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**KING III PRINCIPLES – APPLIED**

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	<b>PRINCIPLE</b>	<b>APPLICATION</b>	<b>COMMENTARY</b>
1	1.1 The board should provide effective leadership based on an ethical foundation	FULL	An ethical environment is consistently promoted throughout the group and the Board subscribes to and promotes the highest standard of integrity and good corporate governance.
	1.2. The board should ensure that the company is and is seen to be a responsible corporate citizen	FULL	In the pursuit of being a responsible corporate citizen, a commitment to the promotion of sound safety, health, environmental and financial performance is reflected in the structures and support functions in place.
	1.3. The board should ensure that the company's ethics are managed effectively	FULL	The Board has put in place an ethics code of conduct and structures to ensure that it permeates throughout the organisation.
2	2.1. The board should act as the focal point for and custodian of corporate governance	FULL	The Board is the focal point of corporate governance and it has mandated the Nominations and Governance Committee to ensure high levels of corporate governance.
	2.2. The board should appreciate that strategy, risk, performance and sustainability are inseparable	FULL	The Board ensures that company strategy and risks are woven into the business plan to ensure that the company performs profitably in a sustainable way.
	2.3. The board should provide effective leadership based on an ethical foundation	FULL	Refer to principle 1.1
	2.4. The board should ensure that the company is and is seen to be a responsible corporate citizen	FULL	Refer to principle 1.2

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	2.5. The board should ensure that the company's ethics are managed effectively	FULL	Refer to principle 1.3
	2.6. The board should ensure that the company has an effective and independent audit committee	FULL	Refer to principle 3.1
	2.7. The board should be responsible for the governance of risk	FULL	Refer to principle 4.1
	2.8. The board should be responsible for information technology (IT) governance	FULL	Refer to principle 5.1
	2.9. The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	FULL	Refer to principle 6.1
	2.10. The board should ensure that there is an effective risk-based internal audit	FULL	Refer to principle 7.1
	2.11. The board should appreciate that stakeholders' perceptions affect the company's reputation	FULL	Refer to principle 8.1
	2.12. The board should ensure the integrity of the company's integrated report	FULL	Refer to principle 9.1

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	2.13. The board should report on the effectiveness of the company's system of internal controls	FULL	Refer to principle 7.3
	2.14. The board and its directors should act in the best interests of the company	FULL	Directors, with the assistance of the Company Secretary, are guided with respect to their duties to act in accordance with applicable legislation. Records of directors' financial interests are kept and updated on an on-going basis.
	2.15. The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	FULL	Every six months a going concern paper is tabled at the Board meeting. The Board would consider turnaround mechanisms should the company experience financial distress. The Company is currently trading as a going concern.
	2.16. The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board	FULL	The nominations and governance committee has put a process in place to ensure that the independent chairman is evaluated on an annual basis and formally re-elected after this evaluation. The roles of CEO and Chairman are performed by two individuals.
	2.17. The board should appoint the chief executive officer and establish a framework for the delegation of authority	FULL	The Board has appointed a CEO and has established a framework for the delegation of authority which is constantly aligned with business processes.

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	2.18. The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	FULL	The company has a Board that comprises 12 members the majority of whom are non-executive with a greater proportion of the non-executives being independent.
	2.19 Directors should be appointed through a formal process	FULL	Directors are appointed through a formal process and are recommended by the nominations and governance committee to the Board.
	2.20. The induction of and on-going training and development of directors should be conducted through formal processes	FULL	A generic induction programme has been implemented by the NOMCOM, however, an extensive programme is tailor made for individual directors according to their needs.
	2.21 The board should be assisted by a competent, suitably qualified and experienced company secretary	FULL	The Board is assisted by a competent company secretary who is evaluated annually by the Board.
	2.22 The evaluation of the board, its committees and the individual directors should be performed every year	PARTIAL	The Chairman of the Board, the company secretary and all retiring directors are evaluated annually, prior to re-election however the evaluations of the Board and its sub-committees are conducted every two years to allow for a reasonable time between assessments.
	2.23. The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	FULL	The Board has established well-structured committees which function according to Board approved terms of reference in executing their mandates for which the Board remains ultimately responsible.

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	2.24. A governance framework should be agreed between the group and its subsidiary boards	FULL	The Implats Board as the focal point and custodian of corporate governance requires its subsidiary Boards to adopt high standards of corporate governance without removing the independence of these boards.
	2.25. Companies should remunerate directors and executives fairly and responsibly	FULL	The remuneration committee oversees the remuneration of executives and directors. Directors are paid a quarterly board fee as opposed to a base fee and an attendance fee, irrespective of the number of meetings attended. Attendance at Board meetings is exemplary and the Company does not have a problem of non-attendance.
	2.26. Companies should disclose the remuneration of each individual director and prescribed officer	FULL	The company discloses the salaries as required by King and in the spirit of transparency.
	2.27. Shareholders should approve the company's remuneration policy	FULL	The company takes heed of shareholder voting patterns on the non-binding advisory vote. Adjustments are made to the policy and practices in response to major concerns voiced by shareholders.
3	3.1. The board should ensure that the company has an effective and independent audit committee	FULL	An evaluation of the committee is performed every two years by an independent service provider and results are presented to the NOMCOM who make recommendations to the Board on corrective measures where necessary.
	3.2. Audit committee members should be suitably skilled and experienced independent non-executive directors	FULL	The committee comprises independent non-executive directors who bring independence of thought to the affairs of the company.

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	<b>PRINCIPLE</b>	<b>APPLICATION</b>	<b>COMMENTARY</b>
	3.3. The audit committee should be chaired by an independent non-executive director	FULL	The Board has appointed a suitably qualified independent non-executive director to chair the audit committee.
	3.4. The audit committee should oversee integrated reporting	FULL	The integrated report which comprises the integrated annual report, annual financial statements, the Mineral Resources and Reserve statement and the Sustainable Development report are presented and scrutinized by the audit committee prior to approval by the Board.
	3.5. The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	FULL	A combined assurance forum mandated by the committee has been established to ensure synergy between work done by external auditors, internal auditors and the executives.
	3.6. The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function	FULL	The committee discloses their satisfaction with the finance function of the company in their report to the shareholders annually in the integrated report.
	3.7. The audit committee should be responsible for overseeing of internal audit	FULL	The appointment of the Internal Audit executive, the annual plan and budget are approved by the audit committee.
	3.8. The audit committee should be an integral component of the risk management process	FULL	The terms of reference of the risk committee makes provisions for the audit committee to obtain information pertaining to risk, from the risk committee.
	3.9. The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	FULL	The committee approves the engagement letter, non-audit services and audit fees of the external auditors.

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	3.10. The audit committee should report to the board and shareholders on how it has discharged its duties	FULL	The chairman of the audit committee reports to the Board on how the committee has discharged its duties. A report to the shareholders is included in the integrated annual report.
4	4.1. The board should be responsible for the governance of risk	FULL	The risk committee has been delegated by the Board to monitor the risk activities of the company whilst remaining ultimately accountable.
	4.2. The board should determine the levels of risk tolerance	FULL	The Board, through the risk committee sets limits for the levels of risk tolerance and appetite.
	4.3. The risk committee or audit committee should assist the board in carrying out its risk responsibilities	FULL	The Board recently established a separate risk committee to focus specifically on overseeing risks associated with the business.
	4.4. The board should delegate to management the responsibility to design, implement and monitor the risk management plan	FULL	The risk management steering committee reports quarterly to the risk committee on the efficacy of the risk management plan.
	4.5. The board should ensure that risk assessments are performed on a continual basis	FULL	The risk committee recommends adjustments to the Board regarding the risk management plan.
	4.6. The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	FULL	The risk committee, in its quarterly report to the Board, highlights the implementation of methodologies to increase the probability of anticipating unpredictable risks.

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	4.7. The board should ensure that management considers and implements appropriate risk responses	FULL	Through rigorous discussions at quarterly meetings, management presents appropriate risk responses for approval.
	4.8. The board should ensure continual risk monitoring by management	FULL	A risk register is maintained by management and presented to the Board to assist the Board to monitor the management of risk.
	4.9. The board should receive assurance regarding the effectiveness of the risk management process	FULL	The internal audit function provides assurance to the Board regarding the efficacy of integration of the daily risk activities into business processes.
	4.10. The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	PARTIAL	Risk disclosure is made annually in the Company's Integrated Report.
5	5.1. The board should be responsible for information technology (IT) governance	PARTIAL	The Board has delegated the governance of Information Technology to the Audit Committee. However the Board endeavours to acquaint itself with the requisite knowledge of IT governance.
	5.2. IT should be aligned with the performance and sustainability objectives of the company	FULL	An approved IT strategy and the performance improvement procedure ensure alignment and sustainability. IT is a support function to the core business.
	5.3. The board should delegate to management the responsibility for the implementation of an IT governance framework	FULL	The IT management steering committee is in place guided by the approved IT governance framework.



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	5.4. The board should monitor and evaluate significant IT investments and expenditure	FULL	The IT management steering committee reports to the Board on IT expenditure and investments.
	5.5. IT should form an integral part of the company's risk management	FULL	There is a disaster recovery planning policy and strategy to mitigate risks in this area.
	5.6. The board should ensure that information assets are managed effectively	PARTIAL	System are being developed and implemented to safeguard information assets as required.
	5.7. A risk committee and audit committee should assist the board in carrying out its IT responsibilities	FULL	Assurance over IT is given to the Board via internal and external audit reports.
	6.1. The board should ensure that the company complies with applicable laws and considers adherence to nonbinding rules, codes and standards	FULL	A formal management control self-assessment is in place and is performed annually on each function in the business to ensure compliance with applicable laws and considers adherence to nonbinding rules, codes and standards.
	6.2. The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business	FULL	In considering the requisite mix of skills, the NOMCOM considers directors knowledge of applicable laws, rules, codes and standards. On-going Board training is conducted to keep directors abreast of any changes or updates.
	6.3. Compliance risk should form an integral part of the company's risk management process	FULL	A dedicated compliance officer has been appointed in this regard.

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	6.4. The board should delegate to management the implementation of an effective compliance framework and processes	FULL	The Board has delegated the responsibility of implementation through the risk committee to the risk management steering committee.
	7.1. The board should ensure that there is an effective risk based internal audit	FULL	The approved terms of reference of the internal audit function requires the performance of risk based internal audits.
	7.2. Internal audit should follow a risk based approach to its plan	FULL	There is an internal audit function in place to conduct risk-based internal audits.
	7.3. Internal audit should provide a written assessment of the effectiveness of the company's system of internal controls and risk management	FULL	A written assessment of the effectiveness of the company's system of internal controls and risk management is made in the Integrated Report annually.
	7.4. The audit committee should be responsible for overseeing internal audit	FULL	In line with best practice, the Head of internal audit has a functional reporting line to the audit committee.
	7.5. Internal audit should be strategically positioned to achieve its objectives	FULL	The reporting line offer independence to the internal audit function. The internal audit executive has a standing invitation to attend the audit committee meetings.
	8.1. The board should appreciate that stakeholders' perceptions affect a company's reputation	FULL	The company engages its stakeholders on multiple levels and this allows the company to manage issues effectively and timeously and also mitigate/reduces the likelihood of reputational risks.
	8.2. The board should delegate to management to proactively deal with stakeholder relationships	FULL	A formal report on stakeholder relations is submitted to the social, ethics and transformation committee.

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	8.3. The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	FULL	The organisation has various forums which allow stakeholder engagement through a dedicated department.
	8.4. Companies should ensure the equitable treatment of shareholders	FULL	The investor relations and stakeholder engagement teams involve all affected parties in the course of doing business.
	8.5. Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	FULL	There are structures in place to ensure that timely, relevant, accurate and honest information is provided to the stakeholders.
	8.6. The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	FULL	A formal dispute resolution process is in place and the company insists on dispute resolution provisions in all contracts.
	9.1. The board should ensure the integrity of the company's integrated report	FULL	The Board utilises assurance providers to verify the integrity of the integrated report.
	9.2. Sustainability reporting and disclosure should be integrated with the company's financial reporting	FULL	The preparation of the Company's Integrated Report is done in close alignment with disclosure done in the Sustainable Development Report. All narrative.
	9.3. Sustainability reporting and disclosure should be independently assured	FULL	Two sets of independent assurance providers are used to confirm any disclosures prior to publication.