IMPLATS
Distinctly Platinum

Notice to shareholders

for the period ended 30 June 2017

Implats is one of the world's leading producers of platinum and associated platinum group metals (PGMs). Implats is structured around five main mining operations and a toll refining business in Springs in the Gauteng province. The mining operations are located on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, the two most significant PGM-bearing ore bodies in the world.

Implats has its listing on the JSE Limited (JSE) in South Africa, the Frankfurt Stock Exchange (2022 US$ convertible bonds) and a level 1 American Depositary Receipt programme in the United States of America. Our headquarters are in Johannesburg and the five mining operations are 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.

Contents

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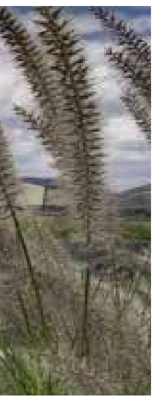

FEEDBACK

We welcome your feedback to make sure we are covering the things that matter to you.

Go to **www.implats.co.za** or email **investor@implats.co.za** for the feedback form, or scan the code on the left with your smart device.

www.implats.co.za

Corporate governance chairman's statement

In the normal course of business and even more so in challenging times, I believe it is important that we maintain the highest standards of good governance in order to promote quality decision making and the execution of those decisions within a disciplined framework of policies, procedures and authorities.

To effect this requires ensuring an environment where roles and responsibilities are clearly defined, forums that are conducive to robust debate and performance which is regularly reviewed. Our efforts in this regard are described over the next number of pages.

The Implats board is committed to providing effective leadership to the Group and fully embraces the principle of ethical leadership in setting and implementing Implats' strategy 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**.

In addition, the board takes full responsibility for the management, direction and performance of the Group by exercising independent judgement on all issues reserved for its review and approval while taking cognisance of the needs of all stakeholders.

We continually work to maintain and develop this framework to ensure that we make and execute good decisions that are in the best interests of Implats, its shareholders and other stakeholders.

Mandla Gantsho
Chairman

Board of directors

Independent non-executive directors

Mandla Gantsho
Hugh Cameron
Peter Davey
Babalwa Ngonyama
Mpho Nkeli
Alastair Macfarlane
Sydney Mufamadi
Bernard Swanepoel

Non-executive directors

Udo Lucht

Executive directors

Nico Muller
Brenda Berlin

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	
	External audit and regulatory compliance	
	Mineral asset valuation	
Skills	Strategy and risk management	
	Corporate governance	
	Regulatory knowledge	
	Capital projects and mineral asset valuations	
	Financial acumen	
	Global experience	
	Environmental management	
Tenure	5 years and longer	*4 directors*
	3 to 5 years	*2 directors*
	Less than 3 years	*5 directors*
Diversity	Female	*27%*
	Historically disadvantaged	*46%*

Statement of commitment to good governance

Key developments for the year

Changes to the board

Resignations	Position	Effective date
TP Goodlace	CEO and executive director	1 December 2016

The board appointed four new independent non-executive directors in 2015 and the new board members have now found their place both in the Company and on the board. Following the departure of Mr Goodlace, the board embarked on a search process which culminated in the appointment of Mr Nico Muller as the new group CEO and executive director.

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 themselves with the Company and this process included site visits. Board members requested one-on-one engagements with executives for in-depth sessions on specific parts 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. All education and training programmes are, where necessary, supplemented by external courses.

Every year a full-day session is set aside for formal board training; however, during the year under review, the board used the full day to focus on a specific situation in the Company. The board has every intention to make use of the allocated training time in 2017 calendar year to cover a variety of subjects. The nomination committee assists with the preparation of a board training agenda, taking cognisance of the specific needs of the board.

Role of the board

The board is responsible for:
- Setting the strategic objectives for the Group
- Making informed decisions in support of Group objectives
- Continuously reviewing management's performance in executing the approved strategy
- 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 execute the succession plan through a rigorous appointment process. The board succession plan ensures that the board appoints directors who have the requisite skills and experience and that race and gender diversity is also prioritised.

Board evaluation process

The board and the sub-committees undergo an evaluation process every two years to assess their effectiveness. The board evaluation will include all board committees and their chairmen. The evaluation will focus on board and committee composition, expertise of the members, understanding of the Company and strategy among other focus areas. The evaluation of retiring directors has been expedited and the board has unanimously recommended the re-election of retiring directors by rotation following the assessment of their performance.

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 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 oversees the induction of new directors as well as the ongoing education of directors. The Company Secretary is also secretary to the board committees. All directors have access to the services of the Company Secretary.

Statement of commitment to good governance continued

In compliance with the Listings 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 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 the time available. The board remains ultimately responsible for these duties and decisions. The committees provide feedback 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 is fully compliant with the recommendations of King Code. Following the reconfiguration of the committees in the previous financial year, the committees are now better focused on their delegated strategic deliverables as well as actively managing each of the Group's top risks assigned to them.

	Members	Role, purpose and principal functions	Year under review and outlook
Audit committee	HC Cameron (chairman) PW Davey B Ngonyama MEK Nkeli	– Reviews the integrated annual report, annual financial statements, the interim, preliminary or provisional results announcements and financial information which is to be made public – Reviews the Company's internal financial control and financial risk management systems – Monitors and reviews the effectiveness of Implats' internal audit function – Nominates the external auditors for appointment by shareholders – Monitors the independence, objectivity and effectiveness of the external auditors – Regulates the use of the external auditors for non-audit services – Addresses any concerns or complaints about the Company's auditing function or financial reporting, whether from within or outside the Company, in terms of section 94(7)(g) of the Companies Act – Reviews information technology (IT) governance and the IT strategy.	See audit committee report on page 9.

Statement of commitment to good governance continued

	Members	Role, purpose and principal functions	Year under review and outlook
Capital allocation and investment committee	ZB Swanepoel (chairman) HC Cameron PW Davey U Lucht B Berlin NJ Muller	Guides the board with regard to allocation of capital and future investment or disinvestment after due consideration of the life-of-mine plans. Oversees the implementation of approved capital projects to ensure that they are delivered on time and in accordance with approved budgets. Considers the performance of assets by scheduling "deep dive" sessions to evaluate if there is an adequate return on investment and to advise the board accordingly. Undertakes a high level assessment of the operating environment and to advise the board accordingly with regard to emerging risks and topics for strategic discussion.	The committee was established in 2016 and has formal terms of reference. The board has delegated some of its duties to the committee, including assisting the board with capital allocation and investment decisions. All major capital allocation decisions are processed through the committee in terms of the capital allocation strategy and a course of action is recommended to the board for approval.
Nomination, governance and ethics committee	MSV Gantsho (chairman) PW Davey FS Mufamadi	– Ensures the board and its committees are appropriately structured and staffed to carry out their mandates – Responsible for the performance evaluation of the board, board committees and individual directors – Proposes the re-election of retiring directors following the achievement of a satisfactory performance review – Ensures that a formal process for the appointment of directors including a succession plan – Ensures a formal induction programme for new directors and an ongoing professional board development programme for directors.	During the year, the committee assisted the board to appoint a new CEO in a thorough and comprehensive process. The committee also assisted with the evaluation of retiring directors as well as the nomination and appointment of a service provider to assist with the board evaluation. The committee also assisted the STR committee with overseeing the implementation of the code of ethics and an electronic disclosure and monitoring system.

Statement of commitment to good governance continued

	Members	Role, purpose and principal functions	Year under review and outlook
Social, transformation and remuneration (STR) committee	MEK Nkeli (chairman) MSV Gantsho B Ngonyama	– Ensures that the Company remains a good corporate citizen by – Monitors the Company's performance in terms of social and economic development of its employees and relevant stakeholders – Reviews the framework, policies and guidelines for the implementation of transformation and sustainable development. Guides the development and implementation of the Group reward strategy, policy and philosophy. Approves the appropriate reward mix for senior executives and executive directors. Oversees that reward practices are benchmarked to ensure that they remain fair and competitive. Makes recommendations on the remuneration of non-executive directors to the board for final approval by shareholders.	See the SD report, remuneration report and the STR committee report for details.
Health, safety, environment and risk (HSER) committee	AS Macfarlane (chairman) MEK Nkeli NJ Muller ZB Swanepoel	– Reviews the appropriateness of the HSE policy, systems, standards, codes of practice and procedures – Monitors performance in accordance with objectives, including measurement against South African and international benchmarks – Monitors the HSE management function and recommends improvements where considered necessary – Reviews the HSE element of the Company's business plan and approves the HSE section of the integrated annual report – Has the right to institute investigations into matters where inadequacies have been identified, or as directed by the board. The committee took over the responsibility of ensuring that the group has a properly functioning risk management system and coordinates the appropriate allocation of the top risks to board sub-committees. The HSER committee remains responsible for the risks assigned to it but ensures that the board as a collective can be assured that all risks have been identified and managed effectively.	See the SD report for a full report of the committee's activities.

Board meetings and attendance

Frequency of meetings

The board meets at least seven times a year. In addition to four quarterly board meetings, three full-day sessions are held annually. On two of these occasions the board meets with the senior executive team to consider and approve the long-term strategy or any adjustments to the approved strategy and also to approve the budget and business plans. The third full-day session is dedicated to board education and training. The board meets 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.

Statement of commitment to good governance continued

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	8/8	n/a	4/4	4/4	3/3	n/a
B Berlin	8/8	5/5	1/1	n/a	8/8	n/a
HC Cameron	8/8	5/5	n/a	n/a	8/8	n/a
PW Davey	8/8	5/5	n/a	4/4	8/8	n/a
A Kekana$	3/3	n/a	n/a	2/4	4/4	n/a
U Lucht*	5/5	n/a	n/a	n/a	4/4	n/a
AS Macfarlane	8/8	n/a	n/a	n/a	2/2	4/4
ND Moyo^	7/8	n/a	n/a	n/a	8/8	4/4
FS Mufamadi	5/8	n/a	n/a	2/4	n/a	n/a
NJ Muller**	2/2	2/2	n/a	n/a	2/2	1/1
B Ngonyama	7/8	4/5	4/4	n/a	n/a	n/a
MEK Nkeli	8/8	4/5	4/4	n/a	n/a	4/4
ZB Swanepoel	6/8	n/a	n/a	n/a	7/7	4/4

$ *Resigned 25 August 2017.*
* *Alternate to A Kekana.*
^ *Resigned 7 July 2017.*
** *Appointed 3 April 2017.*

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 55 – 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 he is an independent non-executive director of Kumba Iron Ore, the chairman of Africa Rising Capital and Sasol Limited.

Peter Davey 64 (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.

Hugh Cameron 66

BCom, BAcc, CA(SA)

Experience
Appointed to the board in November 2010 as an independent non-executive director and he was previously a partner at PricewaterhouseCoopers where he specialised in mining and headed up their global mining practice for a number of years. He is a director of Calgro M3 Holdings and a trustee of the Sishen Iron Ore Company Community Development Trust.

Alastair Macfarlane 66 (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 42

BCompt (Hons), CA(SA), MBA

Experience
Appointed in November 2010. She is the founding chairman of the African Women Chartered Accountants (AWCA) former non-executive director of Group Five Limited and Barloworld Limited. 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 and Aspen Pharmacare Holdings.

Mpho Nkeli 52

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.

Sydney Mufamadi 58

MSc and PhD (Oriental and African Studies)

Experience
Appointed in March 2015. Director of various subsidiary boards of Barclays Bank Africa Group in Mozambique and Tanzania, director of the School of Leadership at the University of Johannesburg. Chairman of Zimplats Holdings Limited.

Bernard Swanepoel 56

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

Udo Lucht 40

BCom (Hons), CA(SA), CFA

Experience
Appointed in August 2017 as a non-executive director representing Royal Bafokeng Holdings (Pty) Limited (RBH) and he was previously an alternate director to Ms Albertinah Kekana. He is currently head of portfolio at RBH.

Executive directors

Nico Muller 50

BSc Mining engineering

Experience
Appointed to the board on 3 April 2017 as chief executive officer and executive director.

Brenda Berlin 52

BCom, BAcc CA(SA)

Experience
Appointed to the board in February 2011. Joined the Company in 2004 as commercial executive before being appointed as Group chief financial officer.

Audit committee report

Background

The committee is pleased to present its report for the financial year ended 30 June 2017. The committee's operation is guided by a formal charter approved by the board.

The committee has discharged all its responsibilities as contained in the charter. The committee reviews accounting policies and financial information issued to stakeholders and the chairman of the audit committee reports to the board on the committee's deliberations and decisions. The internal and external auditors have unrestricted access to the committee. Further, the committee regularly reviews its corporate governance practices in relation to the Company's compliance with the requirements of the Companies Act (the Act) and the King IV recommendations.

Objectives and performance

The overall high-level objectives and performance of the committee during the year were:

- To assist the board in discharging its duties relating to safeguarding of the Company's assets
- To ensure the existence and operation of adequate systems and control processes
- To control reporting processes and the preparation of fairly presented financial statements in compliance with the applicable legal and regulatory requirements and accounting standards
- To oversee the activities of internal and external auditors
- To perform duties that are attributed to it by the Act, the Johannesburg Stock Exchange (JSE) and King IV.

The committee performed the following activities during the year under review:

- Received and reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment
- Reviewed and recommended the internal audit charter for board approval
- Encouraged cooperation between internal and external audit during the year
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided did not impair their independence
- 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 2016
  - the annual results for the year ended 30 June 2017
- Considered the effectiveness of internal audit, approved the three-year operational strategic internal audit plan and monitored adherence of internal audit to its annual plan. The committee also approved any deviations from the annual internal audit plan
- 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.

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

Membership

During the course of the year, the membership of the committee comprised solely of independent non-executive directors, as detailed below:

- Mr HC Cameron – chairman
- Mr PW Davey
- Ms B Ngonyama
- Ms MEK Nkeli

In addition, the chief executive officer, the chief financial officer, the group executive: financial control, the chief audit executive, the group executive: risk, the head of compliance and the external auditors are permanent invitees to the committee's meetings.

Audit committee report continued

Internal audit

The committee ensures that the chief audit executive reports to the chairman of the committee.

The committee ensures coverage of the audit universe by approving audit plans and budgets for the internal audit department.

The committee reviews the performance appraisals of the chief audit executive and determines the competence of the internal audit department as a whole.

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 Act. The committee, in consultation with executive management, agreed to an audit fee for the 2017 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. Audit fees are disclosed in note 26 to the annual financial statements.

The independence of the external auditor is regularly reviewed. Further, the approval of all non-audit-related services are governed by an appropriate approval framework.

Meetings were held with the external auditor where management was not present and, where concerns were raised, these concerns were adequately dealt with by the audit committee.

The committee has reviewed and is satisfied with the performance of the external auditors and will nominate, for approval at the annual general meeting, PricewaterhouseCoopers Inc. (PwC) as the external auditor for the 2018 financial year, with Mr AJ Rossouw as the designated auditor. The committee confirms that the auditor and designated auditor are accredited by the JSE.

Chief financial officer review – Ms Brenda Berlin

The committee has reviewed the performance, qualifications and expertise of Ms Brenda Berlin through a formal evaluation process and confirms her suitability for appointment as chief financial officer in terms of the JSE Listings Requirements.

Additionally, the committee has satisfied itself as to 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 therefore recommended the approval of the annual financial statements to the board. 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 formal 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 the external auditor's report

The external auditors have reported on two key audit matters in respect of their 2017 audit, being: impairment of non-financial assets; and valuation relating to bonds. Both of these key audit matters 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 each of the key audit matters. Furthermore, the committee discussed the key audit matters with the external auditors to understand their related audit processes and views. Following our assessment, we were comfortable with the conclusions reached by management and the external auditors.

HC Cameron
Chairman of the audit committee

14 September 2017

Social, transformation and remuneration committee report

Dear stakeholder

I am pleased to introduce the report of Implats' social, transformation and remuneration committee for the year ended 30 June 2017.

Introduction

The committee was 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 discharged its statutory and board delegated duties during the financial year under review. Some of the statutory duties are sub-delegated to other board committees and the committee has a member present in each of those committees.

The work of the committee generally takes into account wider societal issues affecting the Company, stakeholder responsiveness, good corporate governance and seeks to address 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 standards relevant to the work of the committee.

During the year under review, the work of the committee has taken into account the continued need to invest in our employees, emerging suppliers and the local communities even under difficult financial conditions for the Company. While the committee carries out its obligations under the Act in relation to the Company and its subsidiaries towards compliance, it also endeavours to interrogate the organisation's policies, practices and responsiveness to these issues in the short, medium and long term taking into account the potential impacts these have on the business and affected stakeholders.

The committee guides, monitors and evaluates the progress by management in this regard and its mandate and responsibilities include oversight in:

- Reviewing the objectives, outcomes and effectiveness of the Company's engagement and interaction with its stakeholders
- Reviewing and approving the Company's programme of corporate social investment and sustainable development
- Ensuring that the Company has processes in place to promote a healthy and ethical environment for all its stakeholders
- Monitoring changes in the application and interpretation of empowerment charters and codes (namely the Mining Charter and the Broad Based Black Economic Empowerment Act and Zimbabwe's National Indigenisation and Economic Empowerment Plan)
- Ensuring that risks in these areas of focus have been identified and adequate measures are in place to mitigate such risks
- Ensuring that transformational and social programmes address business sustainability in the medium to long term
- Ensuring that strategic initiatives respond to maintaining the organisation's licence to operate.

The work plan for the committee is updated on a regular basis to ensure that the most pertinent matters affecting the Company and the industry are effectively and timeously addressed.

Composition

The committee consists of three independent non-executive directors, one of whom is the chairman. The CEO is a permanent invitee to the committee but he does not participate in discussion relating to his own remuneration. A summary of the committee's membership, meetings held and attendance is set out in this report, under the corporate governance section.

Responsibilities

The committee has an independent role to play and carries out the following duties which are also reported on in the sustainability report:

(a) To monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, in respect of matters relating to:

- Social and economic development
- Good corporate citizenship
- The environment, health and public safety, including the impact of the Company's activities and of its products or services. This responsibility has been delegated to the health, safety and environment sub-committee.
- Consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws
- Labour and employment
- Transformation and empowerment as dictated by relevant legislation which cover:
  - Ownership
  - Employment equity
  - Skills development
  - Housing and living conditions
  - Preferential procurement
  - Enterprise development
  - Community development.

These issues are all monitored and reported on a quarterly basis and in accordance to the work plan, and take into account strategy implementation, success and challenges, performance against set targets, risks identification and mitigation and action plans derived from this process.

Social, transformation and remuneration committee report

continued

(b) To report to the stakeholders of the Company at the annual general meeting on matters within its mandate. In this regard a separate remuneration report follows.

During the year under review, the committee has overseen and approved a number of initiatives by management which are more fully reported on in the sustainable development report which is a supplement of the integrated report.

Evaluation of committee performance

An evaluation of the performance of the committee will be carried out during calendar year 2017, as part of a rolling two-year cycle. The committee was last evaluated in 2015 to ensure that it delivers on both the statutory duties and other board delegated duties.

Outlook for 2018

In the coming year the work of the committee will continue to focus on addressing the legislative requirements as stipulated in various Acts, but of significance will be to ensure that the organisation is better positioned to respond to the socio-political and economic challenges in the areas of operation pending finalisation of the Mining Charter. These will include:

- Advancing transformation in mining communities by leveraging initiatives relating to employment, skills development, local procurement and enterprise development
- Advancing social programmes that accrue benefits to local communities and promote community sustainability
- Ensuring the stakeholder engagement processes are robust and responsive to stakeholder needs.

MEK Nkeli
Chairman of the social, transformation and remuneration committee

Remuneration report

The report, in line with King IV, is divided into three sections:
- The background statement
- The remuneration policy
- The implementation report.

Although King IV is only effective for financial years starting on or after 1 April 2017 and the practice notes for Principle 14 on Remuneration Governance have not been published at the time of producing this report, Implats is pleased to note that it has followed many of the King IV Principle 14 guidelines in the presentation of the report. Implats will continue to implement the King IV guidelines during the next financial year and report on such in the next annual report.

Chairman's letter and background statement

Dear shareholders

The report provides a view of the Implats remuneration philosophy and policy, how the Group's strategy is supported by the remuneration principles and how the implementation of the policy aligns with the strategy. The social, transformation and remuneration committee (STRcom), is responsible for the Group's remuneration policy and the implementation thereof. While the committee focuses on the executive and senior management remuneration and benefits, it also at a high level, oversees the remuneration for the rest of the Group. The committee proposes fees for non-executive directors to the board who recommend the fees to shareholders for approval at the annual general meeting (AGM). The STRcom appointed an independent remuneration consultant to advise the committee.

The volatile operating environment combined with a low platinum price placed severe pressure on the performance of the employees. The Group responded by delivering excellent production at many mining operations and higher throughput at the refinery. The Rustenburg operations however require attention and are implementing a board-approved plan to ensure the delivery of improved and more consistent results. This is a key focus area for the Group and the STRcom needs to ensure the remuneration policies and practices support this objective.

At the last AGM in October 2016, the shareholder support for the Group's remuneration policy declined to 74% (94% in 2015). The feedback from the shareholders was submitted to the committee and the concerns raised primarily related to the long-term incentive plan (LTIP). The concerns were about the comparator group, the performance measures and the early vesting of the CEO's conditional shares on resigning from the Group.

As disclosed in last year's report, the CEO decided not to take his earned bonus for 2015 due to the financial constraints facing the industry. Instead the amount was converted into Implats shares, which vest the earlier of September 2018 or resignation. In addition to the shares the CEO received for forgoing his bonus, his earned retention payment was also converted into Implats shares and the vesting thereof postponed to be delivered equally over three years or on resignation if earlier. Considering that the CEO had voluntarily elected to effectively defer the payment of amounts to him that had been earned, the STRcom deemed it reasonable to provide for accelerated vesting on resignation.

The STRcom decided to address Rustenburg performance, the concerns on the comparator group and measures for the LTIP at the same time as addressing the loss of certain key skills and talent which has occurred over the last few years. The STRcom therefore, in accordance with its mandate of ensuring that the remuneration is sufficiently competitive to attract, motivate and retain the best talent while ensuring alignment with shareholder interests, decided to review of the Group's remuneration policy and practices for executives and Paterson D band managers/professionals. The objective of the review is to enhance alignment with executive remuneration, shareholder interests, the Group strategy, best practice and ensure remuneration is competitive in the market. Although the Group is operating in a low platinum price environment, the STRcom needs to ensure the remuneration supports the strategy and attracts, motivates and retains the skills and talent required to drive the Group to achieve or exceed the business plans. To this end, the limited resources need to be focussed to ensure effectiveness and efficiency especially at Rustenburg.

The remuneration review, which is still a work in process, spans the South African operations and includes policy, job grading/sizing, benchmarking, guaranteed remuneration, short-term and long-term incentives.

The Group is placing intense focus on developing scorecards with key performance areas aligned to the strategy for all levels on the mines. The remuneration review project will align with these scorecards for increases and incentive purposes. This alignment will ensure that the desired objectives, behaviours and targets are explained up front, that the performance is measured on an ongoing and regular basis and that the achievement of the desired targets is rewarded in line with the remuneration policy and incentive scheme designs.

The project is proceeding well with the assistance of an independent remuneration consultant appointed by management. The first phase has been completed, which included a review of the remuneration policy, practices and external research of appropriate peer companies. The second phase, the design phase, has started. The plan for the remainder of the calendar year is to agree on principles, undertake the detailed design and implement changes approved by the STRcom that do not require shareholder approval. Changes requiring from shareholders, if any, will be tabled at the 2018 AGM.

Remuneration report continued

The continued improvement in our standards of reporting and disclosure of remuneration in line with King IV ensure that our stakeholders have a better understanding of our decisions and the results thereof. Our STRcom has in this financial year carried out its mandate while appreciating and promoting the importance of our people to the continued sustainable performance of the Group.

I thank and applaud my fellow STRcom members and the management team for the manner in which they have conducted themselves during trying times, always with the best interests of the Company, its stakeholders and values at heart.

MEK Nkeli
Chairperson: social, transformation and remuneration committee

Remuneration policy

Shareholders are requested to vote on the following remuneration policy by way of a non-binding advisory resolution.

The Group's overall remuneration philosophy is designed to ensure that remuneration is competitive and sustainable. It strives to reward employees fairly and recognises their contribution to the Group's operating and financial performance in line with its corporate objectives and strategy. This clear and transparent design ensures internal and external equity through the alignment of conditions of employment and remuneration for all employees in an evolving regulatory and statutory environment. In support of our Employee Value Proposition (EVP) the Group ensures an appropriate remuneration mix aligned with the principles of equity, implemented with due regard for varying performance levels.

The remuneration policy, as voted on by shareholders, endeavours to match the market in terms of the broad talent pool, but lead the market in areas of critical appointments, talented individuals, scarce skills and top performers.

The remuneration policy aims to:
- Ensure fairness and a sustainable minimum wage
- Promote and ensure compliance with an evolving regulatory environment, with a specific emphasis on the long-term sustainability of the Group
- Ensure alignment of the interests of the Group's board and management with that of our stakeholders
- Attract and retain talent at all levels
- Encourage employee behaviour that is goal-orientated and consistent with the Group's strategy
- Set remuneration levels that are consistent with emerging governance frameworks on executive and non-executive compensation by conducting regular benchmarking exercises against internal and external comparatives.

Remuneration governance

The STRcom reports to the board on their proceedings and attends the annual general meeting of Implats to respond to any questions from shareholders regarding the committee's areas of responsibility. Although the board of Implats is ultimately responsible for the Group's remuneration philosophy and the application thereof, the STRcom is tasked with performing these duties and discharges the boards' obligation on remuneration, governance, skills attraction and retention, succession planning, disclosure, benefits, broad terms and conditions of employment and performance conditions.

The STRcom keeps abreast of the latest changes in relevant legislation and the market to ensure remuneration is appropriate, equitable and fair. They receive regular updates on remuneration issues as they arise and are advised by a specialist external adviser on benchmarking, remuneration governance and related matters.

The Group utilised the services of independent remuneration specialists in different capacities during the past financial year to benchmark remuneration elements and practices against external comparatives and to advise on remuneration policy.

The committee consists of three independent non-executive directors and an independent chairperson. The CEO, HR executive, and executive responsible for talent management are permanent invitees to the meetings.

Remuneration report continued

The STRcom met four times during 2017 and the membership for the period under review was as follows:

Name	Directorship status
MEK Nkeli (Chairperson)	Independent non-executive director
MSV Gantsho	Independent non-executive director
B Ngonyama	Independent non-executive director

Should the 2017 remuneration policy or implementation report receive less than 75% of the votes in favour of either report by shareholders, the STRcom commits to engage shareholders who have voted against either report and provide them with an opportunity to voice their concerns. The engagement with shareholders will focus on understanding why they voted against the report/s. The STRcom will, if appropriate, explain the reasons for the Group's position. Post this engagement process the committee will determine what to change and how to change to best meet the combined views of the shareholders while ensuring alignment with the Group strategy and best practice. The process followed and the changes made will be disclosed in the 2018 report.

Remuneration mix

The ratios within the remuneration mix are structured for the various levels of the organisation. The approved remuneration mix for the top layer of the organisation is set out in the table below (these are the same as for last year):

Component	CEO	CFO	Senior executives	Junior executives
Guaranteed remuneration	40%	44%	59%	64%
Short-term incentive (STI)	20%	22%	16%	16%
Long-term incentive (LTIP)	40%	34%	25%	20%

Remuneration report continued

Remuneration structure

Component		Intent	Policy application
Guaranteed remuneration	Basic salary	To attract and retain employees and to ensure internal equity and external competitiveness.	Our standard is to match the market in terms of the broad talent pool, but lead in areas of critical appointments, talented individuals, scarce skills and top performers. Pay levels are also influenced by inflation and costs.
	Benefits	To ensure external competitiveness and advance employee wellness, engagement and effectiveness.	Employees are contractually obliged to belong to approved medical schemes and retirement funds inclusive of death and disability cover. Contributions are made by both the Company and the employee.
	Optional and statutory benefits and allowances	To assist with productivity, ensure legislative compliance and retention of skills.	Some of these benefits are elective while some are in line with statutory requirements.
Variable remuneration	Short-term incentives	Key performance indicators (KPIs) alignment with operational and Group financial and non-financial performance, more specifically: • driving safety, health, environment and community (SHEC) performance and delivery on volume, value, quality, cost, capital and cash flow (VVQ3C) personal KPIs	Subject to the achievement of performance measures, and committee approval, employees are paid annually and/or six monthly.
	Long-term incentives	Alignment with shareholders' interests, Group performance, attraction and retention objectives.	Incentives are awarded to eligible employees annually in line with the approved remuneration mix. Vesting depends on achievement of performance conditions. The structure and scheme rules are reviewed regularly to ensure alignment with the intent.
	Employee ownership	Alignment with shareholders' interests, Group performance, retention objectives and statutory requirements.	Employee ownership plans with benefits for category A – C level employees predominantly Historically Disadvantaged South Africans (HDSAs).

Remuneration report continued

Guaranteed package

The guaranteed package includes basic salary and employee benefits. Guaranteed packages are market related and are based on the complexity of the role and the employee's personal performance and contribution to the Group's overall performance.

The guaranteed package includes basic salary plus add-on benefits. Salary increases for management employees (D-level and above) are effected on 1 October annually, and are influenced by increases in general cost of living (inflation), individual performance, market conditions, company performance and the collective wage bargaining process. Contributions towards retirement, death and disability and health care benefits are included in the guaranteed package and are applicable to all employees according to the rules of the relevant schemes and company procedures.

The Group offers participation in several nominated medical aid schemes where the choice of scheme vests with the employee.

All permanent employees are required to join one of the approved retirement funds. Death and disability benefit insurance is provided for all employees and personal accident insurance is provided for D-upper and E-level employees who are expected to travel regularly in line with their specific role and deployment in the Group. As a result of past practice, the Company has a limited liability in terms of post-retirement medical benefits. This practice was ceased in 2006 and the employees entitled to this benefit were ring-fenced.

Short-term incentives (STI)

The STRcom approved the STI scheme and performance targets for the period under review. The performance targets are derived from the business plan, set and assessed annually per business unit and for the Group as a whole.

In order to support the business plan objectives through sustained and focused performance metrics, the time frame and thus the frequency of payment for certain "core production" roles have been shortened to continually motivate some managers on specific targets. The weighting of the bonus elements (SHEC: safety, health, environment and community performance; VVQ3C: volume, value, quality, cost, capital and cash flow) are tailored to drive the safety indicators, reinforce performance management, align with strategic plans and risk registers and improve governance in the broad categories listed below:

Employee grouping	SHEC	VVQ3C	Individual
Production	40%	40%	20%
Services	35%	35%	30%
Group support	30%	30%	40%

Long-term incentives

Historically the Company operated the Implats Share Appreciation Bonus Plan with the last allocations made to employees under this scheme in 2012 when the current LTIP scheme was introduced.

It is essential for the Group to retain critical skills over the longer-term and motivate and incentivise employees in a way that also aligns their interest those of shareholders. This is now principally done through the approved long-term incentive plans (LTIP). Allocations under the LTIP are approved and made by the STRcom in accordance with the approved remuneration mix. The first allocations were made in November 2012 and therefore the first vesting was in November 2015.

Remuneration report continued

The LTIP comprises both a conditional share plan (CSP) and a share appreciation rights plan (SAR) and the salient features and achievement of these instruments are listed below:

Instrument	Detail	Performance measure 2012 allocation, three years vesting
Conditional share plan (CSP)	Full shares are awarded free of charge. Shares vest at the end of three years. CSP1 – no performance conditions CSP2 – performance conditions On date of award, participants are granted conditional rights to acquire shares at a future date During the period the participants have no dividend and voting rights.	Relative total shareholder return (TSR)
Share appreciation rights plan (SAR)	Conditional rights are awarded Calculated with reference to the increase in share price from award date until exercise date Three year vesting period applies Performance conditions apply During the period participants have no rights in respect of underlying shares	Absolute TSR Relative EBITDA Relative fatal injury frequency rate (FIFR)

Employee ownership

The Morokotso Trust (the previous employee share ownership plan) ceased in 2016.
The current plan is the Impala Employee Ownership Plan.

Impala Employee Ownership Plan
- Implemented in December 2014
- All Impala A, B and C-level employees are beneficiaries
- An interest free loan of R1.1bn was granted to the Trust to subscribe for 4% of Impala shares
- 65% of dividends from Impala will be distributed to beneficiaries
- 35% of said dividend will repay the loan amount
- When the loan is repaid, 100% of the dividends will go to beneficiaries
- The scheme endures for the life-of-mine.

Remuneration implementation report
Shareholders are requested to vote on the following remuneration implementation report by way of a non-binding advisory resolution.

The remuneration implementation report sets out the remuneration outcomes and activities resulting from the policy for the year under review. The STRcom ensures the consistent application of remuneration policies, procedures and practices in accordance with their terms of reference and in support of the remuneration policy.

Executive remuneration
Guaranteed package
The STRcom approved an average increase of 5% for 2017, with an additional 1% for critical skills, market alignment, retention and/or exceptional performers.

Remuneration report continued

Short-term incentives (STI)

Annual payments in terms of the STI are approved and paid after the year end. Accordingly, the on-target percentages are depicted below for both 2016 and 2017. The 2017 achievements will be reported in the 2018 remuneration report. The annual payments in terms of the short-term incentive scheme approved by the STRcom for the 2016 financial year was R31.0 million out of a possible R57.4 million for on-target performance.

Employee category	On-target bonus 2017	On-target bonus 2016	Actual bonus 2016
CEO	20%	20%	10%
Executive director	22%	22%	16.5%
Senior executives	16%	16%	9%
Junior executives	16%	16%	8.7%

Long-term incentives

The measure for the vesting of the CSPs (being total shareholders return relative to peers) was not met and none of these shares vested in November 2016.

The performance conditions of the SARS (being a mixture of three shareholder related interests) resulted in 30% of the awarded SARS vesting in November 2016 at an award price of R135 per share.

Employee ownership

In terms of the Impala Employee Ownership Plan, no dividends were declared during the year and thus no benefits accrued to employees.

Summary – executive directors, the prescribed officers and Company Secretary remuneration

	Salary (R'000)	Benefits retirement medical (R'000)	Other benefits^^ (R'000)	Deferred increase[1] (R'000)	Bonus 2015[2] (R'000)	Bonus 2016[3] (R'000)	Retention (R'000)	Gains on LTIs and shares sold# (R'000)	FY2017 (R'000)	FY2016 (R'000)
Executive directors										
NJ Muller$	2 297	146	–	–	–	–	10 000	–	12 443	0
TP Goodlace^	3 291	66	–	–	–	1 867	–	7 677	12 901	7 466
B Berlin	5 448	230	–	575	1 642	2 051	2 141	–	12 087	8 925
Prescribed officers										
PD Finney	3 538	689	33	418	583	710	1 501	–	7 472	6 094
A Mhembere*	562	61	31	–	–	448	–	–	1 102	849
MN Ndlala	5 578	244	5 658	592	663	819	–	–	13 554	6 146
GS Potgieter	5 622	230	205	593	800	897	2 167	–	10 514	8 486
Company Secretary										
TT Llale	1 720	208	74	188	240	337	–	37	2 787	2 004

$ *Appointed 3 April 2017.*
^ *Resigned 30 November 2016.*
* *(US$'000).*
\# *Long-term incentives and shares sold.*
^^ *Other benefits include travelling, long service, separation package, acting allowance. In addition, Mr Goodlace and Mr Ndlala received R1.88 million and R3.43 million respectively for en-cashed leave.*
Retention includes hard currency, sign-on and retention bonus
[1] *– 2015 6% increase paid in deferred notional shares, which vested in October 2016 at an increased value.*
[2] *– 2015 bonus paid in deferred notional shares, which vested in September 2016 at an increased value.*
[3] *– 2016 bonus paid in cash in September 2016.*

In order to conserve cash, the executive STI earned in the second half of 2015 was delivered to the CFO and executives in notional (phantom) Implats' shares. The deferred, notional shares vested on 8 September 2016 and the pay out of the shares was settled in cash. All executives including the CEO^ were paid their bonuses for FY2016 in cash during the current financial year (the individual payments for the deferred notional shares and the bonus for FY16 are reflected in the table above).

The CEO$ was paid a sign-on bonus of R10 million as shown above. R2 million was paid within five business days of signed acceptance of the agreement and R8 million was paid on commencement on 3 April 2017. In addition to the sign-on bonus, the Company issued him notional shares worth R20 million as a retainer. These notional shares will vest over a staggered three-year period subject to his continued employment.

Remuneration report continued

The sign-on and retention bonus was awarded to compensate the CEO for accepting the Company's offer of employment in circumstances where the change in employment would have resulted in the CEO forfeiting certain bonus or incentives under the previous employer.

On his commencement date, 3 April 2017, the CEO received a once-off R20 million award of notional shares as depicted below. The notional shares vest in three tranches over three years. The value of the award upon vesting will be determined using a 5 day VWAP as at each of the vesting dates and will be settled in cash.

The following table reflects the number of shares held by executive directors and the gains made by them as a result of past awards during the year ended 30 June 2017:

Name	Balance at 30 June 2016	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year*	Date exercised	Balance at 30 June 2017	Allocation price (R)	First vesting date
Directors									
TP Goodlace									
Retention	29 308	21 562	1 Sep 16	–	50 870	30 Nov 16	**–**		
Bonus	123 586	–	–	–	123 586	30 Nov 16	**–**		
NJ Muller									
Sign-on	–	450 147	3 Apr 17	–	–		**450 147**		
							225 073	44.43	3 Apr 18
							112 537	44.43	3 Apr 19
							112 537	44.43	3 Apr 20

The following table reflects the status of unexercised SARs and CSPs held by executive directors and the gains made by them as a result of past awards during the year ended 30 June 2017:

Name	Balance at 30 June 2016	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year*	Date exercised	Balance at 30 June 2017	Allocation price (R)	First vesting date
NJ Muller									
LTIP SAR	–	145 781	16 May 17	–	–		**145 781**		
							145 781	43.29	16 May 20
LTIP CSP	–	80 376	16 May 17	–	–		**80 376**	–	
							80 379	–	16 May 20

** For associated gains refer to table on page 18.*

Remuneration report continued

Name	Balance at 30 June 2016	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year*	Date exercised	Balance at 30 June 2017	Allocation price (R)	First vesting date
B Berlin									
Share appreciation scheme	159 665	–		20 180	–		**139 485**		
							7 277	242.19	20 Nov 09
							3 031	333.90	30 May 10
							18 870	162.88	1 May 11
							15 251	171.39	4 Nov 11
							631	209.09	13 May 12
							11 749	193.83	1 Nov 12
							53 954	193.79	12 May 13
							21 502	171.76	10 Nov 13
							7 220	145.48	24 May 14
LTIP SAR	306 454	44 481	9 Nov 16	27 537	–		**323 398**		
							10 751	146.89	14 Nov 15
							11 802	134.91	11 Nov 16
							48 586	81.90	13 Nov 17
							207 778	35.16	12 Nov 18
							44 481	54.29	9 Nov 19
LTIP CSP	119 441	37 812	9 Nov 16	12 252	–		**145 001**		
							24 109	–	13 Nov 17
							83 080	–	12 Nov 18
							37 812	–	9 Nov 19
Company Secretary									
TT Llale									
Share appreciation scheme	14 918	–	–	1 562	–		**13 356**		
							460	333.90	30 May 10
							682	116.76	18 Nov 10
							3 164	162.88	1 May 11
							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	20 011	7 041	9 Nov 16	–	–		**27 052**		
							6 226	81.90	13 Nov 17
							13 785	35.16	12 Nov 18
							7 041	54.29	9 Nov 19
LTIP CSP	24 244	11 971	9 Nov 16	805	724	11 Nov 16	**34 686**		
							6 179	–	13 Nov 17
							16 536	–	12 Nov 18
							11 971	–	9 Nov 19

** For associated gains refer to table on page 18.*

Remuneration report continued

Name	Balance at 30 June 2016	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year*	Date exercised	Balance at 30 June 2017	Allocation price (R)	First vesting date
Prescribed officers									
PD Finney									
Share appreciation scheme	87 288	–		9 301	–		**77 927**		
							2 977	333.9	30 May 10
							2 774	116.76	18 Nov 10
							2 898	162.88	1 May 11
							12 266	171.39	4 Nov 11
							7 696	209.09	13 May 12
							18 528	193.83	1 Nov 12
							5 376	193.79	12 May 13
							12 282	171.76	10 Nov 13
							13 130	145.48	24 May 14
LTIP SAR	119 471	33 168	9 Nov 16	12 111	–		**140 528**		
							4 723	146.89	14 Nov 15
							5 191	134.91	11 Nov 16
							30 137	81.90	13 Nov 17
							67 309	35.16	12 Nov 18
							33 168	54.29	9 Nov 19
LTIP CSP	63 407	28 195	9 Nov 16	8 083	–		**83 519**		
							14 954	–	13 Nov 17
							40 370	–	12 Nov 18
							28 195	–	9 Nov 19
A Mhembere									
LTIP SAR	269 624	69 178	9 Nov 16	24 778	–		**314 024**		
							8 659	146.89	14 Nov 15
							10 620	134.91	11 Nov 16
							59 387	81.90	13 Nov 17
							166 180	35.16	12 Nov 18
							69 178	54.29	9 Nov 19
LTIP CSP	145 677	58 807	9 Nov 16	16 537	–		**187 947**		
							29 469	–	13 Nov 17
							99 671	–	12 Nov 18
							58 807	–	9 Nov 19

** For associated gains refer to table on page 18.*

Remuneration report continued

Name	Balance at 30 June 2016	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year*	Date exercised	Balance at 30 June 2017	Allocation price (R)	First vesting date
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	172 228	45 067	9 Nov 16	16 738	–		**200 557**		
							6 549	146.89	14 Nov 15
							7 174	134.91	11 Nov 16
							49 356	81.90	13 Nov 17
							92 411	35.16	12 Nov 18
							45 067	54.29	9 Nov 19
LTIP CSP	91 088	38 310	9 Nov 16	11 171	–		**118 227**		
							24 491	–	13 Nov 17
							55 426	–	12 Nov 18
							38 310	–	9 Nov 19
MN Ndlala									
Share appreciation scheme	55 911	–		4 713	–		**51 198**		
							7 139	116.76	18 Nov 10
							12 313	171.39	4 Nov 09
							13 750	193.83	1 Nov 12
							7 831	193.79	12 May 13
							10 165	171.76	10 Nov 13
LTIP SAR	166 944	44 732	9 Nov 16	102 629	–		**109 047**		
							3 669	146.89	14 Nov 15
							7 361	134.91	11 Nov 16
							41 580	81.90	13 Nov 17
							47 739	35.16	12 Nov 18
							8 698	54.29	9 Nov 19
LTIP CSP	89 674	38 026	9 Nov 16	71 041	–		**56 659**		
							20 633	–	13 Nov 17
							28 632	–	12 Nov 18
							7 394	–	9 Nov 19

** For associated gains refer to table on page 18.*

Remuneration report continued

Non-executive directors' remuneration

Fee structures for remuneration of board and committee members are recommended to the board by the STRcom, reviewed annually and approved by shareholders at the annual general meeting. The review addresses market comparisons of fees. Directors' fees in aggregate for serving on the board and committees for the year under review were as follows:

(R'000)	Board	Audit committee	Health, safety, environment and risk committee	Nominations, governance and ethics committee	Social, trans-formation and remu-neration committee	Capital allocation and invest-ment committee	*Ad hoc* meetings	Total
HC Cameron	354	354	—	—	—	116	32	856
PW Davey	354	167	—	116	—	116	32	785
MSV Gantsho	1 820	—	—	—	—	—	—	1 820
A Kekana	354	—	—	116	—	116	16	602
AS Macfarlane	354	—	279	—	—	—	—	633
ND Moyo	354	—	125	—	—	116	16	611
FS Mufamadi	354	—	—	116	—	—	—	470
B Ngonyama	354	167	—	—	125	—	16	663
MEK Nkeli	354	167	125	—	279	—	16	942
ZB Swanepoel	354	—	125	—	—	257	—	736

For 2018, an increase of 6% is proposed to be recommended by the board for approval by shareholders at the AGM. The table below show the current fees paid to board and committee members for 2017 and the proposed fees after the proposed 6% increase for 2018 excluding VAT.

Remuneration report continued

With effect from	1 July 2017 (R)	1 July 2016 (R)	Proposed increase %
Board of directors			
Chairperson	**1 929 200**	1 820 000	6%
Member	**374 923**	353 701	6%
Audit committee			
Chairperson	**374 923**	353 701	6%
Member	**177 192**	167 162	6%
Social, transformation and remuneration committee			
Chairperson	**295 767**	279 025	6%
Member	**133 006**	125 477	6%
Nominations, governance and ethics committee			
Chairperson*	**–**	–	–
Member	**122 596**	115 657	6%
Health, safety, environment and risk committee			
Chairperson	**295 767**	279 025	6%
Member	**133 006**	125 477	6%
Capital allocation and investment committee			
Chairperson	**272 619**	257 188	6%
Member	**122 596**	115 657	6%
Ad hoc fees per additional board or committee meeting Chairman of meeting will be paid twice the ad hoc fee	**16 960**	16 000	6%

** Chairperson of the board is also chairperson of the NGE 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-months' 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 Group 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 2017 are described below:

Company	Effective interest %	Activity
Impala Platinum Limited (Impala)	96	PGM mining processing and refining
Impala Refining Services Limited	100	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 phase)
Marula Platinum Proprietary Limited	73	PGM mining
Zimplats Holdings Limited	87	PGM mining
Mimosa Investments Limited	50*	PGM mining
Two Rivers Platinum Proprietary Limited	49*	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	R
844 008 000 ordinary shares of 2.5 cents each	21 100 200

Issued share capital	R
734 778 378 ordinary shares of 2.5 cents each	18 369 459

Unissued share capital	R
109 229 622 ordinary shares of 2.5 cents each	2 730 741

Post year end, the shareholders approved the conversion of the ordinary par value shares to ordinary no par value shares. At the same shareholders' meeting, the authorised share capital was increased by 100 000 000 shares from 844 008 000 to 944 008 000. The authorised but unissued share capital of the Company increased to 209 229 622 from 109 229 622. The issued share capital remained unchanged at 734 778 378.

American depositary receipts

At 30 June 2017, there were 11 495 430 (2016: 7 241 486) 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 scheme are set out on pages 19 to 23 of this report.

Directors' report continued

Shareholding in the Company

The issued capital of the Company held by public and non-public entities as at 30 June 2017 was as follows:

	Number of shareholders	Number of shares (000)	%
Public	27 134	672 301	91.5
Non-public	9	62 477	8.5
Directors	3	44	0.0
Royal Bafokeng Holdings Proprietary Limited*	3	46 199	6.3
Treasury shares	3	16 234	2.2
Total	27 143	734 778	100.0

**Has the right to appoint one director.*

Beneficial shareholders greater than 5%:

Shareholders	Number of shares (000)	%
Government Employees Pension Fund	90 523	12.7
Total	90 523	12.7

Investment management shareholding greater than 3%:

Shareholders	Number of shares (000)	%
Allan Gray Investment Council	109 975	15.0
Investec Asset Management	95 887	13.0
PIC	74 457	10.1
Coronation Asset Management (Pty) Limited	54 572	7.4
Royal Bafokeng Holdings Proprietary Limited	46 199	6.3
Prudential Investment Managers	33 742	4.6
The Vanguard Group Inc	22 817	3.1
Total	437 649	59.5

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). In 2016, the Royal Bafokeng sold its holding down to 6.3% at value for purposes of diversification.

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 that 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.

Investments

Zimplats Holdings Limited (Zimplats)

During the period under review, the Company owned 87% (2016: 87%) of Zimplats, which in turn holds 90% (2016:100%) 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. Negotiations are ongoing with the community share ownership trust regarding its purchase of a 10% share in the operating subsidiary. The shareholding by the trusts are intended to be for the benefit of employees and the surrounding community as part of Zimplats' plans to comply with the indigenisation legislation.

Directors' report continued

Mimosa Investments Limited (Mimosa)
The Company holds a 50% (2016: 50%) shareholding in Mimosa, with the balance being held by Sibanye Gold Limited (which acquired Aquarius Platinum Limited the previous shareholder). 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 49% (2016: 49%) interest in Two Rivers with the balance held by African Rainbow Minerals Limited (ARM). Implats and ARM entered into an agreement where ARM agreed to vend its recently acquired portion called Matopi Mineral Rights into Two Rivers. Under the terms of this transaction, Implats agreed to dilute its shareholding from 49% to 46%. At year end, the parties were still awaiting regulatory approvals from the DMR to effect the change in shareholding.

Marula Platinum Proprietary Limited (Marula)
The Company owns a 73% (2016: 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% (2016: 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% (2016: 50%) stake in Makgomo Chrome, a company established pursuant to Implats' local economic development strategy for the Marula communities. The balance of the issued shares are held by the communities in the Marula area of operations. Twenty percent of the Company's shareholding is held through Marula and all dividends received by Marula are used to fund community development projects. Implats equity accounts its interest in Makgomo Chrome. All the chrome operations have been suspended since February 2017 due to community unrest.

Impala Chrome Proprietary Limited (Impala Chrome)
The Company holds 65% (2016: 69%) of the shares in issue and Chrome Traders Processing Proprietary Limited (Chrome Traders) holds 30% (2016: 31%) and 5% is held by a Special Purpose Vehicle controlled by several local community members in Rustenburg. Implats consolidates its interest in Impala Chrome.

Financial affairs
Results for the year
Revenue was assisted by a marginally improved rand basket and rose to R36.8 billion from R35.9 billion. Overall, production from the Group's operations increased year-on-year, but this benefit was more than offset by planned higher levels of refined stock at year end.

Increases in Group unit costs, year-on-year, were contained at 4.4% and cost of sales increased by 4.0%. However, revenue only increased by 2.5% as all production was not sold. This combination, largely resulted in the decline in gross profit from R4 million to a loss of R529 million. Cash preservation on costs have continued and cost savings in excess of R1 billion have been realised over the last two years.

In 2007, Impala prepaid the estimated contractual Royal Bafokeng royalty and the Royal Bafokeng used this prepayment to subscribe for shares in Implats. The prepayment was raised on the balance sheet and is amortised annually based on units of production. Our current view of the estimated value of what would have been the royalty payments has changed materially since 2007 given unexpected persistently low metal prices and depressed levels of production. A decision was therefore taken by management to impair the full amount of R10.2 billion, which after deferred tax amounts to R7.3 billion.

The income tax credit for the current year includes deferred tax of R2.8 billion on the impairment of the prepayment. This is excluded from the headline earnings. Current tax (on headline earnings) increased compared to 2016 as a result of a non-recurring tax credit on a bad debt in 2016 and an increase in additional profits tax for Zimplats in the current year.

The Group's mine-to-market output was 1.28 (2016: 1.25) million platinum ounces. Lower deliveries from Marula and Two Rivers were offset by higher volumes from Impala and Zimplats. Third-party platinum production increased by 35% to 246 700 ounces. Consequently, gross refined platinum production increased by 6.4% to 1.53 million ounces.

Directors' report continued

Importantly, Implats has further strengthened its balance sheet through the conclusion of the R6.5 billion new convertible bond issue, which was raised mainly to early refinance the 2018 convertible bonds of R4.5 billion. At 30 June 2017, R300 million and US$29 million of the 2018 convertible bonds remain unredeemed and will be settled on maturity in February 2018.

Cash generated from operations reduced to R1.0 (2016: R2.7) billion, mainly as a result of the operating challenges at Impala Rustenburg. At year end, the Group had gross cash of R7.8 (2016: R6.8) billion on hand and R4 billion in unutilised bank debt facilities, which remain available until 2021.

Dividends

No dividends were declared in respect of the 2017 financial year (2016: no dividend).

Capital expenditure

Capital expenditure of R3.43 billion was maintained at similar levels to the previous year (2016: R3.56 billion). Over the last year, R1.14 billion was spent on the two development shafts, 16 and 20, at Impala Rustenburg. In other areas, additional capital was deferred as a response to the ongoing low-price environment and the need to conserve cash.

Post-balance sheet events

Post year-end, the shareholders approved the conversion of the ordinary par value shares to ordinary no par value shares. At the same shareholders' meeting, the authorised share capital was increased by 100 000 000 shares from 844 008 000 to 944 008 000. The authorised but unissued share capital of the Company increased to 209 229 622 from 109 229 622. The issued share capital remained unchanged at 734 778 378.

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.

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
B Berlin	Chief financial officer	24 February 2011
HC Cameron	Independent non-executive director	1 November 2010
PW Davey	Independent non-executive director	1 July 2013
U Lucht	Non-executive director	25 August 2017
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
ZB Swanepoel	Independent non-executive director	5 March 2015

Changes to the board

Mr Terence Goodlace left the Company on 1 December 2016 having served his notice period as announced on 1 June 2016. The board appointed Mr Nico Muller as an executive director and chief executive officer with effect from 3 April 2017. The average length of service of the current nine non-executive directors is 4.2 (2015: 3.2) years, while that of the executive directors is 3.4 (2016: 5.5) years.

Directors' report continued

Board diversity

Gender

Male	8
Female	3

Nationality

Black South African	4
White South African	5
Non-South African	2

Independence

Executive	2
Non-executive	1
Independent non-executive	8

Interests of directors

The interests of directors in the shares of the Company for the year ended 30 June 2017 were as follows and did not individually exceed 1% of the issued share capital or voting control of the Company:

	Direct		Indirect	
	2017	2016	**2017**	2016
Beneficial				
Directors	**44 380**	44 380	**–**	–
TP Goodlace (resigned 30 November 2016)	**11 200**	11 200	**–**	–
ZB Swanepoel	**30 000**	30 000	**–**	–
B Ngonyama	**3 180**	3 180	**–**	–
Senior management	**53 324**	73 880	**–**	–

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 2017 and the date of this report.

Directors' remuneration

Directors' remuneration is disclosed in the annual financial statements (note 37) 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.

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.

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 the inside back cover.

United Kingdom secretaries

The business and postal addresses of the United Kingdom secretaries are set out on the inside back cover.

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 are extracted from the audited information, but are not themselves audited. The directors of the Company take full responsibility for the preparation of the summarised financial statements for the period ended 30 June 2017 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 B Berlin, 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 their behalf by:

MSV Gantsho
Chairman

Nico Muller
Chief executive officer

Johannesburg
14 September 2017

Consolidated statement of financial position

as at 30 June 2017

	Notes	2017 Rm	2016 Rm
Assets			
Non-current assets			
Property, plant and equipment	6	**47 798**	49 722
Exploration and evaluation assets		**385**	385
Investment property		**89**	173
Investment in equity-accounted entities		**3 316**	3 342
Deferred tax		**389**	37
Other financial assets		**327**	312
Derivative financial instrument	7	**—**	1 137
Prepayments		**—**	10 180
		52 304	65 288
Current assets			
Inventories	8	**8 307**	8 202
Trade and other receivables		**3 736**	3 605
Other financial assets		**2**	12
Prepayments		**1 293**	1 121
Cash and cash equivalents		**7 839**	6 788
		21 177	19 728
Total assets		**73 481**	85 016
Equity and liabilities			
Equity			
Share capital		**20 000**	19 547
Retained earnings		**22 982**	31 200
Other components of equity		**3 825**	5 161
Equity attributable to owners of the Company		**46 807**	55 908
Non-controlling interest		**2 425**	2 548
Total equity		**49 232**	58 456
Liabilities			
Non-current liabilities			
Deferred tax		**4 390**	8 574
Borrowings	9	**8 373**	8 715
Derivative financial instrument	7	**1 233**	—
Sundry liabilities		**356**	443
Provisions		**1 099**	1 082
		15 451	18 814
Current liabilities			
Trade and other payables		**6 902**	6 382
Current tax payable		**702**	645
Borrowings	9	**1 088**	564
Other financial liabilities		**74**	66
Sundry liabilities		**32**	89
		8 798	7 746
Total liabilities		**24 249**	26 560
Total equity and liabilities		**73 481**	85 016

The notes on pages 37 to 45 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2017

	Notes	2017 Rm	2016 Rm
Revenue		**36 841**	35 932
Cost of sales	10	**(37 370)**	(35 928)
Gross (loss)/profit		**(529)**	4
Other operating income		**1 191**	647
Other operating expenses		**(325)**	(198)
Impairment	11	**(10 229)**	(307)
Royalty expense		**(561)**	(516)
Loss from operations		**(10 453)**	(370)
Finance income		**411**	369
Finance cost		**(811)**	(705)
Net foreign exchange transaction gains/(losses)		**154**	(549)
Other income		**398**	547
Other expenses		**(883)**	(154)
Share of profit of equity-accounted entities		**496**	262
Loss before tax		**(10 688)**	(600)
Income tax credit		**2 590**	557
Loss for the year		**(8 098)**	(43)
Other comprehensive income/(loss), comprising items that may subsequently be reclassified to profit or loss:			
Available-for-sale financial assets		**14**	(7)
Deferred tax thereon		**(3)**	—
Share of other comprehensive income of equity-accounted entities		**(219)**	342
Deferred tax thereon		**22**	(34)
Exchange differences on translating foreign operations		**(1 555)**	2 380
Deferred tax thereon		**203**	(311)
Other comprehensive income/(loss), comprising items that will not be subsequently reclassified to profit or loss:			
Actuarial gain/(loss) on post-employment medical benefit		**2**	(1)
Deferred tax thereon		**—**	—
Total comprehensive (loss)/income		**(9 634)**	2 369
Profit/(loss) attributable to:			
Owners of the Company		**(8 220)**	(70)
Non-controlling interest		**122**	27
		(8 098)	(43)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**(9 554)**	1 990
Non-controlling interest		**(80)**	336
		(9 634)	2 326
Earnings per share (cents per share)			
Basic		**(1 145)**	(10)
Diluted		**(1 145)**	(10)

The notes on pages 37 to 45 are an integral part of these summarised financial statements.

Consolidated statement of changes in equity
for the year ended 30 June 2017

	Ordinary shares Rm	Share premium Rm	Share-based payment reserve Rm	Total share capital Rm
Balance at 30 June 2016	**18**	**17 252**	**2 277**	**19 547**
Shares issued				
– Employee Share Ownership Programme	**–**	**479**	**–**	**479**
Conversion option settlement	**–**	**(79)**	**–**	**(79)**
Shares purchased – Long-term Incentive Plan	**–**	**(38)**	**–**	**(38)**
Share-based compensation expense				
– Long-term Incentive Plan	**–**	**–**	**91**	**91**
Total comprehensive income/(loss)	**–**	**–**	**–**	**–**
– Profit/(loss) for the year	**–**	**–**	**–**	**–**
– Other comprehensive income/(loss)	**–**	**–**	**–**	**–**
Transaction with NCI	**–**	**–**	**–**	**–**
Dividends	**–**	**–**	**–**	**–**
Balance at 30 June 2017	**18**	**17 614**	**2 368**	**20 000**
Balance at 30 June 2015	16	13 369	2 348	15 733
Shares issued (note 14)				
– Ordinary share issue	2	3 998	–	4 000
– Ordinary share issue transaction cost	–	(100)	–	(100)
– Implats Share Incentive Scheme	–	2	–	2
Shares purchased – Long-term Incentive Plan (note 14)	–	(17)	–	(17)
Share-based compensation expense (note 14)				
– Long-term Incentive Plan	–	–	(71)	(71)
Total comprehensive income/(loss)	–	–	–	–
– Profit/(loss) for the year	–	–	–	–
– Other comprehensive income/(loss)	–	–	–	–
Dividends	–	–	–	–
Balance at 30 June 2016	18	17 252	2 277	19 547

The table above excludes the treasury shares, Morokotso Trust (ESOP) and the Implats Share Incentive Scheme as these special structured entities are consolidated.

The notes on pages 37 to 45 are an integral part of these summarised financial statements.

Retained earnings Rm	Foreign currency translation reserve Rm	Other components of equity Rm	Attributable to: Owners of the Company Rm	Non-controlling interest Rm	Total equity Rm
31 200	**5 092**	**69**	**55 908**	**2 548**	**58 456**
—	**—**	**—**	**479**	**—**	**479**
—	**—**	**—**	**(79)**	**—**	**(79)**
—	**—**	**—**	**(38)**	**—**	**(38)**
—	**—**	**—**	**91**	**—**	**91**
(8 218)	**(1 347)**	**11**	**(9 554)**	**(80)**	**(9 634)**
(8 220)	**—**	**—**	**(8 220)**	**122**	**(8 098)**
2	**(1 347)**	**11**	**(1 334)**	**(202)**	**(1 536)**
—	**—**	**—**	**—**	**11**	**11**
—	**—**	**—**	**—**	**(54)**	**(54)**
22 982	**3 745**	**80**	**46 807**	**2 425**	**49 232**
31 271	3 024	76	50 104	2 258	52 362
—	—	—	4 000	—	4 000
—	—	—	(100)	—	(100)
—	—	—	2	—	2
—	—	—	(17)	—	(17)
—	—	—	(71)	—	(71)
(71)	2 068	(7)	1 990	336	2 326
(70)	—	—	(70)	27	(43)
(1)	2 068	(7)	2 060	309	2 369
—	—	—	—	(46)	(46)
31 200	5 092	69	55 908	2 548	58 456

Consolidated statement of cash flows

for the year ended 30 June 2017

	2017 Rm	2016 Rm
Cash flows from operating activities		
Cash generated from operations	**3 049**	4 216
Exploration costs	**(8)**	(13)
Finance cost	**(716)**	(589)
Income tax paid	**(1 312)**	(883)
Net cash from operating activities	**1 013**	2 731
Cash flows from investing activities		
Purchase of property, plant and equipment	**(3 432)**	(3 658)
Proceeds from sale of property, plant and equipment	**49**	42
Purchase of available-for-sale financial assets	**(7)**	(152)
Purchase of held-to-maturity financial assets	**–**	(70)
Proceeds from available-for-sale financial assets	**–**	23
Proceeds from held-to-maturity financial assets	**7**	40
Loans granted	**(1)**	(2)
Loan repayments received	**15**	24
Finance income	**426**	394
Dividends received	**279**	439
Net cash used in investing activities	**(2 664)**	(2 920)
Cash flows from financing activities		
Issue of ordinary shares, net of transaction cost	**479**	3 902
Shares purchased – Long-term Incentive Plan	**(38)**	(17)
Repayments of borrowings	**(4 593)**	(13)
Cash from CCIRS	**728**	–
Proceeds from borrowings net of transaction costs	**6 278**	389
Dividends paid to non-controlling interest	**(54)**	(46)
Net cash from financing activities	**2 800**	4 215
Net increase in cash and cash equivalents	**1 149**	4 026
Cash and cash equivalents at the beginning of the year	**6 788**	2 597
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	**(98)**	165
Cash and cash equivalents at the end of the year	**7 839**	6 788

The notes on pages 37 to 45 are an integral part of these summarised financial statements.

Notes to the consolidated financial information

for the year ended 30 June 2017

1. General information

Impala Platinum Holdings Limited (Implats, Group or Company) is a primary producer of platinum and associated platinum group metals (PGMs). The Group has operations on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, the two most significant PGM-bearing ore bodies globally.

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 14 September 2017 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 2017 have been prepared in accordance with the JSE Limited Listings Requirements (Listings Requirements) and the requirements of the Companies Act, Act 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 2017, 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 2016 without any significant impact:

- IFRS 2 – Share-based Payment
- Amendments to IAS 40 – Investment Property
- Improvements to IFRS Standards 2014-2016 Cycle
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration

Notes to the consolidated financial information continued
for the year ended 30 June 2017

5. Segment information

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

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).

Impala mining segment's two largest sales customers amounted to 12% and 10% of total sales (June 2016: 10% each).

	30 June 2017		30 June 2016	
	Revenue Rm	**Profit/(loss) after tax Rm**	Revenue Rm	Profit/(loss) after tax Rm
Mining				
– Impala	**14 604**	**(9 860)**	14 556	(1 439)
– Zimplats	**7 038**	**576**	6 753	144
– Marula	**1 616**	**(709)**	1 678	(426)
Impala Refining Services	**21 711**	**1 292**	20 539	1 454
Impala Chrome	**432**	**127**	314	67
All other segments	**—**	**29**	—	(10)
Inter-segment revenue	**(8 560)**	**—**	(7 908)	—
Total	**36 841**	**(8 545)**	35 932	(210)
Share of profit of equity accounted entities		**496**		262
Unrealised profit in stock consolidation adjustment		**(51)**		(48)
Additional depreciation on assets carried at consolidation		**(23)**		(27)
IRS pre-production realised on Group		**42**		—
Net realisable value adjustment made on consolidation		**(17)**		(20)
Total loss after tax		**(8 098)**		(43)

	Capital expenditure Rm	**Total assets Rm**	Capital expenditure Rm	Total assets Rm
Mining				
– Impala	**2 472**	**35 696**	2 490	45 607
– Zimplats	**864**	**18 353**	981	19 358
– Marula	**113**	**2 582**	89	2 507
Impala Refining Services	**—**	**8 402**	—	6 824
Impala Chrome	**1**	**161**	—	182
All other segments	**(16)**	**32 257**	—	29 928
Total	**3 434**	**97 451**	3 560	104 406
Intercompany accounts eliminated		**(26 279)**		(23 354)
Investment in equity-accounted entities		**3 316**		3 342
Mining right accounted on consolidation		**811**		844
IRS preproduction stock adjustment		**(463)**		—
Unrealised profit in stock and NRV adjustment to inventory		**(273)**		(213)
Impala segment bank overdraft taken to cash		**(1 091)**		—
Other		**9**		(9)
Total consolidated assets		**73 481**		85 016

Notes to the consolidated financial information continued

for the year ended 30 June 2017

6. Property, plant and equipment

	30 June 2017 Rm	30 June 2016 Rm
Opening net book amount	**49 722**	47 248
Capital expenditure	**3 434**	3 560
14 Shaft re-establishment	**–**	69
Interest capitalised	**–**	29
Disposals	**(22)**	(13)
Depreciation (note 10)	**(3 702)**	(3 319)
Impairment	**–**	(257)
Scrapping	**–**	(106)
Transfer to investment property	**–**	(223)
Rehabilitation adjustment	**16**	143
Exchange adjustment on translation	**(1 650)**	2 591
Closing net book amount	**47 798**	49 722

Capital commitment

Capital expenditure approved at 30 June 2017 amounted to R7 billion (June 2016: R7.2 billion), of which R1.6 billion (June 2016: R1.3 billion) is already committed. This expenditure will be funded internally and, if necessary, from borrowings.

Notes to the consolidated financial information continued
for the year ended 30 June 2017

7. Derivative financial instrument

Asset	Note	2017 Rm	2016 Rm
Cross Currency Interest Rate Swap (CCIRS) (2018)	7.1	–	1 137

7.1 Cross Currency Interest Rate Swap (CCIRS) (2018)
Implats entered into a CCIRS amounting to US$200 million to hedge the foreign exchange risk on the US$ convertible bonds, being: exchange rate risk on the dollar interest payments and the risk of a future cash settlement of the bonds at a rand-dollar exchange rate weaker than R9.24/US$. US$200 million was swapped for R1 848 million on which Implats pays a fixed interest rate to Standard Bank of 5.94%. Implats receives the 1% coupon on the US$200 million on the same date which Implats pays-on externally to the bond holders. During June 2017, Implats cancelled the CCIRS and paid an amount of R1 839 million for the receipt of US$200 million.

No hedge accounting has been applied.

Liability	Note	2017 Rm	2016 Rm
Cross Currency Interest Rate Swap (CCIRS) (2022)	7.2	49	–
Conversion option - US$ convertible bond (2022)	7.3	547	–
Conversion option - ZAR convertible bond (2022)	7.4	637	–
		1 233	–

7.2 Cross Currency Interest Rate Swap (CCIRS) (2022)
Implats entered into a CCIRS amounting to $250 million to hedge the foreign exchange risk on the US$ convertible bond, being: exchange rate risk on the dollar interest payments and the risk of a future cash settlement of the bonds at a rand-dollar exchange rate weaker than R13.025/US$. US$250 million was swapped for R3 256 million on which Implats pays a fixed interest rate to Standard Bank of 9.8%. Implats receives the 3.25% coupon on the US$250 million on the same date which Implats pays-on externally to the bond holders and the interest thereon. In June 2022, Implats will receive $250 million for a payment of R3 256 million.

The CCIRS is carried at its fair value of R49 million. No hedge accounting has been applied.

7.3 Conversion option - US$ convertible bond (2022) (note 9.5)
The US$ bond holders have the option to convert the bonds to Implats shares (subject to shareholders' approval) at a price of $3.89. The value of this conversion option was R559 million at initial recognition. The conversion option is carried at its fair value of R547 million, resulting in a R12 million profit for the period. At the general meeting held by shareholders' on 24 July 2017, the approval to settle this option by means of Implats shares was obtained. Given this option is US$ denominated it does not meet the definition of equity (fixed number of shares for fixed amount) and will continue to be accounted for as a derivative financial instrument in future.

7.4 Conversion option - ZAR convertible bond (2022) (note 9.4)
The ZAR bond holders have the option to convert the bonds to Implats shares (subject to shareholders' approval) at a price of R50.01. The value of this conversion option was R676 million at initial recognition. The conversion option is carried at its fair value of R637 million, resulting in a R39 million profit for the period. At the general meeting held by shareholders' on 24 July 2017, the approval to settle this option by means of Implats shares was obtained. This option meets the definition of equity and will therefore be accounted within equity from 24 July 2017.

Notes to the financial information continued
for the year ended 30 June 2017

8. Inventories

	30 June 2017 Rm	30 June 2016 Rm
Mining metal		
Refined metal	**350**	259
In-process metal	**2 977**	2 523
	3 327	2 782
Non-mining metal		
Refined metal	**993**	1 267
In-process metal	**3 252**	3 360
	4 245	4 627
Stores and materials inventories	**735**	793
Total carrying amount	**8 307**	8 202

The write-down to net realisable value comprises R78 million (2016: R106 million) for refined mining metal and R948 million (2016: R558 million) for in-process mining metal.

Included in refined metal is metal on lease to third parties of 36 000 ounces (2016: 36 000 ounces) ruthenium.

Quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of metal actually recovered (metallurgical balancing). The nature of this process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. Changes in engineering estimates of metal contained in-process resulted in an increase of in-process metal of R376 (2016: R384) million.

Non-mining metal consists mainly of inventory held by Impala Refining Services. No inventories are encumbered.

Notes to the consolidated financial information continued

for the year ended 30 June 2017

9. Borrowings

	Notes	30 June 2017 Rm	30 June 2016 Rm
Standard Bank Limited – BEE partners Marula		**889**	882
Standard Bank Limited – Zimplats term loan	9.1	**1 111**	1 248
Standard Bank Limited – Zimplats revolving credit facility		**314**	353
Convertible bonds – ZAR (2018)	9.2	**303**	2 575
Convertible bonds – US$ (2018)	9.3	**380**	2 848
Convertible bonds – ZAR (2022)	9.4	**2 516**	—
Convertible bonds – US$ (2022)	9.5	**2 609**	—
Finance leases		**1 339**	1 373
		9 461	9 279
Current		**1 088**	564
Non-current		**8 373**	8 715
Beginning of the year		**9 279**	8 076
Proceeds		**6 278**	389
Interest accrued		**664**	625
Interest repayments		**(533)**	(492)
Capital repayments		**(4 593)**	(13)
Conversion option on 2022 Bonds		**(1 156)**	—
Loss on settlement of 2018 Bonds		**8**	—
Exchange adjustment		**(486)**	694
End of the year		**9 461**	9 279

9.1 Standard Bank Limited - Zimplats term loan

US$ denominated revolving credit facility of R1 111 (US$85) million bears interest at three-month London Interbank Offered Rate (LIBOR) plus 700 (2016: 700) basis points. During the year the facility was decreased from US$95 million to $85 million and the loan repayments were renegotiated. The facility will now be repaid in two equal annual payments commencing in December 2018. Previously it commenced in December 2017 with final maturity in December 2018. At the end of the period, the US dollar balance amounted to US$85 (2016: US$85) million.

9.2 Convertible bonds - ZAR (2018)

The ZAR denominated bonds have a par value of R2 672 million and carry a coupon of 5% (R133.6 million) per annum. The coupon is payable semi-annually for a period of five years ending 21 February 2018. The bond holder has the option to convert the bonds to Implats' shares at a price of R214.90. The value of this compound instrument's equity portion relating to conversion was R319 million (before tax) on issue. In May 2017, Implats made an offer to all bond holders to re-purchase their bonds at face value, which offer was conditional on the issue of the ZAR and US$ 2022 bonds. 89% of the bonds holders accepted the offer. This resulted in R79 million being accounted for within equity, being the deemed cost for 89% of the conversion option. The effective interest rate on the remaining balance of the bond is 8.5% (2016: 8.5%).

9.3 Convertible bonds - US$ (2018)

The US$ denominated bonds have a par value of US$200 million and carry a coupon of 1% (US$2 million) per annum. The coupon is payable semi-annually for a period of five years ending 21 February 2018. The bond holder has the option to convert the bonds to Implats' shares at a price of US$24.13. The value of this conversion option derivative was R106 million at initial recognition. Implats also offered to re-purchase these bonds at face value and 85% of the bond holders accepted. The effective interest rate on the remaining balance of the bond is 3.1% (2016: 3.1%). (Refer note 9 for information regarding the CCIRS entered into to hedge foreign exchange risk on this bond.)

Notes to the financial information continued
for the year ended 30 June 2017

9. Borrowings (continued)

9.4 Convertible bonds - ZAR (2022) (note 7.1)

The ZAR denominated bonds have a par value of R3 250 million and carry a coupon of 6.375% (R207.2 million) per annum. The coupon is payable semi-annually for a period of five years ending 7 June 2022. The bond holder has the option to convert the bonds to Implats' shares at a price of R50.01. The value of this conversion option derivative was R676 million on issue. Subsequent to year end, at the general meeting held by shareholders, shareholders approval to settle this option by means of Implats shares was obtained, which will result in the bond being accounted for as a compound instrument which will result in the derivative being transferred into equity. Implats has the option to call the bonds at par plus accrued interest at any time if the aggregate value of the underlying shares per bond for a specified period of time is 130% or more of the principal amount of that bond. The effective interest rate of the bond is 12.8%.

9.5 Convertible bonds - US$ (2022) (note 7.3)

The US$ denominated bonds have a par value of US$250 million and carry a coupon of 3.25% (US$8.1 million) per annum. The coupon is payable semi-annually for a period of five years ending 7 June 2022. The bond holder has the option to convert the bonds to Implats' shares at a price of US$3.89. The value of this conversion option derivative was R559 million at initial recognition. Implats has the option to call the bonds at par plus accrued interest at any time if the aggregate value of the underlying shares per bond for a specified period of time is 130% or more of the principal amount of that bond. The effective interest rate is 8.38%. (Refer note 7 for additional information regarding the conversion option and the CCIRS entered into to hedge foreign exchange risk on this bond.)

Facilities

At 30 June 2017, the Group had signed committed facility agreements for a total of R4.0 (June 2016: R4.0) billion.

In addition, Zimplats has a US$34 (2016: $24) million revolving credit facility of which US$24 (June 2016: US$24) million was drawn at the end of the year.

10. Cost of sales

	30 June 2017 Rm	30 June 2016 Rm
On-mine operations	**16 341**	15 173
Processing operations	**5 055**	4 731
Refining and selling	**1 378**	1 294
Corporate cost	**736**	493
Share-based compensation	**88**	21
Chrome operation - cost of sales	**186**	196
Depreciation of operating assets	**3 702**	3 319
Metals purchased	**10 030**	10 663
Change in metal inventories	**(146)**	38
	37 370	35 928

Notes to the consolidated financial information continued

for the year ended 30 June 2017

11. Impairment

	30 June 2017 Rm	30 June 2016 Rm
Impairment of non-financial assets was made up of the following:		
Prepaid royalty	**10 149**	–
Property, plant and equipment	**–**	257
Investment property	**80**	50
	10 229	307

Refer to page 28 as well as the annual financial statements notes 3, 5 and 10 for more detail regarding the impairments.

12. Headline earnings

	30 June 2017 Rm	30 June 2016 Rm
Headline earnings attributable to equity holders of the Company arise from operations as follows:		
Loss attributable to owners of the Company	**(8 220)**	(70)
Remeasurement adjustments (after adjusting for non-controlling interest):		
Profit on disposal of property, plant and equipment	**(24)**	(29)
Impairment	**10 229**	307
Scrapping of property, plant and equipment	**–**	106
Insurance compensation relating to scrapping of property, plant and equipment	**(154)**	(179)
Total tax effects of adjustments	**(2 814)**	(52)
Headline earnings	**(983)**	83
Weighted average number of ordinary shares in issue for basic earnings per share (millions)	**718.03**	682.19
Weighted average number of ordinary shares for diluted earnings per share (millions)	**721.78**	683.75
Headline earnings per share (cents)		
Basic	**(137)**	12
Diluted	**(137)**	12

13. Contingent liabilities and guarantees

As at the end of June 2017 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 R118 (2016: R152) million. Guarantees of R1 396 (2016: R1 268) 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 277 (2016: R 1 149) million.

Notes to the consolidated financial information continued
for the year ended 30 June 2017

14. Related party transactions

- The Group entered into PGM purchase transactions of R3 745 million (June 2016: R3 693 million) with Two Rivers Platinum, an associate company, resulting in an amount payable of R1 034 million (June 2016: R958 million) at year end. It also received refining fees to the value of R32 million (June 2016: R30 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 215 million (June 2016: R1 232 million) was outstanding in terms of the lease liability. During the period, interest of R130 million (June 2016: R127 million) was charged and a R147 million (June 2016: R125 million) repayment was made. The finance leases have an effective interest rate of 10.2%.
- The Group entered into PGM purchase transactions of R3 199 million (June 2016: R3 015 million) with Mimosa Investments, a joint venture, resulting in an amount payable of R844 million (June 2016: R800 million) at year end. It also received refining fees to the value of R317 million (June 2016: R291 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 19 of this report.

15. Financial instruments

	30 June 2017 Rm	30 June 2016 Rm
Financial assets – carrying amount		
Loans and receivables	**9 943**	8 740
Financial instruments at fair value through profit and loss[2]	**—**	1 137
Held-to-maturity financial assets	**70**	70
Available-for-sale financial assets[1]	**179**	157
Total financial assets	**10 192**	10 104
Financial liabilities – carrying amount		
Financial liabilities at amortised cost	**14 832**	14 113
Borrowings	**9 461**	9 279
Commitments	**74**	66
Trade payables	**5 289**	4 759
Other payables	**8**	9
Financial instruments at fair value through profit and loss[2]	**1 233**	—
Total financial liabilities	**16 065**	14 113

The carrying amount of financial assets and liabilities approximate their fair values.

[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.*

Notice of annual general meeting

Notice is hereby given as at the distribution record date of 8 September 2017 that the sixty-first annual general meeting of shareholders of the Company will be held at the Company's head office in the boardroom, 2nd floor, 2 Fricker Road, Illovo, Johannesburg, on Wednesday, 18 October 2017 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 2017 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 11 and 12 of this report.

Ordinary resolutions

1. **Ordinary resolution number 1: Appointment of external auditors**
Resolved that PricewaterhouseCoopers Inc. be and are hereby reappointed 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.

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 PW Davey
2.2 Dr MSV Gantsho
2.3 Mr U Lucht
2.4 Dr FS Mufamadi

Brief biographies of these directors appear on page 8 of this report.

Each of the appointments numbered 2.1 to 2.4 constitute separate ordinary resolutions and will be considered by separate votes.

The board, assisted by the nominations and 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.

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 Mr HC Cameron
3.2 Mr PW Davey
3.3 Ms B Ngonyama
3.4 Ms MEK Nkeli

Brief biographies of these independent directors appear on page 8 of this report.

4. **Ordinary resolution number 4: Endorsement of the Company's remuneration policy**
Resolved that the Company's remuneration policy for the 2017 financial year, appearing on page 14; of this report, be and is hereby endorsed by a non-binding advisory vote.

Notice of annual general meeting continued

5. **Ordinary resolution number 5: Endorsement of the Company's remuneration implementation report**
Resolved that the Company's remuneration implementation report for the 2017 financial year, appearing on page 17 of this report, be and is hereby endorsed by a non-binding advisory vote.

In terms of the King Code of Governance for South Africa 2016 (King IV), a separate vote should be obtained from shareholders on the Company's remuneration policy and the implementation report. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation.

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):

Special resolutions

1. **Special resolution number 1: Approval of directors' 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 2017 (R)**	1 July 2016 (R)	Increase %
Board of directors			
Chairperson	**1 929 200**	1 820 000	6%
Member	**374 923**	353 701	6%
Audit committee			
Chairperson	**374 923**	353 701	6%
Member	**177 192**	167 162	6%
Social, transformation and remuneration committee			
Chairperson	**295 767**	279 025	6%
Member	**133 006**	125 477	6%
Nominations, governance and ethics committee			
Chairperson*	**0**	0	
Member	**122 596**	115 657	6%
Health, safety, environment and risk committee			
Chairperson	**295 767**	279 025	6%
Member	**133 006**	125 477	6%
Capital allocation and investment committee			
Chairperson	**272 619**	257 188	6%
Member	**122 596**	115 657	6%
Ad hoc fees per additional board or committee meeting			
Chairman of meeting will be paid twice the ad hoc fee	**16 960**	16 000	6%

Notice of annual general meeting continued

2. Special resolution number 2: Financial assistance

Resolved that the directors be and are hereby authorised in terms of, and subject to, the provisions of sections 44 and/or 45 of the Act to cause the Company to provide any direct and/or indirect financial assistance (which authority will expire after a period of two years commencing on the date of this special resolution) to:

- Any of its present or future subsidiaries and/or any other Company or corporation which is or becomes related or inter-related to the Company for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or inter-related company or for the purchase of any securities of the Company or related or inter-related company;
- Any of its present or future directors or prescribed officers (or any person related to any of them or to any company or corporation related or inter-related to any of them), or to any other person who is a participant in any of the Company's or Group's share or other employee incentive schemes, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, where such financial assistance is provided in terms of any such scheme that does not satisfy the requirements of section 97 of the Act;
- Provided that the board is satisfied that immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test, that the terms under which the financial assistance is proposed to be given, are fair and reasonable to the Company and that the conditions or restrictions in respect of the granting of the financial assistance which may be set out in the Company's memorandum of incorporation have been satisfied.

The reason for and effect of this special resolution number 2 is to authorise the board to cause the Company to provide financial assistance to any entity which is related or inter-related to the Company and to its present or future directors or prescribed officers (or any person related to any of them or to any company or corporation related or inter-related to any of them), or to any other person who is a participant in any of the Company's or Group's share or other employee incentive schemes, for the purposes of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or related or inter-related company, or for the purchase of any securities of the Company or related or inter-related company.

3. 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)
- 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.

Notice of annual general meeting continued

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 27
- Share capital of the Company – refer page 26
- The directors, whose names are set out on page 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 2017.

Notice of annual general meeting continued

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, 13 October 2017. Accordingly, the last day to trade in order to attend, participate in, and vote at, the annual general meeting is Tuesday, 10 October 2017.

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

14 September 2017

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 notice.

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 Wednesday, 18 October 2017 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 Wednesday, 18 October 2017, 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).

	Number of ordinary shares		
Resolutions	**For**	**Against**	**Abstain**
Ordinary resolutions			
Ordinary resolution number 1 – Appointment of external auditors			
Ordinary resolution number 2 – re-election of directors			
PW Davey			
MSV Gantsho			
U Lucht			
FS Mufamadi			
Ordinary resolution number 3 – Appointment of audit committee members			
HC Cameron			
PW Davey			
B Ngonyama			
MEK Nkeli			
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 directors' remuneration			
Special resolution number 2 – Financial assistance			
Special resolution number 3 – Acquisition of company shares			

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

Signed at on 2017

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. Shareholders are entitled to lodge proxy forms prior to the commencement of voting on respective resolutions.
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.

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ISIN: ZAE000083648
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