IMPLATS
Distinctly Platinum

Notice to shareholders 2018

Contents

IMPALA PLATINUM HOLDINGS LIMITED (IMPLATS) IS ONE OF THE WORLD'S FOREMOST PRODUCERS OF PLATINUM AND ASSOCIATED PLATINUM GROUP METALS (PGMS). IMPLATS IS CURRENTLY STRUCTURED AROUND FIVE MAIN OPERATIONS WITH A TOTAL OF 20 UNDERGROUND SHAFTS. OUR OPERATIONS ARE LOCATED WITHIN 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.

Welcome to our 2018 notice to shareholders

OUR HEADQUARTERS ARE LOCATED 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.

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 above with your smart device.

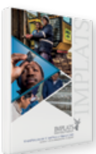
Additional information including assurance thereon, regarding Implats is provided in the following reports, all of which will be available at www.implats.co.za

Integrated report

> Information about our stakeholders, their material matters, risk, strategy and performance
> Information about our operations, mineral reserves and mineral resources, business context, environment, business model, and intellectual capital contained in our risk and remuneration processes
> Overall assurance provided
> Publication release scheduled for the end of October

Sustainable development report

> Detail on material economic, social and environmental performance
> GRI G4 core compliance
> Internal reporting guidelines in line with the UN Global Compacts
> Independent assurance report



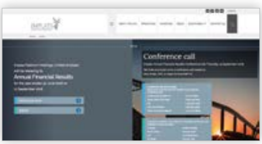
Mineral Resource and Mineral Reserve Statement

> Provides updated estimates and reconciliation of Mineral Resources and Mineral Reserves
> Conforms to the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC)
> Conforms to section 12.13 of the JSE Listings Requirements
> Been signed off by the competent persons

Annual financial statements

These annual financial statements were prepared according to International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act, Act 71 of 2008, the Listings Requirements of the JSE Limited and the recommendations of King IV™*.

Online



> Direct access to all our reports
> Our website has detailed investor, sustainability and business information

Chairman's statement – Governance

for the year ended 30 June 2018

It is vital we maintain the highest standards of good governance to promote quality decision-making and the execution of those decisions within a disciplined framework of policies, procedures and authorities. This is even more important in challenging times. Good governance exists in an environment where roles and responsibilities are clearly defined, forums are conducive to robust debate and performance is regularly reviewed. We outline our progress and describe our governance efforts over the next few pages.

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

The Implats board exercises independent judgement on all issues reserved for its review and approval, while simultaneously considering the needs of all stakeholders, and takes full responsibility for the management, direction and performance of the Group.

To ensure we make and execute good decisions, which are transparently in the interest of Implats, its shareholders and other stakeholders, the Implats board works continuously to maintain and develop its governance framework.

Mandla Gantsho
Chairman

BOARD CONTRIBUTIONS

BOARD OF DIRECTORS

Independent non-executive directors
Peter Davey
Dawn Earp
Mandla Gantsho
Alastair Macfarlane
Sydney Mufamadi
Babalwa Ngonyama
Mpho Nkeli
Preston Speckmann
Bernard Swanepoel

Non-executive directors
Udo Lucht

Executive directors
Nico Muller
Meroonisha Kerber
Lee-Ann Samuel

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
- Global experience
- 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
- Environmental management
- Organisational restructuring
- Mergers and acquisitions

TENURE

5 years and longer	**4 directors**
3 to 5 years	**3 directors**
Less than 3 years	**6 directors**

DIVERSITY

Female	**38%**
Historically disadvantaged	**62%**

Refer to board profiles on pages 8 and 9

Statement of commitment to good governance

KEY DEVELOPMENTS FOR THE YEAR

Changes to the Board

Dr Nkosana Moyo resigned from the board soon after the beginning of the 2018 financial year and in addition, the board lost accounting and finance skills after the resignation of Ms Brenda Berlin as executive director and CFO in February 2018 and the untimely passing of Mr Hugh Cameron, who was chairman of the audit committee, in April 2018. The board undertook a process of finding two eligible independent non-executive directors one of whom would be appointed as chairman of the audit committee. The board also appointed two executive directors during the year under review. Ms B Ngonyama was appointed as a Lead Independent Director with effect from 1 August 2018. The nomination, governance and ethics committee recommended Ms Ngonyama for appointment after due consideration.

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 them with the Company and this process includes site visits. Board members requested one-on-one engagements with executives for in-depth sessions on a specific part 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 time is set aside for formal board training. During the year under review, the board used the session to undergo a Cybercrime risk deep-dive after which, board committees had the areas under their oversight risk assess potential Cyberthreats. 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:

- Approving the strategic objectives for the Group
- 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 develop the succession plan and to implement it through a rigorous appointment process. The board succession plan ensures that the board appoints directors who have the requisite skills and experience and that diversity, including race and gender, is prioritised.

Board evaluation process

The board and the subcommittees undergo an evaluation process every two years to assess their effectiveness. During the year under review, an in-depth effectiveness evaluation of the board was conducted. The results of the evaluation indicated that the board is effective and that there was room for improvement. The board incorporated the recommendations of the evaluation process into its work plan to implement and monitor progress accordingly.

The board also assessed the directors who retire by normal rotation in terms of the memorandum of incorporation. All retiring directors were found to be value adding and have been unanimously recommended for re-election by shareholders at the 2018 annual general meeting.

Statement of commitment to good governance

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, governance best practice and 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.

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 and delegated strategic deliverables 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.

	Members	Role, purpose and principal functions	Year under review
Audit committee	D Earp – (chairman) PW Davey B Ngonyama PE Speckmann	> 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 10

Statement of commitment to good governance

	Members	Role, purpose and principal functions	Year under review
Capital allocation and investment committee	ZB Swanepoel (chairman) D Earp PW Davey UH Lucht M Kerber 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 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. The committee made recommendations regarding capital.
Nomination, governance and ethics committee	MSV Gantsho (chairman) PW Davey FS Mufamadi B Ngonyama	> 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 CFO and two independent non-executive directors 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 committee evaluation. The committee assisted the STR committee by overseeing the entrenchment of a culture of ethics.

Statement of commitment to good governance

	Members	Role, purpose and principal functions	Year under review
Social, transformation and remuneration (STR) committee	MEK Nkeli (chairman) MSV Gantsho B Ngonyama PE Speckmann	> 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 – Oversee 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 STR committee report on page 13 and the remuneration report on page 15 for details
Health, safety, environment and risk (HSER) committee	PW Davey AS Macfarlane (chairman) NJ Muller MEK Nkeli LN Samuel ZB Swanepoel	> Reviews the appropriateness of the HSE policy, systems, standards, codes of practice and procedures > Monitors HSE 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 properly functioning risk management system and coordinates the appropriate allocation of the top risks to board subcommittees. 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 sustainable development report for a full report of the committee's activities

Statement of commitment to good governance

BOARD MEETINGS AND ATTENDANCE

Frequency of meetings

The board met six times during the financial year under review. In addition to four quarterly board meetings, two full-day sessions were also held. The board uses one of the days to approve strategy and the second to approve business plans and adjustments to approved strategy. The board and the committee meet 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.

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	6/6	—	5/5	4/4	—	—
B Berlin$	4/4	—	—	—	—	—
HC Cameron^	4/4	3/3	—	—	3/3	—
PW Davey	6/6	4/4	—	4/4	4/4	—
U Lucht	6/6	—	—	—	4/4	—
AS Macfarlane	6/6	—	—	—	—	5/5
FS Mufamadi	6/6	—	—	4/4	—	—
NJ Muller	6/6	—	—	—	—	—
B Ngonyama	6/6	4/4	5/5	—	—	—
MEK Nkeli	6/6	3/4	5/5	—	—	5/5
ZB Swanepoel	6/6	—	—	—	4/4	5/5

^ Deceased.
$ Resigned 28 February 2018.

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 56 – 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 the chairman of Africa Rising Capital, Sasol Limited and Kumba Iron Ore.

Peter Davey 65 (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.

Dawn Earp 56

BCom, BAcc, CA(SA)

Experience

Appointed to the board in August 2018 as independent non-executive director. Ms Earp has formerly held positions as financial director at both Implats and Rand Refinery. A former non-executive director and member of the audit committee of Metmar Limited. She is a non-executive director of Transit Freight Forwarding (Pty) Ltd.

Alastair Macfarlane 67 (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 43

BCompt (Hons), CA(SA), MBA

Experience

Appointed in November 2010. She is the founding chairman of the African Women Chartered Accountants (AWCA). 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 53

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.

Board profiles

Sydney Mufamadi 59
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 Ltd and is a member of the Transnet (SOC) Limited board.

Preston Speckmann 61
BCompt (Hons), CA(SA)
Experience
Appointed in August 2018. Mr Speckmann has held various senior positions at Metropolitan Holdings Limited and Old Mutual, South Africa. He serves as a non-executive director on the boards of MiWay Insurance Group, Volkswagen Financial Services and Sanlam Sky Group of Companies.

Bernard Swanepoel 57
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 41
BCom (Hons), CA(SA), CFA
Experience
Appointed in August 2017 as a non-executive director representing Royal Bafokeng Holdings (Pty) Limited (RBH). Mr Lucht has extensive experience in investment banking and he is currently head of portfolio at RBH.

EXECUTIVE DIRECTORS

Nico Muller 51
BSc Mining Engineering
Experience
Appointed to the board in April 2017 as chief executive officer and executive director. Mr Muller has had a 27 year mining career that has exposed him to multiple commodities ranging from diamonds gold and platinum.

Lee-Ann Samuel 40
BA Psychology and Honours Political Science
Experience
Appointed to the board in November, 2017. Ms Samuel has 16 years of human resources experience in financial services, mining and telecommunications; and spent three years at Telkom Media as head of people development.

Meroonisha Kerber 45
HDipAcc, CA(SA)
Experience
Appointed to the board in August 2018 as chief financial officer and executive director. Ms Kerber has held various senior positions at Deloitte, Anglo American Platinum and AngloGold Ashanti.

Audit committee report

for the year ended 30 June 2017

The committee is pleased to present its report for the financial year ended 30 June 2018 which details the work done during the year under review. The committee has discharged all its responsibilities as contained in the charter including but not limited to; reviewing accounting policies and ensuring that financial information issued to stakeholders is supported by robust internal controls and risk management processes. The chairman of the audit committee reports to the board on the committee's deliberations, recommendations and decisions. In line with best practice, the internal and external auditors have unrestricted access to the committee where they are able to raise any matter which requires the committee's attention. Furthermore, the committee regularly reviews its corporate governance practices in relation to the Company's compliance with the requirements of relevant legislation as well as the King IV™ recommendations.

MEMBERS	STATUS	APPOINTED
Ms D Earp (Chairman)	Independent non-executive director	1 August 2018
Mr PW Davey	Independent non-executive director	18 February 2016
Ms B Ngonyama	Independent non-executive director	1 November 2010
Mr PE Speckmann	Independent non-executive director	1 August 2018

Mr HC Cameron was a member and chairman of the committee until his passing on 6 April 2018. The board appointed Ms B Ngonyama as acting chairman until a permanent appointment was made in August 2018. Ms MEK Nkeli served as a member of the committee from February 2016 until 1 August 2018 when new members of the committee were appointed.

Execution of the function of the committee

The overall high-level functions performed by 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 proper 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 auditors
> To recommend external auditors for appointment and to oversee their activities
> To make recommendations regarding dividend declarations
> To recommend the integrated report for approval
> 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 2017
  – The annual results for the year ended 30 June 2018
> 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 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
> Approved the Group tax policy.

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

Internal audit

The committee approved the internal audit plan and departmental budgets and ensured that there was coverage of the group audit universe.

The committee reviews the performance appraisals of the chief audit executive and determines the competence of the internal audit department as a whole. The chief audit executive, Ms Nonhlanhla Mgadza, has the necessary experience to fulfil this role and she has performed satisfactorily during the year under review. The committee meets with her where management is not present and she is able to raise any matter to the attention of the committee.

Ms Mgadza has unrestricted access to the members of the committee and her 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 Companies Act. The committee, in consultation with executive management, agreed the audit fee for the 2018 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. The auditor performed a satisfactory audit which covered all the significant risks to the company and submitted their report accordingly. Audit fees are disclosed in note 25 to the annual financial statements.

The independence of the external auditor is regularly reviewed. Additionally, the approval of all non-audit-related services are governed by an appropriate approval framework. During the year under review, PricewaterhouseCoopers Inc. (PwC) were appointed to conduct non-audit services and the permission of the committee was granted after the proposed fee was tested again the provision of non-audit fees policy. The services provided during the year under review were related to taxation pre-filing reviews as well as the tax treatment prior to the launch of the 2022 Convertible Bond. The audit partner and his team were not involved with any of the non-audit service provided by PwC.

Meetings were held with the external auditor where management was not present and, where concerns could be raised. The auditor did not have any concerns to raise; however, the committee was informed that all disagreements with management were adequately dealt with and were brought to the committee's attention in meetings.

The committee has received the Partner Suitability Pack, reviewed it and is satisfied with the performance of the external auditors. Following this assessment, the committee will nominate, for approval at the annual general meeting, PwC as the external auditor for the 2019 financial year, with Mr CS Masondo as the designated auditor. Mr Masondo assumed the responsibility of lead partner with effect from 1 July 2017 replacing his predecessor Mr Andries Rossouw in line with the rotation process. The auditor and designated audit partner are accredited by the JSE and have been auditor of the Group for 45 years.

Audit committee report

for the year ended 30 June 2017

Chief financial officer review

Ms Meroonisha Kerber was appointed with effect from 1 August 2018 and the committee has reviewed her qualifications and expertise through the recruitment process and confirms her suitability for appointment as chief financial officer in terms of the JSE Listings Requirements. Prior to Ms Kerber's appointment, Mr Ben Jager was fulfilling the role in an acting capacity. Although the committee did not perform a formal review of Mr Jager, he is suitably qualified and has the requisite experience. Additionally, the committee has satisfied itself of 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 significant matters considered by the committee included the impairment of assets and the going concern statement. 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 formally 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 its external auditor's report

The external auditors have reported on one key audit matter in respect of their 2018 audit, being: impairment of non-financial assets. This key audit matter 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 the key audit matter. Furthermore, the committee discussed the key audit matter 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.

Ms Dawn Earp
Chairman of the audit committee

13 September 2018

Social, transformation and remuneration committee report

DEAR STAKEHOLDER

It gives me great pleasure to present the report of Implats' social, transformation and remuneration committee for the year ended 30 June 2018.

Introduction

The committee was established 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 representation 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 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, 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 with regard to and its mandate include oversight of:

> 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
> Monitoring that the company rewards its employees in a fair, consistent and responsible manner

The work plan of 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.

Social, transformation and remuneration committee report

Responsibilities

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

(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 deliberated on a number of material issues chief amongst them being the impact of the implementation of the strategic review at Impala Rustenburg, fostering an organisational culture of performance, delivery and accountability as well as proactively responding to the legislative and policy environment.

Evaluation of committee performance

An evaluation of the performance of the committee was carried out during calendar year 2018, as part of a rolling two-year cycle. The outcomes of the evaluation indicated that the committee was functioning effectively and that there was room for improvement. The committee will place recommended actions on its annual work-plan and track progress accordingly.

Outlook for 2019

In the coming year the work of the committee will continue to focus on addressing the impact of mining activities on host communities, the impact of labour reductions on labour sending areas, compliance to 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 new Mining Charter. These will include:

- The advancement of transformation, employment opportunities, skills development, local procurement and enterprise development during a low commodity price environment
- Advancing social programmes that accrue benefits to local communities and promote community sustainability
- Ensuring the stakeholder engagement processes continue to be robust and responsive to stakeholder needs

MEK Nkeli
Chairman of the social, transformation and remuneration committee

17 September 2018

Remuneration report

PART 1: CHAIRMAN'S STATEMENT

Dear Shareholders

I am pleased to present the Implats Remuneration Report for the financial year ended 30th June 2018. Following the low level of shareholder support for our remuneration policies and practices at the AGM in October 2017, we have engaged extensively with our shareholders, and incorporated most of the feedback from those engagements in the revised policies as indicated in Part 2 of this report. We are aligning this report with the best practice recommendations of King IV, and as such, this report is presented in three parts:

> Part 1: An overview of the way the company subscribes to the principle of fair, responsible and transparent remuneration practices
> Part 2: Implats FY2019 Remuneration Policy
> Part 3: Details of the implementation of the company's FY2018 remuneration policy.

Our intention is that from year to year we will continue to improve our alignment to the prescripts of King IV, with the ultimate aim of ensuring that our stakeholders experience increased transparency in our reports regarding the company's remuneration policies and practices. As always, the Remuneration Report will focus on the elements of fixed and variable remuneration, specifically for the executive team and the Executive Directors, but will also highlight the continued improvements to ensure that our pay practices are fair, responsible and transparent across the entire organisation.

There have been a number of significant changes within our Group Executive Committee in FY2018, i.e.:

> Mr Nico Muller was appointed as CEO on 3 April 2017
> Ms Brenda Berlin, the CFO, resigned on 28 February 2018
> Ms Lee-Ann Samuel was appointed as the Group Executive: People on 16 October 2017
> Mr Mark Munroe was appointed CE of Impala Rustenburg on 18 January 2018
> Ms Meroonisha Kerber has been appointed as CFO on 1 August 2018

Given these changes, and the ongoing challenges faced by the mining industry, the retention of our key skills continues to play a significant role with regard to the management of our remuneration processes.

The Social, Transformation and Remuneration Committee (the STRCom or the "Committee") has oversight of the remuneration function at Implats. The Committee takes into account the wider societal issues affecting the Company, good corporate governance and 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 or national standards relevant to its work.

Remuneration report

The STRCom is 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 consists of the following four independent non-executive directors:

Table 1:

Name	Meetings held	Meetings attended
Ms. Mpho Nkeli (Chairperson)	5	5
Ms. Babalwa Ngonyama	5	5
Mr. Mandla Gantsho	5	5
Mr. Preston Speckmann*	n/a	n/a

** Appointed 24 August 2018.*

In addition, the CEO, the CFO, the Group Executive: People, and the Committee-appointed remuneration adviser are permanent invitees to the STRCom meetings. The CEO, the CFO and Group Executive: People do not participate in discussions relating to their own remuneration.

The responsibility of the Committee is to ensure that executive remuneration is aligned with the execution of the Group's strategy to deliver long-term sustainable growth in shareholder returns.

In a competitive employment market, the Committee ensures that total executive remuneration is competitive to allow the Company to attract and retain the critical skills required to deliver sustainable shareholder returns. The Committee therefore regularly reviews local best-practice benchmarks to ensure that remuneration is fair and reasonable.

The terms of reference of the Committee, in line with its delegated authority from the Board, stipulates that its primary functions are to:

- Assist the Board in designing and maintaining a remuneration policy for executive directors and senior executives that will promote the achievement of strategic objectives and encourage individual performance
- Ensure that the mix of fixed and variable pay in cash, shares and other elements, meet the Group's needs and strategic objectives
- Review incentive schemes to ensure continued contribution to shareholder value creation
- Determine any criteria necessary to measure the performance of the group executive committee in discharging their functions and responsibilities
- Review the outcomes of the implementation of the remuneration policy to determine if objectives were achieved
- Oversee the preparation of the Remuneration Report (as contained in the Integrated Annual Report) to ensure that it is clear, concise and transparent
- Ensure that the remuneration policy is put to a non-binding advisory vote by shareholders, and to engage with shareholders and other stakeholders on the Group's remuneration philosophy

The committee has a mandate to ensure responsible remuneration practices are applied across the Group, and strives to ensure that our employees receive a fair living wage which is in line with our peers. The Implats minimum wage for permanent full-time employees is around 3.4 times higher than the recently announced national prescribed minimum wage, and following a review by PwC, our Gini coefficient is 0.27 which compares favourably to the National (0.43) and Mining Circle (0.42) data in the PwC database. We intend improving on our internal Gini coefficient by continuously reviewing the pay mix of executives and management to grow the variable components of total remuneration which is risk based.

The Implats remuneration mix for management and executives consists of the following three elements:

> Guaranteed Pay, informed by the position and grade of the incumbent, as well as his/her responsibilities; aligned to the median of the relevant market
> Short-Term Incentives, based on both corporate and individual performance measures over the financial period
> Long-Term Incentives, based primarily on corporate performance measures over an extended period (generally three years)

In addition to these direct remuneration elements, we also offer a range of employee benefits such as leave; an effective medical aid scheme; provision for retirement benefits and compensation schemes in the event of sickness or accidents. We regularly review and compare our remuneration and benefits offering to that of our peer group to ensure we remain competitive in this area. As outlined in the 2017 Remuneration Report, we have embarked on a comprehensive review of our Remuneration Strategy and Policy as it relates to our South African operations. This review encompassed elements of policy, job grading/sizing, benchmarking, guaranteed remuneration, short-term and long-term incentives. Part 2 of this report provides the detail of the changes.

The review highlighted a few concerns which need further clarification/explanation:

Hard Currency Scheme

In 2004 we introduced a hard currency scheme for selected executives. At the time the Rand was depreciating against other major currencies, and a number of other mining companies implemented similar schemes as there was a genuine concern that top executives could be poached to work for multinational or international companies offering US dollar based packages. The scheme was discontinued after a few years; the existing participants were ring-fenced and no further participants were enrolled. There were four participants remaining on the scheme, and the Board has agreed to incorporate these hard currency payments into their guaranteed remuneration packages. These changes were implemented with effect from 1 July 2018. In the FY2017 annual report these payments were reflected as "Retention" payments and in the FY2016 annual report as "Other" payments, however it was a separate component of their guaranteed packages.

Retention Payment to Nico Muller

As part of his appointment process as CEO, Nico Muller was granted a sign-on bonus and share awards to compensate him for forfeiting certain short and long-term incentives at his previous employer. He received a cash sign-on bonus of R10 million and a Retention Share Award of R20 million.

These shares will vest as follows:

> 50% on 3 April 2018 with a notional value of R10 million
> 25% on 3 April 2019 with a notional value of R5 million
> 25% on 3 April 2020 with a notional value of R5 million

The value of the award on vesting will be determined by using a 5-day VWAP as at each of the vesting dates, and will be settled in cash. There are no further performance targets linked to these share awards, and the only requirement is that he is employed on the vesting date. The first tranche vested on 3 April 2018 at R23.77 per share with a total value of R5,4 million which represented approximately 54% of the initial award due to poor share price performance during the period.

Remuneration report

Shareholder Concerns:

Following the disappointing shareholder vote of 56% in favour at the AGM in October 2017, we have engaged robustly with our shareholders in an attempt to understand, and then find ways of addressing, their concerns. We believe that these discussions were held in a positive spirit and the outcome has been the revised Remuneration Policy reflected below. The key issues of concern identified by the shareholders, and our response to these concerns are:

Table 2:

Concern raised	Resolution	Comment
Performance Shares should be the only equity instrument in the LTI scheme	✔	> Share Plan rules have been amended > Obtain shareholder approval at AGM > Adopt for FY2019
Relative Total Shareholder Return preferred over absolute	✔	> Relative measure has now been included
Minimum shareholding requirement (MSR) for executives to be considered	✔	> MSR to be implemented 1 January 2019
Increase vesting period to five years	✔	> Will be linked to MSR
LTI to have a greater weighting in the remuneration mix	✔	> Remuneration mix under review – implementation FY2019
STI scheme to have a stronger bias to the performance of Impala Rustenburg	✔	> Group Bonus parameters and CEO personal scorecard highly geared to Impala Rustenburg
Improve disclosure for STI's and LTI's	✔	> Remuneration report is aligned to King IV guidelines
Sign-on bonuses to be subject to long-term vesting conditions	✔	> Three year clawbacks in place
Retention payments to be subject to performance vesting conditions	✔	> Retention payments will be kept to a minimum and performance conditions will be attached to all elements

We believe the changes made to our Remuneration Policy give effect to the concerns raised by shareholders and further advances our goal of achieving a fair and equitable remuneration culture.

PART 2: IMPLATS FY2019 REMUNERATION POLICY

Shareholders are requested to vote on the following Remuneration Policy by means of a non-binding advisory resolution.

REMUNERATION PHILOSOPHY AND POLICY

1.1 Introduction

The Remuneration Policy addresses remuneration on a Company wide basis and is one of the key components of the HR strategy, both of which fully support the overall business strategy. The main functions of the Remuneration Policy are to:

> Ensure that the Company's remuneration policy and practices encourage, reinforce and reward the delivery of sustainable shareholder value creation
> Attract, motivate and reward executives and employees for establishing a high-performance culture that delivers on its promises to all stakeholders
> Motivate and reinforce individual, team and business performance in the short, medium and long term

1.2 Remuneration Strategy

The principle of performance-based remuneration is one of the cornerstones of the remuneration strategy. It is further underpinned by sound remuneration management and governance principles, which are promoted across Implats to ensure the consistent application of the remuneration strategy and the remuneration policy.

1.2.1 Key Remuneration Principles

The Implats Remuneration Policy is based fundamentally on the following principles:

> The Remuneration Policy is aligned to the overall business strategy, objectives and values of the group
> The Remuneration Policy ensures that executive remuneration is fair and responsible in the context of overall company remuneration
> Salaried employees are rewarded on a total remuneration basis, which includes fixed, variable, short and long-term (where appropriate) remuneration as well as intangible rewards in line with market best practice
> Remuneration is benchmarked against the appropriate target markets depending on the location of the operation, the nature of the work and the level in the organisation
> The fixed (guaranteed) component of the reward structure includes a base salary, pension and benefits that are set within an appropriate band above and below the appropriate market median
> Total remuneration (base salary, pension, benefits and incentives) is targeted at the median for on-target performance and at the upper quartile for superior performance of the relevant peer group
> Incentives used for retention are clearly distinguished from those used to reward performance
> Performance bonuses are capped at a maximum percentage of 200% of the on-target incentive
> Adherence to principles of good corporate governance, as depicted in "best practice" and regulatory frameworks (e.g. King IV)
> The risks associated with performance metrics and levels of performance for each metric are considered when designing incentive schemes and personal performance scorecards
> Performance levels are set using a sliding scale to avoid an 'all or nothing' result. Thresholds are applied below which there is no reward and caps are applied at the stretch level of performance

1.2.2 Pay Mix Principles

Implats remuneration philosophy aims to attract and retain motivated, high-calibre employees, whose interests are aligned with those of our shareholders. This is achieved through the right mix of guaranteed and performance-based remuneration (variable pay), which provides for differentiation between high, average and low performers. The pay mix of guaranteed and variable remuneration differs according to the level of the employee to reflect the employee's ability to influence the outcome of the company's performance, the more senior the employee, the higher the proportion of variable pay in his/her total remuneration package.

1.2.3 Guaranteed Pay Principles

The key objective is to reward executives and employees fairly and consistently according to their role and their individual contribution to the Company's performance. To achieve external equity and competitive remuneration, Implats uses surveys of peer-group deep level mining companies. The benchmark for guaranteed pay is the market median of the relevant peer group.

1.2.4 Benefits Principles

The key objective is to provide benefits in addition to cash remuneration based on the needs of our executives and employees.

Implats policy is to provide, where appropriate, additional elements of compensation as listed below:

- Participation in the retirement scheme. In most instances, the Company and the employee contribute towards retirement savings
- Implats provides healthcare assistance through providing a flat rate contribution for the principal member and dependants
- Life insurance is provided as a fixed amount or a multiple of salary
- Disability insurance, which comprises an amount to replace partially lost compensation during a period of medical incapacity or disability, is provided to all employees and executives as part of the retirement funds

1.2.5 Short-term Incentive Principles

The key objective is to create a high performance culture by rewarding individuals and teams for achieving and/or exceeding the Company's objectives. These objectives include financial and non-financial measures.

The threshold, target and stretch levels of performance are set relative to the budget and operational plans. The on-target annual incentive for different levels is set relative to the comparator market as a percentage of the Guaranteed Package (GP). Incentives are not paid for performance below threshold and incentives paid at stretch performance are capped to limit the liability of the Company. The incentive scenarios are modelled to ensure affordability while offering a meaningful reward.

Performance targets and measures are approved annually in advance by the STRCom.

Operational objectives for each shaft are measured against the operational plans approved by the Board and include safety, production and costs. The corporate strategy and operational objectives in terms of the annual business plans form the basis of the Group objectives.

The short-term incentive is linked to a medium-term incentive whereby bonus shares are awarded to management based on the quantum of the annual bonus received and the bonus shares vest in equal parts after 12 and 24 months. The objective of the medium term incentive is to support the delivery of the annual business plans over multi years and to incentivise management for the consistent meeting of annual performance targets.

1.2.6 Long-Term Incentive Principles

The key objective of the long-term incentive is to attract, motivate, retain and reward senior employees who can influence the medium to long-term performance and strategic direction of the Group. Long-term incentives are aligned to multi-year targets of growth and long-term value creation.

The long term incentive is seen as a mechanism to:

> Encourage senior and key employees to identify closely with the objectives of Implats and shareholders over the medium to long term
> Align senior and key employees interests with the continuing growth of the company and delivery of sustainable value to its shareholders
> Allow participants of the scheme to participate in the future financial success of Implats

1.2.7 Principles for other remuneration options

Sign-on awards

In exceptional cases for certain business critical appointments Implats may offer sign-on awards (short term or long term) to new members of executive management and key employees. The long term incentive awards are ordinarily subject to a three-year vesting period. The long term incentive award will be subject to forfeiture should the employee resign or be dismissed by Implats during the vesting period (in accordance with the rules of the LTIP). Any cash sign-on awards will be subject to claw back and these employees will have to repay such awards should they leave within a specified period, as documented in their employment contracts. The Group CEO has discretion to determine sign-on awards for levels below the executive team. For the CEO and direct reports, the STRCom must approve the awards.

Retention payments

Management has the discretion to make retention payments in the form of cash or equity-based payments to executives and key employees below the Group Executive Team. Any retention payments to the Group Executive Team have to be approved by STRCom. Implats reserves the right to make the retention payment subject to vesting periods and performance and/or continued employment provisions as well as pre-vesting forfeiture where appropriate.

REMUNERATION OVERVIEW

Implats remuneration currently consists of a guaranteed remuneration package and variable remuneration in the form of short-term and long-term incentives and these elements together form the total remuneration package.

The Implats remuneration strategy comprises the following essential elements, and their strategic intent is displayed in the graphic below:

Table 3:

	Strategic intent	Reward component
Total remuneration	Guaranteed Package (GP) – includes basic salary and employee benefits	> Competitive GP to attract and retain high calibre executives and employees, based on expertise, track record and experience > The GP is reviewed annually by the Committee (effective 1 October each year), taking account of Company performance and affordability, individual performance, market trends, changes in responsibility and levels of increase for the broader employee population > Market benchmarking is used to assist in determining pay ranges for executives and employees to ensure the Company is able to attract and retain the best talent
	Benefits – included in GP. Standard benefits with flexible options: > Medical aid > Retirement > Car and travel allowances > Leave is excluded from GP	> To ensure external competitiveness and advance employee wellness, engagement and effectiveness > To comply with legislation > Benefits are managed to ensure affordability for employees and the Company > Executives and employees have reasonable flexibility to structure their package to meet their lifestyle requirements
	Short-term Incentive (annual or shorter performance incentives) > Executive Incentive Scheme (EIS) > Employee production bonus schemes	> To encourage and reward executives and employees for short-term (12 months or less) performance > To drive improved performance at group, operational and individual level > To differentiate performance-based pay in a defendable, transparent manner and attract and retain high performers > To ensure behaviours are aligned to annual operational business plans > Linked to medium-term bonus share plan

Strategic intent	Reward component
> Long-Term Incentive Plan > The Implats 2018 Share Plan > Bonus Shares > Performance Shares > Restricted Shares > Matching Shares	> Bonus shares – to encourage ownership and engagement to improve performance at all levels of management over multi-years – linking short-term performance to medium and long-term business drivers (vesting 12 and 24 months) > Performance shares – only offered to executives to encourage and reward long-term performance that aligns with shareholders (36 months)

2.1 Implats pay mix:

The CEO's proportion of variable pay has increased following the remuneration review. The variable pay proportion was 50% and is now 59% of his total reward and thus more of his remuneration is performance based.

Figure 1

New pay mix as % of total pay – on target

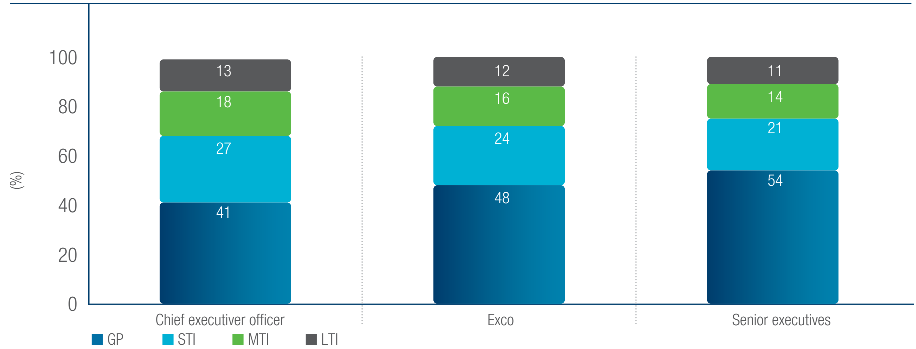


Figure 2

New pay mix as % of GP – on target

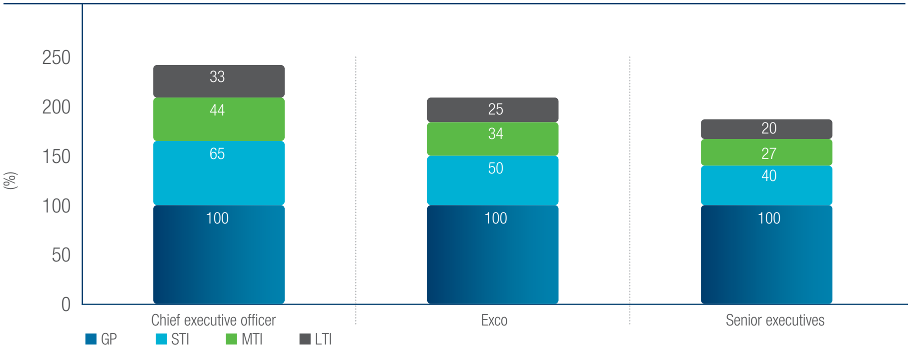


Figure 3

New remuneration mix as % of total pay – at target

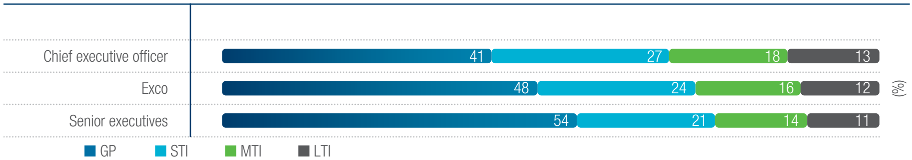
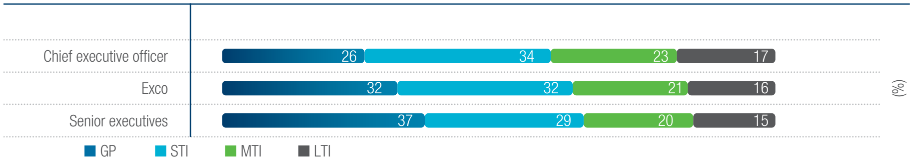


Figure 4

New remuneration mix as % of total pay – at stretch



The key change to the Pay Mix is the introduction of the Medium-term Bonus Share award for management, and the discontinuation of Performance Shares for employees below Executive level. The impact of this change for employees at Executive level is that a higher proportion of their total pay is linked to performance.

2.2 Guaranteed pay:

The key principles which underpin our approach to Guaranteed Pay will remain in place. The Guaranteed Package Structure consists of a Basic Salary plus Benefits. The benchmarking of salaries will continue to be done on this basis.

We acknowledge that retention of key critical skills, especially in the levels below the Group Executive Committee and their Direct Reports, remains a challenge given the current pressure that Implats and the mining sector is facing. We intend paying much closer attention to the levels of pay to this critical layer of management, and have embarked on a detailed benchmarking exercise to ensure our employees at this level are paid in line with the market in order to mitigate the potential loss of skills. Employees who are paid below the desired market position will be adjusted over time.

2.3 Short term incentives:

In line with one of the requests from shareholders, the Impala Rustenburg weighting in the STI build-up has been increased. We have also reduced our 14 STI measures to 3 for simplicity and focus as shown the table below.

Table 4:

Safety	Ensuring the safety and wellbeing of our workforce	20%
Platinum ounces	The productive measure of our operations	40%
Cost per platinum ounce	The financial measure of our operations	40%

Organisational and individual performance is taken into account in determining bonuses. For the CEO and CFO, the organisational element is based on performance against Group objectives. For the Group Executive Team, the organisational element is based on a combination of Group, Operational and business unit objectives. This is illustrated in the table below:

Table 5:

	Organisational Objectives			
Employee category	Group	Business	Operational	Personal Objectives
CEO	70	0	0	30
Corporate executives	70	0	0	30
Business executives	20	50	0	30
General managers	0	20	50	30

Note: The same approach was used to cascade the weightings through the rest of the Group Executive Team and their teams.

The final individual personal performance score is converted to a percentage using the following table:

Table 6:

Final performance rating	Bonus percentage
5.0	200%
4.0	150%
3.0	100%
2.5	50%
<2.5	0%

The bonus percentage in the table above is multiplied by the on-target incentive (Rand) for each person to compute the final incentive pay-out. The on-target incentive (Rand) is a sum of guaranteed package multiplied by the on-target percentage for the STI as per the pay mix, after taking business performance into account.

2.4 Long-term incentives:

Implats 2018 Share Plan

The interim changes implemented in November 2017 were not enough to ensure the LTI aligns to current best practice and creates shareholder alignment. A comprehensive review and approval process has been followed to ensure that the new scheme is ready to be submitted to the AGM in October 2018 for approval (75% vote is required).

During FY2018, a comprehensive market study was conducted to assess the company's remuneration positioning relative to the industry. This review identified gaps in the company's senior management total remuneration packages in relation to the market as discussed in Part II of this document. It was also identified that the variable remuneration framework required amendment. As a consequence, the company's remuneration strategy has been reassessed to ensure that senior employees are competitively rewarded within the market remuneration framework.

Currently the variable remuneration structure consists of two elements, namely the annual bonus and the share plan (performance shares and share appreciation rights are awarded annually to employees with a three-year vesting period and the performance shares are settled based on expected ROE over the three year measurement period and the company's share price performance relative to the share price performance of the individual companies within a peer index).

A staff turnover risk assessment at senior management level was conducted and the key risk identified is the retention of critical skills and talented employees. A hybrid variable remuneration model is proposed to enhance retention at this level. The current incentives reward short-term and long-term company objectives and a gap is evident to reward medium-term objectives.

Management believes that the introduction of bonus shares (performance based) as a medium-term incentive will bridge the identified gap. This will foster greater alignment between the short, medium and long-term objectives of employees and the company.

The amendments to the variable remuneration framework will result in the creation of the Implats Limited 2018 Share Plan ("the 2018 plan"). The 2018 plan will contain four equity instruments, namely:

(i) Performance Shares
(ii) Bonus Shares
(iii) Restricted Shares linked to the Minimum Shareholding Requirement policy
(iv) Matching Shares which are linked to the Minimum Shareholding Requirement policy

The Performance shares have similar features of the Implats Limited 2012 Share Plan ("the 2012 plan"). Currently all employees at management level and above are eligible to receive Performance Shares. In future however, the Performance shares will be limited to Executives after the introduction of the Bonus Share Scheme.

Corporate Performance Conditions for Performance Share Awards
Total Shareholder Return relative (50% weighting):

The peer group is listed below:

> Angloplats
> Northam
> Sibanye-Stillwater
> ARM
> RBPlats

An index ("Index") for the above peer group will be calculated and used for the vesting of the CSPs as described in the table below. The index will be the average of the peer group TSR over the three-year period.

The proposed percentages of the allocation vesting for each level of performance are as per the table below:

Table 7:

Description of Performance	Performance	% of Allocation Vesting
Maximum/Stretch	Index + 10%	100%
Target	Index + 2%	50%
Threshold	Index	25%
Below Threshold	Below Index	0%

Straight line interpolation applied between the points in the table above.

Absolute ROE (50% weighting):
The cost of capital (risk adjusted return required by shareholders from Implats) is approximately 15%.

> ROE is calculated as:

$$\frac{\text{(sum of “Net cash flow from operating entities” before finance and investment activities for 3 years)/3}}{\text{(sum of “Equity attributable to owners of the Company” at 30 June for the last 3 years)/3}}$$

The proposed percentages of the allocation vesting for each level of performance are as per the table below:

Table 8:

Description of Performance	Performance	% of Allocation Vesting
Maximum/Stretch	16.5% (10% over target)	100%
Target	15%	50%
Threshold	13.5% (10% less than target)	25%
Below Threshold	Below 13.5%	0%

Straight line interpolation applied between the points in the table above.

Given the prohibitive cost of Share Appreciation Rights ("SARs") and market developments, the SARs will be discontinued and will be replaced with Bonus Shares. An award of Bonus Shares will be made based on an employee's annual cash bonus calculated with reference to:

> Actual business performance for the financial year ending preceding the award date. Group and Operational objectives that focus on Safety, Production and Costs are measured against the business plans as approved by the Board

> And actual individual performance for the financial year ending preceding the award date. Personal objectives, which are embodied in the balanced scorecard system, are developed every year for each employee based on key performance areas and are approved at the beginning of the year by the Board for the CEO, and the CEO approves the performance objectives for his direct reports

Performance against these objectives is reviewed by the Committee at the end of the year.

The bonus shares will vest over a 12-month and 24 month period from the award date in equal parts. The bonus shares (forfeitable shares) are registered in the name of the employee on settlement, which will occur subsequent to the award date, from which time the employee has all shareholder rights, subject to forfeiture and disposal restrictions. With respect to performance shares (conditional shares), an employee will not be entitled to any voting rights or dividends prior to settlement, which will occur subsequent to the vesting date.

2.6 Minimum shareholding requirement policy:

In response to concerns raised by the shareholders, the Company intends introducing a minimum shareholding requirement (MSR) policy for the Implats Limited Group Executive Committee ("Group Exco") and for other persons otherwise designated by the STRCom. Group Exco members are required to hold a percentage of their annual salary (100% of annual salary for the CEO and 50% of the annual salary for the CFO and other Group Exco members) in Implats Limited shares. The designated Executives will be given six (6) years to accumulate the required holding.

Two additional instruments are proposed for introduction into the Plan namely:

(i) Restricted Shares for Executives who defer the vesting of Performance Shares, annual cash bonus awards or Bonus Share awards into Restricted Shares to meet the MSR

(ii) Matching Shares for Executives who comply with the required terms of the MSR. These will be awarded on the basis of one share for every three shares held as an incentive for meeting the requirements on an annual basis

The MSR policy allows Executives to elect, prior to the vesting of Performance Shares, annual cash bonus awards or Bonus share awards, to hold all or a percentage of the annual cash bonus, Performance Shares or Bonus Share awards in Restricted Shares.

PART 3: IMPLEMENTATION OF THE REMUNERATION POLICY FOR THE FINANCIAL YEAR

The two principles underpinning our remuneration review are: improved alignment of rewards and key strategic objectives and creating a stronger link between pay and performance.

Pay mix

The pay mix for the CEO; Executive Committee and other Executives for FY2018 is reflected in Figure 5.

Figure 5:

Current pay mix as % of total pay – on target

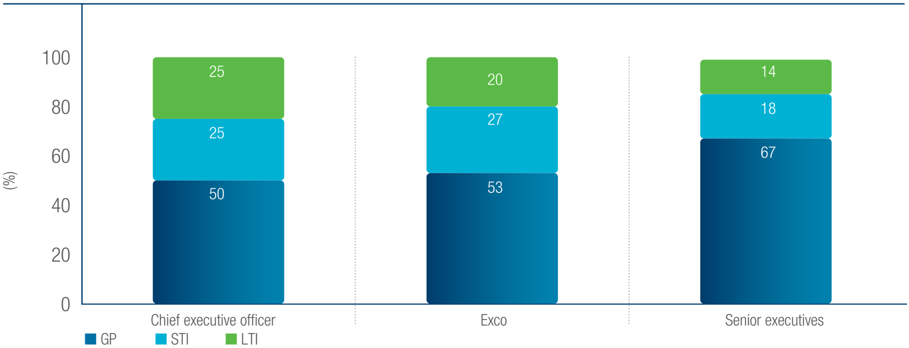
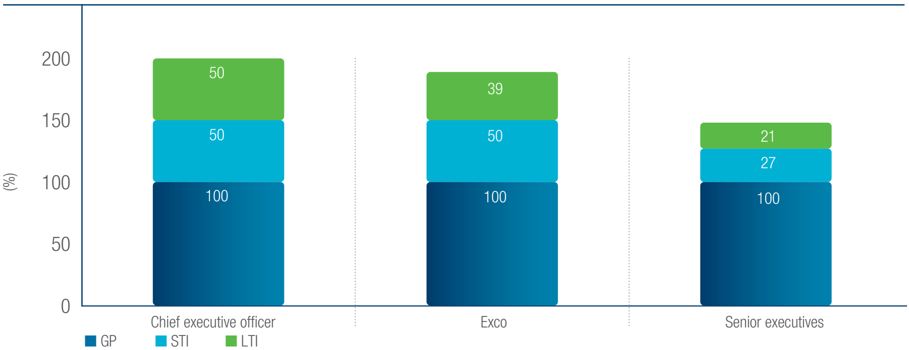


Figure 6:

Current pay mix as % of guaranteed pay – on target



Guaranteed Pay Adjustments

The STRCom approved an overall 6% increase to the salary bill for management employees with effect from 1 October 2017. This compares to an approved increase for Bargaining Unit employees of c8% (as per the agreement signed in 2016). This is the last year of the Wage Agreement for the Bargaining Unit employees at the Rustenburg Operations, with the next round of negotiations scheduled to commence in early 2019. These increases compare to a CPI rate of 4.8% in October 2017 and 4.4% in July 2018 (4.6% in July 2017).

As indicated in Part 1, four members of our Executive team were receiving Hard Currency payments which have been incorporated into their Guaranteed Pay with effect from 1 July 2018. In FY2017 these payments were reflected as Retention Payments, and in FY2016 they were classified under "Other", but will in future be included as part of their Guaranteed Packages. Short Term Incentive Outcomes for FY2017.

The STI scheme and related performance targets for the 2017 and 2018 financial years were approved by the STRCom. We will be including the outcomes for both the FY2017 and FY2018 Short Term Incentive Schemes in this report, as the disclosure in prior years was somewhat limited. It is our view that this is the most effective way of aligning with the Single Figure reporting recommended by King IV.

The Operational targets for FY2017 were based on the 14 measures applied which included Production; Cost; Safety and Other Measures as shown in the table below:

Table 9:

IMPLATS SHORT-TERM INCENTIVE SCHEME – FY2017 FINAL SCORES

SH EC	ANNUAL	Target or objective	Target	Actual	Score	Weight	Weighted Score
		> Nets and Bolts – Safety Audit (Impala) > LTIFR and RWC > Serious Environmental Incidents Fatalities	100% 4.22 0 0	88% 5.92 0 9	1.00 2.69 3.00 1.00	5% 25% 5% 5%	2.31
						40%	

VVQ3C	ANNUAL	Target or objective	Target	Actual	Score	Weight	Weighted Score
		> Platinum Production ('000 oz) – Impala, Marula in conc, Zimplats in Matte	1 112	995	1.00	5%	1.2
		> Unit Cost per Refined Platinum Ounce (R/Pt oz)	21 036	22 682	1.44	5%	
		> PGE Production ('000 oz) – Impala, Marula in conc, Zimplats in Matte	2 262	2 025.90	1.00	5%	
		> Unit Cost per PGE ounce (R/PGE oz)	10 371	11 280	1.25	5%	
		> Development Metres (Primary – RSE and WZE) Impala and Marula	40 042	25 735	1.00	10%	
		> Centares Mined (Impala and Marula)	2 625	2 005	1.00	5%	
		> Head Grade (6E g/t)	4.09	3.86	1.89	5%	
						40%	

STI as a % of GP for the various levels for FY2017 is set out in the table below:

Table 10:

Component	CEO	Executive Directors	Senior Executives	Executives	Managers
Level	25	25	25, 24, 23	22, 21	D-level
STI as a % of GP	50%	50%	27%	25%	21%

Short Term Incentive Outcomes for FY2018

For FY2018, the Operational Targets were substantially simplified, and focused specifically on the following:

> Safety	20%
> Production	40%
> Costs	40%

These Operational Targets made up 70% of an employee's STI award, with the remaining 30% being derived from the employee's performance on his/her personal scorecard. The final audited achievement against Target for the Group for FY2018 was the following:

Table 11:

				FY2018				
Description	Unit	Weight	Budget	Actual	Threshold	Target	Maximum	Bonus % Achieved
					0%	100%	200%	
GROUP		100%				Final Result		50%
Safety LTIFR	per million	20%	4.74	**5.55**	5.68	5.11	4.54	22%
Mine-to-market pt ounces – Stock adjusted	000 oz	40%	1 369	**1 301**	1 276	1 339	1 422	40%
Unit costs (gross cost per pt ounce) excluding retrenchments	R/pt oz	40%	24 775	**25 663**	26 563	25 332	23 874	73%

Both Organisational and Individual performance is taken into account when determining bonuses. For the Executive Committee members, the organisational element is based on a combination of Group, Operational and Business Unit objectives as illustrated below:

Table 12:

	Organisational Objectives			
Employee category	Group	Business	Operational	Personal Objectives
CEO	70	0	0	30
Corporate executives	70	0	0	30
Business executives	20	50	0	30
General managers	0	20	50	30

The CEO's FY2018 annual performance bonus is made up of performance against the above mentioned three key areas or Group objectives (70%) and his personal performance objectives which are detailed in the table below (30%):

Table 13:

CEO BSC (PERSONAL PERFORMANCE) : FINANCIAL YEAR 2018

KPI	OBJECTIVE	TARGET	WEIGHTING
Strategy Development and Execution	1. Board approved Corporate Strategy	Develop a quality and clearly defined end product that is understood by all role players Develop a tracking mechanism that tracks effective implementation of the strategy and report progress to the Board in June 2018	50%
	2. Board approved Rustenburg Strategy	Present outcomes of the Strategic Review that restores Impala to profitability by 2021, develop an execution plan, obtain Board approval and communicate to all key stakeholders by 30 June 2018	
	3. Board approved Marula Strategy	Deliver cash positive FY18 business plan	
Leadership	1. Create a compelling vision	Develop, in collaboration with Exco, key priorities and performance metrics for FY2018	15%
	2. Motivate Exco and employees behind the vision, create a shared sense of purpose and strategic objectives and goals	Communicate key priorities for FY18 to Exco and employees, align Exco KPIs to key priorities and review remuneration structure to support the delivery of key priorities	

CEO BSC (PERSONAL PERFORMANCE) : FINANCIAL YEAR 2018

KPI	OBJECTIVE	TARGET	WEIGHTING
	3. Develop and implement Exco succession plans – ensure that development actions are taking place and strong diverse pipelines are being developed	Review organisational structure and identify feeder positions for Exco succession Assess potential successors in feeder positions, identify gaps and develop succession management roadmap before succession plans are finalised and presented to the Board in August 2018	
Culture	1. Develop and Purposefully drive the acceptance of Implats aspirational performance and safety culture	Develop and implement the Group Safety strategy and behavioural based safety programmes Develop and implement the Group Performance Management Framework	15%
	2. Establish a base line, assess and make progress towards the aspirational culture of performance, safety, accountability, decisiveness, transparency and ownership throughout the business	Conduct company culture survey and develop a baseline and targets for FY19	
	3. Provide strategic oversight and a sense of urgency to the development and implementation of diversity and transformation	Achieve Employment Equity targets for FY18 as per the Employment Equity Plan	

CEO BSC (PERSONAL PERFORMANCE) : FINANCIAL YEAR 2018

KPI	OBJECTIVE	TARGET	WEIGHTING
Stakeholder engagement	1. Effectively communicate the strategic direction of the Company	Hold regular roadshows with the investor community, employees, organised labour and government to communicate the strategic direction of the Company	20%
	2. Building and maintain effective working relationships with the Chairmen of the Board	Conduct Board evaluation	
	3. Improve relations with and support from organised labour, communities and government	Marula: > Successful implementation of S189 > Resolve chrome dispute > Minimal operational disruptions as a result	
	4. Grow investor confidence in Implats value proposition by hooding successful roadshows (feedback from Roadshows)	Favourable rating received from Top 5 sell-side analysts Favourable rating received from Top 10 institutional investors	
	5. Improve the perception of Implats as a credible partner for Zimbabwe	Conversion of SML to ML Defer Mimosa export levy	

The CEO's individual performance was assessed and rated by the Board as a rating of 3.70 on the five-point scale which is 135% of the on-target award for the individual portion. The CEO's bonus calculation is (50% x 70%) + (135% x 30%) = 75.5% of the on-target award of 50% of guaranteed pay. His annual guaranteed remuneration package is R10.6 million x 50% = R5.3 million (on-target bonus award) x 75.5% (final bonus percentage) = R3 990 million annual bonus award for FY2018. STI as a % of GP for the various levels for FY2018 is set out in the table below:

Table 14:

Component	CEO	Executive Directors and Senior Executives	Executives	Junior Executives	Managers
Level	NG	25	24, 23	22, 21	D-level
STI as a % of GP	50%	50%	27%	25%	21%

On-Target and Actual Bonus Pay-outs for Executives:

Table 15:

Financial Year	On-Target Awards	Actual STI Awards	Payout as % of On-Target
FY2017	R65.1m	R31.5m	48.4%
FY2018	R72.0m	R43.0m	59.7%

Long-term incentives:

November 2014 Share Vesting

The Corporate Performance Targets for the vesting of the Conditional Share Plan Awards (CSPs) issued in November 2014 (being Total Shareholder Return (TSR) relative to Peers) were not fully met resulting in only 50% of these shares vesting in November 2017. In addition, the Corporate Performance Targets of the Share Appreciation Rights issued in November 2014 were only partially met, resulting in only 50% of 1/3 of the SARs vesting in November 2017. Participants have 3 years after the date of vesting to exercise their rights.

November 2017 Share Award

Limited changes were implemented for the November 2017 allocation. These changes required STRCom approval, not that of shareholders, and primarily related to the review and amendment of the corporate performance targets.

The November 2017 allocation consisted of the following:

- CSP1s, CSP2s and SARs as per the rules
- The CSP1s were only allocated to junior and middle managers who received 50% of their allocation in CSP1s and 50% in CSP2s
- The CSP2s continued to be allocated to all managers and executives. The executives received 50% of the allocation in CSP2s and 50% in SARs
- SARs were only allocated to the executives

The corporate performance conditions were reviewed and amendments were approved for the November 2017 allocation, as stated below.

CSP2:
> TSR relative:

The peer group, in line with the STRCom recommendations, is listed below:
- Angloplats
- Northam
- Sibanye-Stillwater
- ARM
- RBPlats

An index ("Index") for the above peer group will be calculated and used for the vesting of the CSPs as described in the table below. The index will be the average of the peer group TSR over the three-year period.

The proposed percentages of the allocation vesting for each level of performance are as per the table below:

Table 16:

Description of Performance	Performance	% of Allocation Vesting
Maximum/Stretch	Index + 10%	100%
Target	Index + 2%	50%
Threshold	Index	25%
Below Threshold	Below Index	0%

Straight line interpolation applied between the points in the table above

> Absolute ROE:
The cost of capital (risk adjusted return required by shareholders from Implats) is approximately 15%.
- ROE is calculated as:

$$\frac{\text{(sum of “Net cash flow from operating entities” before finance and investment activities for 3 years)/3}}{\text{(sum of “Equity attributable to owners of the Company” at 30 June for the last 3 years)/3}}$$

The proposed percentages of the allocation vesting for each level of performance are as per the table below:

Table 17:

Description of Performance	Performance	% of Allocation Vesting
Maximum/Stretch	16.5% (10% over target)	100%
Target	15%	50%
Threshold	13.5% (10% less than target)	25%
Below Threshold	Below 13.5%	0%

Straight line interpolation applied between the points in the table above

SARs

> TSR absolute:

There is an inherent performance condition included in share appreciation rights in that participants only benefit in the increase in the share price. The proposed percentages of the allocation vesting for each level of performance are as per the table below:

Table 18:

Description of Performance	Performance	% of Allocation Vesting
Maximum/Stretch	CPI +2%	100%
Target	CPI + 0.5%	50%
Threshold	CPI	25%
Below Threshold	Below CPI	0%

Straight line interpolation applied between the points in the table above

The Employee Share Ownership Trust (ESOT):

In terms of the trust deed of the Employee Share Ownership Trust, no dividends were declared during the past financial year and thus no benefits accrued to the employees.

Remuneration report

TOTAL REMUNERATION FOR EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS:

Table 19:

(ZAR '000)	Financial year	Salary	Retirement and medical benefits	Other benefits	Deferred increase	Bonus FY2018[7]	Bonus 2017[6]	Retention awards	LTI vested	LTI award[8]	Total remuneration
Executive Directors											
NJ Muller	**2018**	**9 117**	**1 334**	**9**	**–**	**3 990**	**681**	**–**	**5 351**	**10 600**	**31 082**
	2017	2 297	146	–	–	–	–	10 000	–	–	12 443
B Berlin[1]	**2018**	**3 751**	**226**	**3 973[2]**	**–**	**–**	**2 315**	**–**	**483**	**2 580**	**13 328**
	2017	5 448	230	2 141[2]	–	–	2 051[10]	–	–	–	9 870
L N Samuel[4]	**2018**	**3 548**	**458**	**–**	**–**	**1 417**	**–**	**–**	**–**	**2 386**	**7 809**
Prescribed Officers											
PD Finney	**2018**	**3 750**	**711**	**1 305[2]**	**–**	**1 004**	**829**	**–**	**300**	**1 925**	**9 824**
	2017	3 538	689	1 534[2]	418	–	710[10]	–	–	–	6 889
A Mhembere	**2018**	**583**	**107**	**43**	**–**	**417**	**387**	**–**	**46**	**275**	**1 858**
(US Dollar)	2017	562	61	31	–	–	448[10]	–	–	–	1 102
GS Potgieter	**2018**	**5 825**	**250**	**1 877[2]**	**–**	**2 366**	**2 315[3]**	**–**	**491**	**2 611**	**15 735**
	2017	5 622	230	2 372[2]	593	–	897[10]	–	–	–	9 714
M Munroe[5]	**2018**	**2 362**	**306**	**–**	**–**	**798**	**–**	**1 400**	**–**	**1 865**	**6 731**
B Jager[9]	**2018**	**891**	**125**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1 016**
TT Llale	**2018**	**1 840**	**223**	**–**	**–**	**355**	**309**	**–**	**124**	**653**	**3 504**
	2017	1 720	208	74	188	–	337[10]	–	37	–	2 564

Notes:
1 *B Berlin resigned from Impala w.e.f. 28 February 2018.*
2 *The Other Benefits include the Hard Currency payments which have been incorporated into Guaranteed Pay w.e.f. 1 July 2018; as well travel reimbursements and leave encashments.*
3 *GS Potgieter spent a number of months as Acting CEO in FY2017 so was awarded a bonus in line with the Acting role.*
4 *LN Samuel joined the company on 16 October 2017.*
5 *M Munroe joined the company on 18 January 2018.*
6 *The FY2017 Bonus was earned in FY2017 but only paid out during August 2017 (i.e. during the 2018 financial year).*
7 *The FY2018 Bonus was earned in FY2018 but will only be paid in September 2018.*
8 *LTI awards vest after 3 years and are subject to Corporate Performance Targets.*
9 *B Jager acted as CFO for 4 months from 1 March to 30 June 2018.*
10 *Bonus earned in FY2016 but paid during FY2017.*

Remuneration report

Details of Share Awards held by Executive Directors and Prescribed Officers:

The following table reflects the status of shares and unexercised options held by executive directors and the exercises of past awards during the year ended 30 June 2018:

Name	Balance at 30 June 2017	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	Balance at 30 June 2018	Allocation price (R)	First vesting date
Directors									
N Muller									
Sign-on	450 147	0		0	225 073	3 Apr 18	**225 074**		
							112 537	44.43	3 Apr 19
							112 537	44.43	3 Apr 20
LTIP SAR	145 781	485 700	21 Nov 17	0	0		**631 481**		
							145 781	43.29	16 May 20
							485 700	36.75	21 Nov 20
LTIP CSP	80 376	208 480	21 Nov 17	0	0		**288 859**		
							80 379	0	16 May 20
							208 480		21 Nov 20
B Berlin									
Share appreciation scheme	139 485	0	0	139 485	0	0		0	
LTIP SAR	323 398	94 575	21 Nov 17	417 973	0		**0**		
LTIP CSP	145 001	60 892	21 Nov 17	193 838	12 055	13 Nov 17	**0**		
LN Samuel									
LTIP SAR	0	87 444	21 Nov 17	0	0		**87 444**		
							87 444	36.75	21 Nov 20
LTIP CSP	0	56 301	21 Nov 17	0	0		**56 301**		
							56 301	0	21 Nov 20

Remuneration report

Name	Balance at 30 June 2017	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	Balance at 30 June 2018	Allocation price (R)	First vesting date
Prescribed officers									
PD Finney									
Share appreciation scheme	77 927	0		2 977	0		**74 950**		
							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	140 528	70 581	21 Nov 17	25 113	0		**185 996**		
							4 723	146.89	14 Nov 15
							5 191	134.91	11 Nov 16
							5 024	81.90	13 Nov 17
							67 309	35.16	12 Nov 18
							33 168	54.29	09 Nov 19
							70 581	36.75	21 Nov 20
LTIP CSP	83 519	45 444	21 Nov 17	7 477	7 477	13 Nov 17	**114 009**		
							40 370	0	12 Nov 18
							28 195	0	09 Nov 19
							45 444	0	21 Nov 20
A Mhembere									
LTIP SAR	314 024	145 452	21 Nov 17	49 487	0		**409 989**		
							8 659	146.89	14 Nov 15
							10 620	134.91	11 Nov 16
							9 900	81.90	13 Nov 17
							166 180	35.16	12 Nov 18
							69 178	54.29	09 Nov 19
							145 452	36.75	21 Nov 20
LTIP CSP	187 947	93 653	21 Nov 17	14 734	14 735	13 Nov 17	**252 131**		
							99 671		12 Nov 18
							58 807		09 Nov 19
							93 653		21 Nov 20

Remuneration report

Name	Balance at 30 June 2017	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	Balance at 30 June 2018	Allocation price (R)	First vesting date
GS Potgieter									
Share appreciation scheme	98 878	0		0	0		**98 878**		
							93 783	186.60	1 Jul 12
							5 095	171.76	10 Nov 13
LTIP SAR	200 557	95 716	21 Nov 17	41 128	0		**255 145**		
							6 549	146.89	14 Nov 15
							7 174	134.91	11 Nov 16
							8 228	81.90	13 Nov 17
							92 411	35.16	12 Nov 18
							45 067	54.29	09 Nov 19
							95 716	36.75	21 Nov 20
LTIP CSP	118 227	61 627	21 Nov 17	12 246	12 245	13 Nov 17	**155 363**		
							55 426	0	12 Nov 18
							38 310	0	09 Nov 19
							61 627	0	21 Nov 20
M Munroe									
LTIP SAR	0	90 770	6 Mar 18	0	0		**0**		
							90 770	29.27	6 Mar 21
LTIP CSP	0	54 353	6 Mar 18	0	0		**54 353**	0	6 Mar 21
Secretary									
TT Llale									
Share appreciation scheme	13 356	0		460	0		**12 896**		
							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	27 052	14 966	21 Nov 17	5 188	0		**36 830**		
							1 038	81.90	13 Nov 17
							13 785	35.16	12 Nov 18
							7 041	54.29	09 Nov 19
							14 966	80.97	21 Nov 20
LTIP CSP	34 686	19 272	21 Nov 17	3 090	3 089	13 Nov 17	**47 779**		
							16 536	0	12 Nov 18
							11 971	0	09 Nov 19
							19 272	0	21 Nov 20

Non-Executive Directors Remuneration:

The role of the Board and the Non-Executive Director has become more prominent in recent times, especially following some of the failures and scandals within the corporate and state-owned enterprise environments. Members of the Board have a critical role to play in ensuring that appropriate levels of governance and control are maintained in the organisation. The fee structures of the Board and committee members therefore have to ensure appropriate retention of the right mix of skills and competencies to ensure that the Board operates optimally.

Fee structures for the Board are reviewed annually, and following a market comparison of NED fees of peer group companies, Implats NED fees lag the market by 10% to 15%. This is because of not granting increases in previous years. The lag is substantial however given the current operating environment and large-scale business restructuring of the Impala Rustenburg operations, we do not believe that the timing is appropriate to grant above inflationary increases. The intention is to close the gap over a period of three years, to this end the fees will be reviewed annually and based on the operating environment and business conditions an above inflationary increase may be proposed. On this basis, the Board recommends that the shareholders approve an overall increase of 5% to the current fees for FY2019. It is also proposed that the fees of members of the Capital Allocation and Investment Committee and Nominations and Governance Committee be aligned to that of the Social, Ethics and Transformation and Health, Safety, Environment and Risk Committees. This is a once-off adjustment.

The fee structure of the non-executive directors is the following:

- The chairman of the board receives an annual fee
- Other members of the board receive:
  - An annual fee as a board member
  - An annual fee as a sub-committee member
  - An annual fee as chairman of a sub-committee
  - A fee per meeting for additional ad hoc meetings during the year

The Board has approved the appointment of a Lead Independent Director who will receive an annual fee in this role (similar to the Chairperson). The recommended fee for the Lead Independent Director is R1 312 500 per annum.

Directors' fees in aggregate for the year under review were as follows:

Table 21:

	Board	Audit	Health, Safety, Environment and Risk	Nominations, Governance and Ethics	Social, Transformation and Remuneration	Capital Allocation and Investment	Ad hoc	Total
HC Cameron%	286 941	286 941	—	—	—	93 691	—	667 573
PW Davey √	374 923	177 192	—	122 596	—	122 596	16 960	814 267
MSV Gantsho	1 929 200	—	—	—	—	—	—	1 929 200
UH Lucht (RBH)	374 923	41 790#	—	—	31 369#	122 596		570 678
AS Macfarlane√	374 923	—	295 767	—	—	—	33 920	704 610
ND Moyo*	6 802	—	2 413	—	—	2 224	—	11 439
FS Mufamadi	374 923	—	—	122 596	—	—	—	497 519
B Ngonyama**√	374 923	217 390	—	—	133 006	—	67 840	793 159
MEK Nkeli√	374 923	177 192	133 006	—	295 797	—	67 840	1 048 758
ZB Swanepoel√	374 923	—	133 006	—	—	272 619	16 960	797 508

* *Paid part of the first quarter directors' fees – resigned from the Board on 7 July 2017.*
** *Paid additional fees for Audit Committee Acting Chairperson in May 2018.*
√ *Additional fees for ad hoc meetings @ R16 960.00.*
% *Paid 3/4 of fees – director deceased on 6 April 2018.*
\# *Fee to be reversed in FY2019.*

Remuneration report

The proposed 5% fee increase would result in the following fees being paid to the board w.e.f. 1 July 2018:

Table 22:

With effect from	1 July 2018 (R)	Proposed Increase %	1 July 2017 (R)
Board of directors			
> Chairperson	**2 025 660**	5%	1 929 200
> Lead Independent Director**	**1 312 500**	0%	–
> Member	**393 669**	5%	374 923
Audit committee			
> Chairperson	**393 669**	5%	374 923
> Member	**186 052**	5%	177 192
Social, transformation and remuneration committee			
> Chairperson	**310 555**	5%	295 767
> Member	**139 656**	5%	133 006
Nominations, governance and ethics committee			
> Chairperson*	**0**	0	0
> Member	**139 656**	14%	122 596
Health, safety, environment and risk committee			
> Chairperson	**310 555**	5%	295 767
> Member	**139 656**	5%	133 006
Capital allocation and investment committee			
> Chairperson	**310 555**	14%	272 619
> Member	**139 656**	14%	122 596
Ad hoc fees per additional board or committee meeting	**17 808**	5%	16 960
Chairperson of meeting will be paid twice the ad hoc fee			

* *The Chairperson of the Board serves as Chairperson of the Nominations Committee.*
** *Role created with effect from 1 August 2018.*

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-month's 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 Company 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.

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 2018 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	46*	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

944 008 000 ordinary no par value shares

Issued share capital

734 778 378 ordinary no par value shares

Unissued share capital

209 229 622 ordinary no par value shares

The authorised share capital was converted from par value shares to no par value share and increased by 100000 000 shares from 844 008 000 to 944 008 000 during the year under review. 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 2018, there were 14 102 592 (2017: 11 495 430) 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 option scheme are set out on pages 40 to 42 of this report.

Shareholding in the Company

The issued capital of the Company held by public and non-public entities as at 30 June 2018 was as follows:

Shareholders	Number of shareholders	Number of shares (000)	%
Public	25 134	672 312	91.5
Non-public	6	62 466	8.5
Directors	2	33	0.0
Royal Bafokeng Holdings Proprietary Limited*	3	46 199	6.3
Treasury shares	1	16 234	2.2
Total	**25 140**	**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	99 649	13.6
Allan Gray Balanced Fund	44 089	6.0
Total	**143 738**	**19.6**

Investment management shareholding greater than 3%:

Shareholders	Number of shares (000)	%
Allan Gray Investment Council	135 124	18.4
Investec Asset Management	110 140	15.0
PIC	78 892	10.7
Royal Bafokeng Holdings Proprietary Limited	46 199	6.3
Prudential Investment Managers	32 703	4.5
Kopernik Global Investment	30 296	4.1
Sanlam Investment Managers	28 382	3.9
Total	**461 736**	**62.9**

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.

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 than 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% (2017: 87%) of Zimplats, which in turn holds 90% (2017: 90%) 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 a community share ownership trust regarding its purchase of a 10% share in the operating subsidiary. The shareholding by the trusts is intended to be for the benefit of employees and the surrounding community as part of Zimplats' plans to comply with the indigenisation legislation.

Mimosa Investments Limited (Mimosa)

The Company holds a 50% (2017: 50%) shareholding in Mimosa, with the balance being held by Sibanye Stillwater Limited . 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 46% (2017: 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%.

Marula Platinum Proprietary Limited (Marula)

The Company owns a 73% (2017: 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% (2017: 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% (2017: 50%) stake in Makgomo Chrome, a company established pursuant to Implats' local economic development strategy for the Marula communities. Of this 50% stake, 20% is held through Marula and all dividends received by Marula are used to fund community development projects. The balance of the issued shares are held by the communities in the Marula area of operations. Implats equity accounts its interest in Makgomo Chrome.

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.

Impala Chrome Proprietary Limited (Impala Chrome)

The Company holds 65% (2017: 65%) of the shares in issue and Chrome Traders Processing Proprietary Limited (Chrome Traders) holds 31.5% (2017: 31.5%) and 3.5% 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

A higher rand basket achieved was more than offset by lower sales volumes, resulting in a decrease of revenue from R36.8 billion to R35.9 billion. The furnace 5 rebuild as well as the transformer fire resulted in lower levels of refined production, which negatively impacted sales volumes from the Group's operations.

Group unit costs, year-on-year, were contained at 0.4% and cost of sales decreased by 8.0% as a result of the additional stock build-up of R3.4 billion at year end. These factors contributed to the increase in gross profit from a R529 million loss to a R1 577 million profit.

A strategic review was initiated to determine the most effective structural changes required to return Impala Rustenburg to profitability in the prevailing platinum price environment. The conclusion from this review was that Impala Rustenburg must contract to a smaller, more focused operation positioned around its best assets. Therefore, operations will cease at depleted end-of-life and uneconomic shafts. Future mining activity will be focused on profitable, lower-cost, high-value and generally longer-life assets. At Impala Rustenburg, shafts and assets under construction to the value of R13.0 billion was impaired as a result of this decision. During the 2018 financial year, R525 million restructuring cost was classified as other operating expenses, impacting on the unit cost for the year.

Afplats exploration and evaluation asset of R385 million and assets under construction of R225 million was also impaired as a result of the long term view of prices and exchange rate impact on the valuation of the resource.

The income tax credit for the current year includes deferred tax of R3.8 billion on the impairment of property, plant and equipment and exploration and evaluation assets. This credit was offset by a deferred tax expense of R1.2 billion as a result of the change in Zimplats' corporate income tax rate, which increased, as a result of the change from a special mining lease to a normal mining lease during the year.

Gross refined platinum production decreased by 4% to 1.5468 million ounces, as a result of the stock build up during the year. The Group's in concentrate mine-to-market output was 1.32 (2017: 1.30) million platinum ounces. Lower deliveries from Zimplats and Two Rivers were offset by higher volumes from Marula, Mimosa and Impala. Third-party platinum production increased by 2% to 259 000 ounces.

Cash flows from operations reduced to R1 million cash used in operating activities compared to R1.0 billion cash generated from operating activities in the prior year. This was mainly as a result of a negative cash flow impact from the increase in working capital of R2.3 billion offset by an increase in operating cash flow of R1.7 billion, compared to the previous year.

The negative cash flow due to the year on year increase in working capital, includes stock build-up on Group of R3.4 billion, mainly as result of increase in the stock levels due to the furnace rebuild and transformer fire. At year end, the Group had gross cash of R3.7 (2017: R7.8) billion on hand after utilising R1.5 billion of its R4.0 billion bank debt facilities, which remain available until 2021.

Implats has final approved terms to enter into a forward sale transaction to release R2 billion of the approximately R3.8 billion excess pipeline stock during FY2019. The R2 billion forward sale relates to excess material, which will only be produced in FY2020, effectively monetising the whole pipeline in FY2019. The pipeline is expected to return to normal operating levels during FY2020.

Dividends

No dividends were declared in respect of the 2018 financial year (2017: no dividend).

Capital expenditure

Capital expenditure of R4.6 billion, excluding interest capitalised of R61 million, was higher compared to the previous year (2017: R3.4 billion). Over the last year, R1.4 billion was spent on the two development shafts, 16 and 20, at Impala Rustenburg and R1.7 billion (US$ 135 million) was spend at Zimplats, mainly on the Mupani and Bimha development. 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

On 1 July 2018 Impala Platinum and Impala Refining Services (IRS) entered into a sale of business agreement in terms of which IRS becomes a division of Impala and Impala acquired the metal purchase and toll refining operations of IRS as a going concern, utilising the group roll-over relief provisions of sections 45 and 47 of the Income Tax Act No. 58 of 1962.

This post balance sheet event had no financial impact on the Group's consolidated financial statements but was considered in the valuations and impairment testing given the expected future tax benefit.

The final approval of the implementation of the Rustenburg strategic review was obtained on 31 July 2018 from the Implats board. The implementation of the review impacted on the boards evaluation of the going concern statement and the valuations used for impairment testing at year-end resulting in a R13 billion impairment for Impala.

The impact of external factors like the R/US$ exchange rate and commodity prices will be monitored together with internal factors such as the execution of the Rustenburg strategic review plan. Deviations from what is expected and the impact on the funding plan and the capital structure will be assessed on an ongoing basis and mitigating action will be taken should this become a concern.

Directors' report

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, which can be found on the company's website, www.implats.co.za.

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
PW Davey	Independent non-executive director	1 July 2013
D Earp	Independent non-executive director	1 August 2018
M Kerber	Chief financial officer	1 August 2018
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
LN Samuel	Executive director	27 November 2017
PE Speckmann	Independent non-executive director	1 August 2018
ZB Swanepoel	Independent non-executive director	5 March 2015

Changes to the board
During the year under review, the Ms Brenda Berlin resigned from the company as chief financial officer and executive director on 28 February 2018. It is with sadness that we have to report on the untimely passing of Mr Hugh Cameron, in April 2018, who was an independent non-executive director and chairman of the audit committee. The board oversaw a process to find a successor to Ms Berlin and to strengthen the audit committee. On 1 August 2018, Ms Meroonisha Kerber was appointed as chief financial officer and executive director and the board appointed Mr Preston Speckmann and Ms Dawn Earp as independent non-executive directors. Mr Speckmann and Ms Earp were also appointed as members of the audit committee which is chaired by Ms Earp. The average length of service of the current 10 non-executive directors is 3.7 years (2017: 4.2), while that of the executive directors is 0.7 years (2017: 3.4).

Board diversity

Gender	
Male	8
Female	5

Nationality	
Black South African	7
White South African	4
Non-South African	2

Independence	
Executive	3
Non-executive	1
Independent non-executive	9

Interests of directors

The interests of directors in the shares of the Company for the year ended 30 June 2018 were as follows and did not individually exceed 1% of the issued share capital or voting control of the Company:

	Direct		Indirect	
	2018	2017	2018	2017
BENEFICIAL				
Directors	33 180	33 180	—	—
ZB Swanepoel	30 000	30 000	—	—
B Ngonyama	3 180	3 180	—	—
Senior management	73 532	53 324	—	—

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 2018 and the date of this report.

Directors' remuneration

Directors' remuneration is disclosed in the annual financial statements (note 36) 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.

Approval of financial assistance

Shareholders approved that the company may offer financial assistance in terms of section 44 and 45 of the Companies Act.

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. Mr ZB Swanepoel, Mr PW Davey and Mr NJ Muller had an interest the contract by virtue of the membership of the Impala board.

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 page 77.

United Kingdom secretaries

The business and postal addresses of the United Kingdom secretaries are set out on page 77.

Public officer

Mr B Jager acted as public officer to companies in the Group for the year under review.

Approval of the financial statements

for the year ended 30 June 2018

The summarised financial statements is extracted from the audited information, but is not itself audited. The directors of the Company take full responsibility for the preparation of the summarised financial statements for the period ended 30 June 2018 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 acting chief financial officer Mr B Jager, 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

NJ Muller
Chief executive officer

Johannesburg
13 September 2018

Consolidated statement of financial position

as at 30 June 2018

	Notes	2018 Rm	2017 Rm
ASSETS			
Non-current assets			
Property, plant and equipment	6	**36 045**	47 798
Exploration and evaluation assets		**—**	385
Investment property		**90**	89
Investment in equity-accounted entities	7	**4 317**	3 316
Deferred tax		**4 757**	389
Available-for-sale financial assets		**198**	179
Other financial assets		**175**	148
		45 582	52 304
Current assets			
Inventories	8	**11 745**	8 307
Trade and other receivables		**4 409**	3 736
Other financial assets		**3**	2
Prepayments		**724**	1 293
Cash and cash equivalents		**3 705**	7 839
		20 586	21 177
Total assets		**66 168**	73 481
EQUITY AND LIABILITIES			
Equity			
Share capital		**20 491**	20 000
Retained earnings		**12 302**	22 982
Foreign currency translation reserve		**4 324**	3 746
Other components of equity		**96**	79
Equity attributable to owners of the Company		**37 213**	46 807
Non-controlling interest		**2 380**	2 425
Total equity		**39 593**	49 232
LIABILITIES			
Non-current liabilities			
Provision for environmental rehabilitation		**1 225**	1 099
Deferred tax		**5 485**	4 390
Borrowings	9	**7 925**	8 373
Derivative financial instruments	10	**50**	1 233
Sundry liabilities		**285**	356
		14 970	15 451
Current liabilities			
Trade and other payables		**8 086**	6 902
Current tax payable		**992**	702
Borrowings	9	**2 427**	1 088
Sundry liabilities		**100**	106
		11 605	8 798
Total liabilities		**26 575**	24 249
Total equity and liabilities		**66 168**	73 481

The notes on pages 59 to 68 are an integral part of these summarised financial statements.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2018

	Notes	2018 Rm	2017 Rm
Revenue		**35 854**	36 841
Cost of sales	11	**(34 277)**	(37 370)
Gross profit/(loss)		**1 577**	(529)
Other operating income		**180**	1 191
Other operating expenses		**(944)**	(325)
Impairment	12	**(13 629)**	(10 229)
Royalty expense		**(350)**	(561)
Loss from operations		**(13 166)**	(10 453)
Finance income		**350**	411
Finance cost		**(1 051)**	(811)
Net foreign exchange transaction (losses)/gains		**(662)**	154
Other income		**1 404**	398
Other expenses		**(300)**	(883)
Share of profit of equity-accounted entities		**383**	496
Loss before tax		**(13 042)**	(10 688)
Income tax credit		**2 249**	2 590
Loss for the year		**(10 793)**	(8 098)
Other comprehensive income/(loss), comprising items that may subsequently be reclassified to profit or loss:			
Available-for-sale financial assets		**19**	14
Deferred tax thereon		**(3)**	(3)
Share of other comprehensive income/(loss) of equity-accounted entities		**108**	(219)
Deferred tax thereon		**(11)**	22
Exchange differences on translating foreign operations		**650**	(1 555)
Deferred tax thereon		**(84)**	203
Other comprehensive income/(loss), comprising items that will not be subsequently reclassified to profit or loss:			
Actuarial (loss)/gain on post-employment medical benefit		**(1)**	2
Deferred tax thereon		**–**	–
Total comprehensive loss		**(10 115)**	(9 634)
(Loss)/profit attributable to:			
Owners of the Company		**(10 679)**	(8 220)
Non-controlling interest		**(114)**	122
		(10 793)	(8 098)
Total comprehensive loss attributable to:			
Owners of the Company		**(10 070)**	(9 554)
Non-controlling interest		**(45)**	(80)
		(10 115)	(9 634)
Loss per share (cents per share)			
Basic		**(1 486)**	(1 145)
Diluted		**(1 486)**	(1 145)

The notes on pages 59 to 68 are an integral part of these summarised financial statements.

Consolidated statement of equity

for the year ended 30 June 2018

	Ordinary shares Rm	Share premium Rm	Share-based payment reserve Rm
Balance at 30 June 2017	**18**	**17 614**	**2 368**
Bond conversion option (note16.6)	**—**	**450**	**—**
Shares purchased – Long-Term Incentive Plan (note 13)	**—**	**(78)**	**—**
Share-based compensation expense	**—**	**—**	**119**
Total comprehensive (loss)/income	**—**	**—**	**—**
Loss for the year	**—**	**—**	**—**
Other comprehensive income/(loss)	**—**	**—**	**—**
Dividends	**—**	**—**	**—**
Balance at 30 June 2018	**18**	**17 986**	**2 487**
Balance at 30 June 2016	18	17 252	2 277
Shares issued (note 13)			
– Employee Share Ownership Programme	—	479	—
Conversion option settlement (note16.4)	—	(79)	—
Shares purchased – Long-Term Incentive Plan (note 13)	—	(38)	—
Share-based compensation expense	—	—	91
Total comprehensive income/(loss)	—	—	—
(Loss)/profit for the year	—	—	—
Other comprehensive income/(loss)	—	—	—
Transaction with non-controlling interest	—	—	—
Dividends	—	—	—
Balance at 30 June 2017	18	17 614	2 368

The table above excludes the treasury shares.

The notes on pages 59 to 68 are an integral part of these summarised financial statements.

Consolidated statement of equity

for the year ended 30 June 2018

	Total share capital Rm	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
	20 000	**22 982**	**3 745**	**80**	**46 807**	**2 425**	**49 232**
	450	**—**	**—**	**—**	**450**	**—**	**450**
	(78)	**—**	**—**	**—**	**(78)**	**—**	**(78)**
	119	**—**	**—**	**—**	**119**	**—**	**119**
	—	**(10 680)**	**579**	**16**	**(10 085)**	**(30)**	**(10 115)**
	—	**(10 679)**	**—**	**—**	**(10 679)**	**(114)**	**(10 793)**
	—	**(1)**	**579**	**16**	**594**	**84**	**678**
	—	**—**	**—**	**—**	**—**	**(15)**	**(15)**
	20 491	**12 302**	**4 324**	**96**	**37 213**	**2 380**	**39 593**
	19 547	31 200	5 092	69	55 908	2 548	58 456
	479	—	—	—	479	—	479
	(79)	—	—	—	(79)	—	(79)
	(38)	—	—	—	(38)	—	(38)
	91	—	—	—	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)
	20 000	22 982	3 745	80	46 807	2 425	49 232

Consolidated statement of cash flows

for the year period 30 June 2018

	Notes	2018 Rm	2017 Rm
Cash flows from operating activities			
Cash generated from operations	13	**2 364**	3 049
Exploration costs		**(4)**	(8)
Finance cost		**(1 025)**	(716)
Income tax paid		**(1 336)**	(1 312)
Net cash (used in)/from operating activities		**(1)**	1 013
Cash flows from investing activities			
Purchase of property, plant and equipment		**(4 667)**	(3 432)
Proceeds from sale of property, plant and equipment		**26**	49
Purchase of investment property		**(1)**	–
Acquisition of interest in associate – Waterberg	7	**(425)**	–
Purchase of available-for-sale financial assets		**–**	(7)
Interest received from held-to-maturity financial assets		**3**	7
Loans granted		**–**	(1)
Loan repayments received		**–**	15
Finance income		**182**	426
Dividends received from equity-accounted investments		**253**	279
Net cash used in investing activities		**(4 629)**	(2 664)
Cash flows from financing activities			
Issue of ordinary shares, net of transaction cost		**–**	479
Shares purchased – Long-Term Incentive Plan		**(78)**	(38)
Repayments of borrowings		**(999)**	(4 593)
Cash from CCIRS		**—**	728
Proceeds from borrowings net of transaction costs		**1 500**	6 278
Dividends paid to non-controlling interest		**(15)**	(54)
Net cash from financing activities		**408**	2 800
Net (decrease)/increase in cash and cash equivalents		**(4 222)**	1 149
Cash and cash equivalents at the beginning of the year		**7 839**	6 788
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		**88**	(98)
Cash and cash equivalents at the end of the year		**3 705**	7 839

The notes on pages 59 to 68 are an integral part of these summarised financial statements

Notes to the consolidated financial information

for the year ended 30 June 2018

1. General information

Impala Platinum Holdings Limited (Implats, Group or Company) is one of the world's foremost producer of platinum and associated Platinum Group Metals (PGMs). Implats is currently structured around five main operations with a total of 20 underground shafts. The operations are located within the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, the two most significant PGM-bearing ore bodies in the world.

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 13 September 2018 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 2018 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 2018, 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 and are consistent with those of the previous annual financial statements. The following new standards and amendments to standards have become effective or have been early adopted by the Group as from 1 July 2017 without any significant impact:

- IAS 19 – Employee benefits
- Improvements to IFRS Standards 2015-2017 Cycle
- IAS 28 – Investments in Associates and Joint Ventures

5. Segment information

The Group distinguishes its segments between the different mining operations, refining services, chrome processing and an '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).

The reportable segments' measure of profit or loss is profit after tax. This is reconciled to the entities consolidated profit after tax.

Impala mining segment's two largest sales customers amounted to 11% and 8% of total sales (June 2017: 12% and 10%).

	2018		2017	
	Revenue Rm	Profit/(loss) after tax Rm	Revenue Rm	Profit/(loss) after tax Rm
Mining				
Impala	**13 255**	**(12 332)**	14 604	(9 860)
Zimplats	**7 485**	**40**	7 038	576
Marula	**2 357**	**(30)**	1 616	(732)
Impala Refining Services	**22 044**	**1 210**	21 711	1 292
Impala Chrome	**226**	**47**	432	127
All other segments	**–**	**(117)**	–	29
Inter-segment revenue	**(9 513)**	**–**	(8 560)	–
Total segmental revenue/loss after tax	**35 854**	**(11 182)**	36 841	(8 568)
Reconciliation:				
Share of profit of equity-accounted entities		**383**		496
Unrealised profit in stock consolidation adjustment		**(211)**		(51)
IRS pre-production realised on Group		**217**		42
Net realisable value adjustment made on consolidation		**–**		(17)
Total consolidated loss after tax		**(10 793)**		(8 098)

5. Segment information

	2018		2017	
	Capital expenditure Rm	Total assets Rm	Capital expenditure Rm	Total assets Rm
Mining				
Impala	**2 766**	**29 936**	2 472	35 696
Zimplats	**1 739**	**20 612**	864	18 353
Marula	**101**	**3 796**	113	3 393
Impala Refining Services	**–**	**8 334**	–	8 402
Impala Chrome	**–**	**150**	1	161
All other segments	**–**	**34 778**	(16)	32 257
Total	**4 606**	**97 606**	3 434	98 262
Intercompany accounts eliminated		**(34 869)**		(26 279)
Investments in equity-accounted entities		**4 317**		3 316
Unrealised profit in stock, NRV and other adjustments to inventory		**(886)**		(736)
Impala segment bank overdraft taken to cash		**–**		(1 091)
Other		**–**		9
Total consolidated assets		**66 168**		73 481

6. Property, plant and equipment

	2018 Rm	2017 Rm
Opening net book amount	**47 798**	49 722
Capital expenditure	**4 606**	3 434
Interest capitalised	**61**	–
Disposals	**(26)**	(22)
Depreciation (note 10)	**(3 838)**	(3 702)
Impairment	**(13 244)**	–
Rehabilitation adjustment	**(34)**	16
Exchange adjustment on translation	**722**	(1 650)
Closing net book amount	**36 045**	47 798
Capital commitment		
Commitments contracted for	**1 703**	1 636
Approved expenditure not yet contracted	**8 071**	5 364
	9 774	7 000
Less than one year	**4 017**	4 338
Between one and five years	**5 757**	2 662
	9 774	7 000

This expenditure will be funded internally and, if necessary, from borrowings.

7. Investment in equity-accounted investments

	2018 Rm	2017 Rm
Summary balances		
Joint ventures		
Mimosa	**2 268**	1 961
Associates		
Two Rivers	**1 528**	1 260
Makgomo Chrome	**78**	70
Friedshelf	**33**	25
Waterberg	**410**	–
Total investment in equity-accounted entities	**4 317**	3 316
Summary movement		
Beginning of the period	**3 316**	3 342
Acquisition of interest in associate – Waterberg	**425**	–
Share of profit	**473**	472
Gain – Two Rivers change of interest	**248**	–
Share of other comprehensive income/(loss)	**108**	(219)
Dividends received	**(253)**	(279)
End of the period	**4 317**	3 316
Share of equity-accounted entities is made up as follows:		
Share of profit	**473**	472
Movement in unrealised profit in stock	**(90)**	24
Total share of profit of equity-accounted entities	**383**	496

8. Inventories

	2018 Rm	2017 Rm
Mining metal		
Refined metal	**1 381**	350
In-process metal	**4 585**	2 977
	5 966	3 327
Non-mining metal		
Refined metal	**776**	993
In-process metal	**4 120**	3 252
	4 896	4 245
Stores and materials inventories	**883**	735
Total carrying amount	**11 745**	8 307

The write-down to net realisable value comprises R250 million (2017: R78 million) for refined mining metal and R1 268 million (2017: R948 million) for in-process mining metal.

Included in refined metal is ruthenium on lease to third parties of 45 000 (2017: 36 000) ounces.

Changes in engineering estimates of metal contained in-process resulted in an increase of in-process metal of R435 (2017: R376) million.

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

9. Borrowings

	Notes	2018 Rm	2017 Rm
Standard Bank Limited – BEE partners Marula		**887**	889
Standard Bank Limited – Zimplats term loan		**1 167**	1 111
Standard Bank Limited – Zimplats revolving credit facility		**–**	314
Convertible bonds – ZAR (2018)	9.1	**–**	303
Convertible bonds – US$ (2018)	9.2	**–**	380
Convertible bonds – ZAR (2022)	9.3	**2 631**	2 516
Convertible bonds – US$ (2022)	9.4	**2 858**	2 609
Revolving credit facility	9.5	**1 510**	–
Finance leases		**1 299**	1 339
		10 352	9 461
Current		**2 427**	1 088
Non-current		**7 925**	8 373
Beginning of the year		**9 461**	9 279
Proceeds		**1 500**	6 278
Interest accrued		**928**	664
Interest repayments		**(689)**	(533)
Capital repayments		**(999)**	(4 593)
Conversion option on 2022 Bonds		**–**	(1 156)
Loss on settlement of 2018 Bonds		**–**	8
Exchange adjustment		**151**	(486)
End of the year		**10 352**	9 461

9.1 Convertible bonds – ZAR (2018)

The remaining balance of the ZAR denominated bonds was repaid on 21 February 2018. The effective interest rate was 8.5% (2017: 8.5%).

9.2 Convertible bonds – US$ (2018)

The remaining balance of the US$ denominated bonds was repaid on 21 February 2018. The effective interest rate was 3.1% (2017: 3.1%).

9.3 Convertible bonds – ZAR (2022) (note 10.3)

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. At the general meeting held by shareholders, shareholders' approval to settle this option by means of Implats' shares was obtained, which has resulted in the bond being accounted for as a compound instrument and resulted 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%.

9.4 *Convertible bonds – US$ (2022) (note 10.2)*

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 10 for additional information regarding the conversion option and the CCIRS entered into to hedge foreign exchange risk on this bond.)

9.5 *Revolving credit facility*

During the current year, Implats drew down R1 500 million on the Standard bank facility. The facility bears interest at 10.2%. The facility expires end of 2021.

10. Derivative financial instrument

Liability	Notes	2018 Rm	2017 Rm
Cross-Currency Interest Rate Swap (CCIRS) (2022)	10.1	–	49
Conversion option – US$ convertible bond (2022)	10.2	**50**	547
Conversion option – ZAR convertible bond (2022)	10.3	–	637
		50	1 233

10.1 *Cross-Currency Interest Rate Swap (CCIRS) (2022)*

Implats entered into a CCIRS amounting to US$250 million to hedge the foreign exchange risk on the US$ 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 US$250 million for a payment of R3 256 million.

The CCIRS is carried at its fair value of R21 million asset (2017: R49 million liability). No hedge accounting has been applied.

10.2 *Conversion option – US$ convertible bond (2022) (note 9.4)*

The US$ bond holders have the option to convert the bonds to Implats shares at a price of US$3.89. The conversion option was valued at its fair value of R50 (June 2017: R547) million at year end, resulting in a R497 million profit for the period in other income.

10.3 *Conversion option – ZAR convertible bond (2022) (note 9.3)*

The ZAR bond holders have the option to convert the bonds to Implats shares at a price of R50.01. The conversion option was accounted for in equity, upon receipt of shareholders approval to settle this option by means of Implats shares, at a fair value of R625 million, resulting in a R12 million profit for the period in other income.

11. Cost of sales

	2018 Rm	2017 Rm
On-mine operations	**16 392**	16 341
Processing operations	**5 340**	5 055
Refining and selling	**1 522**	1 378
Corporate costs	**710**	736
Share-based compensation	**82**	88
Chrome operation – cost of sales	**146**	186
Depreciation of operating assets	**3 838**	3 702
Metals purchased	**9 651**	10 030
Change in metal inventories	**(3 404)**	(146)
	34 277	37 370

12. Impairment

	2018 Rm	2017 Rm
Impairment of non-financial assets was made up of the following:		
Prepaid royalty	**–**	10 149
Property, plant and equipment	**13 244**	–
Exploration and evaluation assets	**385**	–
Investment property	**–**	80
	13 629	10 229

Refer to the annual financial statements notes 3 and 4 for more detail regarding the impairments.

13. Cash generated from operations

	2018 Rm	2017 Rm
Profit/(loss) before tax	**(13 042)**	(10 688)
Adjustments for:		
Depreciation	**3 838**	3 702
Finance cost	**1 051**	811
Impairment	**13 629**	10 229
Other	**(51)**	(283)
	5 425	3 771
Cash movements from changes in working capital:		
Inventory	**(4 247)**	(593)
Receivables/payables	**1 186**	(129)
Cash generated from operations	**2 364**	3 049

14. Headline earnings

	2018 Rm	2017 Rm
Headline earnings attributable to equity holders of the Company arise from operations as follows:		
Loss attributable to owners of the Company	**(10 679)**	(8 220)
Remeasurement adjustments:		
Profit on disposal of property, plant and equipment	**–**	(24)
Impairment	**13 629**	10 229
Gain – Two Rivers change in interest	**(248)**	–
Insurance compensation relating to scrapping of property, plant and equipment	**–**	(154)
Total non-controlling interest effects of adjustments	**(159)**	–
Total tax effects of adjustments	**(3 771)**	(2 814)
Headline loss	**(1 228)**	(983)
Weighted average number of ordinary shares in issue for basic earnings per share (millions)	**718.55**	718.04
Weighted average number of ordinary shares for diluted earnings per share (millions)	**722.11**	721.79
Headline loss per share (cents)		
Basic	**(171)**	(137)
Diluted	**(171)**	(137)

15. Contingent liabilities and guarantees

As at the end of June 2018 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 R109 (2017: R118) million. Guarantees of R1 477 (2017: R1 396) 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 355 (2017: R 1 277) million.

16. Related party transactions

The Group entered into PGM purchase transactions of R3 749 (June 2017: R3 745) million with Two Rivers Platinum, an associate company, resulting in a payable of R1 145 (June 2017: R1 034) million at year end. It received refining fees to the value of R33 (June 2017: R32) 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 192 (June 2017: R1 215) million was outstanding in terms of the lease liability. During the period, interest of R125 (June 2017: R130) million was charged and a R148 (June 2017: R147) million repayment was made. The finance leases have an effective interest rate of 10.2%.

The Group entered into PGM purchase transactions of R3 372 (June 2017: R3 199) million with Mimosa, a joint venture, resulting in a payable of R965 (June 2017: R844) million at year end. It received refining fees to the value of R285 (June 2017: R317) 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 39 of this report.

17. Financial Instruments

	2018 Rm	2017 Rm
Financial assets – carrying amount		
Loans and receivables	**6 295**	9 943
Financial instruments at fair value through profit and loss[2]	**21**	–
Held-to-maturity financial assets	**73**	70
Available-for-sale financial assets[1]	**198**	179
Total financial assets	**6 587**	10 192
Financial liabilities – carrying amount		
Financial liabilities at amortised cost	**16 967**	14 832
Borrowings	**10 352**	9 461
Other financial liabilities	**69**	74
Trade payables	**6 535**	5 289
Other payables	**11**	8
Financial instruments at fair value through profit and loss[2]	**50**	1 233
Total financial liabilities	**17 017**	16 065

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

for the year ended 30 June 2018

Notice is hereby given as at the distribution record date of 7 September 2018 that the sixty-second annual general meeting of shareholders of the Company will be held at the Company's head office in the Platinum boardroom, 2nd floor, 2 Fricker Road, Illovo, Johannesburg, on Wednesday 17 October 2018 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 2018 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 13 and 14 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 Ms Dawn Earp
   2.2 Mr Udo Lucht
   2.3 Ms Mpho Nkeli
   2.4 Mr Preston Speckmann
   2.5 Mr Bernard Swanepoel

   Brief biographies of these directors appear on pages 8 and 9 of this book.

   Each of the appointments numbered 2.1 to 2.5 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 Ms Dawn Earp
   3.2 Mr Peter Davey
   3.3 Ms Babalwa Ngonyama
   3.4 Mr Preston Speckmann

   Brief biographies of these independent directors appear on pages 8 and 9 of this report. Each of the appointments numbered 3.1 to 3.4 constitute separate ordinary resolutions and will be considered by separate votes.

4. ***Ordinary resolution number 4: Endorsement of the Company's remuneration policy***
   Resolved that the Company's remuneration policy for the 2018 financial year, appearing on pages 19 to 21 of this book, be and is hereby endorsed by a non-binding advisory vote.

5. ***Ordinary resolution number 5: Endorsement of the Company's remuneration implementation report***
   Resolved that the Company's remuneration implementation report for the 2018 financial year, appearing on pages 29 to 44 of this report, be and is hereby endorsed by a non-binding advisory vote.

   Shareholders are referred to the implementation report for details regarding the failure to obtain 75% shareholder approval in 2017 and actions taken to remedy the failure.

SPECIAL BUSINESS OF THE ANNUAL GENERAL MEETING

To consider, and if deemed fit, pass the following special resolutions 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 the Long-Term Incentive Plan 2018***
   Resolved that the adoption of a share incentive scheme for the benefit of employees of the Company and its subsidiaries ("Group") which will result in a dilution of the shareholding of holders in the Company and which does not satisfy the requirements of an employee share scheme (as defined in the Companies Act, 2008 ("Act")), the terms and conditions of which are set out in the Long-Term Incentive Plan 2018 rules contained in Annexure A ("Rules") is approved.

   The Long-Term Incentive Plan 2018 complies with Schedule 14 of the Listings Requirements and was approved by the JSE on 6 September 2018.

   The reason for and effect of this special resolution number 1 is to approve the Long-Term Incentive Plan 2018 in accordance with Schedule 14.1 of the Listings Requirements which requires that an employee share incentive scheme which results in a dilution of the shareholding of holders must be approved by holders passing an ordinary resolution (requiring a 75% majority of the votes cast in favour of such resolution by all holders present or represented by proxy at the annual general meeting to approve such resolution). Since this is the Company's threshold for special resolutions, the resolution is instead proposed as a special resolution.

In terms of the Listings Requirements the securities held by a share trust or scheme will not have their votes at the annual general meeting taken into account for the purposes of resolutions proposed in terms of the Listings Requirements.

2. *Special resolution number 2: Issue of shares in connection with The Long-Term Incentive Plan 2018*

Resolved that 3,673,892 (three million six hundred and seventy three thousand eight hundred and ninety two) Implats shares be placed under the control of the directors of the Company and that the directors of the Company be authorised to issue such number of Implats shares to:

(a) a director, future director, prescribed officer, or future prescribed officer of the Company; or

(b) a nominee of a person contemplated in paragraph 2(a), under the Rules of The Long-Term Incentive Plan 2018.

The reason for and effect of this special resolution number 2 is that in terms of section 41 of the Act, an issue of shares, among others, must be approved by a special resolution of the shareholders of a company, if the shares are issued to any of the persons set out in this special resolution number 2, unless the shares are issued pursuant to a qualifying "employee share scheme" as defined in section 97 of the Act. The Long-Term Incentive Plan 2018 does not qualify in this regard as it provides for, inter alia the acquisition of Implats shares in the market which is not contemplated in the definition of section 97 of the Companies Act, in addition to the issue of Implats shares, to employees of the Group.

3. *Special resolution number 3: 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 (including without limitation the Long-Term Incentive Plan 2018), 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 3 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.

4. *Special resolution number 4: Approval of increase to director's 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 2018 (R)	Proposed increase %	1 July 2017 (R)
Board of directors			
> Chairperson	**2 025 660**	5%	1 929 200
> Lead Independent Director**	**1 312 500**	0%	–
> Member	**393 669**	5%	374 923
Audit committee			
> Chairperson	**393 669**	5%	374 923
> Member	**186 052**	5%	177 192
Social, transformation and remuneration committee			
> Chairperson	**310 555**	5%	295 767
> Member	**139 656**	5%	133 006
Nominations, governance and ethics committee			
> Chairperson*	**0**	0%	0
> Member	**139 656**	14%	122 596
Health, safety, environment and risk committee			
> Chairperson	**310 555**	5%	295 767
> Member	**139 656**	5%	133 006
Capital allocation and investment committee			
> Chairperson	**310 555**	14%	272 619
> Member	**139 656**	14%	122 596
Ad hoc fees per additional board or committee meeting	**17 808**	5%	16 960
Chairperson of meeting will be paid twice the ad hoc fee	**0**	5%	

** The Chairperson of the Board serves as Chairperson of the Nominations Committee.*
*** Role created with effect from 1 August 2018.*

5. ***Special resolution number 5: 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

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 5 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 46
> Share capital of the Company – refer page 45
> The directors, whose names are set out on pages 8 and 9 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 2018.

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, 12 October 2018. Accordingly, the last day to trade in order to attend, participate in, and vote at, the annual general meeting is Tuesday, 9 October 2018.

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

17 September 2018

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 document.

Form of proxy

for the year ended 30 June 2018

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, 17 October 2018 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, 17 October 2018, 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).

Resolutions	Number of ordinary		
	For	Against	Abstain
Ordinary resolutions			
Ordinary resolution number 1 – Appointment of external auditors			
Ordinary resolution number 2 – re-election of directors			
D Earp			
U Lucht			
MEK Nkeli			
PE Speckmann			
ZB Swanepoel			
Ordinary resolution number 3 – Appointment of audit committee members			
D Earp			
PW Davey			
B Ngonyama			
PE Speckmann			
Ordinary resolution number 4 – Endorsement of the Company's remuneration policy			
Ordinary resolution number 5 – Endorsement of the Company's remuneration implementation			
Special resolutions			
Special resolution number 1 – Approval of the Long-Term Incentive Plan 2018			
Special resolution number 2 – Issue of shares in connection with The Long-Term Incentive Plan			
Special resolution number 3 – Financial assistance			
Special resolution number 4 – Approval of non-executive director's remuneration			
Special resolution number 5 – Acquisition of company shares by company or subsidiary			

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

Signed at on 2018

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.
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.

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
PO Box 61051
Marshalltown
2107

United Kingdom transfer secretaries

Computershare Investor Services plc
The Pavilions
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Bristol
BS13 8AE

Contact details and administration

for the year ended 30 June 2018

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Share codes:
JSE: IMP
ADRs: IMPUY
ISIN: ZAE000083648
ISIN: ZAE000247458
Website: http://www.implats.co.za

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Telefax: +27 (11) 688 5200

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Waterfall City
Jukskei View
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2090

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Johan Theron
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