



# IMPLATS GROUP TAX POLICY



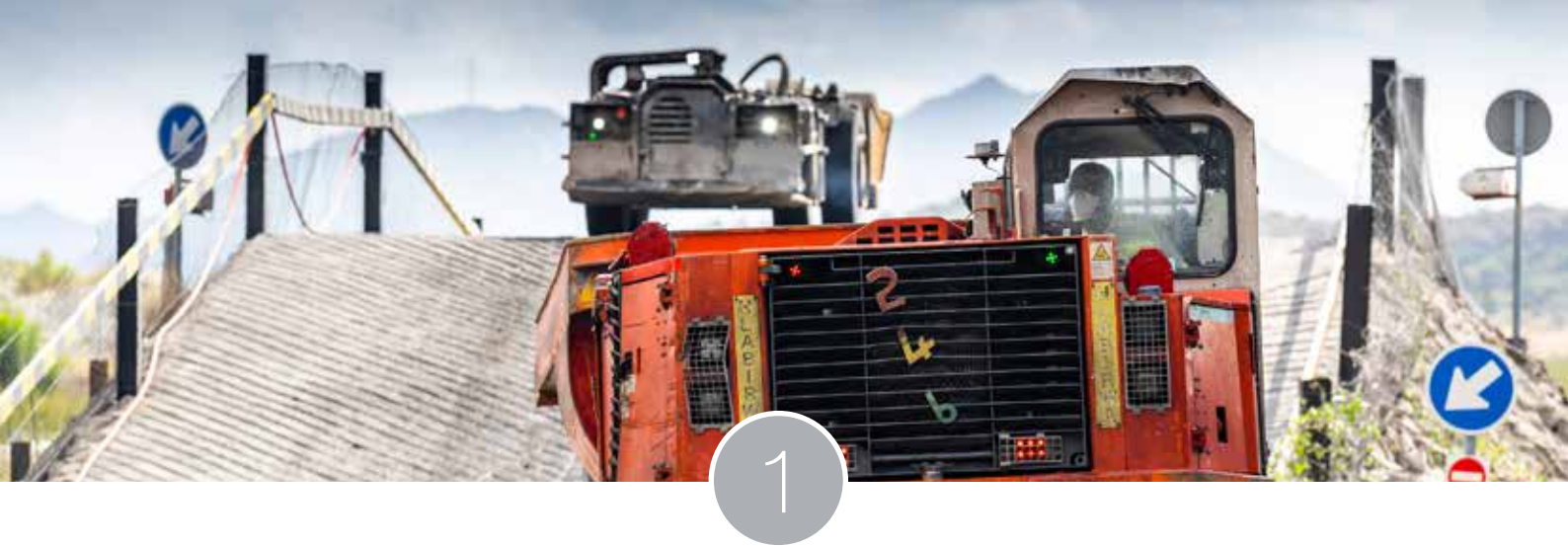
RESPECT, CARE  
AND DELIVER |

2021

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## INTRODUCTION AND SCOPE

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Impala Platinum Holdings Limited (“Implats”) is a South African JSE listed holding company and leading producer of platinum group metals which operates in multiple tax jurisdictions. This Group tax policy is applicable to all group companies and all employees within the Implats Group, including non-permanent staff working on behalf of the Group.

The policy relates to taxes paid to local and national governments and includes mainly, but is not limited to corporate taxes on profits, taxes on employment, taxes on property, customs and excise duty on purchases, withholding taxes, capital gains taxes, environmental taxes and Value-Added Taxes, where applicable.

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## TAX GOVERNANCE

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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 approach to governance by the Group, guided by the principles of the King IV Code on Corporate Governance (King IV).

Our approach to tax is to adhere to these values, remain a responsible citizen, pay our taxes fairly, comply timely with the law, and ensure that tax planning is based on commercial business activity, which is aligned with our

shareholders’ interest, whilst being open and transparent in our dealings with the relevant tax authorities through regular dialogue and proper disclosure.

The purpose of the policy is to set out the general framework within which the Implats tax function will operate including addressing the principles underlying and guiding the role of professionals within the Group, their conduct and their approach to working relationships with external parties with respect to tax.

Approved June 2021

## OUR KEY TAX PRINCIPLES

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The Implats Board have set the following key tax principles which informs the policy:

- We commit to act responsibly in relation to our tax affairs.
- We observe all applicable laws, rules, regulations and disclosure requirements in meeting our tax compliance and reporting responsibilities.
- We manage tax in line with our group governance framework and procedures.
- We aim for certainty on tax positions we adopt, but where tax law is unclear or subject to interpretation, written advice or confirmation from reputable external tax advisors will be sought to ensure that our position would, more likely than not, be settled in our favour with full disclosure to the relevant tax authorities.
- Where the tax treatment of an item is so uncertain and/or unquantifiable preventing the assessment of more likely than not, filing positions are subject to robust risk assessment and supported by full disclosure.
- We ensure that all tax planning is built on sound commercial business activity.
- We will not use aggressive tax planning or enter into complicated tax avoidance schemes. We meet internationally recognized standards by applying transfer pricing policies such as the arms-length principle.
- We develop and foster good working relationships with tax authorities, government bodies and other related third parties.
- We undertake all dealings with governments, tax authorities and external tax advisors in a professional, courteous and timely manner.
- We understand the value of our financial reporting to investors and society, and work to provide enhanced and balanced disclosure in communicating our tax affairs.



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## TAX POLICY

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The Implats Group aim to pay the right and proper amount of tax in each country in which we operate whilst complying with tax laws, rules, regulations and disclosure requirements, taking into account that such laws/regulations may be subject to regular amendment and differing practices/interpretations from time to time. It is however not appropriate for all the details of the Group's tax affairs to appear in the public domain. We will however only enter into transactions which would be fully justifiable should they become public.

We consider it proper to conduct an appropriate level of responsible tax planning to manage the tax imposed on the Group and its shareholders. This planning being

consistent with the Group's obligations to protect the assets of the Group for the benefit of shareholders whilst ensuring that the reputation of the Group is not compromised and that our tax policy is aligned with our business and genuine commercial rationale.

Where we believe we are treated unfairly, we will challenge assessments and the associated interpretation or application of the law by engaging with government. Our convictions are influenced by the belief that paying tax is more than a "cost of doing business". Being a responsible corporate citizen, we believe that the taxes we pay contribute to the social and economic growth of the countries in which the Group operate.

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## TAX RISK MANAGEMENT

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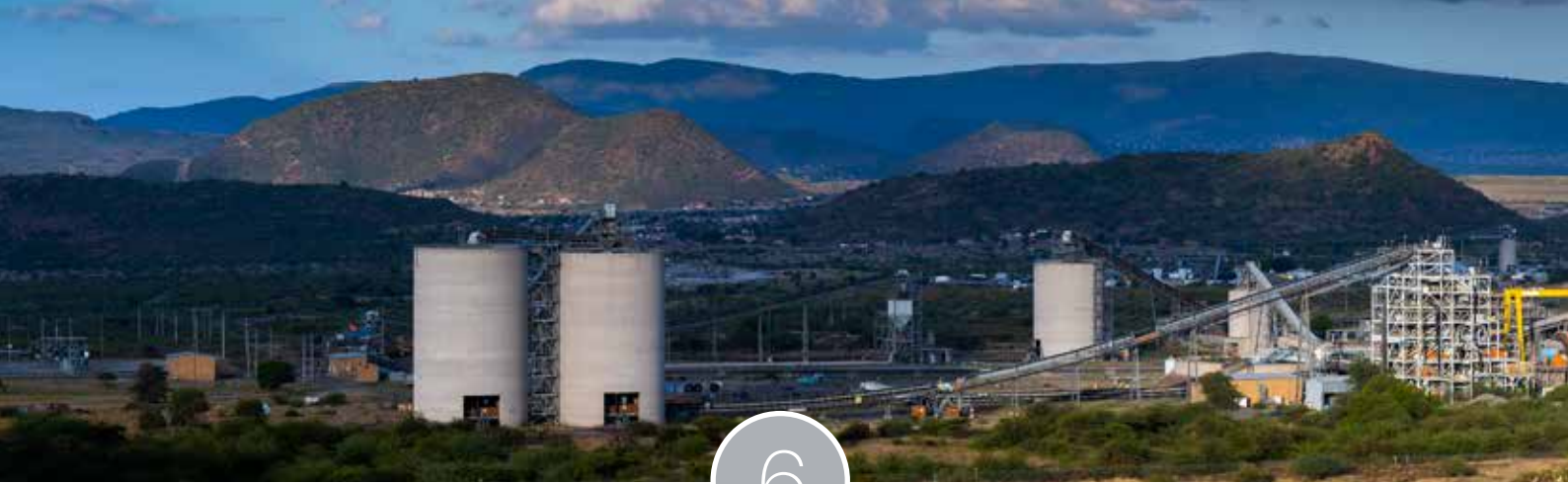
Tax risk is ideally managed by the prevention of unnecessary disputes, ensuring internal review processes are in place and adhered to, as well as procuring external third party assurance through audits and the engagement of advisors, technical support and engagement with the regulator, when applicable.

The avoidance of all tax disputes would suggest an overly prudent position that is not in line with our main objective to enhance shareholder value. The commercial needs of the Group are paramount and all tax planning and advice will be undertaken in this

context. Where alternative paths exist to achieve the same commercial result, the most tax efficient approach should generally be recommended.

Due consideration will be given to the Group's reputation, brand and corporate and social responsibilities when considering tax related opportunities, as well as the applicable legal and fiduciary duties of directors and employees of the Group and these factors will form part of the overall decision making and risk assessment process.

Approved June 2021



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## ADVISORS AND TECHNICAL SUPPORT

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Written advice or confirmation from external tax advisors will be obtained when the tax law is unclear or subject to interpretation, prior to reaching a decision or to support such a decision, as appropriate. We do not employ legal entities solely for purposes of tax avoidance.

Advisory and technical tax support is provided by a combination of large accounting firms and, various legal firms with which the Group has a long association. The use of advisory firms that are also our auditors is controlled by, and regularly reported to, the Group Audit Committee and is governed by our policy on non-audit services provided by our external auditors.

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## GOVERNANCE RESPONSIBILITIES

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Tax forms part of the finance function of the group and is the ultimate responsibility of the Group Chief Financial Officer. Day-to-day work is delegated to the Group Tax Manager and a team of full-time in-house professionals. The Group Chief Financial Officer has the authority to approve any matter within the limits set out in the Group approval framework, where applicable, and reports to the Group Audit Committee on tax matters.

The Board will be given feedback and retains the overall responsibility for the tax affairs of the company. The Board will review this policy annually.

Our tax function actively ensures that all our objectives are being met and that compliance with national and international standards is ensured. This team also provides guidelines and systematically inform decision makers about changes to the current system.

Our tax function undertakes all dealings with governments and revenue authorities and external tax advisors.

## TAX DEPARTMENT – RESPONSIBILITIES AND PROFESSIONAL CONDUCT

### Tax professionals will aim to:

- Effectively manage risk by application of the tax risk strategy.
- Observe all applicable laws, rules, regulations and disclosure requirements.
- Apply diligent professional care and judgment to arrive at well-reasoned conclusions. Ensure all decisions are taken at an appropriate level and supported with documentation that evidences the facts, conclusions and risks involved.
- Undertake all dealings with tax authorities, government officials and other third parties in a professional, courteous and timely manner.
- Be compliant with the Group Ethics Policy and any anti-bribery legislation.
- Lobby and seek to influence applicable industry bodies or associations, governments and other external bodies, where possible and appropriate, to shape future tax legislation and practice.

The Tax Department will work with the business as an equal partner in providing clear, timely and business focused advice across all aspects of tax arising there from. Where alternative routes exist to achieve the same commercial results, the most tax efficient

approach in compliance with all relevant laws should be recommended.

The importance of the commercial needs will in no circumstances override compliance with all applicable tax laws. The tax function will therefore provide appropriate input as part of the planning, implementation and documentation for:

- All business or share acquisitions and disposals
- All changes in corporate structure
- All cross- border financing and trading arrangements
- All significant business transactions
- All significant new processes affecting tax compliance.

All material positions taken in the tax returns must be supported by documentation and legal interpretation while being cognisant of submission dates.

The tax function will robustly defend tax positions taken in the Group's tax returns.

The tax function should monitor changes in relevant tax law and practice and undertake regular training in order to assess any consequences for the Group.



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## TAX DEPARTMENT – RESPONSIBILITIES AND PROFESSIONAL CONDUCT (continued)

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Audits and tax authority enquiries will be handled in a courteous, timely and professional manner.

Characteristics of enquiries to be taken into consideration include:

- The overall liability at stake, including penalties and interest;
- The likelihood and if applicable, the success of litigation and the need to adapt the terms of engagement with the tax authority;
- The likely resource requirement;
- The reliance on expertise or information from other parts of the Group; and The risk of reputational damage.

At each reporting date, the tax function will support the Group Financial Accounting team by:

- Calculating all tax charges in accordance with the Group accounting policies and tax policy. Reflecting the most up to date information on tax charged and provisioning to eliminate any significant adjustments.
- Adhering to Group reporting instructions and timetables.
- Assisting with questions and clarifications required as part of the reporting and auditing processes.
- Preparing the Group’s consolidated tax charge in accordance with all applicable governance and accounting requirements.

Approved: Audit and Risk Committee



### **CONTACT DETAILS**

For further information visit Implats' corporate website:

**[www.implats.co.za](http://www.implats.co.za)**

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