

Remuneration report

In recognising that Implats strives to be the employer of choice, the company's compensation policy is determined by the Remuneration Committee and as such strives for competitive and fair reward in recognising individual and team achievement. This policy supports the premise that our success is founded on distinctive people, teamwork and inspirational leadership.

Remuneration policy

Guided by the Remuneration Committee of the board, the remuneration policy is aligned with business requirements and labour market dynamics to enable the attraction, retention and motivation of top performers. This policy aims to match the market for the broad talent pool and to lead in areas of critical jobs, talented individuals, important employment equity candidates and/or exceptional performers.

Implats' value proposition comprises a combination of guaranteed and variable performance-enhancing incentives and fair and equitable benefits aimed at attracting, retaining, developing, motivating and rewarding our people. Incentives are related to the performance of individuals, teams, the organisation as a whole and the share price.

During FY2009, the committee reviewed middle and senior management reward in support of a new group management structure and long term incentives ensuring the retention of employees. Several retention mechanisms have been implemented to retain specifically critical and scarce supervisory and technically skilled employees. Regular national, area and sector specific benchmark audits ensure market competitiveness and internal equity.

There has been a renewed focus on performance management, succession planning and accelerated development as talent management tools to minimise risks related to employee turnover in key positions.

In line with the cash preservation strategy that was announced by Implats in November 2008, there will be no salary increases for the D and E level employees in FY2010.

Non-executive directors' remuneration

In terms of the Articles of Association, the fees for services as a director are determined by shareholders in a general meeting. The fees to 30 June 2009 were approved at the annual general meeting on 23 October 2008. Fees for the services of a director of the board are R275 000 per annum and R1.5 million for the chairman of the board. Fees for the services of directors on board committees are R90 000 per annum and R200 000 for the chairman except for the Audit Committee where these fees are R130 000 and R275 000 respectively. Directors' fees in aggregate for serving on board committees for the year under review were as follows:

Non-executive directors' remuneration – for the year ended 30 June 2009 (R000)

Name	Board	Audit Committee	Nominations Committee	Remuneration Committee	SHEQ Committee	Transformation Committee	Total 2009	Total 2008
FJP Roux	1 500						1 500	1 200
F Jakoet	275	130					405	222
JM McMahon	275	46		90	182		593	440
MV Mennell	275	130	90				495	375
TV Mokgatlha	69					22	91	377
Royal Bafokeng Management Services*	206					68	274	–
K Mokhele	275		182		108	200	765	515
NDB Orleyn	275		33	182		90	580	440
DS Phiri	275			90			365	251
LC van Vught	275	251		33			559	420
Total	3 700	557	305	395	290	380	5 627	4 240

* Mr TV Mokgatlha's fees are paid directly to the Royal Bafokeng Management Services, effective October 2008 and going forward.

Directors' fees are reviewed annually. It is proposed that directors' fees be increased as follows:

With effect from	Member 1 July 2009	Chairman 1 July 2009	Member 1 July 2008	Chairman 1 July 2008
Board	288 750	1 575 000*	275 000	1 500 000*
Audit Committee	136 500	288 750	130 000	275 000
Safety, Health and Environment				
Quality Audit Committee	94 500	210 000	90 000	200 000
Nominations Committee	94 500	210 000	90 000	200 000
Remuneration Committee	94 500	210 000	90 000	200 000
Transformation Committee	94 500	210 000	90 000	200 000

* Includes attendance at all committee meetings

These fees have been waived by the executive directors.

Remuneration report (continued)

Executive directors' remuneration

Executive directors' remuneration comprises the following:

- **Basic remuneration package**, which reflects the cash portion of the executive's remuneration, is aligned with the market to ensure external equity. The individuals' salary is reviewed annually based on their own performance, experience, responsibility, contribution, company performance and market competitiveness.
- **Employee benefits**, such as medical, retirement funding and group life contributions by the company are applicable to all employees.
- **Annual performance bonus** is determined by the performance of the individual and the company against a set of predetermined targets. The weighting of the respective contribution of company and individual targets is 50% company and 50% individual for production employees with a lesser individual percentage allocated to servicing employees. The bonus is capped at certain percentages based on the level of the executive. Senior management participates in the bonus scheme, which is based on individual achievement of balanced scorecard criteria, as set by the executive team and reviewed by the Remuneration Committee. The bonus is not guaranteed and the apportionment is based on the performance of group companies against set criteria and includes value-added elements (volumes and costs), safety improvements and transformation.
- **Impala Share Appreciation Rights Scheme:** The Impala Share Appreciation Rights Scheme is a share scheme issuing notional shares to all executives, based on various salary multiples depending on the executive's grade. The plan pays out in the form of a cash bonus, linked to the increase in the Implats share price on the JSE. All employees from Paterson D to F levels participate in this scheme.
- **Impala Share Option Scheme.** The Impala Share Option Scheme is a share option scheme that was discontinued in 2004 and replaced with the Impala Share Appreciation Rights Scheme.
- **Impala Preferred Compensation Scheme.** Through the Impala Preferred Compensation Scheme the company contributes 20% of the employee's basic remuneration package to an endowment policy on behalf of the employee. The individual may request the benefit payment from the policy after the terms of the service agreement between the company and the individual has been met. This benefit accrues to the employee after 36 months and every 24 months thereafter, provided the employee is still in service. All employees from Paterson D to F levels participate in this scheme.

Executive directors' remuneration – for the year ended 30 June 2009 (R000)

Fixed remuneration	Package	Retirement funds	Other benefits	Total 2009	Total 2008
Executive directors					
DH Brown	5 201	546	1 357	7 104	5 941
S Bessit	2 391	380	139	2 910	2 214
D Earp	2 984	313	519	3 816	3 009
IJ Paton	2 572	409	692	3 673	2 904
Senior executives	12 586	1 565	1 130	15 281	13 042
Secretary					
A Parboosing	752	79	73	904	494
R Mahadevey	–	–	–	–	672

Executive directors' remuneration – for the year ended 30 June 2009 (R000)

Variable remuneration	Leave encashment	Bonus #	Preferred compensation (accrued)	Gains on share options exercised	Total 2009	Total 2008
Executive directors						
DH Brown	223	3 460	1 087	3 801	8 571	10 755
S Bessit	–	692	467	5 383	6 542	3 183
D Earp	–	1 029	597	–	1 626	625
IJ Paton	–	885	514	–	1 399	5 204
Senior executives	–	3 900	2 469	4 337	10 706	30 915
Secretary						
A Parboosing	–	136*	227	–	363	–
R Mahadevey	–	–	–	–	–	5 164

* Pro-rata for seven months.

Refers to bonuses for the period July 2007 to June 2008.

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

Directors' share options

No share options were granted to non-executive directors. Details of share options and share appreciation bonus notional shares outstanding and exercised by the executive directors, group secretary and senior management are as follows:

Remuneration report (continued)

Name	Additions			Disposals			Balance at at 30 June 2009	No of shares	Allocation price (R)	First release date
	Balance at 1 July 2008	Allocated during the year	Date of allocation	Forfeited	No. of shares sold	Date sold				
Directors										
D H Brown	Share options 896				896	2 Apr 09		–	64.48	27 Aug 05
	Share appreciation scheme 232 815	47 374	18 Nov 08		19 368	4 Apr 09		19 368	56.52	15 Sep 06
		664	1 May 09		11 344	1 Jun 09		11 344	56.87	13 May 07
					984	1 Jun 09		1 984	103.24	1 Dec 07
								19 192	149.42	11 May 08
								65 130	160.14	1 Sep 08
								42 819	233.74	24 May 09
								6 227	242.19	27 Nov 09
								35 055	333.90	30 May 10
								47 374	116.76	18 Nov 10
								664	162.88	1 May 11
							249 157			
	<u>233 711</u>	<u>48 038</u>			<u>32 592</u>		<u>249 157</u>			
S Bessit	Share options 3 080							3 080	73.38	16 Feb 06
	Share appreciation scheme 96 267	18 309	18 Nov 08		12 824	20 May 08		25 672	56.87	13 May 07
		1 382	1 May 09		7 296	20 May 08		21 904	149.42	11 May 08
								10 383	233.74	24 May 09
								18 188	333.90	30 May 10
								18 309	116.76	18 Nov 10
								1 382	162.88	1 May 11
							95 838			
	<u>99 347</u>	<u>19 691</u>			<u>20 120</u>		<u>98 918</u>			
D Earp	Share appreciation scheme 77 262	16 362	18 Nov 08					72 858	205.88	1 Mar 09
		23 014	1 May 09					4 404	333.90	30 May 10
								16 362	116.76	18 Nov 10
								23 014	162.88	1 May 11
							116 638			
	<u>77 262</u>	<u>39 376</u>			<u>–</u>		<u>116 638</u>			

Name	Additions			Disposals			Balance at			First release date
	Balance at 1 July 2008	Allocated during the year	Date of allocation	Forfeited	No. of shares sold	Date sold	at 30 June 2009	No of shares	Allocation price (R)	
Directors (continued)										
U Paton	Share options 10 384							2 408	47.63	5 May 05
								296	64.48	27 Aug 05
							10 384	7 680	67.43	18 Sep 05
	Share appreciation scheme 95 391	13 475	18 Nov 08					26 368	50.84	15 Sep 06
		31 456	1 May 09					17 896	56.87	13 May 07
								7 320	103.24	1 Dec 07
								12 744	149.42	11 May 08
								9 343	167.19	27 Nov 08
								8 222	233.74	24 May 09
								13 498	242.19	20 Nov 09
								13 475	116.76	18 Nov 10
								31 456	162.88	1 May 11
							140 322			
	105 775	44 931				-	150 706			
Secretary										
A Parboosing	Share appreciation scheme 8 143	2 025	18 Nov 08					7 432	242.19	1 Nov 09
		6 049	1 May 09					711	333.90	30 May 10
								2 025	116.76	18 Nov 10
								6 049	162.88	1 May 11
							16 217			
	8 143	8 074				-	16 217			
Senior management										
	Share options 131 212				17 912	Various		4 240	63.38	18 Feb 04
								2 488	69.50	6 Jun 04
								1 528	60.51	16 Aug 04
								1 376	73.75	25 Nov 04
								760	74.28	21 Jan 05
								1 040	47.63	5 May 05
								2 352	64.48	27 Aug 05
								2 256	73.38	16 Feb 06
								24 208	63.39	22 Apr 06
								32 620	53.79	25 June 06
								38 000	63.16	22 Sep 06
								2 432	67.05	22 Sep 06
							113 300			
	Share appreciation scheme 317 534	90 238	18 Nov 08		22 544	Various		94 832	56.87	13 May 07
		76 954	1 May 09					5 344	103.24	1 Dec 07
								70 168	149.42	11 May 08
								54 324	167.19	27 Nov 08
								31 078	233.74	24 May 09
								13 708	223.22	1 Aug 09
								12 052	242.19	20 Nov 09
								13 484	333.90	30 May 10
								90 238	116.76	18 Nov 10
								76 954	162.88	1 May 11
							462 182			
	448 746	167 192			40 456		575 482			

Remuneration report (continued)

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

Name	Number of shares			Allocation price (R)	Gains on share options exercised (R000)	Market price (R)
	Purchased	Sold	Total			
Executive directors						
DH Brown	896		896	64.48		
		19 368	19 368	56.52	2 169	168.50
		11 344	11 344	56.87	1 544	193.00
		984	984	103.24	88	193.00
	896	31 696	32 592		3 801	
S Bessit						
		12 824	12 824	56.87	3 862	358.00
		7 296	7 296	149.42	1 521	358.00
	–	20 120	20 120		5 383	
Senior management						
		400	400	47.63	60	197.03
		1 704	1 704	73.38	211	197.03
		5 296	5 296	63.39	708	197.03
	200		200	63.38		
	8 376		8 376	60.51		
	1 936		1 936	74.28		
		8 032	8 032	56.87	1 142	198.99
		6 768	6 768	56.87	969	200.00
		7 744	7 744	56.87	1 247	217.95
	10 512	29 944	40 456		4 337	