# SCOPE

## REPORTING PARAMETERS

Northam Platinum Limited (Northam) is listed on the JSE Limited (JSE) in South Africa. This integrated report, together with the group's notice of annual general meeting (AGM) and abridged annual financial statements, is published in compliance with the JSE's listings requirements, and the provisions of the South African Companies Act No 71 of 2008 (Companies Act). Northam is also committed to reporting in line with the King Report on Corporate Governance in South Africa 2009 (King III). The application of these guidelines is reviewed in the corporate governance section of this report (page 24). In its financial disclosure, the group reports in terms of International Financial Reporting Standards (IFRS), the Companies Act and the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC).

Northam's financial year runs from 1 July to 30 June. In this 2014 financial year (the 2014 reporting period), Northam has adopted an integrated approach to reporting, which seeks to present to stakeholders a holistic overview of the company's financial and non-financial performance for the period 1 July 2013 to 30 June 2014, incorporating the recommendations of the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI) fourth generation (G4) guidelines.

In providing an overview of the business, its performance and the value it creates for shareholders, this report also aims to address the group's governance, economic, social and environmental impacts and performance for the 2014 financial year. The focus is on those issues that are most material to the business and stakeholders, together with those impacts which fundamentally influence the assessments and decisions of stakeholders.

This report's financial statements include the group's wholly-owned operations, subsidiaries, joint ventures and associates. The non-financial disclosure is limited to the group's two wholly-owned operations, the Zondereinde and Booysendal mines. This is the first year that Booysendal's data is included, given that the mine officially came into production on 1 July 2013. Any data restatements have also been indicated accordingly.

## AUDITING AND ASSURANCE

Northam's internal and external auditing functions are critical areas of governance. The internal audit function is outsourced to KPMG Services Proprietary Limited (KPMG) for independent appraisal. KPMG's specific tasks are to:

- examine and evaluate the group's systems of internal control in the mitigation of business risks; and
- assist members of management with discharging their duties effectively.

The group's consolidated annual financial statements have been audited by the external auditor, Ernst & Young Inc. The independent auditor's report may be found in the annual financial statements on page 140.

Certain non-financial key performance indicators in this report have also been assured by independent assurance provider Ernst & Young, in respect of Northam's application of GRI's G4. The company reports in line with the 'core' format. The reporting process has also been underpinned by the AA1000 AccountAbility Principles Standards 2008, which include Inclusivity, Materiality and Responsiveness. See page 285 for the independent assurance report.

Except where specifically stated, Northam reports ore resources, reserves, production and grades in terms of three platinum group elements – platinum, palladium, rhodium – plus gold (3PGE+Au). R signifies rands, the South African currency.