235	92	1,802
DH Brown	–	2,203	231	150	2,584
CE Markus	–	1,793	359	121	2,273
IJ Paton	–	1,689	269	137	2,095
Senior management	–	8,640	1,218	489	10,347
Secretary					
R Mahadevey	–	1,065	112	52	1,229
Total	–	20,656	2,822	1,429	24,907

30 June 2006 (R000)	Directors' fees	Audit Committee	Remuneration Committee	HSE Committee	Nomination Committee	Total
Non-executive directors						
FJP Roux *	735					735
JM McMahon	158		63	142		363
MV Mennell	158	79			142	379
TV Mokgatla	158	79				237
K Mokhele†	158			93	63	314
NDB Orleyn	158		63			221
JV Roberts	158	79	142			379
LC van Vught	158	189				347
Total	1,841	426	268	235	205	2,975

* includes attendance at all board committee meetings.

† includes an adjustment in respect of the previous year.

Variable remuneration

30 June 2006 (R000)	Leave encashment	Bonus	Preferred compensation (accrued)	Gains on share options exercised	Total
Executive directors					
KC Rumble	–	1,754	1,845	3,072	6,671
S Bessit	–	289	296	868	1,453
DH Brown	–	979	988	3,446	5,413
CE Markus	–	842	857	3,508	5,207
IJ Paton	–	498	544	1,042	2,084
Senior management	530	2,156	2,567	6,493	11,746
Secretary					
R Mahadevey	–	260	289	1,760	2,309
Total	530	6,778	7,386	20,189	34,883

Details of share options and share appreciation bonus options outstanding and exercised by the executive directors, secretary and senior management are as follows:

Name	Balance at 1 July 2005	Additions		Disposals		Balance at 30 June 2006	Number of shares	Allocation price (R)	First release date
		Allocated during the year	Date of allocation	Number of shares sold	Date sold				
Executive directors									
KC Rumble	Share options								
	37,410			5,900	7 Sep 05		2,951	507.00	18 Feb 04
				1,486	7 Sep 05		1,488	484.00	16 Aug 04
				1,498	7 Sep 05		2,822	594.25	21 Jan 05
				1,410	1 Nov 05		4,495	515.82	27 Aug 05
				1,410	16 Feb 06				
				2,950	20 Feb 06				
				11,000	23 Jun 06				
						11,756			
	Share Appreciation Scheme								
	21,614	4,386	1 Dec 05				14,179	507.12	15 Sep 06
		5,422	11 May 06				7,435	509.97	13 May 07
							4,386	880.90	1 Dec 07
							5,422	1,195.35	11 May 08
						31,422			
						43,178			
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S Bessit	Share options								
	7,472			1,485	8 Sep 05		2,971	579	25 Nov 04
				1,485	22 Dec 05		1,149	587	16 Feb 06
				382	28 Feb 06				
						4,120			
	Share Appreciation Scheme								
	6,415	3,650	11 May 06				6,415	509.97	13 May 07
							3,650	1,195.35	11 May 08
						10,065			
						14,185			
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DH Brown	Share options								
	20,249			6,608	31 Aug 05		2,365	507.00	18 Feb 04
				598	8 Sep 05		600	556.00	6 Jun 04
				1,424	8 Sep 05		1,427	484.10	16 Aug 04
				388	8 Sep 05		779	594.25	21 Jan 05
				409	8 Sep 05		820	381.00	5 May 05
				109	8 Sep 05		330	515.82	27 Aug 05
				1,132	21 Feb 06				
				2,363	21 Feb 06				
				100	21 Feb 06				
				388	21 Feb 06				
				409	11 May 06				
						6,321			
	Share Appreciation Scheme								
	15,356	494	1 Dec 05				9,684	507.12	15 Sep 06
		3,198	1 May 06				5,672	509.97	13 May 07
							494	880.90	1 Dec 07
							3,198	1,195.35	11 May 08
						19,048			
						25,369			

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Name	Balance at 1 July 2005	Additions		Disposals		Balance at 30 June 2006	Number of shares	Allocation price (R)	First release date
		Allocated during the year	Date of allocation	Number of shares sold	Date sold				
Executive directors (continued)									
CE Markus	Share options								
	17,481			4,718	2 Sep 05		2,059	507.00	18 Feb 04
				738	2 Sep 05		739	556.00	6 Jun 04
				1,366	2 Sep 05		1,369	484.10	16 Aug 04
				10	2 Sep 05		21	589.99	25 Nov 04
				374	2 Sep 05		750	594.25	21 Jan 05
				1,021	21 Feb 06		1,399	381.00	5 May 05
				2,056	21 Feb 06		389	515.82	27 Aug 05
				88	21 Feb 06				
				10	21 Feb 06				
				374	21 Feb 06				
						6,726			
	Share Appreciation Scheme								
	11,147	3,007	11 May 06				5,922	507.12	15 Sep 06
							5,225	509.97	13 May 07
							3,007	1,195.35	11 May 08
						14,154			
						<u>20,880</u>			
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IJ Paton	Share options								
	15,471			3,138	7 Sep 05		1,285	507.00	18 Feb 04
				478	7 Sep 05		481	556.00	6 Jun 04
				936	7 Sep 05		942	484.10	16 Aug 04
				211	7 Sep 05		422	594.25	21 Jan 05
				35	7 Sep 05		903	381.00	5 May 05
				301	17 Feb 06		107	515.82	27 Aug 05
				825	22 Feb 06		2,880	539.40	18 Sep 05
				1,284	22 Feb 06				
				72	22 Feb 06				
				211	22 Feb 06				
				960	22 Feb 06				
						7,020			
	Share Appreciation Scheme								
	9,574	1,219	1 Dec 05				6,592	461.68	15 Sep 06
		2,124	11 May 06				2,982	509.97	13 May 07
							1,219	880.90	1 Dec 07
							2,124	1,195.35	11 May 08
						12,917			
						<u>19,937</u>			

Name	Balance at 1 July 2005	Additions		Disposals		Balance at 30 June 2006	Number of shares	Allocation price (R)	First release date
		Allocated during the year	Date of allocation	Number of shares sold	Date sold				
Secretary									
R Mahadevey	Share options								
	6,734			2,244	3 Apr 06		4,490	401.00	2 May 05
						4,490			
	Share Appreciation Scheme								
	2,855	1,269	11 May 06				619	507.12	15 Sep 06
							2,236	509.97	13 May 07
							1,269	1,195.35	11 May 08
						4,124			
						<u>8,614</u>			
Senior management									
	Share options								
	43,090			18,028	Various		282	344.00	11 Jan 03
							115	507.00	18 Feb 02
							5,220	507.00	18 Feb 04
							887	556.00	6 Jun 04
							2,865	484.10	16 Aug 04
							280	589.99	25 Nov 04
							1,738	594.25	21 Jan 05
							4,490	401.00	2 Apr 05
							2,398	381.00	5 May 05
							266	515.82	27 Aug 05
							974	587.00	16 Feb 06
							2,683	507.12	22 Apr 06
							285	536.37	22 Sep 06
							2,579	539.40	18 Sep 05
						25,062			
	Share Appreciation Scheme								
	29,658	198	1 Dec 05				17,893	509.97	13 May 07
		5,821	11 May 06				11,765	509.97	1 Apr 07
							198	880.90	1 Dec 07
							5,821	1195.35	11 May 08
						35,677			
						<u>60,739</u>			

No share options were granted to non-executive directors. Other benefits accruing to executive directors are set out below.

There were no contracts of significance during or at the end of the financial year in which the directors of the company were materially interested. No material change in the foregoing interests has taken place between 30 June 2006 and the date of this report.

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The gains on shares sold received through the share option scheme are as follows:

Name	Number of shares			Allocation price (R)	Market price (R)	Gains on shares sold (R000)
	Purchased	Sold	Total			
Directors						
KC Rumble		5,900	5,900	507.00	690.31	1,082
		1,486	1,486	484.10	690.31	306
		1,498	1,498	515.82	690.31	261
		1,410	1,410	594.25	740.00	206
		550	860	594.25	997.28	347
		1,575	1,375	2,950	507.00	1,140.00
	11,000	–	11,000	281.00		–
S Bessit		1,485	1,485	579.00	691.06	166
		1,485	1,485	579.00	930.00	521
		382	382	587.00	1,060.00	181
DH Brown		6,608	6,608	507.00	667.18	1,058
		598	598	556.00	691.00	81
		1,424	1,424	484.10	691.00	295
		388	388	594.25	691.00	38
		409	409	381.00	691.00	127
		109	109	515.82	691.00	19
		1,132	1,132	344.00		–
		2,363	2,363	507.00	1,103.00	1,408
		100	100	507.00		–
		388	388	594.25		–
CE Markus		409	409	381.00	1,408.63	420
		4,718	4,718	507.00	684.54	838
		738	738	556.00	684.54	95
		1,366	1,366	484.10	684.54	274
		10	10	589.99	684.54	1
		374	374	594.25	684.54	34
		1,021	1,021	344.00	1,108.20	780
		2,056	2,056	507.00	1,108.20	1,236
		88	88	507.00	1,108.20	53
		10	10	589.99	1,108.20	5
Ij Paton		374	374	594.25	1,108.20	192
		3,138	3,138	507.00	687.63	567
		478	478	556.00	687.63	63
		936	936	484.10	687.63	191
		211	211	594.25	687.63	20
		35	35	515.82	687.63	6
		301	301	381.00	1,030.00	195
		825	825	344.00		–
		1,284	1,284	507.00		–
		72	72	507.00		–
	211	211	594.25		–	
	960	960	539.40		–	
Secretary						
R Mahadevey		2,244	2,244	401.00	1,185.23	1,760

Name	Number of shares			Allocation price (R)	Market price (R)	Gains on shares sold (R000)
	Purchased	Sold	Total			
Senior management	1,782	3,075	4,857	344.00	948.15	1,858
	1,110	3,961	5,071	507.00	896.68	1,544
	498	58	556	556.00	690.00	8
	320	1,172	1,492	484.10	841.31	419
		119	119	589.99	690.00	12
		1,070	1,070	594.25	1,017.61	453
	934	42	976	381.00	690.00	13
		53	53	515.82	690.00	9
		119	119	589.99	1,079.00	58
		79	79	594.25	1,079.00	38
		2,244	2,244	401.00	1,185.23	1,760
		29	29	556.00	1,100.00	16
		42	42	381.00	1,100.00	30
	859	334	1,193	507.12	1,100.00	198
		128	128	587.00	1,185.23	77

Directors' fees

In terms of the Articles of Association, the fees for services as a director are determined by the company in general meeting. The fees to 30 June 2006 were approved at the annual general meeting on 19 October 2005. Fees for the services of a director are currently R157,500 per annum per director with an amount of R735,000 for the Chairman, which includes attendance at all board committee meetings. Directors fees for serving on board committees are set out below.

In order to ensure that directors' fees keep pace with inflation and in line with increases granted elsewhere in the organisation, it is proposed that directors' fees are increased as follows:

	1 July 2006		1 July 2005	
	Member	Chairman	Member	Chairman
Board	166,000	1,100,000*	157,500	735,000*
Audit Committee	83,000	198,000	78,750	189,000
SHE Committee	66,000	149,000	63,000	141,750
Nomination Committee	66,000	149,000	63,000	141,750
Remuneration Committee	66,000	149,000	63,000	141,750
Transformation Committee	66,000	149,000	–	–

* includes attendance at all committee meetings.

These fees have been waived by the executive directors.

Executive directors' benefits

A group-owned residential property is made available to Mr KC Rumble on a rent-free basis. Mr Rumble has an option to purchase the property at market value at any time while in the employ of the company.

In the event of corporate action giving rise to a loss of office, demotion or the blighting of any career (in the opinion of the Remuneration Committee) of an executive director, that executive director is entitled to a severance package of 24 months salary.

Administration

Special resolutions proposed

The following special resolutions will be proposed to the Implats general meeting on 12 October 2006:

Acquisition of company's shares

A renewal of the authority to acquire up to 10% of the company's shares subject to JSE rules and the Companies Act.

Issued capital

To sub divide the authorised and issued share capital from ordinary shares of 20 cents each by a factor of 8 to ordinary shares of 2.5 cents each.

	Current	Sub-divided
Authorised	100,000,000 ordinary shares of 20 cents	800,000,000 ordinary shares of 2.5 cents each
Issued	67,180,543 ordinary shares of 20 cents	537,444,344 ordinary shares of 2.5 cents each

Special resolutions passed

During the year the following special resolutions were passed by Implats and its subsidiaries:

Implats

Share buy-back

Allowing the company and its subsidiaries to acquire shares in the company subject to the Companies Act 1973 and the Listing Requirements of the JSE Limited provided that the authority may not extend beyond 15 months from the date of the granting of the authority.

Amendment to the Articles of Association

An amendment to the company's Articles of Association to regulate the appointment of an independent non-executive Chairman.

Financial, administrative and technical advisers

In terms of service agreement, Impala Platinum Limited acts as financial, administrative and technical advisors to the Implats group during the year on a fee basis. Messrs S Bessit, DH Brown, IJ Paton and KC Rumble and Ms CE Markus had an interest in this contract to the extent that they are directors of Impala and of the company, but they do not beneficially own any shares in Impala.

Secretaries

Mr R Mahadevey acted as Secretary to Implats and Impala, and Impala acted as Secretaries to other subsidiaries in the Implats group. The business and postal addresses of the Secretaries are set out on page 178.

London Secretaries

The business and postal addresses of the London Secretaries are set out on page 178.

Public Officer

Mr J van Deventer acted as public officer for the group for the year under review.