Materiality and the reporting boundary

OUR OPERATIONS ARE VERY DIFFERENT AND ARE THEREFORE EVALUATED INTERNALLY ON AN INDIVIDUAL BASIS TO UNDERSTAND AND MANAGE THE GROUP. WHERE APPLICABLE, INFORMATION HAS BEEN GIVEN ON A PER OPERATION BASIS TO ADDRESS INDIVIDUAL OPERATIONS' STAKEHOLDER MATERIAL MATTERS.

In line with good reporting practice, the content of our integrated and sustainable development reports is based on a materiality assessment. For the purposes of this report, items have only been taken into account and reported on, if the effects of these items have materially impacted strategy, the business model, capitals, governance, performance and prospects of the Group and its stakeholders. This is in accordance with the international framework and the materiality background paper for integrated reporting.

This annual integrated report, compiled for Impala Platinum Holdings Limited (Implats), its subsidiaries and associates, provides information for the financial year ended 30 June 2018 and prospects thereafter.

Implats has a 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. The Implats reporting boundary for this report, relating to financial and other information, includes five mining operations, Afplats and Impala Refining Services (IRS), a toll-refining business, situated in Springs. The mining operations consist of Impala, Zimplats and Marula, all subsidiaries, respectively operating in the western limb of the Bushveld Complex, the eastern limb of the Bushveld Complex and the Great Dyke in Zimbabwe.

In addition, Implats has significant investments in Mimosa (Southern Midlands Province, Zimbabwe) and Two Rivers (eastern limb Bushveld Complex). These associate investments are equity accounted in the AFS. Historically, the Group safety statistics and non-financial information included 100% of Mimosa's safety performance at the time while Mimosa was consolidated. **In this integrated report we have now aligned Group safety reporting with the current accounting methodology.** The associates will be excluded from all Group numbers financially and otherwise except in the operational sections where 100% of the associate information is reported and the remuneration report where FY2017 targets and performance against these KPIs included Mimosa in the previous year. The operational sections for Mimosa and Two Rivers enable stakeholders to evaluate these two companies on a standalone basis in conjunction with the segmental information in the financials or the detailed "Segmental information" previously contained in the investor section, now published separately on the Implats website, which provides further information to evaluate operations individually.

Materiality determination and subsequently the reporting boundary, is informed by key stakeholder material matters, including non-financial items beyond the scope of reporting on financial entities, if these items have a significant effect on the Group's ability to create and sustain value over time.

Stakeholder material matters, Implats responses and information to assess **the quality of our relationships** for the Group are set out on pages 56 to 61. Group risks, disaggregated to each of the **committees charged with governance** in our management structure have been discussed on pages 12 onwards. The **risk processes impacting performance** and the setting of KPIs have been dealt with on pages 25 onwards.

We create value through our business model (refer page 49), which employs inputs from our capitals and transforms them through the business activities and interactions we engage in, to produce outputs and outcomes that create or maintain value, for Implats, our stakeholders, broader society and the environment. Refer also to our **business case** value proposition on page 66 and the CEO's review for additional information on how we create value. The **financial impacts** of the Rustenburg strategic review implementation in the business case has been included in the outlook for the CFO review on page 88.

B-BBEE reporting to the B-BBEE commission has been dealt with in the Sustainable Development report. Furthermore, we have added (on page 75) disclosure on Implats' contribution to the United Nations Sustainable Development Goals (UNSDGs) through its outcomes. Comprehensive disclosure on the UNSDGs is further contained in the Sustainable Development report.

In this report, production is reported in terms of platinum and platinum group metals (PGMs), which are platinum, palladium, rhodium, ruthenium and iridium as well as gold; when included these are referred to as 6E (4E excludes ruthenium and iridium). Both historical and forward-looking information is provided.

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.

Materiality determination process

Customers surveys | Strategies | Policies/codes/values | Risk management process

1. Consideration of the following:

> organisation's value drivers
> stakeholder material matters
> material external risks
> significant opportunities and ability to execute
> organisation's current performance
> pertinent macro and micro-economic changes

Audit report | Regulatory/Legal | Media interaction | Meeting minutes/agendas

2. Assess effect on value creation:

> magnitude of the effect
> likelihood of occurrence

Stakeholder engagement | Employee perception survey

3. Prioritise material matters

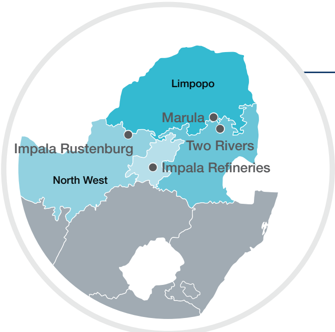
> prioritise material matters
> rank by senior management and those charged with governance

4. Integrated report disclosure

> Apply judgement
> Disclose:
– the matter
– effects on strategy, business model or capitals
– inter-relatedness and dependencies
– the organisation's view on potential outcomes or effects
– current and future response to manage mitigating actions in response to organisation's risk
– current and comparative response effectiveness measurement data
– explanation or indication of the extent of the organisation's control over the matter
– targets and KPIs
– qualitative disclosures

Where we operate and group structure

IMPLATS IS STRUCTURED AROUND SIX MINING OPERATIONS AND IMPALA REFINING SERVICES (IRS), A TOLL-REFINING BUSINESS. OUR OPERATIONS ARE LOCATED ON THE BUSHVELD COMPLEX IN SOUTH AFRICA AND THE GREAT DYKE IN ZIMBABWE, THE TWO MOST SIGNIFICANT PGM-BEARING ORE BODIES IN THE WORLD.

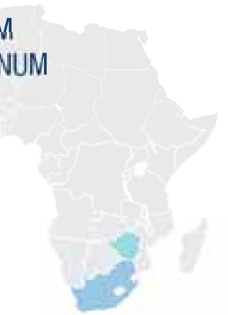


AFPLATS

Ownership
> Ba-Mogopa Platinum Investments (Pty) Ltd (26%)

TOTAL IMPLATS

IMPLATS IS A LEADING PRODUCER OF PLATINUM AND ASSOCIATED PLATINUM GROUP METALS (PGMs)



1 468 100oz
Refined Pt production

0.065
FIFR

12.857
TIFR

6.01
LTIFR

7#
Fatalities

50 512
Number of employees

South Africa

IMPALA

Ownership
> 96%-owned
> 4% employee share ownership trust

Impala has operations on the western limb of the world-renowned Bushveld Complex near Rustenburg in South Africa. This operation comprises a 10-shaft mining complex and concentrating and smelting plants. The base and precious metal refineries are situated in Springs, east of Johannesburg.

580 800oz
Refined Pt production

0.071
FIFR

14.04
TIFR

6.54
LTIFR

6
Fatalities

39.6%
Contribution to Group platinum production

>15 years
Life-of-mine

870m
Average current depth

40 079
Number of employees

IRS

Ownership
> 100%-owned

Impala Refining Services is a dedicated vehicle to house the toll refining, metal concentrate and matte purchases built up by Implats. IRS provides smelting and refining services through offtake agreements with Group companies (except Impala) and third parties. IRS is situated in Springs, east of Johannesburg.

Zimbabwe

ZIMPLATS

Ownership
> 87%-owned
> 13% minorities

Zimplats' operations are situated on the Zimbabwean Great Dyke south-west of Harare. Zimplats operates four underground mines and a concentrator at Ngezi. The Selous Metallurgical Complex (SMC), located some 77 kilometres north of the underground operations, comprises a concentrator and a smelter.

270 800oz
Pt in matte
(including concentrate sold)

nil
FIFR

0.52
TIFR

0.19
LTIFR

0
Fatalities

18.1%
Contribution to Group platinum production

>30 years
Life-of-mine

240m
Average current depth

6 445
Number of employees

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.

As at 30 June 2018 our major shareholders were Allan Gray (18.39%), Investec Asset Management (14.99%), Public Investment Corporation (PIC) (10.74%) and Royal Bafokeng Nation (RBN) at 6.29% with the balance of the shares held by various public and non-public shareholders. (Refer to the annual financial statements.)

This year, the Group produced 2.92 million ounces of PGMs (2017: 3.10 million ounces), which included 1.468 million ounces of platinum (2017: 1.530 million ounces). Our markets are in South Africa, Japan, China, the US and Europe. We have a workforce of approximately 50 500, including 14 500 contractors, none of whom are self-employed. We have no seasonal employees.

MARULA

Ownership
> 73%-owned
> 27% Tubatse Platinum (Pty) Ltd, Mmakau Mining (Pty) Ltd, Marula Community Trust

Marula is one of the first operations developed on the relatively under-exploited eastern limb of the Bushveld Complex in South Africa. Marula is located in the Limpopo province, some 50 kilometres north-west of Burgersfort.

85 100oz
Pt in concentrate

0.121
FIFR

24.23
TIFR

11.63
LTIFR

1
Fatalities

5.2%
Contribution to Group platinum production

>15 years
Life-of-mine

300m
Average current depth

3 988
Number of employees

TWO RIVERS*

Ownership
> Implats (46%)
> African Rainbow Minerals (54%)

Two Rivers is a joint venture and is situated on the southern part of the eastern limb of the Bushveld Igneous Complex some 35 kilometres south-east of Burgersfort in Mpumalanga, South Africa.

162 500oz
Pt in concentrate

Nil
FIFR

4.65
TIFR

2.15
LTIFR

0
Fatalities

11.1%
Contribution to Group platinum production

>20 years
Life-of-mine

400m
Average current depth

** Non-managed*

MIMOSA*

Ownership
> Implats (50%)
> Sibanye-Stillwater (50%)

Mimosa is jointly held by Implats and Sibanye-Stillwater. Its operations are located on the Wedza Geological Complex on the Zimbabwean Great Dyke, 150 kilometres east of Bulawayo. The operation comprises a shallow underground mine, accessed by a decline shaft, and a concentrator.

125 000oz Pt
Pt in concentrate

nil
FIFR

0.98
TIFR

0.22
LTIFR

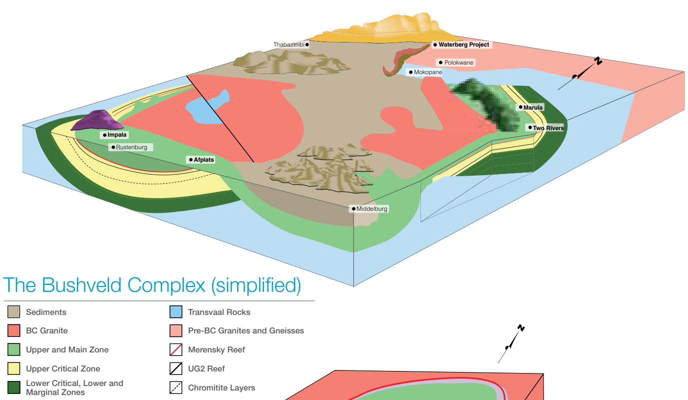
0
Fatalities

7.9%
Contribution to Group platinum production

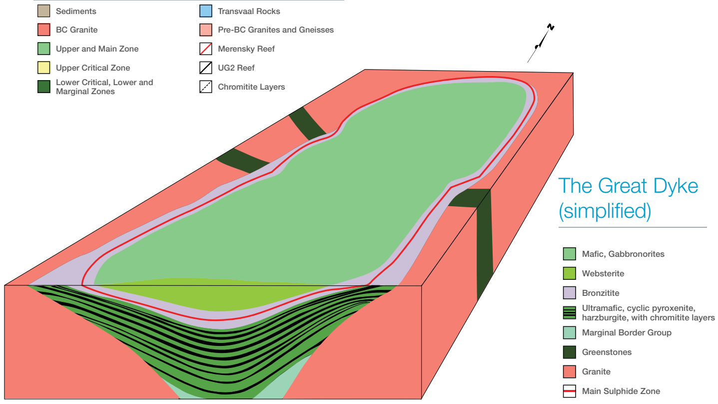
>15 years
Life-of-mine

180m
Average current depth

** Non-managed*



The Bushveld Complex (simplified)



The Great Dyke (simplified)

Statement of commitment to good governance and assurance

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

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.

Dr Mandla SV Gantsho
Chairman

THE IMPLATS BOARD IS COMMITTED TO PROVIDING ETHICAL AND EFFECTIVE LEADERSHIP TO THE GROUP. THE BOARD FULLY EMBRACES THE PRINCIPLE OF ETHICAL LEADERSHIP IN SETTING AND IMPLEMENTING THE STRATEGY AND THE GROUP'S APPROACH TO GOVERNANCE, GUIDED BY THE PRINCIPLES OF THE KING IV CODE ON CORPORATE GOVERNANCE (KING IV).

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

Implats overall assurance model

Implats applies a combined assurance model. This model is designed to ensure optimisation of the assurance provided over the Group's key risks (the top 20 strategic risks, and the top 10 key operational risks), risk management and the internal financial controls.

The audit committee oversees the internal audit function, which operates as an independent objective assurance. It coordinates, among other things, the combined assurance model (CAM) to map the assurance provided across the enterprise. The key objective of the CAM is to report on key assurance activities provided by all lines of assurance across the enterprise (see model below), to eliminate duplication, to identify gaps that may exist in these areas and to optimise the level of assurance achieved in the Group. The CAM depicts assurance for all four lines of defence within a three-year/five-year rolling plan and is discussed and debated at the audit committee twice per annum.

The overall assurance provided covers our strategic business objectives, material sustainability focus areas (non-financial information) and the annual financial statements (AFS) section of the integrated report.

Risk is governed through an enterprise risk management approach under supervision of the health, safety, environment and risk committee. Key risks are identified and necessary controls are implemented. External assurance is obtained where required.

Legal compliance risk is monitored and assurance is achieved through a combination of internal, management-based and/or external assurance.

King IV – one year on

In the previous reporting period, Implats adopted and disclosed in the integrated report, its response to the initial adoption of the King IV Report on Corporate Governance (King IV).

Subsequent to this, the Implats Group internal audit (IGIA) department conducted an audit to assess the extent of the Group's compliance with King IV. The audit included a review of current disclosures in the integrated report in respect of both King IV and the <IR> Framework. This process facilitated the performance of a gap analysis which formed the basis for improvements to the information disclosed in our current suite of annual reports.

Good corporate governance as envisaged in King IV is both pivotal and integral to every critical aspect of value creation. As such, the complete impact of the board's application of King IV, as it relates to governance to affect

COMBINED ASSURANCE GUIDE

value creation, cannot be captured through a single-section disclosure. Accordingly, we have, in the various sections of this report, endeavoured to expressly and implicitly, demonstrate how the board applies the principles of King IV to govern, create, sustain and grow value for the Group as well as achieve the intended outcomes of the Code. This will be a recurring theme in the current and subsequent integrated reports.

Additional disclosure on the manner in which the audit committee has discharged its duties in respect of King IV is contained in the audit committee report on page 2 of the annual financial statements. Further information on the Group's progress in implementing King IV can be found on www.implats.co.za and in the notice to shareholders.

Board approval

The board acknowledges its responsibility for the integrity of this report. The directors confirm they have collectively assessed the content and believe it addresses the material matters that substantively affect the organisation's ability to create value over the short, medium and long term and is a fair representation of the integrated performance of the Group.

The audit committee, which has oversight responsibility for the annual integrated report, has applied its mind to the preparation and presentation of the report. It has concluded that the report has been presented in accordance with the International <IR> Framework and recommended the report for approval by the board of directors.

The board has therefore approved the 2018 annual integrated report for release to stakeholders.

Forward-looking statements

Certain statements contained in this disclosure, other than the statements of historical fact, contain forward-looking statements regarding Implats' operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the platinum industry, expectations regarding metal prices, production, cash costs and other operating results, growth prospects and the outlook of Implats' operations, including the completion and commencement of commercial operations of certain of Implats' exploration and production projects, its liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation, regulatory approvals and/or legislative frameworks currently in the process of amendment, or any enforcement proceedings. Although Implats believes the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results may differ materially from those set out in the forward-looking statements due to, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metal prices, global demand, exchange rates and business and operational risk management. For a discussion on such factors, refer to the risk management section of the Group's annual integrated report. Implats is not obliged to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the dates of the integrated annual report or to reflect the occurrence of unanticipated events.

Disclaimer: This entire disclosure and all subsequent written or oral forward-looking statements attributable to Implats, or any person acting on its behalf, are qualified by caution. Recipients hereof are advised that this disclosure is prepared for general information purposes and is not intended to constitute a recommendation to buy or offer to sell shares or securities in Implats or any other entity. Sections of this disclosure are not defined and assured under IFRS, but are included to assist in demonstrating Implats' underlying financial performance. Implats recommends you discuss any doubts in this regard with an authorised independent financial adviser, stockbroker, tax adviser, accountant or suitably qualified professional.

Additional information regarding Implats is provided in the following reports, all of which are available at www.implats.co.za

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
> B-BBEE reporting as required by the B-BBEE commission

Mineral Resource and Mineral Reserve Statement

> Provides updated estimates and reconciliation of Mineral Resources and Mineral Reserves
> Conforms to the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC 2016)
> Conforms to section 12.13 of the JSE Listing Requirements
> Been signed off by the competent persons

Notice to shareholders

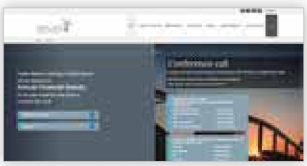
> Corporate governance report
> Abridged financials
> Audit committee report
> Social, transformation and remuneration committee report
> Proxy and comparative information

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



@impalaplatinum.com http://www.youtube.com/implats http://www.linkedin.com/company/impalaplatinum limited

Statement of commitment to good governance and assurance

"Implats is committed to the conduct of its business in an ethical and fair manner to the promotion of a corporate culture that is non-sectarian and apolitical and which is socially and environmentally responsible."

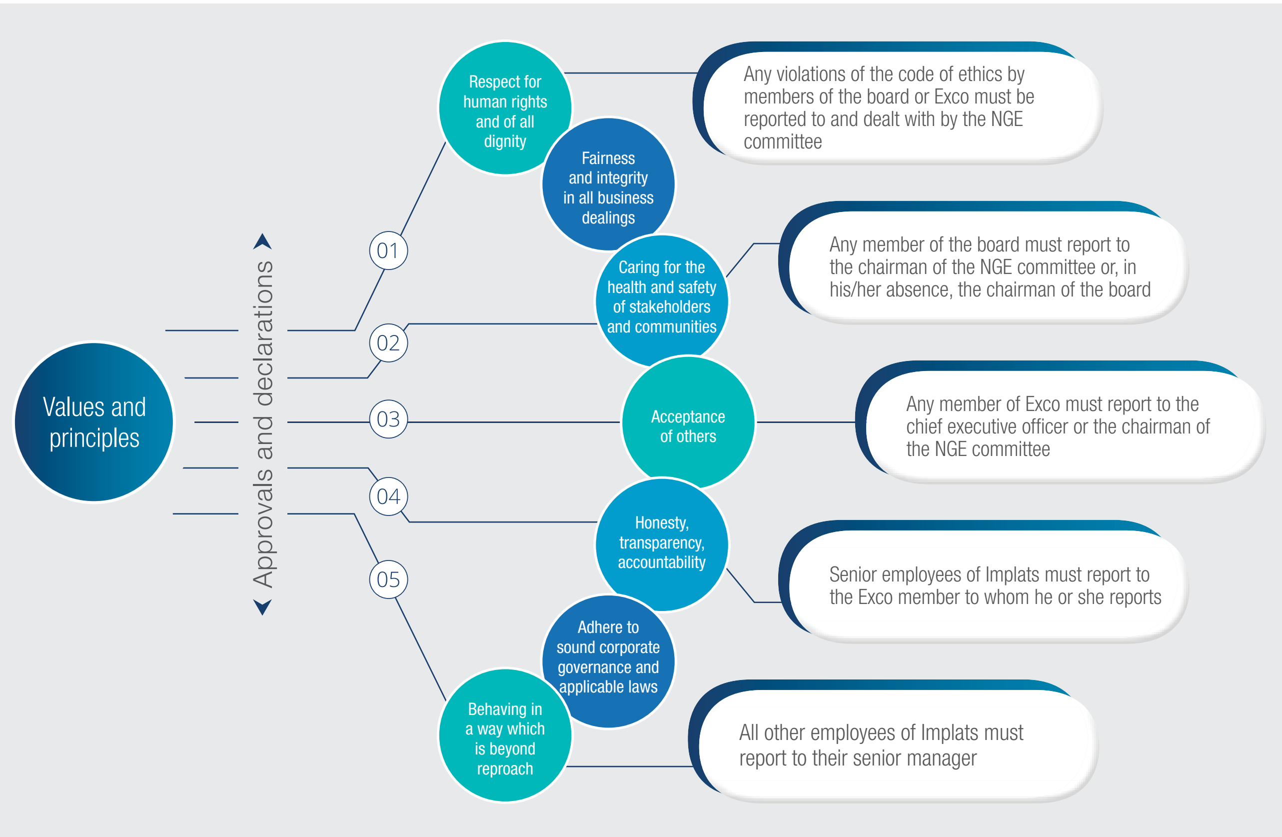
ETHICS

The Implats code of ethics (the code) has been approved by the Company's board of directors (the board) and senior management and is binding on every employee, officer, director, contractor and supplier and on all officers and directors of any entity owned or controlled by Implats.

The core values articulated in this code provide a firm foundation on which our organisational culture is built. Nonetheless, the code is a dynamic document which is constantly evolving, as we strive for even higher standards. We at Implats are committed to upholding and enforcing the standards articulated in this code and the Company will reconsider its dealings with individuals or entities not demonstrating the same level of commitment to organisational integrity.

Every employee, director and officer of Implats accepts that any breach of the code of ethics exposes them to the possibility of disciplinary action, which could result in the termination of employment or office on the basis set out in the Company's disciplinary codes and procedures available on the Company's website or upon request.

OUR CORE VALUES AND PRINCIPLES



RISK MANAGEMENT

The most important purpose of enterprise risk management is to institutionalise an ongoing and rigorous identification of risks in all aspects of the business, encourage open and honest dialogue about these risks, and implement the necessary controls and risk management initiatives.

Implats' risk management process sets out to achieve an appropriate balance between minimising the risks associated with any business activity and maximising the potential reward. Further explanation of how risk tolerance limits are set across the business relating to performance and individual business scorecards (BSC) to ensure goal congruence throughout the organisation is explained on page 25. The CEO BSC is available on page 26. Effective risk management enables management to deal with uncertainty and associated threats and opportunities, enhancing the enterprise's capacity to build value. Further information on cyber security, technology and information risk has been included on page 41. Implats uses the same, consistent risk methodology for every type of impact across the business as we believe separate risk methodologies would not support the object of embedding and maintaining an intelligent risk culture.

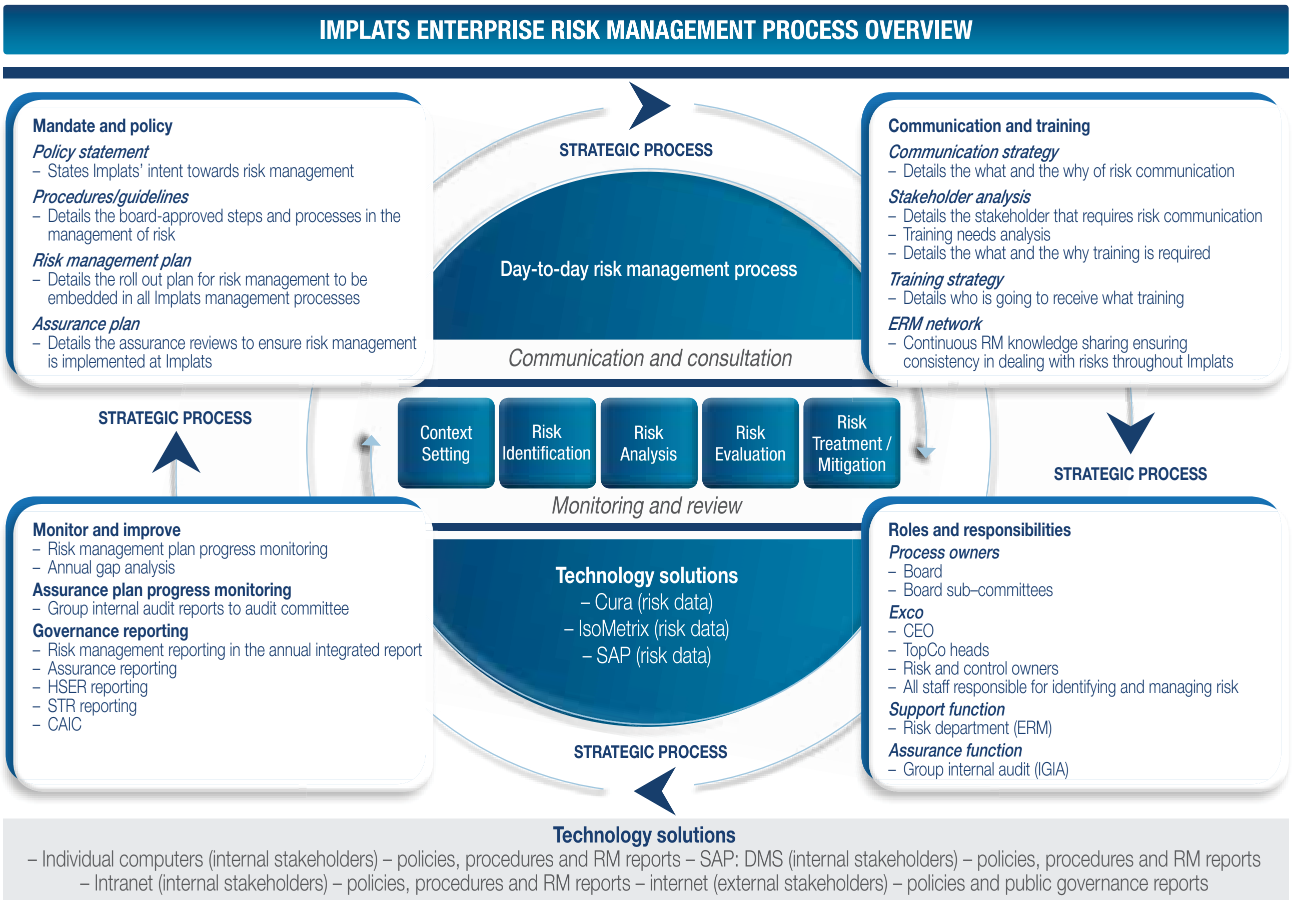
We identify our strategic business objectives, and our material sustainability focus areas, through our structured internal risk management process, and with consideration to the views and interests of our stakeholders. The Implats risk management process is wholly aligned with ISO 31000 (2018)/ISO Guide 73:2002, the international risk management standard, which defines risk as "the effect of uncertainty on objectives".

In this definition, uncertainties include events, as well as uncertainties caused by ambiguity or a lack of information. It also includes both negative and positive impacts on objectives, so we can consider opportunities within the same consistent framework.

The critical step preceding the process described here is the articulation of the key objectives of the respective functions, as they relate to the strategic objectives of Implats. This further embeds Implats' assertion that risk and strategy are two sides of the same coin, and are equally important to the achievement of value creation and sustainability.

Arising from this process we identify a set of objective-based risk assessments (ORAs) that cover approximately 80 of Implats' business functions. Each identified risk, as well as its associated controls, has a clearly defined line management owner. Each business unit takes full ownership for its risk profile, and these are discussed and debated at an operational and executive level at prescribed frequencies. The reviews include the interrogation of both the internal and external environment to identify and ratify risks and/or opportunities that affect the achievement of stated objectives. All risk information is captured into the Group risk repository system. This process culminates in the identification of a prioritised set of Group strategic risks. Collectively, these risks, along with the outcomes of our internal and external stakeholder engagement activities, and our assessment of market fundamentals, are used to inform business decisions.

The Implats process is as follows:



Statement of commitment to good governance and assurance

Risk governance

IMPLATS Board	Sets the tone at the top and oversees the management of Group risks.
IMPLATS Board sub-committees	Oversees assigned risks by aligning board skills with strategic issues and risks. Challenges management assumptions and communicates between board and management.
IMPLATS Executive committee	Establishes the Group's strategy and identifies associated Group risks. Regularly reviews risk ranking and completeness. Assigned with risk ownership.
IMPALA MINING, REFINING, ZIMPLATS, MARULA OPERATIONS Executives and functional executives	Execute business plans as aligned with Group strategy. Owners of risks associated with execution.

COMMITTEE STRUCTURE

Independent non-executive directors: Mandla Gantsho, Peter Davey, Dawn Earp, 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

BOARD

Audit committee*	Social, transformation and remuneration committee*	Health, safety, environment and risk committee	Capital allocation and investment committee	Nomination, governance and ethics committee
Audit committee report^ Annual financial statements^	Sustainable development report^ Remuneration report^ STR committee report^	Sustainable development report^	Ensures strict capital allocation across the Group	Ensures a strong board with the necessary skills and experience

* *Statutory committees.*
^ *Available on www.implats.co.za.*

EXCO

Nico Muller, Jon Andrews, Paul Finney, Meroonisha Kerber, Tebogo Llale, Alex Mhembere, Gerhard Potgieter, Lee-Ann Samuel, Johan Theron

Board, management and Group structure

Board representation and how it contributes to value creation

Good corporate governance contributes to value creation by ensuring accountability through reporting and disclosure, effective risk management, clear performance management, transparency and ethical and effective leadership.

The board, assisted by its sub-committees, steers, sets direction, approves policy and planning, and monitors ethics, regulatory compliance, remuneration strategies to align employees with the Company's strategic intent and stakeholder relations in the Group.

In addition, the diversity of our directors in terms of gender, race and professional background facilitates an environment for constructive dialogue and enables the board to consider the needs of a wide range of stakeholder interests.

The Implats board believes these governance qualities enable the Group to create value for stakeholders in a sustainable manner over the short, medium and long term as described in the strategy section on pages 64 to 67 of this report.

BOARD

BOARD OF DIRECTORS

Independent non-executive directors
Mandla Gantsho
Peter Davey
Dawn Earp
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 assets 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%

Our leadership

BOARD PROFILES

Mandla Gantsho 56
Chairman

Qualification:
BCom (Hons), CTA, CA(SA), MSc, MPhil, PhD

Experience:
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.

Board appointment:
November 2010

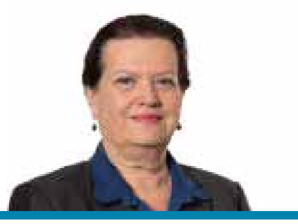
Peter Davey 65 (British)

Qualification:
BSc (Hons) Mining Engineering, MBA

Experience:
Previously a resource analyst at various investment banks in the United Kingdom and has extensive production experience in the South African gold and platinum mining industry.

Board appointment:
July 2013

Dawn Earp 56



Qualification:
BCom, BAcc, CA(SA)

Experience:
Has formerly held positions as financial director at both Implats and Rand Refineries. Is a director and a chairman of the audit committee at AngloGold Ashanti Pension Fund and Transit Freight Forwarding (Pty) Ltd.

Board appointment:
August 2018

Alastair Macfarlane 67 (British)

Qualification:
MSc Mining Engineering

Experience:
Has 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.

Board appointment:
December 2012

Babalwa Ngonyama 43

Qualification:
BCompt (Hons), CA(SA), MBA

Experience:
Is the founding chairman of the African Women Chartered Accountants (AWCA) and CEO of Sinayo Securities. Also serves as a non-executive director on the boards of Hollard Life Assurance Company, Clover Industries Limited, and Aspen Pharmacare Holdings.

Board appointment:
November 2010

Mpho Nkeli 53

Qualification:
BSc Environmental Studies, MBA

Experience:
Previously director of Alexander Forbes, Vodacom SA, African Bank and Chairperson of the Commission for Employment Equity. Is currently a director of Search Partners International and is an independent non-executive director of Life Healthcare and Sasol Limited.

Board appointment:
April 2015

Preston Speckmann 61

Qualification:
BCompt (Hons), CA(SA)

Experience:
Has held various senior positions at Metropolitan Holdings Limited and Old Mutual, South Africa. Serves as a non-executive director on the boards of MiWay Insurance Group, Volkswagen Financial Services and Sanlam Sky Group of Companies.

Board appointment:
August 2018

Sydney Mufamadi 59

Qualification:
MSc and PhD Oriental and African Studies

Experience:
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.

Board appointment:
March 2015

Bernard Swanepoel 57

Qualification:
BSc Mining Engineering and BCom (Hons)

Experience:
Non-executive chairman of Village Main Reef, and serves as a non-executive director of Sanlam and African Rainbow Minerals.

Board appointment:
March 2015

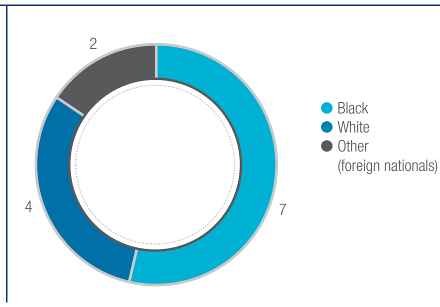
Udo Lucht 41

Qualification:
BCom (Hons), CA(SA), CFA

Experience:
Appointed as a non-executive director representing Royal Bafokeng Holdings (Pty) Limited (RBH). Has extensive experience in investment banking and is currently head of portfolio at RBH.

Board appointment:
August 2017

Race diversity



Committee memberships

- A Audit committee
- STR Social transformation and remuneration committee
- HSR Health, safety environment and risk committee
- CAIC Capital allocation and investment committee
- NGE Nomination, governance and ethics committee

For detailed biographies of the board go to
http://www.implats.co.za/implats/Board-of-directors.asp

Nico Muller 51

Qualification:
BSc Mining Engineering

Experience:
Appointed as chief executive officer and executive director. Has had a 27 year mining career with exposure to multiple commodities ranging from diamonds, gold and platinum.

Board appointment:
April 2017

Lee-Ann Samuel 40

Qualification:
BA Psychology and Honours Political Science, UJ

Experience:
Has 16 years of human resources experience in financial services, mining and telecommunications. Spent three years at Telkom Media as head of people development.

Board appointment:
November 2017

Meroonisha Kerber 46

Qualification:
BComm, HDipAcc, CA(SA)

Experience:
Appointed as chief financial officer and executive director. Has 10 years' audit experience at Deloitte and has held various senior positions in finance at Anglo American Platinum and AngloGold Ashanti.

Board appointment:
August 2018

CORPORATE GOVERNANCE AND GROUP STRATEGIES IN PERSPECTIVE

*Audit committee

The committee monitors financial reporting, internal control systems and the internal and external audit function.

MEMBERS	DATE OF APPOINTMENT	BOARD STATUS
D Earp (Chairman)	1 August 2018	Independent non-executive director
PW Davey	18 February 2016	Independent non-executive director
B Ngonyama	1 November 2010	Lead independent director
PE Speckmann	1 August 2018	Independent non-executive director

KEY STAKEHOLDERS	SKILLS AND EXPERIENCE
> Shareholders > Regulators	> Accounting and auditing > Large private corporation/public entities > Mining and resources > Governance and strategic planning > Financial services and insurance

HOW DID THE COMMITTEE CONTRIBUTE	WHAT WILL BE FOCUSED ON IN FUTURE
> Reviewed and recommended the annual integrated report, annual financial statements, the interim financial statements and other financial information which was to be made public > Monitored the integrity of the Company's system of internal controls, internal financial controls and financial risk management systems to safeguard assets > Monitored and reviewed the independence and effectiveness of Implats' internal audit function > Assessed the suitability of the lead audit partner and nominated the external auditors for appointment by shareholders > Monitored the independence, objectivity and effectiveness of the external auditors and regulated the use of the external auditors for non-audit services to ensure their independence was not impaired > Approved the Group tax and information policy and monitored the performance of information technology against the IT strategy (refer page 40) > Approved the funding plan to support the implementation of the Rustenburg strategic review	> The risks impacting going concern > Management's implementation of additional cost reduction and containment measures > Ability/capacity to implement the outcomes of the Impala Rustenburg strategic review and return Impala to cash neutral/positive by FY2021 > Focus on strengthening the balance sheet > Sustained depressed PGM basket prices

*Committee-specific risk performance

RISK	RISK TREND COMPARED TO 2017	CONTROLLABLE/ PARTIALLY CONTROLLABLE/ NON-CONTROLLABLE	INTERNAL/ EXTERNAL	STRATEGIC OBJECTIVE	STRATEGIES
Ability/capacity to implement outcomes of the Impala Rustenburg strategic review and return Impala to cash neutral/positive position by FY2021	New	Controllable	Internal		
Weak balance sheet	New	Controllable	Internal		
Sustained depressed PGM basket prices	Up	Non-controllable	External		

*Social, transformation and remuneration committee

The Company continues to operate in a sustainable way under the guidance of the social, transformation and remuneration committee.

MEMBERS	DATE OF APPOINTMENT	BOARD STATUS
MEK Nkeli (Chairman)	1 May 2015	Independent non-executive director
MSV Gantsho	1 February 2011	Independent non-executive chairman
B Ngonyama	18 February 2016	Lead independent director
PE Speckmann	24 August 2018	Independent non-executive director

KEY STAKEHOLDERS

> Shareholders
> Employees
> Organised labour
> Communities
> Regulators

SKILLS AND EXPERIENCE

> Accounting and auditing
> Large private corporation/public entities
> Human capital management
> Governance and strategic planning
> Financial services and insurance
> Stakeholder management

HOW DID THE COMMITTEE CONTRIBUTE

> Ensured the Company remained focused on being a good corporate citizen
> Monitored Company performance in advancing the social and economic development of its employees and relevant stakeholders
> Reviewed the framework, policies and guidelines for the implementation of transformation and sustainable development
> Guided the development of the revised Group reward strategy, policy and philosophy following the low shareholder support in the prior year
> Approved the reward mix with increased bias towards variable pay for senior executives and executive directors while ensuring reward practices remain fair and competitive
> Made recommendations to the board regarding the remuneration of non-executive directors to the board for final approval by shareholders

WHAT WILL BE FOCUSED ON IN FUTURE

> Good corporate citizenship during the implementation of the Impala Rustenburg strategic review
> Compliance with Mining Charter III
> Ability/capacity to implement the outcomes of the Impala Rustenburg strategic review and return Impala to cash neutral/positive by FY2021
> Challenged capacity and efficiencies of management layers at South African operations
> Long-term economic viability of Marula operations
> Employee relations climate at South African operations

Committee-specific risk performance

RISK	RISK TREND COMPARED TO 2017	CONTROLLABLE/ PARTIALLY CONTROLLABLE/ NON-CONTROLLABLE	INTERNAL/ EXTERNAL	STRATEGIC OBJECTIVE	STRATEGIES
Ability/capacity to implement outcomes of the Impala Rustenburg strategic review and return Impala to cash neutral/positive position by FY2021	New	Controllable	Internal		
Employee relations climate at South African operations	New	Partially controllable	Internal		
Long-term economic viability of Marula operations	Flat	Controllable	Internal		
Challenged capacity and efficiencies of management layers at South African operations	New	Controllable	Internal		

Our leadership

*Health, safety, environment and risk committee

The committee monitors management's implementation of the HSER strategy to deliver safe production without causing harm.

MEMBERS	DATE OF APPOINTMENT	BOARD STATUS
AS Macfarlane (Chairman)	1 December 2012	Independent non-executive director
PW Davey	23 August 2018	Independent non-executive director
NJ Muller	1 April 2017	Chief executive officer
LN Samuel	24 August 2018	Executive director
ZB Swanepoel	24 August 2015	Independent non-executive director

KEY STAKEHOLDERS	SKILLS AND EXPERIENCE
> Shareholders > Employees > Organised labour > Regulators	> Large private corporation > Mining and resources > Governance and strategic planning > Human capital management > Stakeholder management

HOW DID THE COMMITTEE CONTRIBUTE	WHAT WILL BE FOCUSED ON IN FUTURE
> Reviewed the appropriateness of the HSE policy, systems, standards, codes of practice and procedures > Monitored HSE performance in terms of Company objectives, including measurement against South African and international benchmarks > Monitored the HSE management function and recommended improvements where necessary > Reviewed the HSE element of the Company's business plan and approved the HSE section of the integrated annual report > Has the right to institute investigations into matters where inadequacies in matters of health, safety and environmental regulatory compliance have been identified, or as directed by the board > Assumed responsibility for ensuring a functioning risk management system and coordinated the appropriate allocation of top risks to the respective board sub-committees > Remained responsible for the risks assigned to it, but ensured that the board is assured that all risks have been identified and are managed effectively	> Rehabilitation of end-of-life shafts > The maintenance of high safety standards during the implementation of the Rustenburg Strategic Review to eliminate possible deterioration in safety performance

Committee-specific risk performance

RISK	RISK TREND COMPARED TO 2017	CONTROLLABLE/ PARTIALLY CONTROLLABLE/ NON-CONTROLLABLE	INTERNAL/ EXTERNAL	STRATEGIC OBJECTIVE	STRATEGIES
Ability/capacity to implement outcomes of the Impala Rustenburg strategic review and return Impala to cash neutral/positive position by FY2021	New	Controllable	Internal		
A significant deterioration in safety performance at Impala Rustenburg	Flat	Controllable	Internal		

While it is fully acknowledged that the board is responsible for risk management at Implats, risk management is seen to be pervasive throughout the organisation. The oversight of the risk management system and process is the responsibility of the HSER committee, while each sub-committee takes responsibility for the risks relevant to it.

*Capital allocation and investment committee

The committee advises the board on the allocation of limited resources to ensure the best return on invested capital.

MEMBERS	DATE OF APPOINTMENT	BOARD STATUS
ZB Swanepoel (Chairman)	18 February 2016	Independent non-executive director
PW Davey	18 February 2016	Independent non-executive director
D Earp	24 August 2018	Independent non-executive director
UH Lucht	25 August 2017	Non-executive director
M Kerber	24 August 2018	Chief financial officer
NJ Muller	1 April 2017	Chief executive officer

KEY STAKEHOLDERS	SKILLS AND EXPERIENCE
> Shareholders > Regulators	> Accounting and auditing > Large private corporation > Mining and resources > Governance and strategic planning > Financial services and investment banking

HOW DID THE COMMITTEE CONTRIBUTE	WHAT WILL BE FOCUSED ON IN FUTURE
> Advised the board on the allocation of capital and future investment/disinvestment following due consideration of life-of-mine plans > Monitored the implementation of approved capital projects to ensure they are delivered on time and within budget > Evaluated and advised the board on the performance of assets in terms of their return on investment > Reviewed and recommended the outcomes of the Impala Rustenburg strategic review	> Ability/capacity to implement the outcomes of the Impala Rustenburg strategic review and return Impala to cash neutral/positive by FY2021 > Management action to mitigate against non-delivery of production and productivity targets at Impala Rustenburg > The application of capital approved to restore production flexibility in smelting operations

Committee-specific risk performance

RISK	RISK TREND COMPARED TO 2017	CONTROLLABLE/ PARTIALLY CONTROLLABLE/ NON-CONTROLLABLE	INTERNAL/ EXTERNAL	STRATEGIC OBJECTIVE	STRATEGIES
Ability/capacity to implement outcomes of the Impala Rustenburg strategic review and return Impala to cash neutral/positive position by FY2021	New	Controllable	Internal		
Non-delivery of production and productivity targets at Impala Rustenburg	Up	Controllable	Internal		
Reduced production flexibility in smelting operations	New	Controllable	Internal		
Inability to sustain SIB and risk mitigation projects due to capital constraints	New	Controllable	Internal		

Our leadership

*Nomination, governance and ethics committee

The committee has discharged its mandate by strategically advising the board on matters related to corporate governance, board composition, leadership and performance.

MEMBERS	DATE OF APPOINTMENT	BOARD STATUS
MSV Gantsho (Chairman)	7 February 2012	Independent non-executive chairman
PW Davey	18 February 2016	Independent non-executive director
FS Mufamadi	18 February 2016	Independent non-executive director
B Ngonyama	24 August 2018	Lead independent director

KEY STAKEHOLDERS

> Shareholders
> Employees
> Regulators

SKILLS AND EXPERIENCE

> Accounting and auditing
> Large private corporation/public entities
> Mining and resources
> Governance and strategic planning

HOW DID THE COMMITTEE CONTRIBUTE DURING YEAR

> Reviewed the size of the board and its committees and made recommendations on the appointment of suitably qualified people to the board
> Made recommendations to the board regarding appointments to its committees to ensure they are staffed appropriately to carry out their mandates
> Ensured that the recommendations of the board evaluation process are included in the work plan and that implementation is closely monitored
> Commenced the effectiveness assessment of each of the committees in terms of the two-year evaluation cycle
> Deliberated on the implementation of King IV on matters pertinent to the work of the committee including but not limited to ethical leadership, board term limit and director independence
> Facilitated board debate around the Company's stance towards organisations implicated in wrong doing and corporate governance failure

WHAT WILL BE FOCUSED ON IN FUTURE

> The implementation of recommendations emanating from the committee evaluation process
> Ongoing implementation of King IV
> The development and embedding of an ethical culture
> The succession plan for executive directors and other senior executives, and the embedding of a culture of ethical leadership
> An adequately resourced board capable of making quality decisions
> Ability/capacity to implement the outcomes of the Impala Rustenburg strategic review and return Impala to cash neutral/positive by FY2021

** The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.*

Managing performance through remuneration

REMUNERATION LINKED TO STAKEHOLDERS AND STRATEGY

This is a summarised version of the comprehensive 2018 annual remuneration report which has been published in the notice to shareholders distributed and published on the Company's website on 17 September 2018 as part of the Group's commitment to good corporate governance. Page 25 onwards deals with the Implats balanced scorecard, the process of setting KPIs, which are aligned to Group strategies and the resultant CEO's KPIs for managing the Group. These KPIs form the basis of the business scorecards cascaded through lower levels in the Group.

Introduction

As indicated in the 2017 integrated report, the Implats remuneration report aligns itself with the best practice recommendations of King IV, specifically the Principle 14 guidelines. Our intention is that from year to year we will continue to improve our alignment to the prescripts of King IV and other relevant governance guidelines, 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, our remuneration reporting focuses on the elements of fixed and variable remuneration, specifically for the executive directors and the executive team, but will also highlight the continued improvements to ensure that our pay practices are fair, responsible and transparent across the entire organisation.

Good governance requires the board of Implats to accept ultimate responsibility for the Group's remuneration philosophy and its implementation. The board has delegated these duties and obligations with regards to remuneration governance; skills attraction and retention; succession planning; disclosure; benefits; broad terms and conditions of employment and performance conditions to the social, transformation and remuneration committee (STRCom).

Remuneration governance

The STRCom reports to the board on its proceedings and attends the annual general meeting of Implats to respond to any questions from shareholders regarding the committee's areas of responsibility.

In the past financial year, the Group utilised the services of independent remuneration specialists in different capacities to benchmark remuneration elements and practices against external comparator companies and advise on remuneration policy.

The social, transformation and remuneration committee

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 three independent non-executive directors:

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 value to stakeholders over the short, medium and long term.

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.

Managing performance through remuneration

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 meets 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 its 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 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.

Remuneration philosophy and policy

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 approach 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

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.

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 (eg 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

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.

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.

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 a 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

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 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.

We also intend introducing a medium-term incentive whereby bonus shares are awarded to management based on the annual bonus received, with bonus shares vesting 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 to consistently meet of annual performance targets.

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

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 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.

Managing performance through remuneration

The Implats remuneration strategy

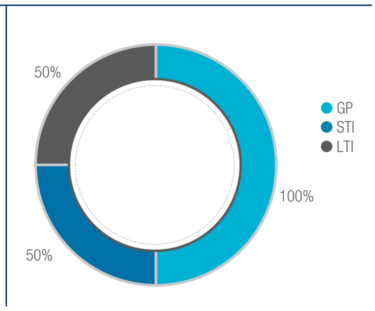
The Implats remuneration strategy comprises the following essential elements, and their strategic intent is displayed in the graphic below:

	Reward component	Strategic intent
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 incentives (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
	Employee Ownership Trust	> Employee ownership plans with benefits for category A – C level employees – predominantly historically disadvantaged South Africans (HDSAs).

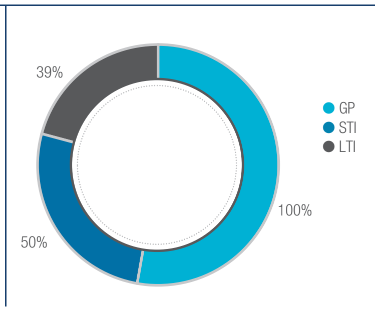
Remuneration mix

There have been a few minor changes to the remuneration mix since the last integrated report was issued, resulting in the following breakdown of the pay mix as a percentage of guaranteed pay for the executive team:

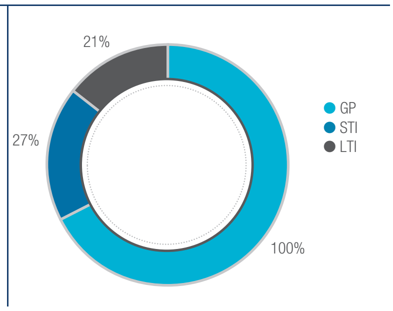
CEO – current pay mix (on target)



Exco – current pay mix (on target)



Senior executives – current pay mix (on target)



Variable remuneration

The variable remuneration component consists of both short-term incentives (STI) and long-term incentives (LTI). The short-term incentive for executive level employees is based on the executive incentive scheme (EIS), and the achievements for FY2017 and FY2018 are reflected below:

FY2017 EIS final scores:

IMPLATS SHORT-TERM INCENTIVE SCHEME – FY2017 FINAL SCORES

		Target or objective	Target	Actual	Score	Weight	Weighted score
SHEC	Annual	Nets and bolts – Safety audit (Impala)	100%	88%	1.00	5%	
		LTIFR and RWI*	4.22	5.92	2.69	25%	
		Serious environmental incidents	0	0	3.00	5%	2.31
		Fatalities	0	9	1.00	5%	
						40%	
WQ3C	Annual	Platinum production (000oz) – Impala, Marula in concentrate, Zimplats in matte	1 112	995	1.00	5%	
		Unit cost per refined platinum ounce (R/Pt oz)	21 036	22 682	1.44	5%	
		PGE production (000oz) – Impala, Marula in concentrate, 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%	1.2
		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%	

** Mimosa included in FY2017 target historically and subsequent measurement.*

FY2018 EIS final scores

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:

			FY2018				
Description	**Unit**	**Weight**	**Actual**	**Threshold 0%**	**Target 100%**	**Maximum 200%**	**Bonus % achieved**
GROUP		100%					50%
Safety LTIFR*	per million	20%	**5.55**	5.68	5.11	4.54	22%
Mine-to-market pt ounces – Stock adjusted	(000 oz)	40%	**1 301**	1 276	1 339	1 422	40%
Unit costs (gross cost per pt ounce) excluding retrenchments	R/pt oz	40%	**25 646**	26 563	25 332	23 874	74%

** Mimosa included in FY2017 target historically and subsequent measurement.*

Managing performance through remuneration

Both organisational and individual performance are considered 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:

Employee category	Group	Organisational objectives Business	Operational	Personal objective
CEO	70	–	–	30
Corporate executives	70	–	–	30
Business executives	20	50	-	30
General managers	–	20	50	30

The CEO's individual performance was assessed and rated by the board as a rating of 3.70 on the 5 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% x 75.5% = R3.990 million annual bonus award for FY2018.

STI as a percentage of GP for the various levels for FY2017 and FY2018 is set out in the table below:

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%

Long-term incentives:

November 2014 share vesting

The corporate performance targets for the vesting of the CSPs issued in November 2014 (being total shareholder return 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 one-third of the SARS vesting in November 2017. Participants have three 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 were approved by the STRCom, 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 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:

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:

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

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

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:

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.

Changes to the long-term incentives plan:

Following an assessment and review of our long-term incentives offering, we identified some gaps in the offering and misalignment with the overall Group strategy. The revised long-term incentive policy was presented to shareholders and approved at the annual general meeting in October 2018. The Implats 2018 Share 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; and
(iv) Matching shares which are linked to the minimum shareholding requirement policy.

The performance shares have similar features of the Implats 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.

Managing performance through remuneration

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 and subject to the vesting performance.

Minimum shareholding requirement policy

The Company also intends introducing a minimum shareholding requirement (MSR) policy for the Implats Group executive committee (Exco) and for other persons otherwise designated by the STR committee. 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 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; and

(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.

Non-executive directors' remuneration:

The role of the board and the non-executive directors 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.

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

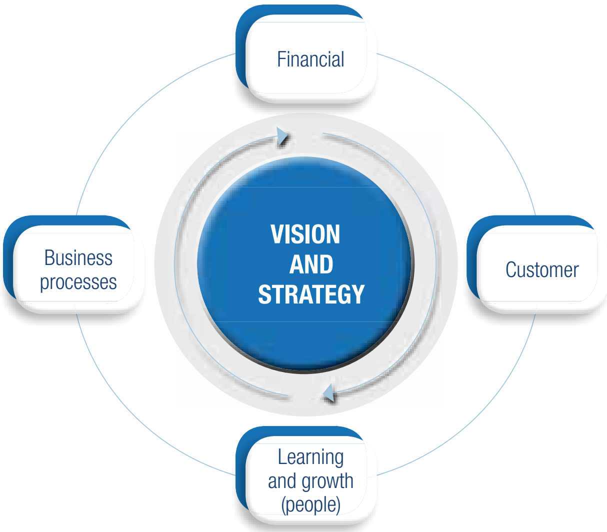
	Board	Audit	Health, safety, environment and risk	Nominations, governance and ethics	Social, transformation and remuneration	Capital allocation and investment	Ad hoc	Total
HC Cameron#	286 941	286 941	–	–	–	93 691	–	667 573
PW Davey•	374 923	177 192	–	122 596	–	122 596	16 960	814 267
MSV Gantsho	1 929 200	–	–	–	–	–	–	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 at R16 960.00*
Paid three-quarters of fees – director deceased on 6 April 2018

Variable remuneration KPI measurement methodology is as follows:

Why implement a balance scorecard (BSC)?

> Increase focus on strategy and results
> Improve organisational performance by measuring what matters
> Align organisation's strategy with the work people do on a day-to-day basis
> Focus on the drivers of future performance
> Improve communication of the organisation's vision and strategy
> Prioritise projects and initiatives
> Set key performance indicators (KPIs) for targets, stretch and determine a threshold which aligns with our performance-based tolerance levels on pages 26 and 27



Traditional BSC

At Impala, the BSC will be structured into four themes:

FINANCIAL YEAR 2019

Social licence to operate and safety

> Improve efficiencies through operational excellence and safe production
> Create a safe operational culture

Production

> Drive shared value initiatives
> Maintain responsible environmental stewardship
> Maintain sound and mutually beneficial relationships with communities and other stakeholders

Cost

> Generate positive cash flow margins at all operations

People

> Create a culture of performance and accountability

Process to develop individual BSC KPIs

Managing performance through remuneration

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%):

CEO BSC (personal performance): financial year 2018

KPI	Objective
Strategy development and execution	1. Board-approved corporate strategy
	2. Board-approved Rustenburg strategy
	3. Board-approved Marula strategy
Leadership	1. Create a compelling vision
	2. Motivate Exco and employees behind the vision, create a shared sense of purpose and strategic objectives and goals
	3. Develop and implement Exco succession plans – ensure that development actions are taking place and strong diverse pipelines are being developed
Culture	1. Develop and purposefully drive the acceptance of Implats aspirational performance and safety culture
	2. Establish a base line, assess and make progress towards the aspirational culture of performance, safety, accountability, decisiveness, transparency and ownership throughout the business
	3. Provide strategic oversight and a sense of urgency to the development and implementation of diversity and transformation
Stakeholder engagement	1. Effectively communicate the strategic direction of the Company
	2. Build and maintain effective working relationships with the chairman and the board
	3. Improve relations with and support from organised labour, communities and government
	4. Grow investor confidence in Implats value proposition by holding successful roadshows (feedback from roadshows)
	5. Improve the perception of Implats as a credible partner for Zimbabwe

Target	Weighting
> 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%
> 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	
> Deliver cash positive FY2018 business plan	
> Develop, in collaboration with Exco, key priorities and performance metrics for FY2018	15%
> Communicate key priorities for FY2018 to Exco and employees, align Exco KPIs to key priorities and review remuneration structure to support the delivery of key priorities	
> 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	
> Develop and implement the Group safety strategy and behavioural-based safety programmes > Develop and implement the Group performance management framework	15%
> Conduct Company culture survey and develop a baseline and targets for FY2019	
> Achieve employment equity targets for FY2018 as per the employment equity plan	
> Hold regular roadshows with the investor community, employees, organised labour and government to communicate the strategic direction of the Company	20%
> Conduct board evaluation	
Marula: > Successful implementation of S189 > Resolve chrome dispute > Minimal operational disruptions as a result of community unrest Rustenburg: > Successful implementation of S189 > Engage organised labour, DMR and community leaders on next phase of restructuring Zimbabwe: > Engage government on policies affecting the sustainability of the Zimbabwean operations and influence policy change	
> Favourable rating received from top 5 sell-side analysts > Favourable rating received from top 10 institutional investors	
> Conversion of special mining lease (SML) to mining lease (ML) > Defer Mimosa export levy	