



Governance and remuneration

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Corporate governance

Introduction

Corporate governance is integral to the success and sustainability of Implats, and the board is therefore committed to ensuring that its policies and practices support and reflect this ethos throughout the Group. The board is also committed to the highest levels of integrity and ethics in the conduct of its business.

In order to ensure that the Company remains at the forefront of best corporate governance practices, compliance with the King III Code on Corporate Governance (King III) and the Companies Act remains high on the board's agenda. The board has satisfied itself with the extent of the Company's compliance with the King III Report and with the JSE Listings Requirements during the financial year ended 30 June 2013 and a table setting out how the Group has applied the principles of King III is contained on the Company's website, www.implats.co.za. The table also highlights any exceptions with the application of King III.

During the year under review, additional enhancements and refinements were made to the policies, procedures and strategy of the Company, to further align the Company with the principles of King III and the requirements of the new Companies Act.

These included:

- ▷ Revisions to the board charter and terms and reference of the various committees
- ▷ The approval of a "trading in shares and securities" policy
- ▷ The adoption of the Company's memorandum of incorporation, as approved by shareholders at the AGM held in October 2012
- ▷ The approval by shareholders of a new "Long-term Incentive Scheme" which is strongly aligned with the principles of King III, particularly in terms of performance-related incentives.

The board continues to recognise the importance of effective governance in creating long-term value for all its stakeholders. This understanding and recognition continues to guide the board in its vision to lead the Company with practices based on transparency, accountability, integrity and ethical leadership.

Board of directors

The board has 14 directors, comprising nine independent non-executive directors, two non-executive and three executive directors. Dr KDK Mokhele, an independent non-executive director, is chairman of the board. Mr TP Goodlace is the chief executive officer (CEO) and an executive director. The roles of the chairman and CEO are distinctly separate.

Changes to the board

Mr JM McMahon stepped down as an independent non-executive director at the conclusion of the annual general meeting held on 24 October 2012. Following recommendation by the nominations and governance committee, Mr AS Macfarlane and Mr PW Davey were appointed as independent non-executive directors with effect from 1 December 2012 and 1 July 2013 respectively.

The board also approved the following appointments, effective 8 August 2013:

- ▷ Ms A Kekana – representing Royal Bafokeng Holdings
- ▷ Mr BT Nagle – representing Royal Bafokeng Holdings
- ▷ Mr OM Pooe – alternate to Ms A Kekana (following his resignation as a full director)
- ▷ Mr TV Mokgatla – independent non-executive director (following his resignation as a representative of Royal Bafokeng Holdings).

Education and induction

Upon appointment, new directors are offered an induction programme tailored to their specific requirements. During the year under review, meetings with operational executives were arranged to assist the new directors in gaining an intimate understanding of the business on specific points of interest.

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.

Role and function of the board

The board fully embraces the principle of ethical leadership in setting and implementing the strategy of the Company, guided by the principles of the King III, the Companies Act, the JSE Listings Requirements and all other applicable laws, standards and codes. In addition, the board takes full responsibility for the management, direction and performance of the Company by exercising independent judgement on all issues reserved for its review and approval while taking cognisance of the needs of all stakeholders. The role and functions of the board are formally and comprehensively documented in a board charter which, inter alia, defines the rights, obligations, responsibilities and powers of the board. The board functions as a unit and through its sub-committees and the management executive committee. A formal delegation of authority (approval framework), which further defines the powers and authority of the board and those of its sub-committees, is in place.

Frequency of meetings

The board meets at least seven times a year. In addition to four quarterly board meetings, three full-day sessions are held annually. On two of these occasions the board meets with the senior executive team to consider and approve long-term strategy or any adjustments to the approved strategy when the need arises and also to approve the budget and business plans. The third full-day session is dedicated to board education and training. The board meets on an ad hoc basis to consider specific issues as the need arises. The status of identified strategic issues is reported and monitored at the quarterly board meetings. Non-executive directors meet both officially and unofficially with management on a regular basis.

Meeting attendance

Directors	15/08/12	10/09/12*	26/09/12*	15/11/12	03/12/12	08/02/13	30/05/13	24/06/13*
KDK Mokhele (Chair)	✓	✓	✓	✓	✓	✓	✓	✓
TP Goodlace	✓	✓	✓	✓	✓	✓	✓	✓
B Berlin	✓	✓	✓	✓	✓	✓	✓	✓
HC Cameron	✓	✓	✓	✓	✓	✓	✓	✓
PA Dunne	✓	✓	✓	✓	✓	✓	✓	✓
MSV Gantsho	✓	✓	✓	✓	✓	✓	✓	✓
TP Goodlace	✓	✓	✓	✓	✓	✓	✓	✓
AA Maule	✓	✓	✓	✓	✓	✓	✓	✓
AS Macfarlane	–	–	–	–	✓	✓	✓	✓
JM McMahon	✓	✓	✓	–	–	–	–	–
TV Mokgatla	✓	✓	✓	✓	✓	A	✓	✓
B Ngonyama	✓	✓	✓	A	✓	✓	✓	✓
NDB Orleyn	✓	A	✓	✓	✓	✓	✓	✓
OM Poee	✓	✓	✓	A	✓	✓	A	A**

A = Apology.

– = Meeting not applicable.

* = Special meeting.

** = Full director did not attend the meeting in order to facilitate the attendance of the alternate director.

Board committees

The board has delegated various duties to the appropriate sub-committees, as specified by relevant legislation, to ensure the fulfilment of their duties in the time available. The board remains ultimately responsible for these duties and decisions. Board committees provide feedback to the main board through their chairmen. Each board committee is chaired by an independent non-executive director. The composition of board committees is compliant with the recommendations of King III, with the exception of the risk committee which composition fell below the stated minimum of three members until the appointment of Mr PW Davey on 1 July 2013.

Audit committee

Members of the audit committee were appointed by shareholders at the annual general meeting in October 2012. The committee comprises independent non-executive directors, all of whom are suitably qualified to carry out the duties

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specified. The terms of reference of the committee were reviewed and approved by the board during the year under review. In summary, the main purposes of the committee are:

- ▷ Monitoring the integrity of the integrated annual report and other relevant external financial reports of Implats, and reviewing all significant inputs, judgements and outputs in order to present a balanced and understandable assessment of the position, performance and prospects of Implats, as appropriate
- ▷ Preparing a report to be included in the annual financial statements in terms of section 94(7)(f) of the Companies Act (on page 108 of this report)
- ▷ Reviewing the annual financial statements, the interim, preliminary or provisional results announcements and financial information which is to be made public
- ▷ Reviewing the Company's internal financial control and financial risk management systems in order to safeguard Implats' assets
- ▷ Monitoring and reviewing the effectiveness of Implats' internal audit function
- ▷ Appointment of the external auditors, approving the remuneration and terms of engagement of the external auditors and monitoring their independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements
- ▷ Regulating the use of the external auditors for non-audit duties in terms of a policy document which governs the use of external auditors for non-audit services
- ▷ Receiving and dealing appropriately with 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
- ▷ Assisting with the establishment and reviewing of statements or requirements on ethical standards
- ▷ Ensuring the application of a combined assurance model to provide a coordinated approach to all assurance activities.

The committee has unrestricted access to all Company information, may seek such information from any employee, and may consult external professional advisers in executing its duties. The internal and external auditors have unlimited access to the chairman of the committee and they meet at least once a year, individually, with the board chairman.

The audit committee has, in the past financial year, satisfied its responsibilities in compliance with the new Companies Act as amended, and its terms of reference. Membership of the audit committee and attendance of its meetings during the year was as follows:

Directors	20/07/12	08/08/12	14/11/12	06/02/13	05/04/13	23/05/13
JM McMahon*	✓	✓	–	–	–	–
HC Cameron	✓	✓	✓	✓	✓	✓
AA Maule	✓	✓	✓	✓	✓	✓
B Ngonyama	✓	✓	✓	✓	✓	✓

* Resigned on 24 October 2012.

Remuneration committee

Membership of the committee remained unchanged during the year under review. The composition of the committee is in line with King III recommendations whereby the majority of members are independent non-executive directors and are all suitably qualified to carry out their duties. The chief executive officer and the human resources executive are invited to attend all meetings except when their own remuneration is under consideration.

The committee terms of reference were reviewed during the year under review and were approved by the board.

The main functions of the remuneration committee are:

- ▷ Determining fixed and variable remuneration for executive directors and senior executives
- ▷ Ensuring that the right calibre of executive and senior management is attracted, retained, motivated and rewarded for individual performance and contribution to the performance of the Group
- ▷ Ensuring the provision of fair, equitable and competitive conditions of employment across the Group
- ▷ Ensuring the effectiveness of a comprehensive talent management process encompassing employee development and succession planning

- ▷ Benchmarking remuneration practices against both local and international best practice
- ▷ Monitoring retirement benefits
- ▷ Reviewing and recommending to the board all aspects of remuneration including the incentive schemes, share options schemes and any other remuneration-related schemes of Group executives
- ▷ Discharging the obligations of the board to ensure objectivity regarding the remuneration of directors
- ▷ Recommending the Company's remuneration policy to the board for a non-binding approval by shareholders at the annual general meeting
- ▷ Making recommendations on the remuneration packages of non-executive directors, the chairman, members of sub-committees and committee chairmen to the board and to shareholders for approval.

The Company's remuneration policy, as determined by the remuneration committee, was presented to shareholders for endorsement at the last annual general meeting. The policy strives for competitive and fair reward, to recognise and reward individual and team achievement and to contribute to the attraction, retention and motivation of employees, organisational growth and prosperity.

Membership of the remuneration committee and attendance of its meetings during the year was as follows:

Directors	18/07/12	14/11/12	30/01/13	28/05/13
MSV Gantsho	✓	✓	✓	✓
NBD Orley	✓	✓	✓	✓
TV Mokgatla	✓	✓	✓	✓
KDK Mokhele	✓	✓	✓	✓

Nominations and governance committee

The committee is chaired by the chairman of the board, and the CEO is a permanent invitee. It comprises three members, all of whom are independent non-executive directors. When matters relating to the chairman or his succession are discussed, he is recused from the meeting and the appointed committee member assumes chairmanship. Likewise, when matters concerning other members of the committee are under discussion, they are also recused from the meeting.

During the year under review the board, board chairman, and the identified retiring directors had their performances evaluated. The committee was assisted by PricewaterhouseCoopers as an external service provider, with the assistance of the company secretary. The results of the evaluation were tabled at a board meeting where all areas of concern were acted upon and corrective measures were taken. The annual evaluation of Dr KDK Mokhele formed the basis of his appointment as chairman.

The committee also oversaw the annual board evaluation of the chief executive officer and the Group company secretary.

Finally, an annual evaluation process of the executive directors of the board was initiated during the year under review. The committee considered this process vital, taking cognisance of the decision by the board to exclude executive directors from the annual re-election list, as per the amended memorandum of incorporation. This process will now allow the board to continuously assess the performance of executive directors, despite these directors not standing for re-election.

The committee terms of reference were reviewed and approved by the board during the year under review.

The key functions of the committee are:

- ▷ Ensuring that the board and its sub-committees are so structured and staffed as to enable them to carry out their mandates
- ▷ Responsibility for the performance appraisal of the board, sub-committees and individual directors
- ▷ Proposing the re-election of retiring directors following the achievement of a satisfactory performance review
- ▷ Establishing a formal process for the appointment of directors
- ▷ Developing a formal induction programme for new directors and an ongoing professional board development programme for directors
- ▷ Ensuring that directors receive regular briefings on changes in risks, laws and the environment in which the Company operates.

Corporate governance continued

Membership of the nominations and governance committee and attendance of its meetings was as follows this year:

Directors	13/08/12	12/11/12	30/01/13	28/05/13
KDK Mokhele	✓	✓	✓	✓
MSV Gantsho	✓	✓	✓	✓
NDB Orleyn	✓	✓	✓	✓

Risk committee

A vacancy on the committee existed and, when Mr PW Davey was appointed to the board, he was also appointed as a member of this committee. The formal terms of reference were approved by the board to empower the committee to act within their scope. Through this committee the Company has implemented an effective policy and plan for risk management that will enhance the Company's ability to achieve its strategic objectives. Transparent and relevant disclosure regarding risk is made timeously to the committee and to the board.

The functions of the committee include:

- ▷ Overseeing and monitoring the development, implementation and annual review of a policy and plan for risk management to recommend for approval to the board
- ▷ Making recommendations to the board concerning the levels of risk tolerance and appetite, and reporting on monitoring so as to ensure that risks are managed within the levels of tolerance and appetite as approved by the board
- ▷ Ensuring that frameworks and methodologies are implemented to increase the likelihood of hard-to-predict risks being anticipated
- ▷ Ensuring that management undertakes continuous risk monitoring and that management considers and implements appropriate risk responses
- ▷ Liaising closely with the audit committee to exchange information relevant to risk and the audit committee chairman is required to be a member of the risk committee
- ▷ Relaying to the board the committee's views on the effectiveness of the system and process of risk management
- ▷ Reviewing reporting about risk management to be included in the integrated annual report.

The membership and attendance of risk committee meetings was as follows:

Directors	08/08/12	14/11/12	06/02/13	23/05/13
JM McMahon*	✓	–	–	–
AA Maule	✓	✓	✓	✓
HC Cameron	✓	✓	✓	✓

* Resigned on 24 October 2012.

Social, ethics and transformation committee

The committee comprises three independent non-executive directors, and one executive director. In the light of challenges experienced during the past 18 months, the committee this year focused on socio-economic matters that have impacted on the Company. Transformation remained a high priority on the committee agenda.

In summary, the duties of the committee are:

- ▷ Ensuring that the Company remains a good corporate citizen
- ▷ Monitoring the social and economic development of the Company and its employees
- ▷ Reviewing and approving framework policies and guidelines for the management of transformation and sustainable development and ensuring their progressive implementation
- ▷ Reviewing the Group's progress on transformation and compliance with the Mining Charter and the Mineral and Petroleum Resources Development Act
- ▷ Reviewing empowerment measures including the level of procurement sourced from graded broad-based black empowerment enterprises; enterprise development through the provision of financial and/or operational assistance to such enterprises; and corporate social responsibility initiatives

- ▷ Receiving reports on the Company's performance and, where appropriate, the performance of empowerment partners and contractors, covering matters of material impact on transformation and social development risk and responsibilities facing the Company.

The committee's terms of reference were approved by the board and are subject to, inter alia, the Companies Act, the memorandum of incorporation and the Mining Charter.

The membership of the social, ethics and transformation committee and attendance at its meetings was as follows:

Directors	13/08/12	12/11/12	30/01/13	28/05/13
NDB Orleyn	✓	✓	✓	✓
KDK Mokhele	✓	✓	✓	✓
TV Mokgatlha	✓	✓	✓	✓
HC Cameron	✓	✓	✓	✓
TP Goodlace	✓	✓	✓	✓

Health, safety and environment committee

The key strategic objective of the committee is to assist the board with oversight of health, safety and environmental (HSE) issues within the Company.

Through formal terms of reference which were reviewed and approved by the board during the year under review, the board has mandated the committee to monitor and review the Group's health, safety and environmental performance. The committee is comprised of four members: two independent non-executive directors, one non-executive and one executive director. The responsibilities of the committee as reflected by its terms of reference include:

- ▷ Reviewing the adequacy and appropriateness of the safety, health, environmental and quality systems, policies, standards, codes of practice and procedures of the Group
- ▷ Monitoring HSE performance in accordance with stated goals and objectives, including measurement against South African and international norms and benchmarks
- ▷ Monitoring the HSE management function and recommending improvements where considered necessary
- ▷ Reviewing the HSE element of the Company's business plan and approving the HSE section of the Integrated Annual Report
- ▷ Having the right to institute investigations into matters where inadequacies have been identified, or as directed by the board.

The composition of the committee and attendance at its meetings was as follows:

Directors	07/08/12	13/11/12	07/02/13	22/04/13***	24/05/13
JM McMahon*	✓	–	–	–	–
KDK Mokhele	✓	✓	✓	✓	✓
OM Pooe	✓	✓	✓	✓	✓
TP Goodlace	✓	✓	✓	✓	✓
AS Macfarlane **	–	–	✓	✓	✓

* Resigned on 24 October 2012.

** Appointed on 1 December 2012.

*** Special meeting of the committee.

Company secretary

The primary roles of the company secretary are to ensure that the board remains mindful of its duties and responsibilities and to equip the board to discharge such duties and responsibilities. In addition to guiding the board on discharging its responsibilities, the company secretary keeps the board abreast of relevant changes in legislation and governance best

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

In compliance with JSE Listings Requirements, the board has performed an annual assessment of the company secretary and hereby confirms the following:

- ▷ The company secretary has the necessary experience, expertise and competence to carry out her duties
- ▷ The company secretary has an arm's-length relationship with the board and is not a director of the Company or any of its subsidiaries.

Other corporate governance issues

Listings

The Company is listed on the Johannesburg Stock Exchange and has a sponsored Level 1 American Depository Receipt programme in New York. During the year under review, the Company de-listed from the London Stock Exchange.

Risk management

The underlying rationale for any enterprise is to create value for its stakeholders in a responsible and sustainable manner.

Effective risk management provides the requisite mitigation of the threats, weaknesses and uncertainties that may cause the enterprise to fail in the achievement of its objectives. Risk management must also establish how much uncertainty the enterprise is willing to accept in its endeavours.

Uncertainty presents both threats and opportunities with the potential to erode or enhance value. This is often expressed in terms of the concept of "risk versus reward". Aversion to risk is incompatible with the creation of long-term value. Conversely, failure to conform to government, legal or societal demands will result in severe and potentially damaging censure or even closure of the organisation.

In general, investors accept a measure of earnings volatility, particularly if such volatility reflects the nature of a Company's industry. However, many stakeholders are not tolerant of what may be perceived as "risk taking" and may even punish uncertainty and unpredictability, which are interpreted as being indicative of an increase in risk.

Problems arise when a business' own view of its risk/reward status differs significantly from that of stakeholders. Effective and timely communication with stakeholders regarding relevant enterprise risk/reward issues is essential to mitigate stakeholder uncertainty and unpredictability.

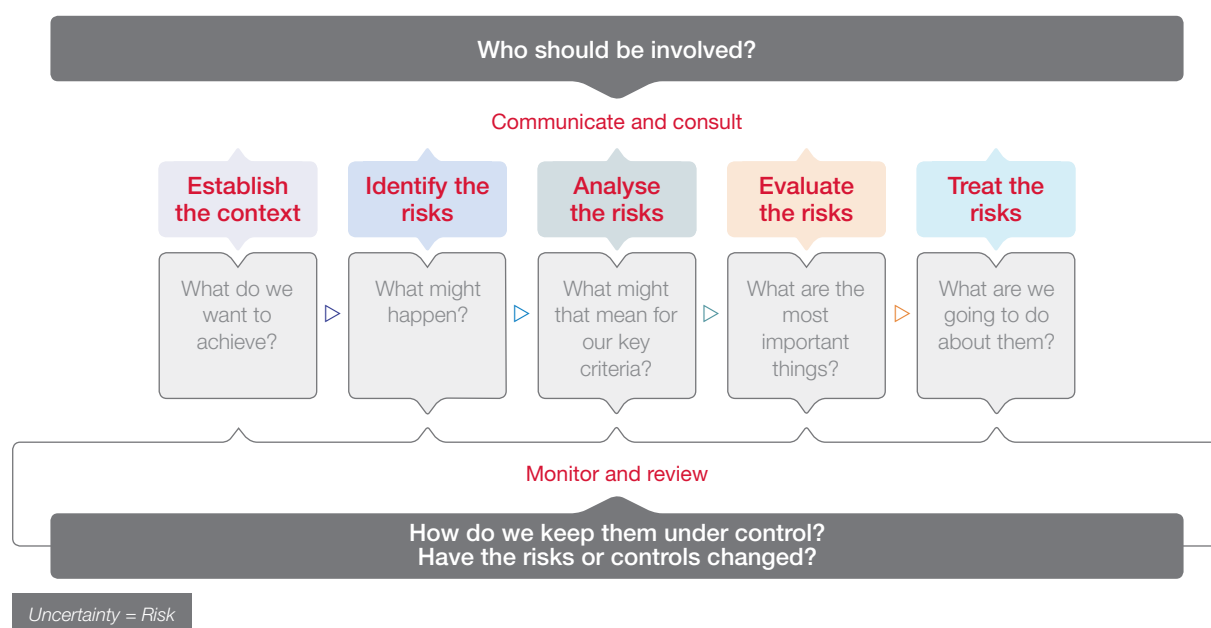
Effective risk management enables management to deal with uncertainty and associated threats and opportunities, thus enhancing the enterprise's capacity to build value. At Implats this is achieved through:

- ▷ Using an appropriate method to identify and assess the risks inherent in a decision or action before the decision or action is taken
- ▷ Once the risks have been assessed and the relevant controls and risk-mitigation tasks identified, recording a sufficient level of detail in an appropriate form and registry and making these available for independent scrutiny
- ▷ Making appropriate risk reports available as and when required, more specifically as part of the motivation for a particular decision. In addition, the state of risk-treatment controls is tracked to provide the requisite assurance that the risks are, in fact, under control as per the risk-assessment reports.

The most important purposes of enterprise risk management are to institutionalise an ongoing and rigorous identification of risks in all aspects of the business, to encourage open and honest dialogue about these risks and to bring about the implementation of the necessary controls and risk-treatment initiatives.

Effective enterprise risk management reduces uncertainty, engenders confidence and enables our organisation to be more decisive in pursuit of its vision, mission and goals. Group risk management policy and the ISO 31000 standard for risk management detail the systematic, consistent and professional approach that is required to ensure successful and effective risk management.

The ISO 31 000 risk management process



Internal audit

Implats Group internal audit (IGIA) is an independent, objective assurance activity which provide assurance regarding the effectiveness of risk management, internal controls, compliance and governance activities. The department offers general and technical audits; control self-assessments; fraud awareness, prevention and detection; and forensic investigations.

The function provides assurance by applying a risk-based methodology that has matured over years of consistent application. All activities in the department are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. Among others, the department has established reviews to evaluate compliance with King III across the Group.

An appropriate charter ensures that IGIA maintains its independence and objectivity, underpinned by functional reporting to the audit committee chairman by the chief audit executive, quarterly meetings with the chief executive and chief financial officers and a permanent invitation to the executive committee. The function has sufficiently skilled internal auditors all of whom are members of the Institute of Internal Auditors.

Cooperation between internal and external audit provides sufficient coverage to the Implats Group and minimises the duplication of effort in terms of assurance provision. A combined assurance forum ensures that the Group assurance process is optimised and enhanced while covering all key risks.

To ensure the provision of an accredited service, an effective quality assurance and improvement programme covers all aspects of internal audit activity. The programme includes both internal and external assessments (as prescribed by the International Standards for the Professional Practice of Internal Auditing).

Internal controls

Implats' internal controls are designed to mitigate risks that we may face at the strategic, operational and process levels so as to ensure that objectives are met in an economical manner.

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Overall responsibility for the framework of internal control rests with the board. Implats management is responsible for the establishment, implementation and maintenance of internal control frameworks which consist of controls that should be both adequate in design and effective in implementation.

We place great reliance on the three lines of defence as described in King III – which are well entrenched within our organisation. The effectiveness of Implats' internal control has been enhanced through the combined assurance forum, membership of which comprises representatives of the risk management, compliance, legal, company secretary, external and internal audit functions, and is jointly chaired by internal audit and external audit. Management has input at forum meetings through their control self-assessments, a process that is facilitated by internal audit. (Control self-assessments are based on the input that management provides on their areas of responsibility through risk assessments. These assessments continue to enhance management's appreciation of risks and controls, thereby continuously improving the adequacy and effectiveness of controls.)

Corruption and fraud

Implats has a zero-tolerance stance on fraud and corruption. Our expectation is that employees, business partners, contractors and associates conduct themselves with the highest level of integrity and in line with the Implats code of ethics and the fraud policy. A detailed code of ethics forms the foundation of the Group's fraud policy, in line with the organisational culture which promotes a strong and healthy ethical fibre. Both policies are fully compliant with the Prevention and Combating of Corrupt Activities Act of 2004.

Executives and line management are responsible and accountable for the implementation of the fraud policy, code of ethics and resultant procedures.

Our fraud policy prescribes that all reported allegations be investigated. A total of 139 allegations were reported Group-wide this year, 65 of which were received by the South African operation, 13 from Mimosa and 61 from Zimbabwe. All reported allegations were investigated in compliance with our fraud policy.

Sixty-six allegations were adjudged to be founded and were taken through the disciplinary process as per the disciplinary codes applicable at the different locations. The status of these at year-end was as follows:

- ▷ Forty-three resulted in guilty findings. Sanctions ranged from counselling to dismissal
- ▷ Thirteen cases were still pending
- ▷ Ten were not guilty.

Fraudulent irregular activity and theft reported Group-wide by internal audit in 2013

	Investigating pending	Allegations unfounded	Allegations founded	Total
Nature of allegation				
BEE fronting	2	2	0	4
Conflict of interest and corruption	12	4	7	23
Fraud and theft	13	18	42	73
Misconduct and other	2	20	17	39
Total	29	44	66	139

Code of ethics

Implats has a code of business practice to which all employees and suppliers are expected to adhere. The policy outlines conflicts of interest, the prevention of dissemination of Company information, the acceptance of donations and gifts and the

protection of the Company's intellectual property and patent rights. This policy outlines the disciplinary action (including dismissal or prosecution) that will be taken in the event of any contravention. A "whistleblowing" toll-free helpline is in place to facilitate the confidential reporting of alleged incidents that are then relayed to the chief audit executive, and further to the chairman of the board as a courtesy. All reported allegations are investigated, each to its logical conclusion and formally reported to the appropriate levels in the organisation.

Dealings in securities

The Group observes closed trading periods from the end of the relevant accounting period to the announcement of the interim or year-end results and any period when the Company is trading under cautionary announcement, during which periods neither directors nor employees may deal, either directly or indirectly, in the shares of the Company or its listed subsidiaries.

Certain employees, by virtue of their positions or access to information, are also prohibited from trading during certain periods when they are in possession of unpublished price-sensitive information. The Morokotso Trust is only allowed to trade during closed periods in respect of shares vesting for good leavers. The trust is not a share incentive scheme in terms of the JSE Listings Requirements and the provisions of Schedule 14.9(d) do not apply to the trust.

All directors' dealings require the prior approval of the chairman while the Group secretary retains records of all such dealings and approvals. As highlighted earlier, in May 2013 the board approved a formal policy regulating the trading of the Company's shares and securities.

Sustainability reporting and the JSE Social Responsibility Index (SRI)

Implats' non-financial information and performance is guided by Group-wide definitions and reporting procedures informed by international reporting guidelines and transparency codes such as the Global Reporting Initiative (G3.1), the United Nations Global Compact, the Extractive Industries Transparency Index (EITI), the JSE Social Responsibility Index (SRI) as well as laws and regulations governing the country of operation. Material sustainability information is managed as a fundamental part of the business against set standards and objectives and reported to the relevant operational committee, and to the board via the sub-committees. Sustainability performance is reviewed on a regular basis and the necessary corrective actions and measures taken where required.

Political donations

Group policy prohibits political donations, either directly or indirectly.

Access to information

Implats has complied with the requirements of the Promotion of Access to Information Act of 2000. The corporate manuals are available on the website at www.implats.co.za and from the Group secretary who has been appointed the information officer of the Group.

Sponsor

Deutsche Securities (SA) Proprietary Limited is appointed the Company's corporate sponsor, in compliance with the JSE Listings Requirements.

Audit committee report

for the year ended 30 June 2013

Background

The committee is pleased to present its report for the financial year ended 30 June 2013. The committee's operation is guided by a formal detailed charter and an updated, revised version of the charter was approved by the board in November 2012.

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

Objective and scope

The overall high-level objectives of the committee are:

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

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, systems and processes
- ▷ Reviewed the reports of both internal and external auditors detailing their concerns arising out of their audits and requested appropriate responses from management
- ▷ Made appropriate recommendations to the board of directors regarding the corrective actions to be taken as a consequence of audit findings, as appropriate
- ▷ 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 2012
 - The annual results for the year ended 30 June 2013
- ▷ 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 objectives of the committee were adequately met during the year under review.

Membership

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

Mr HC Cameron – chairman

Ms AA Maule

Ms B Ngonyama

In addition, the chief executive officer, the chief financial officer, head of group internal audit, and the external auditors are permanent invitees to the meeting.

External audit

The committee has satisfied itself, through enquiry, that the auditor of the Company is independent, as defined by the Act. The committee, in consultation with executive management, agreed to an audit fee for the 2013 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. Audit fees are disclosed in note 24 to the annual financial statements.

The independence of the external auditor is regularly reviewed and a full independent evaluation of the external auditors was carried out in this financial year. Further, the approval of all non-audit related services are governed by an appropriate approval framework.

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

As stated above, the committee has reviewed the performance of the external auditors and will nominate, for approval at the annual general meeting, PricewaterhouseCoopers Inc. as the external auditor for the 2014 financial year, with Mr JP van Staden as the designated auditor. In terms of the rotation requirements of the Act, 2014 will be his final year as designated auditor of the Company. The committee confirms that the auditor and designated auditor are accredited by the JSE.

Chief financial officer review – Ms Brenda Berlin

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

Annual financial statements

The annual financial statements were prepared using appropriate accounting policies, which conform to IFRS. The committee therefore recommended the approval of the annual financial statements to the board and the board approved the annual financial statements on 29 August 2013.

Internal financial control (statement on effectiveness of internal controls)

Based on the results of the formal documented review of the Company's system of internal financial controls, which was performed by the internal audit function and external auditors, nothing has come to the attention of the audit committee to indicate that the internal financial controls were not operating effectively.

Integrated annual report

The committee has evaluated the integrated annual report in respect of its consistency with operational and other information known to the committee. The committee has also considered the sustainability information as disclosed in the integrated annual report, specifically in relation to the assurance provided by the external parties and is satisfied that the information is consistent and reliable. The committee has therefore recommended the approval of the integrated annual report by the board, which has been formally approved by all members of the board.

Mr HC Cameron

Chairman of the audit committee

26 September 2013

Social, ethics and transformation committee report

Introduction

The social, ethics and transformation committee (the committee) is pleased to present its report for the financial year ended 30 June 2013.

The committee was constituted by the board of directors of the Company in terms of section 72(4) of the Companies Act, 2008 (the Act), read with regulation 43 of the Companies Regulations.

Previously, the Company had a transformation committee, which was reconstituted following the advent of the Act. The statutory duties of the social and ethics committee were combined with those of the transformation committee, and it was renamed the "social, ethics and transformation committee".

Over and above compliance with the requirement of the Act, the committee has the primary role of ensuring continuous entrenchment of the companies' transformation initiatives, in line with Group company policy. The committee regularly reviews management's actions in relation to appropriate legislation, King III best practice guidelines, and other industry standards. Another key function of the committee is to act as the social conscience of the business and to ensure that the Company conducts its day-to-day affairs as a responsible corporate citizen.

- ▷ The committee carries out its legislative obligations under the Act in relation to the Company and its subsidiaries, taking cognisance of the ten principles of the United Nations Global Compact. The committee guides, monitors and evaluates the progress by management in this regard and its mandate has been expanded to include additional responsibilities and oversight, which include:
 - ▷ Reviewing the adequacy and effectiveness of the Company's engagement and interaction with its stakeholders
 - ▷ Reviewing and approving the policy and strategy pertaining to the Company's programme of corporate social investment
 - ▷ Approving a code of ethics, and ensuring that the Company has processes in place to promote a healthy and ethical working environment for all its stakeholders
 - ▷ Monitoring changes in the application and interpretation of empowerment charters and codes.

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

Composition

The committee consists of four non-executive directors, one of whom is the chairman. The CEO is also a member of the committee. A summary of the committee's membership, meetings held and attendance is set out on page 103 of the integrated annual report, under the corporate governance section.

Responsibilities

The committee has an independent role to play and carries out the following duties:

- (a) 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
 - ▷ consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws
 - ▷ labour and employment.

Some of the committee's formal duties have been subdelegated to other committees of the board. For example, issues relating to labour and employment are discussed and deliberated upon by the remuneration committee, health, safety and environmental issues by the health, safety and environmental committee and all matters pertaining to Company risk by the risk committee. However, the board, as a collective, coordinates the different perspectives to ensure effective and responsible leadership in all areas to be overseen by the committee.

- (b) To report to the stakeholders of the Company at the annual general meeting on matters within its mandate.

Areas of focus

During the year under review, the committee has overseen and approved the following noteworthy initiatives by management:

- ▷ The social impact assessment of the South African operations, which aims to understand and document the socio-economic status of the communities within our areas of operation
- ▷ A revised "skills and talent development" plan, which is premised on a strategy to provide the Company with the most appropriate skills in a sustainable and structured manner, over time
- ▷ A cultural "Change Management" programme premised on respect and care principles, which is underpinned

by the Company's shared values and which focuses on respecting one another and caring for the Company, its people and the environment

- ▷ An expanded "stakeholder engagement" strategy, which has been implemented to respond to the current volatility in the mining sector, especially after the events at Marikana, which has culminated in intense interactions between industry, labour, government and civil society
- ▷ A renewed focus on "enterprise development", with particular emphasis on the opportunity to introduce more transformed service providers into core business activities and further increase the pool of local service providers, in order to harmonise relations between the Company and local communities.

Evaluation of committee performance

An evaluation of the performance of the committee was carried out in March 2012, and will be conducted again in March 2014, as part of a rolling two-year cycle. The evaluation report recognised the encouraging progress made by the committee against its agreed workplan, and in compliance with the requirements of various pieces of legislation applicable to its functioning. In the forthcoming year, the committee will continue to focus on effective social, ethics and transformation initiatives that enhance the sustainability of the Company. Implats remains fully committed to continuous improvement in this area of focus.

NDB Orleyn

Chairman of the committee

26 September 2013

Remuneration report

Introduction

The board of Implats is ultimately responsible for the Group's remuneration philosophy and the application thereof and is materially guided in this regard by the remuneration committee (Remcom). The board and Remcom continue to understand and embrace the importance of our people to the continued sustainability and growth of the Company and as such, remuneration policies are designed to motivate and retain high-performing employees and to reward them for their individual contribution to the Group's overall performance.

Philosophy

The Company's overall remuneration philosophy is designed to ensure that employees are fairly rewarded for their contribution to the Group's operating and financial performance in line with its corporate objectives and strategy. This design ensures that the interests of all stakeholders are aligned in respect of conditions of remuneration for all employees across the Group in an evolving regulatory and statutory environment.

The remuneration philosophy, as approved by shareholders and the Company, endeavours to match the market in terms of the broad talent pool, but will lead the market in areas of critical appointments, talented individuals, equity candidates and top performers.

The Company's overall remuneration policy aims are to:

- ▷ Implement a remuneration philosophy that is clear and transparent and which reinforces the Group's strategic positioning
- ▷ Promote and ensure compliance with an evolving regulatory environment, with a specific emphasis on the long-term sustainability of the Group
- ▷ Ensure alignment of the interests of the Company's board and management with that of our stakeholders
- ▷ Attract and retain talent at all levels
- ▷ Encourage employee behaviour that is goal-orientated and consistent with the Group's vision and values
- ▷ Set reward levels that are consistent with emerging governance frameworks on executive and non-executive compensation, by conducting regular benchmarking exercises against internal and external comparatives.

Remuneration committee

The Remcom chairman reports formally to the board on the proceedings of the Remcom after each meeting and attends the annual general meeting of Implats to respond to any questions from shareholders regarding the Remcom's areas of responsibility.

The committee utilised the services of PricewaterhouseCoopers Inc. (PwC) and Vasdex Associates (Pty) Limited in different capacities during the past financial year to benchmark guaranteed and variable remuneration against external comparatives and to advise on remuneration policy.

During the year under review, the Remcom took the decision to effect market-related salary adjustments as well as pay adjustments for lower level employees in critical categories to align with our closest competitors in the platinum industry to ensure both internal and external equity.

The current cost constraints being experienced in the industry and at Implats have necessitated the decision to forego annual increases due to middle and senior management employees on 1 October 2013. In a like fashion, no increases will be granted to non-executive directors remuneration.

The chairman of the committee has been empowered to engage directly with stakeholders on all matters affecting remuneration, which will then be taken into account by the committee in the revision and development of the Company's remuneration policy and principles.

Components of remuneration

The following remuneration components for all employees have been adopted:

- ▷ Fixed remuneration (comprising basic salary, benefits and allowances)
- ▷ Variable remuneration (comprising short and long-term incentives).

Fixed remuneration

Fixed remuneration is defined in terms of a total guaranteed package, which is negotiated to include a basic salary, accommodation and travel allowance, retirement savings, death, disability and health care insurance contributions. Guaranteed packages are market related and are based on the complexity of the role and the employee's personal performance and contribution to the Group's overall performance. Contributions towards travel, retirement, death, disability and health care benefits are included in the total guaranteed package and are applicable to all employees according to the rules of the relevant schemes and Company procedures.

All permanent employees, including executive directors, are required to join one of the approved retirement funds.

The Company offers participation in several nominated medical aid schemes where the choice of scheme vests with the employee. Death benefit insurance is provided for all employees and personal accident insurance is provided for D-upper and E-level employees who are expected to travel regularly in line with their specific role and deployment in the Group. As a result of past practice, the Company has a limited liability in terms of post-retirement medical benefits. This practice was ceased in 2006 and the employees entitled to this benefit were ring-fenced.

Salary increases for management employees (D-level and above) are effected on 1 October annually, and are determined by increases in general cost of living (inflation), individual performance, market conditions, Company performance and collective wage settlements. Salary increases for union-represented employees (A, B and C-level) are effected annually in line with collective agreements concluded with recognised trade unions.

Variable remuneration

The variable pay dispensation varies between employees in different roles and positions in the organisation. This differentiation is based on the principle that higher levels of variable pay will be awarded to employees who are required to put a greater proportion of pay at risk, and to assume greater levels of responsibility in relation to the achievement of organisational goals.

Short-term incentives

Production bonus for operational A, B, C and D-level employees vary based on their roles and positions, but generally constitute a combination of production, mining quality, cost and safety elements.

For the 2013 financial year, executive performance targets were split between corporate performance and individual performance.

Fifty percent of the on-target incentive is based on corporate performance consisting of cost and volume of production targets, referred to collectively as the "value added" target (weighted 40%), safety targets (weighted 25%) and key business drivers (weighted 35%). The remaining 50% of the on-target incentive is based on the individual key performance areas of each senior manager, based on his or her individual balanced scorecard of targets.

In terms of the Executive Incentive Scheme, the bonus structure differs at different grade levels – the on-target bonus amounting to 100% of basic package in the case of the chief executive officer, 60% in the case of executive directors and 50% in the case of E-level executives. Bonuses are graduated from a "threshold" having an assessed probability of 90% achievement, followed by an "on-target" level which has a probability rating of 80%, and above this, a "stretch" level which has a probability of 50%. Bonuses are capped at 200% of the on-target bonus for each individual element, and collectively capped at 150% of basic salary for each individual.

The executive short-term incentive scheme was reviewed to include a drive towards safety, health, environment and communities (SHEC) performance, and the drive for delivery on volume, value, quality, cost, capital and cash flow (VWQ3C) targets set in the business plan. The new scheme for 2014 addresses the need to implement leading safety indicators, reinforce the performance management programme and alignment with strategic plans and risk registers and improved governance and consistency of approach throughout the Group.

Remuneration report continued

The performance targets will be set annually by the Remcom for all executive directors, who in turn will set the performance targets for their subordinates and ensure the cascading of target setting for performance to senior managers (E-level and above).

An equal weighting of 40% of on target performance is assigned to SHEC and WQ3C respectively with the remaining 20% for personal projects or key performance indicators.

The bonus structure differs at different grade levels – the on-target bonus amounting to 35% of total reward in the case of the chief executive officer, 25% in the case of executive directors and 16% in the case of senior executives and executives.

In order to support the business plan objectives through sustained and focused performance metrics, the time frame and thus the frequency of payment for certain “core production” roles have been shortened. This will address the need to continually motivate some managers on targets specific to their production areas.

Long-term incentives

It is essential for the Group to retain critical skills over the longer term and to motivate and incentivise employees in a way that also aligns the interest of senior managers with those of shareholders. This is principally done through long-term incentive plans. To comply with King III corporate governance principles and remuneration best practice a new Long-term Incentive Plan (LTIP) was approved by shareholders at the annual general meeting on 24 October 2012.

Implats Share Incentive Scheme (ISIS)

The final award made in 2004 in terms of ISIS lapses in 2014.

Implats Share Appreciation Bonus Plan (ISABP)

Adopted in 2005, the ISABP is a cash-settled share appreciation rights plan. Participants receive once-off allocations under the ISABP, expressed as a multiple of their salary which is topped up as awards vest. The rights vest in equal tranches from year two through year five and lapse 10 years after the grant date. The introduction of the new LTIP in November 2012 replaced this scheme.

Long-term Incentive Plan 2012 (LTIP)

The LTIP that was introduced in 2012, comprises both a Conditional Share Plan (CSP) and a Share Appreciation Rights Plan (SAR). In terms of the SAR, conditional rights are awarded to participants to receive shares in Implats calculated with reference to the increase in the share price from the award date until the date on which the SAR is exercised by the participants. A three-year vesting period will apply, during which time the participants have no rights in respect of the underlying shares. Vesting is conditional on continued employment and a prescribed level of corporate performance. The participants are only entitled to exercise the SARs subsequent to and to the extent that vesting has taken place. Participants only become shareholders following the exercise of the SARs.

In terms of the CSP, full shares are awarded free of charge to the participants at the end of a three-year vesting period. On the date of award, participants are only granted conditional rights to acquire these shares at a future date, and only become shareholders with dividend and voting rights from vesting onwards. For the shares to vest, participants must remain employed by a company in the Group and vesting of the shares is subject to the achievement of closely defined performance vesting conditions over the performance period.

The first awards were made in November 2012, and the performance vesting conditions will effectively apply from the commencement of the 2013 financial year. The plan is designed such that the number of awards in the 2014 financial year and those made annually thereafter are determined on the basis that the expected value thereof at the award date, using an approved share option pricing formula, will ensure an appropriate balance between the different components of the more broadly defined total remuneration package of the respective participants. The performance conditions and annual allocation for D and E-level employees are set by the Remcom in accordance with the rules of the proposed scheme.

Performance vesting criteria:

- ▷ The performance vesting condition applicable to CSP awards are based on total shareholder return (TSR) relative to a peer group of South African platinum producing companies (the peer group). The TSR is measured as the compound annual growth rate (CAGR) in TSR for Implats and the peer group over the three-year performance period. The peer group companies and Implats are ranked based on their respective CAGR in TSR. This ranking determines the vesting percentage as follows:

Position of Implats relative to peer group	Percentage of CSP that vest
Lowest three	0%
Fourth	50%
Third	60%
Second	75%
First	100%

To determine the number of conditional shares to be issued to each participant, the expected value of each Implats share is calculated with reference to the listed market price on the date of granting the award less the fair value of expected dividends to be paid over the vesting period. The actual rand value that the Company wishes to deliver to each participant in terms of CSP will then be divided by such expected value to determine the number of conditional shares to be issued.

- ▷ Rights awarded in terms of the SAR vest based on the following performance targets, all equal in weighting:

Absolute growth in TSR of CPI + 2% over three years
*EBITDA margin over revenue over three years relative to the peer group
Fatality Frequency Rate over three years relative to the peer group

* Earnings before interest, tax, depreciation and amortisation.

To determine the number of share appreciation rights to be issued to each participant, the expected value of each share appreciation right is calculated using a stochastic model approved by the audit committee from time to time. Similarly, the actual rand value that the Company wishes to deliver to each participant in terms of SAR is then divided by such expected value to determine the number of share appreciation rights to be issued.

The Remcom has the discretion, on each grant date, to adjust the number of conditional shares and/or share appreciation rights determined in accordance with the above two paragraphs should it believe that the probability of achieving all the performance conditions is less than 100% thus affecting the number of awards that are likely to vest. Alternatively, the Remcom may vary the performance conditions set each year.

The Morokotso Trust

The Morokotso Trust was founded in 2006 and administers the Employee Share Ownership Programme (ESOP). All South African operations' A, B and C-level employees, who joined the Company before 4 July 2008, are beneficiaries of the ESOP.

Qualifying employees were each allocated 568 or 399 Implats shares depending on joining date, by the Morokotso Trust at an initial purchase price of R159.18 per share. The trust holds these shares on behalf of employees for a period of 10 years, with a 40% scheduled pay-out after five years (2011) and a 60% pay-out scheduled after 10 years (2016). Twenty-three thousand, four-hundred and forty-eight (23 448) beneficiaries benefited from the sale of 40% of their shares in July 2011, receiving an average amount of R3 500 per beneficiary. This release of shares when the Implats share price was relatively low had a demotivating effect at an operational level as employees had much higher expectations.

The shares were acquired by the trust funded by interest-bearing loans from Impala and Marula. Dividends accruing on the shares during the holding period are set off against interest owing.

Remuneration report continued

Retention plans

The Company operates a retention bonus scheme in terms of which 20% of basic salary is awarded but payment deferred. Eligibility to this scheme is confined to senior executives, line managers and senior professional staff. Every year, one third of the award is paid over to the employee, provided that he or she remains employed to the end of that period.

Impala also operates a Group hard currency procedure that applies to executive directors and senior executives (Level 24 and above) on a voluntary basis with the aim to attract and retain senior executive skills.

Package structure

In the case of senior executives the Remcom endeavours to secure that they are given incentives on a scale that secures an appropriate balance between fixed and variable forms of remuneration. The policies approved in relation to this for the 2013 financial year were as follows:

Package structure	CEO	Executive directors	Senior executives	Executives	Managers
Guaranteed package	35%	45%	50%	55%	60%
STI at target	35%	25%	25%	25%	25%
EV of LTI	30%	30%	25%	20%	15%

STI: Short-term incentives

EV: Expected value

LTI: Long-term incentives

Executive remuneration for the past financial year

Fixed remuneration

The following table summarises the fixed remuneration of the executive directors, prescribed officers and other senior executives of the Company for the year ended 30 June 2013:

Individual	Package (R000)	Retirement funds (R000)	Other benefits (R000)	Total 2013 (R000)	Total 2012 (R000)
Executive directors					
TP Goodlace	6 420	1 037	92	7 549	–
DH Brown (to 30/9/2012)	1 605	168	33	1 806	7 049
PA Dunne	3 867	486	13	4 366	4 136
B Berlin	3 766	395	94	4 255	4 001
Prescribed officers					
PD Finney	2 608	417	137	3 162	2 767
G Potgieter	3 813	480	113	4 406	4 094
A Mhembere**	614*	–	19*	633*	471*
Company secretary					
A Parboosing	1 308	137	86	1 531	1 384
Senior executives	13 643	1 452	748	15 843	14 598

Notes

- The senior executives account for seven employees.

- Other benefits include medical and travelling.

*(US\$'000).

**2013 fixed remuneration inclusive all payments by Zimplats Pvt only.

Variable remuneration

Individual	Bonus (R000)	Retention (R000)	Gains on LTIs# (R000)	Total 2013 (R000)	Total 2012 (R000)
Executive directors					
TP Goodlace	–	–	–	–	–
DH Brown (to 30/9/2012)	14 424**	572	–	14 996	6 089
PA Dunne	–	1 270	246	1 516	2 923
B Berlin	–	1 428	–	1 428	1 277
Prescribed officers					
PD Finney	512	556	1 478	2 546	978
G Potgieter	855	840	–	1 695	1 175
A Mhembere	188*	–	–	188*	166*
Company secretary					
A Parboosing	186	241	–	427	691
Senior executives	1 600	2 797	105	4 502	7 248

- The senior executives account for seven employees.

- Retention includes employee retention scheme and hard currency payments.

- The bonus shown is not the bonus for the financial year in review, but the payment made during the financial year.

* (US\$'000).

** Includes severance payment.

Long-term incentives.

The bonus payment reflected in the table for 2013 accounts for an achievement of 26.46% in 2012 (5.54% corporate bonus and 20.92% individual bonus) compared to an estimate of 37.2% in 2013 (7.8% corporate bonus and 29.4% individual bonus) for the year under review payable during 2014. No bonus payments were made to executive directors in 2013.

The CEO, TP Goodlace, has, for the second year running, elected not to take any increase nor participate in any long or short-term incentive schemes of the Company. His decision is primarily driven by low PGM commodity prices and low levels of profitability. The CEO's net pay after tax for 2013 is R3.649 million.

Directors' fees in aggregate for serving on board committees for the year under review were as follows:

Name	Board (R)	Audit committee (R)	Remu- neration committee (R)	HSE* committee (R)	Nominations and governance committee (R)	Social, ethics and trans- formation committee (R)	Risk committee (R)	Total (R)
KDK Mokhele	1 820 000	–	–	–	–	–	–	1 820 000
HC Cameron	333 680	276 502	–	–	–	109 110	69 380	788 672
MSV Gantsho	333 680	–	242 630	–	109 110	–	–	685 420
AA Maule	333 680	157 700	–	–	–	–	242 630	734 010
JM McMahon	105 182	105 182	–	76 481	–	–	34 393	321 238
AS Macfarlane	194 949	–	–	141 754	–	–	–	336 703
TV Mokgatla	333 680	–	109 110	–	–	109 110	–	551 900
B Ngonyama	333 680	157 700	–	–	–	–	–	491 380
NDB Orleyn	333 680	–	109 110	–	109 110	242 630	–	794 530
OM Poee	333 680	–	–	109 110	–	–	–	442 790

* Health, safety and environment.

Remuneration report continued

The following table reflects the status of unexercised options held by executive directors and the gains made by them as a result of past awards during the year ended 30 June 2013:

Name	Balance at 30 June 2012	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	Balance at 30 June 2013	Allocation price	First vesting date
Directors									
PA Dunne									
Share appreciation scheme	155 238	-		-	5 328	14-Dec-12	149 910		
							1 446	167.19	27-Nov-08
							9 316	233.74	24-May-09
							232	242.19	20-Nov-09
							5 353	116.76	18-Nov-10
							12 365	162.88	1-May-11
							20 490	171.39	4-Nov-09
							26 453	209.09	13-May-12
							36 549	193.83	1-Nov-12
							3 914	193.79	12-May-13
							20 839	171.76	10-Nov-13
							12 953	145.48	24-May-14
LTIP SAR	-	33 231	14-Nov-12	-	-		33 231	146.89	14-Nov-15
LTIP CSP	-	11 136	14-Nov-12	-	-		11 136	-	14-Nov-15
B Berlin									
Share appreciation scheme	167 985	-		-	-		167 985		
							2 648	56.87	13-May-07
							5 672	149.42	11-May-08
							20 180	167.19	27-Nov-08
							7 277	242.19	20-Nov-09
							3 031	333.90	30-May-10
							18 870	162.88	1-May-11
							15 251	171.39	4-Nov-11
							631	209.09	13-May-12
							11 749	193.83	1-Nov-12
							53 954	193.79	12-May-13
							21 502	171.76	10-Nov-13
							7 220	145.48	24-May-14
LTIP SAR	-	32 250	14-Nov-12	-	-		32 250	146.89	14-Nov-15
LTIP CSP	-	10 807	14-Nov-12	-	-		10 807	-	14-Nov-15

Name	Balance at 30 June 2012	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	Balance at 30 June 2013	Allocation price	First vesting date
Secretary									
A Parboosing									
Share appreciation scheme	25 248	-		-	-		25 248		
							7 432	242.19	1-Nov-09
							711	333.90	30-May-10
							1 017	116.76	18-Nov-10
							4 537	162.88	1-May-11
							2 623	171.39	4-Nov-11
							2 775	209.09	13-May-12
							4 573	193.83	1-Nov-12
							1 580	193.79	12-May-13
LTIP SAR	-	4 168	14-Nov-12	-	-		4 168	146.89	14-Nov-15
LTIP CSP	-	3 492	14-Nov-12	-	-		3 492	-	14-Nov-15
Prescribed officers									
PD Finney									
Share appreciation scheme	114 124	-		-	16 896		97 228		
					11 360	13-Dec-12	10 000	56.87	13-May-07
					5 536	28-Dec-12	1 761	167.19	27-Nov-08
							7 540	233.74	24-May-09
							2 977	333.90	30-May-10
							2 774	116.76	18-Nov-10
							2 898	162.88	1-May-11
							12 266	171.39	4-Nov-11
							7 696	209.09	13-May-12
							18 528	193.83	1-Nov-12
							5 376	193.79	12-May-13
							12 282	171.76	10-Nov-13
							13 130	145.48	24-May-14
LTIP SAR	-	18 889	14-Nov-12	-	-		18 889	146.89	14-Nov-15
LTIP CSP	-	7 912	14-Nov-12	-	-		7 912	-	14-Nov-15
A Mhembere									
Share options	16 620						16 620	53.79	25-Jun-06
LTIP SAR	-	34 633	14-Nov-12	-	-		34 633	146.89	14-Nov-15
LTIP CSP	-	14 507	14-Nov-12	-	-		14 507	-	14-Nov-15
GS Potgieter									
Share appreciation scheme	98 878	-		-	-		98 878		
							93 783	186.60	1-Jul-12
							5 095	171.76	10-Nov-13
LTIP SAR	-	26 194	14-Nov-12	-	-		26 194	146.89	14-Nov-15
LTIP CSP	-	10 972	14-Nov-12	-	-		10 972	-	14-Nov-15

Remuneration report continued

Name	Balance at 30 June 2012	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	Balance at 30 June 2013	Allocation price	First vesting date
Total – Senior executives:									
Share options	30 544	-		-	4 352	Various	26 192		
							1 696	64.48	27-Aug-05
							15 448	68.03	22-Sep-06
							9 048	63.39	22-Apr-06
Share appreciation scheme	571 082	-		-	-	Various	571 082		
							38 544	56.87	13-May-07
							1 568	103.24	1-Dec-07
							31 544	149.42	11-May-08
							34 078	167.19	27-Nov-08
							17 189	233.74	24-May-09
							13 708	223.22	1-Aug-09
							4 543	242.19	20-Nov-09
							8 118	333.90	30-May-10
							73 239	116.76	18-Nov-10
							52 261	162.88	1-May-11
							44 670	171.39	4-Nov-11
							11 884	209.09	13-May-12
							39 252	195.66	1-Mar-12
							94 174	193.83	1-Nov-12
							19 410	193.79	12-May-13
							60 227	171.76	10-Nov-13
							26 673	145.48	24-May-14
LTIP SAR	-	98 351	14-Nov-12	-	-		98 351	146.89	14-Nov-15
LTIP CSP	-	41 196	14-Nov-12	-	-		41 196	-	14-Nov-15
	601 626	139 547			4 352		736 821		

Special contractual arrangements

No fixed term employment contracts are in place for executive directors.

The periods of notice applying to senior executives is six months on either side in the case of the CEO and three months on either side in the case of other executive directors.

The senior management members appointed to the executive committee (EXCOM) also have a three-month period of notice of termination, with one month for all other managers.

Outgoing CEO: Mr DH Brown

On 30 June 2012, Mr DH Brown stepped down as CEO of the Group, but remained in service with the Company until 30 September 2012. Mr Brown received a final consideration in accordance with his separation and restraint of trade agreements. The payment included a performance incentive for the 2012/2013 financial years, which was paid in 2013.

Non-executive directors' remuneration

Fee structures for remuneration of board and sub-committee members are recommended to the board by the Remcom and are reviewed annually. The review addresses market comparisons of fees and Company performance.

Non-executive fee structure comprises an annual fee for attending and contributing at board meetings.

In terms of the MOI of the Company, fees payable to non-executive directors for their services as directors are determined by the shareholders in a general meeting. No annual fee increase is proposed for 2014 and the fee will remain unchanged from the 2013 levels:

With effect from	1 July 2013 (R)	1 July 2012 (R)	**Indicative net pay (R)
Board of directors			
Chairperson	1 820 000	1 820 000	1 092 000
Member	333 680	333 680	200 208
Audit committee			
Chairperson	333 680	333 680	200 208
Member	157 700	157 700	94 620
Remuneration committee			
Chairperson	242 630	242 630	145 578
Member	109 110	109 110	65 466
Nominations and governance committee			
Chairperson*	N/A	N/A	N/A
Member	109 110	109 110	65 466
Health, safety and environmental committee			
Chairperson	242 630	242 630	145 578
Member	109 110	109 110	65 466
Risk committee			
Chairperson	242 630	242 630	145 578
Member	109 110	109 110	65 466
Social, ethics and transformation committee			
Chairperson	242 630	242 630	145 578
Member	109 110	109 110	65 466

* The chairperson of the nominations and governance committee is also the chairperson of the board and does not receive additional fees for this committee.

**Indicative net pay calculated using a 40% tax rate.

