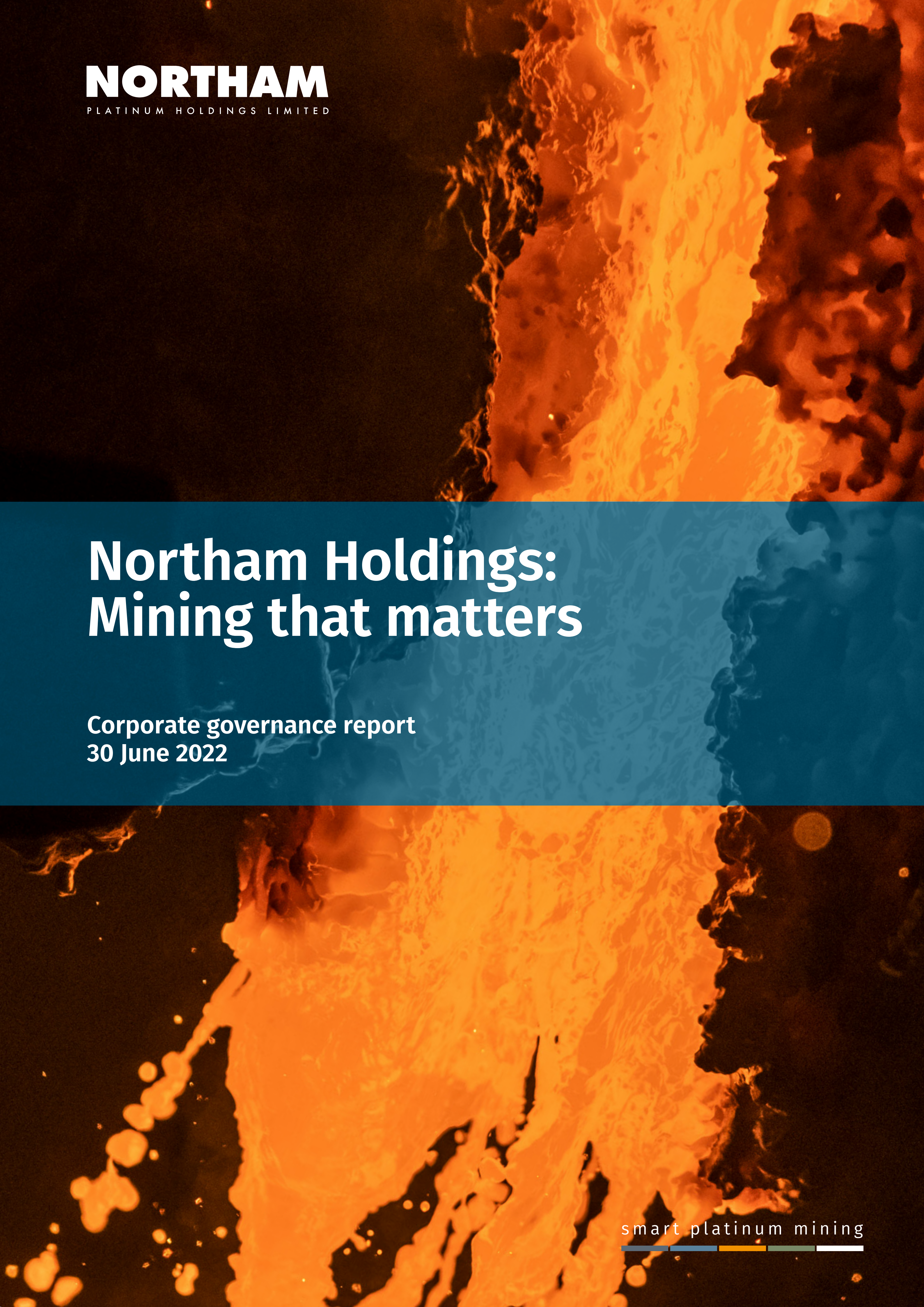


NORTHAM
PLATINUM HOLDINGS LIMITED

Northam Holdings: Mining that matters

Corporate governance report
30 June 2022

smart platinum mining

Contents

In this Corporate governance report, we detail our board and executive management and set out our frameworks, policies and decision-making mechanisms that determine the way our people direct, administer and control all our operations.

About this report

This report covers the governance activities of the group for the period 1 July 2021 to 30 June 2022. It provides an overview of the governance philosophy, framework, ethics, as well as the responsibilities of the board and executive committee.

Specific references to the individual principles of King IV™ have been included in this report and it should be read in conjunction with the group's application of the King IV™ principles statement included in this report. The information included in this report is as at 30 June 2022, unless otherwise stated.

Navigation icons

We use the capitals concept to convey quantitative and qualitative information. The degree and nature of the impact that our material issues have upon our business and the various capitals have also been considered throughout the report.

Capitals

Financial	Intellectual	Natural
Human	Manufactured	Social

Stakeholders

Communities	Government and regulatory authorities	Suppliers of goods and services
Customers	Industry associations	Unions
Employees	Investors and providers of funding	

Board and committees

A Audit and risk committee	I Investment committee	R Remuneration committee
B Board of directors	IT IT steering committee	S Social, ethics, human resources and transformation committee
E Executive committee	M Management review committees	
H Health, safety and environmental committee	N Nomination committee	

Links

Refers to other pages in this report

Refers to supporting documents on our website: www.northam.co.za

COVID-19 issue

This report has been prepared in accordance with the following reporting frameworks:

- International <IR> Framework of the International Integrated Reporting Council (IIRC)
- South African Companies Act No. 71 of 2008 as amended (Companies Act)
- South African Companies Regulations, 2011 (Companies Regulations)
- JSE Limited Listings Requirements
- JSE Debt Listings Requirements
- King IV™ Report on Corporate Governance for South Africa, 2016 (King IV™)

Application of the King IV™ principles statement

The application of the King IV™ principles statement is a comprehensive index in our Corporate governance report, detailing the arrangements, processes and systems that are in place for governing and managing the various areas of the organisation, in order to achieve the required governance outcomes. It also confirms the application of the various principles of King IV™ as required by the JSE Limited Listings Requirements.

See page 63 for more information on the group's application of the King IV™ principles

Assurance

A combined review by the board and management has been performed to ensure the accuracy of the reporting content.

Approval

The board has considered the integrity of this report and has concluded that it appropriately provides material disclosures of the group's overall corporate governance activities.

The various committee reports that are included in this report have been approved by the chairperson of the respective committee.

The board approved this report on 16 August 2022.

K The board confirms that the group is in compliance with the provisions of the Companies Act relating to its incorporation and is operating in conformity with its Memorandum of Incorporation (MOI).

K The board is satisfied that Northam Platinum Holdings Limited (Northam Holdings, Northam or the group) has applied all the principles, as per King IV™, across all of our operations.

King IV™ principles applied in the Corporate governance report are referenced with a King IV™ icon and the Corporate governance report should be read in conjunction with the group's application of King IV™ principles statement included in this report.

Governance philosophy and organisational ethics 1 2 3

Our governance philosophy

Good corporate governance is fundamental to the success, sustainability and legitimacy of the group. It encompasses an organisation-wide set of principles, frameworks and risk management practices that ensure decisions made are aligned with the mission, vision, values and strategic objectives of the group.

These foundations of governance hold directors and employees accountable for their actions and decisions and ensure orderly devolution of responsibility:

- **Group Governance Framework (GGF)** drives top down governance, facilitating devolution of responsibility and avoidance of duplication, whilst ensuring clarity of relationship between the group and its subsidiaries

See our GGF on page 13 of this report

- **Proportionality of application** takes into account the group's resources and the extent and complexity of its activities and reduces the administrative burden without impacting the risk, control and governance environment
- **Combined integrated assurance model**, encompasses four lines of assurance, establishes clear accountability and ownership for risk management, the control environment and required mitigating management actions
- **Risk management philosophy** ensures there is a common set of standards for the identification and management of risks and opportunities

Organisational ethics

Ethics and integrity are fundamental to an effective governance framework. They set the foundation for a culture that instils confidence in employees, customers, suppliers and investors.

The board accepts collective responsibility for defining how ethics and ethical behaviour are embedded within the group. Accordingly, the Northam code of ethics and conduct (the code) seeks to promote continued and strengthening ethical behaviour across the group. It commits the company, its directors, officers and employees to the highest standards of ethical conduct.

The code includes the group's commitment to conduct its business in accordance with the spirit of all applicable laws, rules and regulations. It also defines a set of ethical standards and guidelines. These describe the fundamental principles required to maintain ethical dealings with all our stakeholders. These are aligned with the group's values that govern our everyday business conduct.

The code covers amongst other things; the use of company assets including intellectual property and other information, gender and racial diversity, freedom of association, compliance requirements, fraud, theft and corruption, as well as insider trading.

In order to ensure a progressive ethical culture, regular reviews are undertaken and revisions are made where required.

During the year under review the social, ethics, human resources and transformation (SEHR&T) committee oversaw the continued proactive roll-out of the code across the group, as well as the re-iteration of key themes across operations.

See the social, ethics, human resources and transformation committee report on page 36 of this report

A copy of our Code of ethics and conduct is available on our website

Embedding ethics in our culture

- **Recruitment:** Prospective employees are assessed against integrity checks
- **Consequence management:** Our disciplinary processes hold employees accountable for their conduct
- **Awareness drives:** Ongoing communication reiterate the behaviour expected from all employees
- **Regular review:** To ensure a progressive ethical culture, regular reviews are undertaken and updates are made where required

How ethics is governed at a board level

The board fully acknowledges and accepts the responsibility for ensuring that the group continues to operate responsibly, sustainably and in an ethical manner, for the benefit of all stakeholders.

All deliberations, decisions and actions of the board are based on fairness, accountability, responsibility and transparency.

Board members are individually and collectively accountable for their ethical and effective leadership and the director recruitment process includes fit and proper assessments.

During the year under review board members were individually assessed by their peers with a report in this regard submitted to the chairman. The F2022 assessment indicated that all board members continued to act ethically in all respects.

See page 15 for more details of the board assessment

How ethics is governed by the executive committee

The board delegates to management the responsibility for the implementation and execution of the code and supporting policies, as well as the effective monitoring, control and assurance thereof. This underpins a culture that supports employee, customer and investor confidence.

Ethics governance structures

The management of ethics is informed by, among other things, the relevant provisions of the Companies Act, King IV™, the United Nations Global Compact (UNGC) principles and leading practice guidelines.

The group has a variety of internal and external reporting mechanisms. This includes an independent ethics and fraud hotline for which the number is available on the Northam website, referenced in the code and published across the group's operations and local communities. Reports from the ethics and fraud hotline are a standard agenda item for the audit and risk committee.

Management updates the committee members at each meeting of transgressions recorded, actions taken, as well as associated initiatives applied.

Directors, officers and employees are encouraged to report any approach made to them, or which they are aware of, by any person or entity seeking favour or preference in terms of business dealings with the group to the ethics and fraud hotline.

The independent ethics and fraud hotline is supported by strong investigative capabilities and rigorous disciplinary processes.

Prevention of money laundering and corruption

The group has a zero-tolerance approach to money laundering, corruption and bribery. Extensive controls are in place to ensure that the business responds to all money laundering, bribery, and corruption risks in an appropriate and consistent manner, in line with applicable legislative and regulatory requirements.

Ethics initiatives monitored by the board in 2022

The board noted and monitored the ongoing group-wide awareness campaigns conducted to re-iterate and increase awareness and understanding of the code of ethics and conduct.

This included the group's initiatives with respect to gender-based violence and sexual harassment, in particular noting the individual campaigns held at the operations, and the positive traction in this regard.

Ethics future focus areas for the board

- Monitor initiatives currently in progress to update and refresh the group's code of ethics and conduct. This includes updates in line with the establishment of the new Northam Holdings group structure, as well as a re-focus of awareness drive efforts on specifically identified elements of the code of conduct
- Continue to oversee the embedding of an ethical culture of the group

Conflicts of interest

Director, prescribed officer and employee interests are managed through formal internal processes.

The group's code of ethics and conduct sets out key provisions that its directors, officers and employees are required to adhere to. In terms of this code, a director, prescribed officer or employee is prohibited from using their position, or use confidential or price-sensitive information to benefit themselves or any related party.

Before every board or committee meeting, directors are required to inform the board of any conflicts or potential conflicts of interest they may have in relation to particular items of business, or the company as a whole. The disclosure of personal financial interests in terms of Section 75 of the Companies Act is a standing item on all board and committee agendas, and the file containing the disclosures is available at all meetings.

Board members recuse themselves from discussions or decisions on matters in which they have an actual, perceived or potential conflict of interest.

The procedure providing guidance on these matters is contained in the group's code of ethics and conduct.

Trading in Northam shares

The group has a defined policy on dealing in Northam Holdings shares, which is in alignment with the JSE Limited Listings Requirements.

It sets out provisions as to how trading is to be conducted by the company's directors, the company secretary, selected employees and their associates (directors' dealings) when dealing in the company's shares in order to prevent the misuse of inside information.

All directors' dealings require pre-approval from either the chairman, chief executive officer (CEO), chief financial officer (CFO) or the company secretary.

A message from our independent chairman

The board has remained focussed on the governance of the group, continuing to build on the work already done.

I am honoured to have been appointed as chairman of the board of Northam Platinum Holdings Limited on 20 June 2022. This is in line with the board's succession plan. I, however, take up the mantle with a heavy heart, as it came following the sudden passing of our previous chairman, David Brown.

On behalf of my fellow board members, I would like to express the board's appreciation of David's contribution to the company, both as chairman and, prior to this, as independent non-executive director. Our thoughts and heartfelt condolences go out to his family, friends and colleagues. He will be sorely missed.

As a board, we have drawn on our collective depth and diversity of experience to maintain focus on the task at hand. I have stepped down as lead independent director of the group and in terms of the board's succession plan, Hester Hickey has been appointed to that position. Hester has served as an independent non-executive director on the board for almost seven years and brings a wealth of institutional and industry knowledge. I wish her all the best in this role and, together with her, look forward to leading the board through this next phase in the group's journey.

Investment in Royal Bafokeng Platinum Limited

The board, investment committee and management team followed a thorough evaluation and assessment process in identifying this investment opportunity. This consideration included an internal study of the potential value to be unlocked together with value-creation initiatives at Royal Bafokeng Platinum Limited's (RBPlat's) existing and future expanded mine footprint.

Governance over the various elements of the investment has been the central focus of both the board and, in particular, the investment committee. The investment committee played an integral role throughout the process, having undertaken recurring reviews and evaluations of the rationale, purchase price and composition of the purchase consideration for this investment.

RBPlat has a large, proven, quality resource base, containing a premium mix of PGMs. Its mines are shallow, well-capitalised and partially mechanised. They are currently producing, have extensive life and are cash generative, with the potential of operating in the lower half of the cost curve.

The board is consequently of the opinion that this investment is aligned with the group's growth strategy and presents a unique opportunity to grow production down the cost curve, whilst simultaneously reducing group risk through operational diversification.

It is also the board's view that the group's experience and expertise enable it to unlock inherent and synergistic value within RBPlat.

Following rigorous deliberation and analysis of the investment, unanimous approval was received from both the investment committee, and the board in support of the group's investment in RBPlat.

Empowerment

The purchase consideration for our investment in RBPlat, being a combination of cash and Northam Holdings Shares was structured to include Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH) as a strategic shareholder in Northam Holdings, which we are especially pleased about.

RBIH represents the Royal Bafokeng Nation, the host community and home to the majority of the employees of RBPlat. We consider RBIH to be a meaningful, sustainable empowerment partner and look forward to working together.

Ongoing impact of COVID-19

The COVID-19 pandemic continues to have a significant impact on business and society in general.

During the year under review, the board's primary focus has been to ensure the health and wellness of our employees whilst continuing to operate within the framework provided by government and industry.

The board, through the health, safety and environmental (HS&E) committee, monitored overall compliance to the established COVID-19 related protocols and regulations. This included ensuring that the group assists and fully participates in the COVID-19 vaccination programme under the leadership of government.

Management, on behalf of the board, has actively engaged with all our stakeholders during the year, and the board continues to monitor the ongoing impact of the pandemic on our employees, communities, business performance and liquidity levels.

Safety

We believe in driving our desired safety culture and achieving the group's goal of zero fatalities. The safety of all our employees remains of paramount importance and takes precedence over all production objectives.

Tragically, we suffered two fatalities in separate underground incidents at our Zondereinde mine during July and August 2021. We wish to express our sincere condolences to the families, friends and colleagues of the deceased, Mr Tomas Jose Mugabe and Mr Dumisani Mntonga.

The board, together with the HS&E committee, commit to increasing monitoring of the group's initiatives to; improve capacity to identify and address high-potential hazards, apply learnings from high-potential incidents and use technology to reduce safety risks. We also continue to monitor the group's safety results across the operations.

In this regard, the board recognises the improvements made to the overall safety initiatives of the group, including the general positive trend in safety. This includes the total safety statistics at all operations, noting that our Booysendal mine passed the milestone of seven million fatality free shifts in January 2022. Booysendal, together with Eland continue to be fatality free since inception. The board was also pleased to note that Zondereinde passed one million fatality free shifts in June 2022, following the fatal incidents earlier in the year.

Board and committee mandate, charter and compositional review

The board reassessed its composition and that of its committees during the year. Important considerations in this process included the maintenance of a balance between new insight, depth of experience, continuity and broad diversity.

In addition, the board commenced a structured review and reassessment of the mandates, charters and compositions of the various board committees. This process was led by David Brown, as previous chairman of the board and will be completed in the coming financial year, led by myself, through the nomination committee.

Return of value to shareholders

We remain committed to return to our shareholders free cash not required in the advancement of the group's ongoing growth programme.

The group is at a critical juncture in its growth trajectory, with various potential alternative outcomes possible. These outcomes will inform our approach to dividends and other mechanisms for returning value to shareholders going forward. This will be communicated to our shareholders at an appropriate time.

Future focus areas

Safety — The board, with the assistance of the HS&E committee, will continue to monitor the group's safety results across key performance areas. Monitoring the implementation of measures to strengthen accountability at the operations will therefore be an area of particular focus.

Capital allocation — It is the board's considered opinion that PGM demand will remain relatively strong over the coming decade. This, despite some short-term fluctuations, will support pricing. Against this backdrop, a key consideration for the board remains the allocation of capital.

Environmental, social and governance (ESG) — The board, through the committees, will continue to monitor the various ESG metrics of the group, as well the reporting thereof. In addition, the energy efficiency and emissions impacts for all new projects and existing operations will be scrutinised and challenged by the board. This is to ensure that we continue to grow our group sustainably.

Board and committee composition and charter review— The board will reassess its composition and that of its committees during the coming 12 months. Important considerations in this process will be maintenance of a balance between new insight, depth of experience, continuity and broad diversity.

In addition, the board will also perform a detailed review and reassessment of the mandates and charters of the board committees during the coming financial year.

Thanks and appreciation

Finally, on behalf of the board, I would like to thank our stakeholders, and in particular our employees, who supported us throughout this challenging year. I would also like to thank the board for their ongoing support and efforts.

Temba Mvusi
Independent chairman

16 August 2022

Board of directors

Gender diversity

4 Female (44%)

5 Male (56%)

Northam target for female board representation: 20%

Age diversity

77 Oldest

42 Youngest

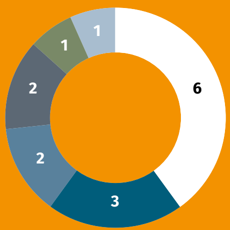
Average age of 61 with 33% aged 60 and under

Meetings

8 Board meetings held

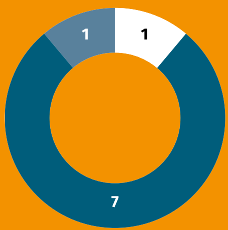
98% Board and committee attendance

Board skills



- Finance
- Mining
- Audit and risk management
- Investment management
- M&A
- Medical

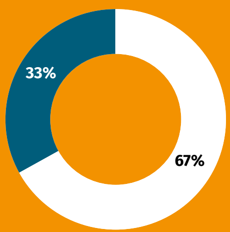
Tenure



- 0-3 years
- 3-9 years
- >9 years

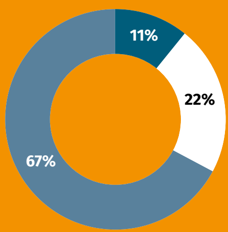
The director with a tenure beyond 9 years is a non-executive director

Board demographics



- Historically disadvantaged persons (HDP) (Northam internal target for HDP board representation: 50%)
- Non-South African

Independence



- Non-executive
- Executive
- Independent non-executive

The Northam board is diverse, consisting of nine members. 33% of our board members hold engineering degrees, 22% are Chartered Accountants (SA) and the balance have relevant experience in corporate finance, mergers and acquisitions and other associated and requisite disciplines. Five board members, including our chief executive officer, have extensive exposure and experience as CEOs.

Committee membership

- A Audit and risk committee
- H Health, safety and environmental committee
- I Investment committee
- N Nomination committee
- S Social, ethics, human resources and transformation committee
- R Remuneration committee
- Committee chair

Independent non-executive

1 TI Mvusi BA, ELP, MAP, PDP (66) I N R

Independent chairman

Board member of Northam Holdings since September 2021 and of the group since January 2016

Other directorships: Independent non-executive director of African Rainbow Capital Limited, Dippenaar and Reinecke Proprietary Limited, Sanlam Investments Proprietary Limited, SIH Capital Holdings Proprietary Limited, Ubuntu-botho Investments Proprietary Limited and Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: Previous chief executive of market development at Sanlam since August 2005 and was appointed acting chief executive of Sanlam Corporate in April 2017. Former general manager of Gensec Property Services Limited and marketing manager at Franklin and Templeton Asset Management.

2 HH Hickey CA (SA) (68) A R

Lead independent director

Board member of Northam Holdings since September 2021 and of the group since January 2016

Other directorships: Independent non-executive director of Barloworld Limited, Pepkor Holdings Limited and Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: A Chartered Accountant with over 35 years of experience in auditing, risk management and governance and former chairman of SAICA.

3 JG Smithies BSc (Mining Engineering), BSc (Chemistry) (77) H

Board member of Northam Holdings since September 2021 and of the group since January 2017

Experience: Former CEO and director of operations at Impala Platinum Holdings Limited (Implats).

4 Dr NY Jekwa MBA (Finance), MBBCh (Bachelor of Medicine and Bachelor of Surgery), MIoDSA (47) A H S

Board member of Northam Holdings since September 2021 and of the group since November 2017

Other directorships: CEO and co-founder of Thrive Capital Partners, independent non-executive director of Brait PLC, Liora Capital Proprietary Limited, Thungela Resources Limited and Governing Council of the Diocesan School for Girls (Grahamstown).

Experience: Former CEO of Mergence Investment Managers Proprietary Limited, former head of capital raising at Coast2Coast Propriety Limited (a private equity firm) and has held senior positions in both structured and leveraged finance at Rand Merchant Bank and Nedbank Corporate and Investment Bank. Former independent non-executive director of Ascendis Health Limited.

5 MH Jonas BA (History and Sociology) (62) A

Board member of Northam Holdings since September 2021 and of the group since November 2018

Other directorships: Chairman of the MTN Group Limited and independent non-executive director of Sygnia Limited.

Experience: One of four independent presidential investment envoys appointed by President Cyril Ramaphosa to attract investors to South Africa. Former deputy finance minister of the South African Government from 2014 to 2017 and member of the National Assembly until April 2017. Former chairman and non-executive director of the Public Investment Corporation.

6 GT Lewis BSC (Mining Engineering), MBA (64) H

Board member of Northam Holdings since September 2021 and of the group since December 2020

Experience: Former CEO of Northam and general manager of Zondereinde. Instrumental in the development of Booysendal mine. Previously served as the former general manager of Gold Fields Ghana establishing the Tarkwa gold mine. Former chairman of the Ghana Chamber of Mines Technical Committee and has held a number of senior positions at various gold, coal and base metal mining operations.

Executive

7 PA Dunne BSc (Hons), MBA (59) H S

Chief executive officer

Board member of Northam Holdings since December 2020 and of the group since March 2014

Other directorships: Non-executive director of the International Platinum Group Metals Association (IPA). Current vice president of the Minerals Council South Africa and chief executive officer of Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: Former executive director at Implats, responsible for all mining, concentrating and smelting operations at the group's Rustenburg and Marula mines.

8 AH Coetzee CA (SA) (42)

Chief financial officer

Board member of Northam Holdings since December 2020 and of the group since November 2018

Other directorships: Chief financial officer of Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: Joined Northam in December 2015 as the group financial controller and was appointed chief financial officer in November 2018. Former associate director at Ernst & Young Inc. with 20 years' experience in, and exposure to the mining and manufacturing industries, including the auditing of large, listed and multi-locational organisations.

Non-executive

9 TE Kgosi BCom (Hons) (68) S

Board member of Northam Holdings since September 2021 and of the group since November 2004

Experience: Former cluster manager – materials management (Gauteng and North West operating units) in supply chain operations, Eskom SOC Limited. Extensive experience in the mining and banking sector (specialising in treasury), having held positions at a number of South Africa's main banking groups, as well as Credit Suisse First Boston (NY).

How the board functions 6 7 8 10

The board's responsibility

The board is ultimately accountable for the performance and reputation of the group, ensuring that it continues to operate responsibly, ethically and sustainably.

The board operates in terms of a board charter which defines its mandate, functions and responsibilities as illustrated below:

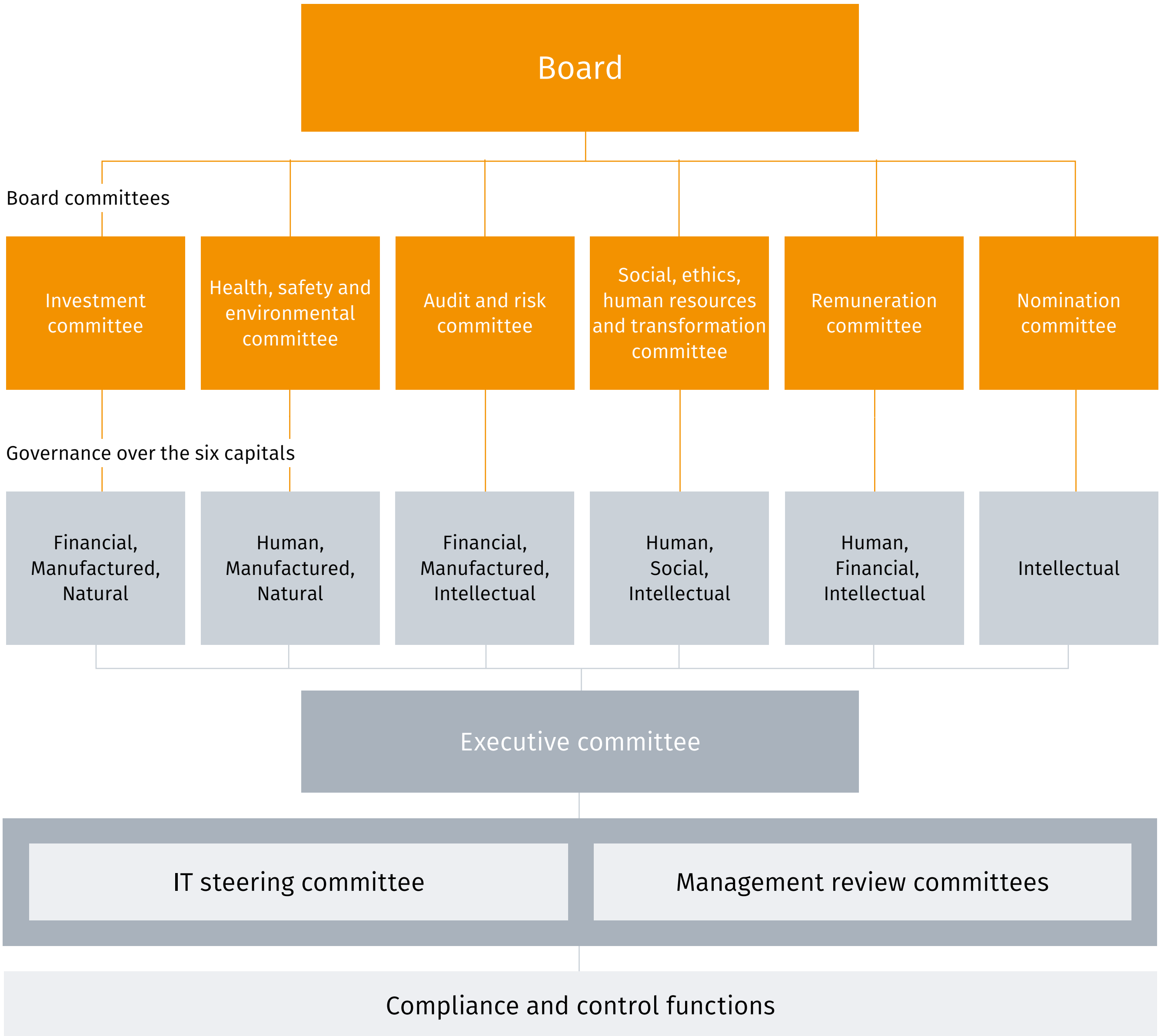
- **Strategy**: Have input into, and approve the strategy developed by management, and monitor the implementation thereof
- **Oversight**: Monitor the implementation of the approved strategy, policies, business plans and performance, as well as ensure accountability
- **Ethics**: Oversee the company's values and ethics and ensure that an appropriate code of ethics and conduct is in place
- **Governance**: Ensure that an adequate and effective process for corporate governance is established
- **Management**: Ensure an effective and competent management team is in place, along with clear succession plans
- **Compliance**: Ensure the group complies with all relevant legislation, regulations and policies
- **Responsible corporate citizenship**: Ensure that the company is, and is seen to be, a responsible corporate citizen

K The board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

How does the board discharge its responsibilities?

The committees of the board assist the board in discharging its duties and responsibilities. These committees are also responsible for oversight of the functioning of the group governance framework.

Group governance framework



Northam's Group Governance Framework (GGF) applies to all employees and directors.
The GGF enhances the organisational understanding of ethics and promotes the desired governance culture.

K The board is satisfied that the GGF contributed to role clarity and made it possible for it to effectively exercise authority and its responsibilities.

The board reviews the mandate and charter of each committee on an annual basis to ensure effective coverage and control over the group

How is it ensured that all committee responsibilities are addressed?

Each committee's mandate is included in its charter and it ensures that the relevant governance responsibilities are effectively reviewed and monitored.

The board reviews the mandate and charter of each committee on an annual basis to ensure effective coverage, and control over the group. The board committees are constituted of a minimum of three members with the necessary combination of knowledge, skills, experience, race, gender, culture, age and capacity. Board committees, in certain instances have overlapping responsibilities.

Different committees may consider the same board materials, applying different perspectives as mandated. It is the responsibility of each committee chairperson to ensure that matters relevant for consideration by another committee are reported to that committee. Overlapping committee memberships assist in this regard, as do the formal committee reports to the board, where matters of importance for board members, as well as other board committees are highlighted. The committees report to the board through their respective chairpersons.

Can committees take independent advice?

All board committees are free to take independent professional advice as and when necessary. They have unrestricted access to all information, records, documents and property and regularly meet with members of the executive committee and senior management.

See the committee reports from page 26 of this report and the individual committee charters on our website

How is the board agenda set?

The board and its committees set the annual workplan and agree the agenda for each meeting with the relevant chairperson at the beginning of the ensuing financial year. In terms of the board and committee charters, committee meetings are held at least annually, or as and when required.

Agendas for the board and committee meetings are aligned with the relevant charters ensuring that all matters that the board and committees are responsible for are addressed during a financial year. Directors are encouraged to contribute in setting the agenda.

Does the board ever meet without management present?

From time to time non-executive directors meet without management present in closed sessions led by the chairman around matters such as remuneration, succession planning and conflicts of interest. The primary objective of these meetings is to provide non-executive directors with an opportunity to test thoughts and insights among peers.

The chairman as the primary link between the board and executive management provides feedback from the closed sessions to the CEO and CFO where applicable. The company secretary attends all closed sessions.

Does the board have access to management?

Directors have access to line managers, external auditors and relevant company records through the CEO's office and/or the company secretary.

Composition, skills and independence 7

How are directors appointed and does Northam have a diversity policy?

The selection and appointment of directors is effected through a formal and transparent process and is a matter for the consideration of the board as a whole, assisted by recommendations from the nomination committee.

Northam recognises and embraces the benefits of having a diverse board, and has approved and implemented a broad board diversity policy, which includes race and gender diversity targets. All new board appointments are considered in terms of the diversity policy. This is also a key consideration for succession planning.

All board appointments are made on merit in the context of skill, relevant business experience, expertise, gender, ethnicity, age and independence, which the board as a collective requires to effectively execute its duties. The nomination committee regularly evaluates the composition of the board, taking into consideration its succession plan and rotation schedule.

How is it ensured that directors are not over burdened with external board memberships?

On a quarterly basis, board members provide declarations of their external board memberships to ensure that they are not overcommitted in terms of their representation on other listed boards.

The number of listed directorships of directors are limited. Directors are cautioned, in terms of board appointment protocols, against the overextension of their directorships with guidance also available on matters to consider before accepting other directorships outside of the group.

How is directors' independence assessed?

Directors' independence is judged from the perspective of a reasonable and informed third party based on the prevailing circumstances, the definition of independence in terms of the Companies Act, the King IV™ guidance in terms of the assessment of independence (substance over form), conflicts of interest (whether perceived or actual) and other relevant considerations. In terms of this, the board conducts annual independence evaluations to ensure all independent non-executive directors are considered independent.

See the Nomination committee report on page 54 of this report

The board currently has HDP representation of

67%

(Northam target: 50%)

The board currently has female representation of

44%

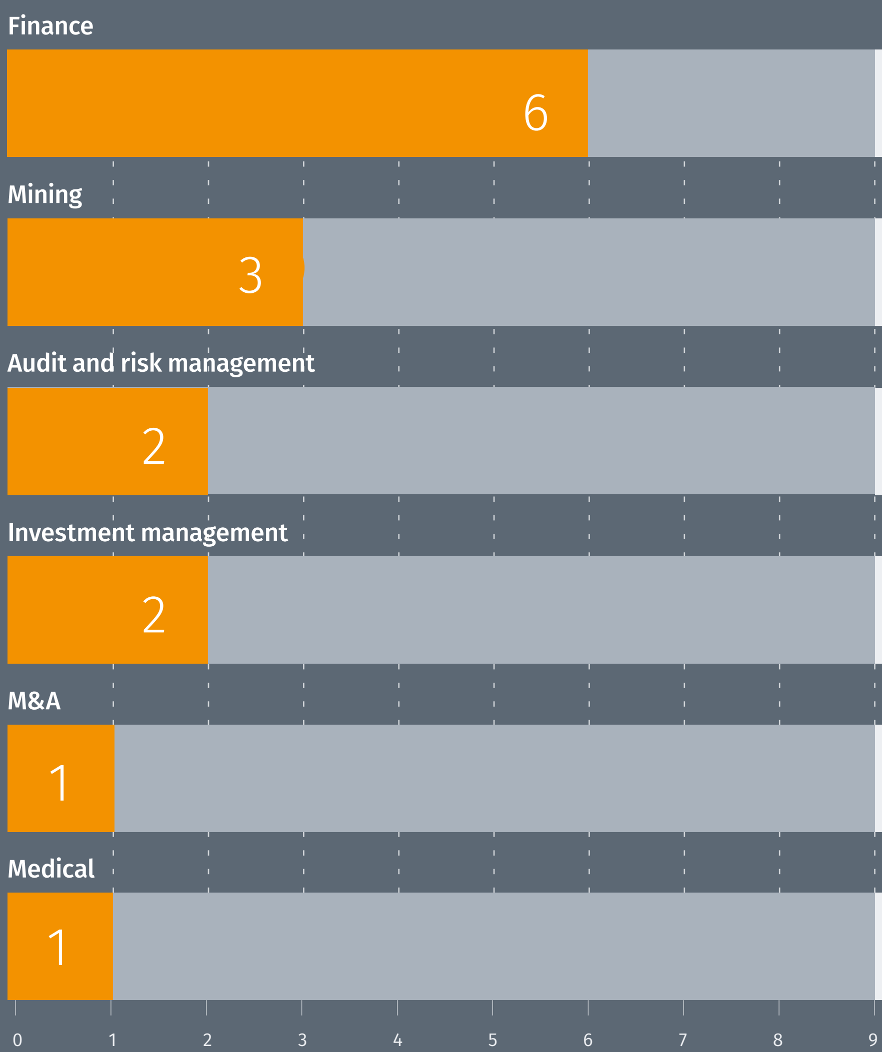
(Northam target: 20%)

67%

of our board are independent non-executive directors

What knowledge, skills and experience does the board have?

Board members with recognised industry expertise in a particular field



Why is it important?

	Why is it important?
Finance	Required to effectively guide the economic decisions of the group. This is in order to achieve an optimal balance between growth, sustaining operations and returning value to the providers of capital
Mining	Mining is our business and therefore technical mining expertise is essential to guide sustainable operations
Audit and risk management	Fundamental for providing effective governance and oversight of the group's six capitals
Investment management	The group's large capital requirements, extended time horizons to value realisation and debt funding require significant expertise in investment management
M&A	Critical to guide effective acquisition growth down the cost curve
Medical	Provides a competitive advantage in an industry with inherent high health and safety risk exposures

K The board is satisfied that our directors have the qualifications, knowledge and understanding necessary to govern the group, taking into account its nature, size and scale of operations and the laws and customs governing its actions.

What changes were made to composition of the board and committees during the year? 7

Board member	Date	Nature of change	Impact on committee membership
DH Brown	27 September 2021	Change in committee membership	▪ Resigned from the audit and risk committee ▪ Appointed as chairman of the nomination committee ▪ Appointed as member of the remuneration committee
	19 June 2022	Deceased	
TI Mvusi	27 September 2021	Designation changed from independent non-executive director to lead independent director	▪ Appointed as member of the nomination committee ▪ Appointed as member of the investment committee
	3 November 2021	Change in committee membership	▪ Appointed as member of the remuneration committee
	20 June 2022	Designation changed from lead independent director to independent chairman of the board	
HH Hickey	27 September 2021	Change in committee membership	▪ Appointed as chairperson of the remuneration committee
	20 June 2022	Designation changed from independent non-executive director to lead independent director	
JG Smithies	27 September 2021	Change in committee membership	▪ Appointed as member of the nomination committee ▪ Appointed as member of the investment committee
GT Lewis	27 September 2021	Change in committee membership	▪ Appointed as member of the health, safety and environmental committee
TE Kgosi	27 September 2021	Change in committee membership	▪ Resigned as member of the nomination committee
JJ Nel	27 September 2021	Change in committee membership	▪ Appointed as member of the social, ethics, human resources and transformation committee
	17 December 2021	Resigned as independent non-executive director	▪ Resigned from the audit and risk committee ▪ Resigned from the investment committee ▪ Resigned from the social, ethics, human resources and transformation committee
PA Dunne	27 September 2021	Change in committee membership	▪ Resigned from the social, ethics, human resources and transformation committee
	3 February 2022	Change in committee membership	▪ Appointed as temporary member of the social, ethics, human resources and transformation committee
MH Jonas	3 February 2022	Change in committee membership	▪ Appointed as member of the audit and risk committee

How often do directors rotate and retire from the board?

In terms of the group's MOI, one third of the non-executive directors, being the longest-serving members on the board, shall retire from the board at each AGM. A retiring director who is eligible and available may offer themselves for re-election and re-appointment.

The following directors are due to retire by rotation in 2022:

- JG Smithies
- TE Kgosi
- HH Hickey

JG Smithies, TE Kgosi and HH Hickey are all eligible for re-election and have indicated that they will offer themselves for re-election at the next AGM.

The full text of the ordinary resolutions is contained in the Notice of Annual General Meeting 2022.

These documents are available on the Northam website or can be obtained from the company's registered office on written request

How does the board ensure that effective succession plans are in place for directors?

Board refreshment and succession planning are imperative. It should be done in a systematic and gradual manner in order to maintain a balance of new insight, depth of experience, continuity and diversity of the board.

This mix is reflected in the board tenure spread of the group. Four of the directors have tenures in excess of five years, balanced with four new board appointments to the group in the last three years. Facilitation of knowledge transfer will continue between long-serving directors and the newer members on the Board. The transfer of knowledge will ensure the board comprises an appropriate balance of institutional knowledge going forward.

The board furthermore has an agreed succession pipeline, which identifies immediate and planned successors for directors on the board.

Following the resignation of JJ Nel from the board, the board considered the mix of skills, experience and demographics of the board and concluded that it still has the adequate mix of the aforementioned to effectively fulfil its functions.

The succession planning measures were borne out through the committee appointments to replace JJ Nel. MH Jonas was appointed as member of the audit and risk committee and PA Dunne as temporary member of the social, ethics, human resources and transformation committee. These directors have the necessary skill sets to effectively perform these roles, without reducing the ability of the committee to perform the necessary activities in terms of its mandate.

The previous independent chairman of the group, DH Brown, sadly passed away on 19 June 2022. As part of the group's succession planning the lead independent director, TI Mvusi, was appointed as independent chairman of the group on 20 June 2022, with HH Hickey assuming the role of lead independent director on the same date.

Leadership roles in the group 10

The responsibilities of the chairman and the CEO are clearly defined and separated, as set out in the board charter. Whilst the board may delegate authority to the CEO, the separation of responsibilities is designed to ensure that no single person or group has unrestricted powers and that appropriate balances of power and authority exist on the board.

Chairman

TI Mvusi was appointed as the independent non-executive chairman of the board effective 20 June 2022, following the passing of the previous chairman DH Brown. He previously served as the board's lead independent director.

The chairman is responsible for providing leadership to the board, ensuring the board focuses on its key responsibilities and leading the board in assessing and improving its performance. The chairman is also responsible for leading the board's challenge of senior management, monitoring the performance of the group's operations and establishing and maintaining an effective system of governance and controls over the group's activities.

TI Mvusi has extensive experience serving in a number of executive roles at Sanlam Limited and its subsidiaries. He is an expert in financial markets and investments and has in-depth knowledge of general business, human resources and legal. He has been a member of the board since January 2016 and has the required skills, experience and knowledge to fulfil the role of chairman.

Lead independent director

HH Hickey was appointed as the lead independent director, effective 20 June 2022. She replaced TI Mvusi, who was appointed as independent non-executive chairman of the board on the same date. The lead independent director is responsible for providing leadership and advice to the board on matters where the chairman is conflicted, and to preside at board meetings in the absence of the chairman.

The lead independent director is also required to facilitate discussion and open dialogue among independent directors during and outside board meetings and, when required, serves as liaison between the chairman and other members of the board.

In addition, the lead independent director provides the chairman with feedback and counsel concerning interactions at board engagements where he is absent and is also a sounding board for the chairman on a wide range of matters relating to corporate governance.

The lead independent director also performs the appraisal of the chairman, in consultation with the nomination committee.

HH Hickey is a chartered accountant with over 35 years of experience in auditing, risk management and governance and a former chairman of SAICA, which will serve her well in this role.

Chief executive officer

The CEO, PA Dunne, is accountable for the formulation and execution of the group's strategy, which is approved by the board, as well as the management of the group's operations.

The CEO reports to the board and is a member of the health, safety and environmental committee. In terms of best practice, he is not a member of the audit and risk, investment, or nomination committees. He does however have standing invitations to attend meetings of these committees. During the year, the CEO was appointed as a temporary member of the social, ethics, human resources and transformation committee. This is an interim measure to fill a vacancy on the committee and he will be replaced on the committee in due course.

The board charter is very clear on the powers that are reserved for the board and those that are to be delegated to management via the CEO. The CEO has undertaken to hold no other listed company directorships. An exception was his directorship of Zambezi Platinum (RF) Limited (Zambezi), the previous empowerment shareholder. However, following the early maturity and wind-up of the Composite Transaction, Zambezi has been subsequently de-listed.

The CEO has an employment contract that can, subject to fair labour practices, be terminated upon 12 months notice.

Company secretary

PB Beale has more than 30 years' experience in the corporate secretarial field and was appointed as company secretary on 24 October 2011. The company secretary provides guidance to board members on the execution of their duties and keeps the board abreast of relevant changes in legislation and corporate governance best practice. She also supports and coordinates the functioning of the board and its committee meetings.

The company secretary has unfettered access to the board, is not a board member and maintains an arm's length relationship with the board and its members. The company secretary reports to the board via the chairman on all statutory duties and functions performed in connection with the board. Regarding other duties and administrative matters, she reports to the CEO.

The annual evaluation of the company secretary was led by the previous chairman and facilitated by an independent firm. The results of the evaluation confirmed that the company secretary continues to demonstrate the requisite level of competence, knowledge, qualifications and experience to carry out her duties. The board is also comfortable that she maintains an arm's length relationship with individual directors and confirms that she is not a director of the company or any of its subsidiaries.

Board training and effectiveness 9

How does Northam ensure the board is equipped to discharge their duties?

All new board members undergo an induction programme where the group's JSE Limited sponsor, together with the company secretary, familiarise new directors with the group's governance structures, senior management, statutory requirements, policies, procedures and the latest JSE Limited Listings Requirements. The new directors also visit the operations to gain insight into the group's operations.

Furthermore, ongoing training ensures that all board members are kept abreast of any changes or developments in the regulatory, statutory and broader operating environments. This includes training by internal and external training providers.

The non-executive directors have a personal responsibility to comply with the necessary continuous professional development (CPD) requirements as part of their relevant membership and association with international and local bodies. Northam will also assist directors with specific training where required.

All board members have been registered as members of the Institute of Directors Southern Africa (IoDSA) during 2022. Going forward directors will now receive additional training and updates on any changes to legislation directly from the IoDSA.

How is the board's performance and effectiveness assessed?

Board members are held accountable through formal external board evaluations that take place at least once every two years.

As part of these evaluations the board conducts an assessment of its own performance and the appropriateness and effectiveness of its procedures and processes. The actions from these assessments are agreed and their implementation is tracked.

The board further regularly evaluates the independence of its independent directors, particularly in respect of the independent directors who have served on the board for an aggregate term exceeding nine years.

The board also annually evaluates the performance of the company secretary in terms of her competence, qualifications, experience and arm's length relationship with the board. The 2022 evaluations found that the company secretary is seen as a source of independent guidance and advice to the board and that she was effective in the execution of her duties.

See Leadership roles on page 20 of this report

During the year under review the IoDSA was appointed to conduct a self-appraisal evaluation of the board and its committees, which will be completed post our year end. The assessment will consider progress on the items highlighted in the 2021 assessment, as well as the governance processes of the group in order to establish whether these remain fit for purpose.

Areas identified for improvement in 2021 included the need to review the current reporting frameworks and protocols, as well as the composition and mandate of the committees. Extensive work had been done expanding and updating the mandates and charters of the committees of the board during the year under review. Work on these areas for improvement is ongoing. The board has also refreshed the composition of the various committees of the board to ensure they are well equipped with the appropriate skills and experience to effectively execute their mandates.

The board will also facilitate additional CPD for directors over the course of the next financial year.

K The board is satisfied that the evaluation process is improving its performance and effectiveness.

The board and stakeholders 14 16

The board, assisted by its committees, is ultimately responsible for the monitoring of the quality of stakeholder relationships and the effectiveness of our stakeholder engagements.

What is the board's policy in terms of stakeholder relations?

The board-approved stakeholder policy regulates the process of engaging and communicating with all defined stakeholders who include amongst others, both shareholders and employees.

It sets out the manner in which the group identifies and engages with stakeholders, as well as the manner of engaging.

Stakeholder risks are incorporated into the group's risk management process and are identified, assessed, mitigated and reported on in the same way as all other risks.

How are stakeholder relations governed?

The SEHR&T committee is responsible for providing oversight of the group's stakeholder practices. This includes fostering relationships with all stakeholders and to inform how the group relates to corporate citizenship.

Each of the committees of the board are responsible for the governance of stakeholder interactions in line with their associated capitals of value. This ensures that engagements are in line with policy, governance codes and best practice. Feedback on stakeholder interactions is provided to the board by the respective committee chairpersons.

Who is responsible for the managing of stakeholder relations?

Dedicated stakeholder relations personnel are positioned at each of the group's operations and together with executive management, they deliver on the requirements of the group's stakeholder relations policy. This ensures that effective industry and internal governance practices are maintained in managing and responding to the requirements and views of the group's stakeholders.

The CEO and CFO are responsible for the approval and governance of all engagements with external stakeholders.

The General Managers at each operation and the Executive: Human resources, are responsible for the management of internal stakeholder engagements.

What stakeholder engagements did the board have in 2022?

The board, through its committees, monitored and noted that the group's stakeholder engagement activities during the year under review were extensive and responsive to the issues raised.

These included continuous engagements with, among others, host, adjacent and labour-sending communities, unions, employees, legislative bodies, members of our supply chain, strategic partners and customers, as well as investors.

Pleasingly, it was noted that the quality of stakeholder relationships remained at high levels.

Read more about our stakeholders and how we engage them in our Annual integrated report for the year ended 30 June 2022, available on our website

See the social, ethics, human resources and transformation committee's report on page 36 of this report

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website for key issues raised during the year

What are the areas of continued focus for the board in terms of stakeholder relations?

- Monitor the ongoing impact of the COVID-19 pandemic on our employees, customers and communities
- Continue regular engagement with regulators
- Continue regular engagement with investors
- Monitor engagements with customers and refining partners
- Continue to monitor feedback on the engagements at the operations with community representatives, forums and labour unions and employees

The board engagement with investors

The first AGM for Northam Holdings was held on 29 October 2021. All of the binding ordinary and special resolutions were approved by the requisite majority of shareholders present or represented by proxy at the AGM.

The non-binding advisory ordinary resolutions 4.1 and 4.2, relating to the group's remuneration policy and implementation report, received 72.56% and 72.49% respectively. This is below the requisite support of 75% of votes.

Accordingly, in terms of the JSE Limited Listings Requirements and the recommendations of the King IV™ Report on Corporate Governance for South Africa, 2016, the board invited, through a SENS issued on 15 November 2021, dissenting shareholders to submit, in writing, concerns and recommendations regarding the non-binding advisory resolutions.

Further engagements were facilitated with investors in November 2021, where the chairperson of the remuneration committee met with institutional investors on remuneration matters.

Over and above the bi-annual results presentations to the market in February and August of each year, management regularly hosts, briefs and presents to local and international shareholders, buy-and-sell side institutions and other stakeholders during the course of the year. Feedback is a critical element of these engagement processes and it is raised, through the executive committee, for discussion at board level.

During the year under review management held investor meetings with institutions from South Africa, the United Kingdom, Europe, the United States and Asia.

Key topic discussed	Our response
Environmental, social and governance (ESG) disclosures	▪ The group has bolstered its sustainability department with additional resources. In particular we have introduced systems across the group to enhance monitoring and reporting activities on ESG matters. ▪ The Sustainability report 2021 was the group's first standalone sustainability report and disclosures will continuously be enhanced. ▪ We will also continue with the reporting of key ESG metrics as part of our summarised financial results and annual financial statements.
Investment in RBPlat	▪ The investment in RBPlat is aligned with the group's growth strategy and presents a unique opportunity to grow production down the cost curve, while simultaneously reducing the group's risk profile through operational diversification. ▪ Governance over the various elements of the investment was a key focus area for the board and in particular the investment committee. ▪ The latter played an integral role throughout the assessment process, reviewing and evaluating the rationale for the investment, the purchase price and the composition of the purchase consideration. The evaluation and assessment process concluded with the investment receiving unanimous approval from our investment committee and board members.
Returning value to shareholders	▪ The long-term success of our business depends on us achieving an optimal balance between growth, sustaining operations and returning value to the providers of capital. ▪ Management carefully considers the appropriate allocation of capital in these areas to achieve the group's strategic objectives. ▪ We are currently at a critical juncture in our growth trajectory, with various potential outcomes possible. These outcomes will inform our approach to dividends and other mechanisms of returning value to shareholders.
Market uncertainty	▪ A number of external factors have been affecting the supply and demand dynamic for PGMs and indeed all commodities. The ongoing impact of the pandemic, the global semi-conductor shortage and the ongoing conflict in Ukraine have all affected the market. ▪ Despite this, the current outlook for PGM demand remains stable. We believe in the metals we produce and that the fundamentals for PGMs remain positive. Recovery from the external factors will lead to normalisation of the supply and demand dynamic and this in a rational market will lead to price appreciation. ▪ The group is also able to sell all the metal we produce via offtake agreements with a number of customers and the ability to sell excess metal on the spot market.

Sponsor

The group understands the role and responsibilities, as stipulated in the JSE Limited Listings Requirements and JSE Debt Listings Requirements, of its JSE equity and debt sponsor, One Capital. The group has cultivated an excellent working relationship with One Capital and see them as a trusted and reliable service provider, and are appreciative of their proactive and high-quality advice.

Read more about our stakeholders and how we engage them in our Annual integrated report for the year ended 30 June 2022, available on our website

K The board is satisfied that the JSE Limited sponsor has executed its mandate with due care and diligence for the year under review.

Executive committee

Gender diversity

1
Female (13%)

7
Male (87%)

Age diversity

59
Oldest

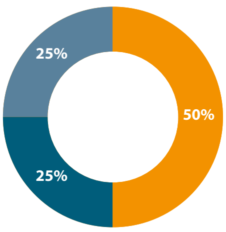
42
Youngest

Average age of 51 with 75% under the age of 55

Exco skills

- Mining
- Project management
- Sustainability
- Finance
- Audit and risk management
- Human resources

Exco demographics



- Historically disadvantaged persons (HDP)
- Non-HDP
- Non-South African

Our executive committee (exco) is a diverse and experienced management team that comprises eight members of the company's senior executives, broadly representing the disciplines within the company's organisational structure.

Exco meets once a month, or as and when required. The CEO and CFO report directly to the board on all matters deliberated on by this committee.

Executive directors

1 PA Dunne BSc (Hons), MBA (59)
Chief executive officer

Board member of Northam Holdings since December 2020 and of the group since March 2014

Other directorships: Non-executive director of the International Platinum Group Metals Association (IPA). Current vice president of the Minerals Council of South Africa and chief executive officer of Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: Former executive director at Implats, responsible for all mining, concentrating and smelting operations at the group's Rustenburg and Marula mines.

2 AH Coetzee CA (SA) (42)
Chief financial officer

Board member of Northam Holdings since December 2020 and of the group since November 2018

Other directorships: Chief financial officer of Northam Platinum Limited (a subsidiary of Northam Holdings).

Experience: Joined Northam in December 2015 as the group financial controller and was appointed chief financial officer in November 2018. Former associate director at Ernst & Young Inc. with 20 years' experience in, and exposure to the mining and manufacturing industries, including the auditing of large, listed and multi-locational organisations.

Executives

3 MN Ndlala BTech Mining Engineering, MBL (54)
Executive: Mining

Joined Northam in July 2018

Other directorships: Director of Mine Rescue Services Proprietary Limited.

Experience: Former executive head of operations at Implats Rustenburg mines, responsible for all mining, concentrating and smelting operations. Former director of Two Rivers Platinum and African Exploration Mining and Finance Corporation (SOC) Limited (AEMFC)

4 LC van Schalkwyk FCMA (57)
Executive: Commercial

Joined Northam in October 2014

Other directorships: None

Experience: More than 30 years' experience in the Platinum mining industry. Former executive for strategic finance at Implats.

5 D Smith Bsc (Hons) Msc (54)
Executive: New business

Joined Northam in October 1995

Other directorships: None.

Experience: Worked in the mining and mineral exploration sector since 1991 and joined Northam as a consultant in 1995. Former principal of Prospect Geoservices at Northam.

6 CA Smith BSocSc (Hons) (SA) (47)
Executive: Human resources

Joined Northam in September 2014

Other directorships:
Chairman of Platinum Health Medical Scheme.

Experience: Extensive experience in the mining sector, holding senior HR positions at AngloGold Ashanti Limited, Richards Bay Coal Terminal Proprietary Limited and Implats.

7 GD Duma MBA, BTech (Quantity Surveying), Diploma in Project Management, Senior Management Development Programme (53)
Executive: Sustainability

Joined Northam in March 2017

Other directorships: None.

Experience: Held various positions at Implats, including general manager of shared services, project director of housing and socio-economic development projects, and group sustainable development manager. Also worked at the Medical Research Council, Eskom Holdings SOC Limited and South African National Parks.

8 WJ Theron Pr (Cert) Eng. (Professional Engineer), BTech (Mining Engineering), BSc (Hons) Mining, MBA (44)
Executive: Mining

Joined Northam in December 2010

Other directorships: Director of Mine Rescue Services Proprietary Limited.

Experience: Extensive experience in projects and operational management. Former general manager at Booysendal mine. Past president of the Association of Mine Managers of South Africa.

Corporate secretarial*

9 PB Beale (56)
Company secretary

Joined Northam in October 2011

Experience: More than 30 years' experience in the corporate secretarial field, previously working for JCI Limited and Gold Fields Limited. Member of IoDSA.

10 C Msimanga (46)
Assistant company secretary

Joined Northam in January 2017

Experience: Extensive experience in HR Management, HR Consulting, Aviation, Trust Administration and Corporate Governance. Previously worked for South African Express Airways, Richards Bay Coal Terminal and Bruniquel and Associates. Member of the IoDSA.

* Not part of the executive committee

What are the executive committee responsibilities?

- Formulate, implement and execute the group strategy. This includes preparation of the business plan, including any revisions or updates of the strategy for approval by the board
- Manage business performance and the reporting thereon to the board
- Implement all policies of the group, including those relating to health, safety, environment, human resources, stakeholder engagement, finance and risk management
- Consider succession planning initiatives for senior management in conjunction with the SEHR&T committee
- Provide ethical leadership and create an ethical working environment that is conducive to attracting, retaining and motivating a diverse group of talented employees
- Ensure the group through management, complies with all relevant laws, regulations and corporate governance principles with oversight from the audit and risk committee
- Lead and direct relevant group communications
- Maintain and ensure adequate and effective systems of internal control, financial reporting and risk management across the group

How does Northam ensure that there is effective executive committee member succession plans in place?

Our talent management process is key in supporting our overall succession planning strategy to ensure an adequate future supply of scarce and critical skills.

This is realised by having a consistent flow of talent through the identification of potential successors, as well as the identification of employees' strengths in respect of the core competencies of the executive committee.

During the year under review the SEHR&T committee continued to make progress with the succession plans for the executive committee. This is to ensure its continuity, whilst maintaining an appropriate balance of knowledge, skills, experience and diversity to effectively discharge the roles and responsibilities of the committee.

These succession plans include appropriate development plans for our CEO and CFO, and also take into account their respective notice periods.

Health, safety and environmental committee report

JG Smithies

Basis of preparation
This health, safety and environmental committee report has been prepared in line with Northam's corporate governance practices following prescripts of the King IV Report on Governance for South Africa, 2016 (King IV™), as well as applicable and relevant legislation.

This report sets out how the health, safety and environmental committee (the committee) has satisfied its various statutory obligations during the year, as well as some of the focus areas and projects considered, and how these have been addressed by the committee.

Role and mandate
The committee assists the board with the oversight of the group's health, safety and environmental matters ensuring the health and safety of all our employees, as well as the management of the environment. As part of its responsibility the committee undertakes to:

- Review the health, safety and environmental strategies, policies and standards of the group
- Assess and monitor compliance to group policies, standards, legal and regulatory requirements, as well as any recommendations from investigations of incidents
- Review and monitor the health, safety and environmental performance across operations
- Consider legal, regulatory and technical developments and consult any external advisors in this regard
- Monitor the administration and associated investment activities of the Northam Restoration Trust Fund

Refer to the Health, safety and environmental committee's charter on our website

Our commitment to independence, transparency and collaboration
The independence of the committee is key to its effective functioning and ensuring that it does not assume the functions of management.

The committee encourages continuous and open communication with all assurance providers including the external and internal auditors, risk and compliance functions, senior management, as well as the board.

Related risks and opportunities

- Health and safety
- Tailings storage facilities (TSFs)
- Energy supply and the cost thereof
- Employee relationships
- Social licence to operate
- Regulatory, political and legal environment
- Environment
- Water supply
- Disclosure of non-financial information

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our risks and opportunities

Related material issues

- Managing production and performance
- Continuing to improve the safety performance and the health and wellness of our employees
- Effective project execution
- Maintaining our legislative and regulatory compliance
- Managing the environmental impact of our operations and conserving natural resources
- Maintaining constructive communication channels with all our stakeholders
- Ongoing impact of COVID-19

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our material issues

Committee composition

The committee currently comprises three independent non-executive directors and the CEO and meets at least four times a year.

The chairperson of the committee, elected by the board, is an independent non-executive director and reports to the board on the committee's activities and all matters discussed, highlighting key issues requiring action and recommendations for resolution.

Name	Date joined committee	Board status	Meeting attendance
JG Smithies (Chairperson)	7 November 2017	Independent non-executive director	4/4
Dr NY Jekwa	1 November 2019	Independent non-executive director	4/4
PA Dunne	10 December 2015	Chief executive officer	4/4
GT Lewis[1]	27 September 2021	Independent non-executive director	3/3

[1] Invited as an attendee since June 2021

Meetings	Attendance
4	100%

K The board is satisfied that collectively the committee members have the appropriate mix of qualifications and experience in order to fulfil their duties.

Invited attendees

The committee has two permanent invitees at meetings, MN Ndlala and WJ Theron, Northam's mining executives. They provide feedback on the group's health and safety and environmental performance and related activities for the respective operations. GD Duma, Northam's sustainability executive, is also invited to the committee meetings to report back on the group's environmental and sustainability initiatives.

Changes to the committee during the year

JG Smithies was formally appointed as chairperson of the committee by the board with effect from 27 September 2021. This follows his interim appointment by the committee members to replace the previous chairperson, who retired as a director of the board during the previous financial year.

In addition, GT Lewis was appointed to the committee in September 2021.

Areas of focus during the year

Focus area	Response
Safety	▪ Reviewed all health, safety and environment related incidents during the year, in particular the formal enquiry and investigation outcomes of the two fatalities at the Zondereinde mine during August 2021 and January 2022 ▪ Assessed the corrective actions taken following the fatalities at Zondereinde and received assurance that learnings from these incidents have been shared across operations ▪ Noted that the Booysendal operation remains fatality free since its inception, surpassing seven million fatality free shifts at the start of January 2022, while Eland remains fatality free since the restart of mining activities ▪ Deliberated on the key safety performance statistics and trends, focussing on safety management objectives and initiatives in response to challenges. This included the monitoring of the LTIIR, RIIR and FIIR at every meeting with consideration of the improvement in these statistics. The severity of injuries resulting from incidents remains a focus area ▪ Reviewed and monitored progress of the ongoing training initiatives and campaigns related to occupational health and safety implemented across the group, including COVID-19 safety measures and protocols ▪ Considered internal and external reports on potential risks, substandard working conditions or incidences of non-compliance as part of the committees review to track the implementation of remedial actions
Strategy	▪ Reviewed and approved the health, safety and environmental targets incorporated in the group's strategy and associated business plans ▪ Monitored the ongoing progress against these targets across the period under review
Governance and compliance	▪ Assessed the group's enhanced disclosure on environmental, social and governance (ESG) initiatives, in line with recommendations from external service advisors ▪ Reviewed the group's sustainability report and provided the necessary approval ▪ Monitored the group's compliance to its health, safety and environmental policies and standards tracking progress of these indicators ▪ Assessed the group's compliance to updates to applicable legislation, as well as compliance to regulatory reporting requirements ▪ Considered feedback from internal and external assurance providers on reviews performed, informing the associated management action plans ▪ Reviewed independent reports conducted on all tailing storage facilities (TSFs) in the group ▪ Deliberated on reports and close out actions on recommendations issued by the Department of Mineral Resources and Energy, following inspections conducted at operations ▪ Discussed Northam's current carbon footprint and the initiatives in place to reduce the group's environmental impact. Noted management's preparation for the implementation of the Task Force on Climate related Financial Disclosures (TFCD) policy, as recommended by the G20's Financial Stability Board
Health	▪ Monitored the implementation and outcomes of employee wellness programmes and voluntary health screening campaigns ▪ Reviewed occupational health performance statistics and medical reports from the operations on: – COVID-19 infections, recoveries and deaths – Tuberculosis disease management – Voluntary HIV counselling and testing (HCT) – Overall medical surveillance ▪ Continued to monitor the measures implemented to detect, prevent and mitigate the impact of COVID-19 across the group, noting that despite the increased medical absence being higher at Zondereinde, the activities in place are largely effective ▪ Noted the vaccination program implemented by the group and acknowledged the high percentage of employees being either fully or partially vaccinated across the operations ▪ Reviewed and considered the levels of comprehensive medical care provided for employees

Focus area	Response
Environment	▪ Considered key value levers of the environmental strategy and environmental goals of the group for approval ▪ Monitored progress of environmental management performance and management reports, noting that the group is on track in meeting its environmental and biodiversity goals ▪ Reviewed and approved the group's energy policy and strategy, including the alignment of initiatives in progress to this strategy ▪ Monitored progress of power-saving initiatives and energy use reduction plans, including the development of the 11MW Solar Power farm at Zondereinde and 1MW solar arrays at Booysendal and Eland ▪ Considered emerging legislative environmental trends and developments including regulations on carbon tax and financial provisions ▪ Noted that the water management programmes in place across all operations are in line with the water use licences and in accordance with applicable legislation ▪ Received feedback on the use of backfill from classified tailings at Zondereinde as underground support elements and the consequent reduction in the volume of tailings reported to the TSF. Noted that this is operating as intended and that test work is in progress to implement a similar system at Booysendal ▪ Monitored performance of the Northam Platinum Restoration Fund and noted the investments in the fund are in the best interest of the group and that there is no shortfall in the provision ▪ Reviewed the activities of the Buttonshope Conservancy Trust and its efforts in respect of the management of conservation
Systems and risk management	▪ Considered major risks identified and noted the effective functioning of critical controls in place across operations ▪ Reviewed the key strategic risks falling within the ambit of the committee's responsibilities ▪ Monitored the improvement of safety, health and environmental information and management systems at all operations ▪ Noted the new, standardised system instituted across the group for the monitoring of environmental actions ▪ Monitored the ongoing progress of the ISO 14001 and ISO 45001 certifications across operations

Ongoing impact of COVID-19

The ongoing impact of the COVID-19 pandemic on the group's workforce, particularly at Zondereinde, where the emergence of new variants, coupled with the aging workforce has resulted in staff turnover and medical absence being significantly above prior periods.

As part of the committees review, it monitored the implementation of safety measures and protocols aimed at reducing the risk, exposure and spread of COVID-19 as far as possible. The committee was ensured that these measures and protocols followed the prescripts of the amended disaster management regulations developed for the mining industry through the Minerals Council, in consultation with the Department of Mineral Resources and Energy. The committee also noted the progress of the vaccination programme at all operations and is pleased with the initiatives and vaccination rates (both fully and partial) across the group.

Regrettably, the group reported 10 COVID-19 related fatalities for the period, whilst recognising the current recovery rate of 99% within the group.

K The committee is satisfied that Northam is taking all practical measures to manage and minimise the impact of the COVID-19 pandemic on the operations and its people.

Committee evaluation and performance

The Institute of Directors Southern Africa (IoDSA) was appointed to facilitate a self-appraisal evaluation of the board and each committee of the board during the year. This is in addition to the committee's charter, which requires an independent evaluation of the effectiveness of the committee every two years.

The board's annual evaluation on the committee's performance in terms of its composition, mandate and effectiveness together with the evaluation results of the IoDSA will be reported as part of the next financial years reporting suite. The required actions, if any, emanating from the assessment will be implemented in due course.

Future focus areas

Safety

- Continue to ensure that learnings from safety incidents are shared across operations as part of group's focus on zero fatalities
- Oversee the group's collaborative stakeholder engagement efforts with regards to safety across the PGM sector

Governance and compliance

- Monitor compliance with applicable health, safety and environmental strategies, as well as the policies and standards of the group
- Continue to monitor compliance with regulatory reporting requirements
- Review and monitor efforts to enhance ESG disclosure across the group and assess progress on key ESG metrics
- Oversee the ongoing work to ensure comprehensive reporting in terms of the TFCD disclosure framework, as recommended by the G20's Financial Stability Board

Legal

- Monitor and advise on legislative developments in the mining sector

Strategy

- Monitor the impact of the implementation of the group's strategy on health, safety and environmental targets

Systems and risk management

- Continue to review and monitor progress on the ISO 14001 and 45001 certification initiatives for the group

Health

- Review and monitor progress of initiatives against industry best practice to improve the group's occupational health performance
- Continued review and assessment of the impact of the COVID-19 pandemic on the group's operations, as well as the progress of the vaccination drive

Environment

- Continue to assess and monitor the group's environmental programmes, biodiversity plans, power saving initiatives, as well as progress towards alternate energy sources and efficient water usage and management

Conclusion

The health, safety and environmental committee is satisfied that it has considered and discharged its responsibilities in line with its charter, terms of reference and statutory responsibilities as set out in the Mine Health and Safety Act No. 29 of 1996 and Regulations during the year under review.

On behalf of the committee.

JG Smithies
Chairperson

15 August 2022

Investment committee report

TI Mvusi

Basis of preparation

This investment committee report has been prepared in line with Northam's corporate governance practices following prescripts of the King IV Report on Governance for South Africa, 2016 (King IV™).

This report sets out how the investment committee (the committee) has satisfied its various obligations during the year, as well as some of the focus areas and projects considered, and how these have been addressed by the committee.

Role and mandate

The committee assists the board in discharging its responsibilities in respect of proposals for the acquisition of new assets, businesses and/or companies by Northam, mergers of Northam with other companies, as well as the sale of any material assets or investments.

The committee also provides recommendations to the board to consider any potential investment, merger and acquisition opportunities which have been analysed and evaluated by the committee.

Refer to the Investment committee charter on our website

Our commitment to independence, transparency and collaboration

The independence of the committee is key to its effective functioning and ensuring that it does not assume the functions of management.

The committee encourages continuous and open communication with all assurance providers including the external and internal auditors, risk and compliance functions, senior management, as well as the board.

Committee composition

The committee currently comprises two independent non-executive directors, elected by the board on the recommendation of the nomination committee and meets as and when required.

The board elects the chairperson of the committee, who is an independent non-executive director and reports to the board on the committee's activities and all matters discussed, highlighting key issues requiring action and recommendations for resolution.

The composition of all committees will be reassessed in the coming financial year.

Name	Date joined committee	Board status	Meeting attendance
DH Brown[1] (Chairperson)	7 November 2017	Previous independent non-executive chairman	5/5
JJ Nel[2]	1 November 2019	Independent non-executive director	5/5
TI Mvusi[3]	27 September 2021	Independent non-executive chairman	4/4
JG Smithies[3]	27 September 2021	Independent non-executive director	4/4

[1] Passed away on 19 June 2022
[2] Resigned as a director of the board on 17 December 2021
[3] Appointed as a member to the committee with effect from 27 September 2021. Previously attended the committee meeting as an invited attendee

Meetings	Attendance
5	100%

Related risks and opportunities

- Demand for PGMs
- Capital allocation
- Project execution

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our risks and opportunities

Related material issues

- Effective project execution
- Maintaining constructive communication channels with all stakeholders
- Liquidity management to mitigate market volatility
- Ongoing impact of COVID-19
- Acquisition of a strategic investment in RBPlat

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our material issues

Invited attendees

Invitations to attend the committee meetings are extended to senior executives and professional advisors as deemed appropriate. All directors have the right to attend committee meetings. TI Mvusi and JG Smithies attended the first committee meeting of the year on 15 September 2021 before being appointed as members of the committee on 27 September 2021.

The CEO, CFO and Northam's corporate advisor, One Capital, attended all committee meetings held during the year. Where specific consideration was given to mining and geology elements associated with the acquisition of the strategic investment in RBPlat, Northam's executive: new business attended these committee meetings.

Key focus during the year

The key focus area of the committee during the year was the analysis, review and monitoring of the acquisition of a strategic investment in Royal Bafokeng Platinum Limited (RBPlat).

The committee:

- Reviewed the rationale for the acquisition of a strategic investment in RBPlat, considering the key characteristics informing the proposal for the investment opportunity. This included consideration of the group's fundamental belief in the importance of PGMs and its long-term strategy
- Considered and assessed the potential risks and opportunities associated with the investment opportunity
- Deliberated the alignment of the investment against the group's production growth strategy, specifically, the opportunity to grow production down the cost curve, whilst simultaneously reducing group risk through operational diversification
- Evaluated the financial impact, in particular, the purchase price and composition of the purchase consideration for the investment, noting Royal Bafokeng Investment Holding Company Proprietary Limited (RBIH) as a strategic shareholder in the group
- Challenged management's investment model to include an internal operational study of the potential value to be unlocked as well as the value-accretive initiatives at RBPlat's existing and future expanded mines' footprint
- Deliberated on the qualitative features of RBPlat to that of the group, noting that it is complimentary
- Unanimously approved the investment and recommended to the board for final approval
- Oversaw and monitored market communication in relation to the investment, ensuring that these were in compliance with the JSE Limited Listings Requirements

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website for more information on our investment in RBPlat


3M
10F
KN95

Future focus areas

Investment in RBPlat	- Continue to monitor the developments regarding the shareholding in RBPlat and oversee any additional activities in this regard
Other projects	- Continue to oversee, review and monitor, where necessary potential value accretive projects and acquisition opportunities as part of the group's overall investment opportunities
Sale of investment	- Oversee the potential sale of the group's investment in SSG Holdings Proprietary Limited

Conclusion

The investment committee is satisfied that it has considered and discharged its responsibilities in line with its charter, as well as good corporate governance practices.

On behalf of the committee.

TI Mvusi
Committee member and independent non-executive chairman

15 August 2022

Social, ethics, human resources and transformation committee report

TE Kgosi

Basis of preparation

This social, ethics, human resources and transformation committee report has been prepared in terms of section 72(4) of the Companies Act (read in conjunction with Regulation 43 of the Companies Regulations, 2011), the King IV™ Report on Governance for South Africa, 2016 (King IV™), the JSE Limited Listings Requirements and other applicable regulatory requirements.

This report sets out how the social, ethics, human resources and transformation committee (the committee) has satisfied its various statutory obligations during the year, as well as some of the focus areas and projects considered, and how these have been addressed by the committee.

Role and mandate

The committee is constituted as a statutory committee of the group in respect of the responsibilities assigned to it in terms of section 72(4) of the Companies Act (read in conjunction with Regulation 43 of the Companies Regulations, 2011), with its mandate defined in the social, ethics, human resources and transformation committee charter.

The committee assists the board with the oversight of the group's social and economic development initiatives, ethics, legislative compliance, labour and employment matters, stakeholder relationships and transformation responsibilities ensuring that the group is and remains to be a good, socially responsible corporate citizen. This includes monitoring the group's standing in terms of the goals and purposes of the 10 United Nations Global Compact Principles and its compliance to and performance against the prevailing Mining Charter targets.

Its primary role is to supplement, support, advise and provide guidance on the effectiveness or otherwise of management's efforts in respect of these matters.

The committee does not assume the functions of management, as these functions remain the responsibility of the executive directors and senior management. The committee also does not provide relief to board members in terms of their collective and individual fiduciary duties.

The committee was previously charged with the oversight of the group's remuneration policy and the implementation thereof. In accordance with shareholder feedback, the board has established a separate remuneration committee for this purpose. These responsibilities have passed to the remuneration committee with the committee's charter having been updated accordingly.

Refer to the Social, ethics, human resources and transformation committee charter on our website

Refer to the remuneration committee report on page 58 of this report

Our commitment to independence, transparency and collaboration

The independence of the committee is key to its effective functioning and ensuring that it does not assume the functions of management.

The committee encourages continuous and open communication with all assurance providers including the external and internal auditors, risk and compliance functions, senior management, as well as the board.

Related risks and opportunities

- Health and safety
- Community relations
- Critical skills and key personnel
- Employee relationships
- Social licence to operate
- Regulatory, political and legal environment
- Environment
- Disclosure of non-financial information

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our risks and opportunities

Related material issues

- Managing production and performance
- Continuing to improve the safety performance and the health and wellness of our employees
- Effective project execution
- Maintaining our legislative and regulatory compliance
- Managing the environmental impact of our operations and conserving natural resources
- Maintaining constructive communication channels with all our stakeholders
- Ongoing impact of COVID-19

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our material issues

Committee composition

The committee currently comprises one independent non-executive director, one non executive director and temporarily the CEO. The committee meets at least once a year, or as many times as required.

The board elects the chairperson of the committee and the chairperson of the board is not eligible to be the chairperson of the committee. The chairperson of the committee is a non-executive director and reports to the board on the committee's activities and all matters discussed, highlighting key issues requiring action and recommendations for resolution.

Name	Date joined committee	Board status	Meeting attendance
TE Kgosi (Chairperson)	14 June 2006	Non-executive director	2/2
Dr NY Jekwa	8 November 2017	Independent non-executive director	1/2[2]
JJ Nel[1]	27 September 2021	Independent non-executive director	1/1
PA Dunne	3 February 2022	Executive director	1/1

[1] Appointed to the committee during the year and subsequently resigned as director from the board on 17 December 2021
[2] Apologies received

Meetings	Attendance
2	88%

Invited attendees

Invitations to attend the committee meetings are extended to senior executives and professional advisors as deemed appropriate. All directors have the right to attend committee meetings.

Changes to the committee during the year

Following the conclusion of the Composite Transaction, Northam's CEO, PA Dunne, who was temporarily appointed as a member of the committee, stepped down as a member of the committee and was replaced by JJ Nel on 27 September 2021.

JJ Nel resigned as a director of the board and subsequently from the committee with effect from 17 December 2021.

As an interim measure, the board resolved to re-appoint PA Dunne as a temporary member of the committee, with a new member to be appointed in due course.

Areas of focus during the year

Focus area	Response
Attraction and retention of critical and scarce skills	▪ Considered the group's position in the context of the prevailing platinum group metals (PGM) sector, in respect of attracting and retaining skills, noting the following: – Increased investment in PGM mining resulting in a demand for critical, scarce skills and talent – Geographic location of operations and availability of amenities and facilities deterring potential candidates ▪ Assessed succession plans for executives, senior and middle management across operations. In particular, the committee focussed on succession plans for historically disadvantaged persons (HDPs) and women ▪ Monitored ongoing progress of the group's skills and talent management programmes, including learning and development initiatives ▪ Noted the increase in Human Resources Development training expenditure during the year ▪ Reviewed the group's activities in respect of educational initiatives which include bursaries, learnerships, internships and cadetship programmes noting that these activities are aimed at upskilling employees in line with current business requirements and to support the group's succession planning process ▪ Guided the transition of responsibilities to the newly established remuneration committee and ensured that the committees' current activities are aligned to its updated charter K The committee is of the opinion that appropriate succession planning is in place for executives and senior management.
Zondereinde and Eland wage negotiations	▪ Reviewed and considered progress of the key principles of the separate five-year wage agreements which were concluded in August 2021 between the National Union of Mine Workers (NUM) and Zondereinde and Eland respectively, noting the key principles of the agreement being an increase in all major components of remuneration ▪ Noted that the above agreements followed the five-year agreement that was signed for Booysendal in F2021, securing labour stability across the group during the next phase of its growth strategy
Human rights policy and medical care	▪ Received updates on the levels of comprehensive medical care provided for all employees at all operations by the group's elected medical care service providers ▪ Reviewed the group's updated Human Rights policy, and noted no reported violations in this regard
Compliance to laws and regulations including labour standards and the mining charter	▪ Assessed overall compliance to relevant legislation and regulations including those governing working conditions, workers representation, minimum wages, health and safety in the workplace and the mining charter K The committee is satisfied that no instances of non-compliance were noted in terms of Northam's compliance to the relevant legislation and regulations.
Succession planning	▪ Considered and assessed succession plans for executives, senior and middle management across the group's operations. Particular consideration was given by the committee to the succession plans for Historically Disadvantaged Persons (HDPs) and women K The succession plans considered by the committee were assessed to be adequate.

<table>
<tr><th>Focus area</th><th>Response</th></tr>
<tr><td>Social and labour plans (SLPs) including Corporate Social Investment (CSI)</td><td>

Monitored the group’s ongoing compliance with the various SLPs in terms of:

SLP projects and associated spend
Progress in terms of the group’s housing and accommodation strategy
Local economic development (Small, Medium and Micro-enterprises)
Human resources development

Monitored progress of one of the specific SLP initiatives undertaken by Zondereinde, which entailed a school infrastructure project involving three schools in Lusiki Community in the Eastern Cape province noting that the municipality within which the community lies is one of major labour providing areas for Zondereinde
Continued to monitor work done through the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust, which included:

Contributions to the development of a COVID-19 ward at the Thabazimbe Hospital
Donation of COVID-19 personal protective equipment and healthcare equipment to the primary health care facilities in the local municipalities
Local school initiatives; potable water projects, provision of basic hygiene packs and the refurbishment of two schools in the host communities
Drilling of new boreholes and refurbishment of existing boreholes in eight villages
Continuing funding of bursary beneficiaries

Reviewed the donations made to qualifying organisations as part of Section 18A of the Income Tax Act
Assessed the activities of the established Northam Employee’s Trust, which are primarily focussed on supporting education in the form of bursaries for eligible employees

K The committee is satisfied that Northam is in compliance with the requirements of the MPRDA and the Mining Charter with regards to CSI and that targets and commitments in terms of the SLPs are on track.
</td></tr>
<tr><td>Stakeholders</td><td>

Reviewed the adequacy and effectiveness of the group’s stakeholder management policy noting it operated as designed
Deliberated on the group’s stakeholder engagement plans and activities noting the group’s continuous engagement with host communities, communities in labour-sending areas, unions, employees, investors, the media, government, non-governmental organisations, members of the supply chain, as well as strategic partners of the group
Reviewed the updated Inclusive Procurement, Enterprise and Supplier Development policy for the group and the establishment of the group’s Enterprise and Supplier Development portal which lists procurement opportunities across each of the operations
Received feedback on the progress regarding the development of a dedicated recruitment portal to both assist with new hires and promote the Northam culture across the group

Refer to Our key stakeholder relationships included in our Annual integrated report 2022 , available on our website, for more details on how we interact and engage with stakeholders
K The committee is satisfied with the group’s response to its stakeholder engagement plans and initiatives.
</td></tr>
</table>

Areas of focus during the year continued

Focus area	Response
Diversity, inclusion and transformation	▪ Monitored compliance to the group's employment equity targets noting progress in the following areas: – HDP Management representation, with an increase in HDP representation in junior and middle management – Increase in the number of women employed – Increase in the number of women in management ▪ Noted the group's membership of the Mineral Council of South Africa's Women in Mining Leadership and Women in Mining Task Teams, as well as the Mineral Council's action plan, adopted by the group, to implement and monitor greater diversity and inclusion initiatives ▪ Reviewed and assessed progress of the group on the seven foundation measures established by the Minerals Council's "Women in Mining: Advancing Women Representation in the mining industry strategy" ▪ Considered the group's progress on human resource development, with particular focus on training expenditure and education initiatives. These include: – Bursaries (which include tuition costs, accommodation, prescribed books and a laptop) – Learnerships (programmes for gaining theoretical knowledge and practical skills leading to a registered qualification) – Internships and experiential training – Cadetship programmes – Portable skills training at Zondereinde ▪ Reviewed key transformation targets noting that the group was exceeding 75% of its transformation targets at year end

Mining Charter Element	Average Mining Charter Target	Actual
Total HDP workforce representation	74.4%	81.8%
HDP Management Representation	60.0%	64.5%
Women in management	25.0%	15.4%
Women at mining	20.0%*	18.1%

* Northam internal target

K The committee is satisfied that it has effectively discharged its responsibilities during the course of the financial year with regards to monitoring the promotion of equality, prevention of unfair discrimination and measures to comply with its transformation objectives and targets.

Key projects monitored by the committee during the year

Job selling awareness

- The committee noted that job selling continues to be an area for concern across the industry and oversaw the group's continued efforts to increase awareness across its host communities and the wider operating environment
- Noted the group's continued engagement with the South African Police Services (SAPS) as well as the escalation of cases to the Directorate for Priority Crime Investigation (Hawks)

Gender-based violence campaigns

- Noted the group's initiatives with respect to gender-based violence and sexual harassment, in particular the individual campaigns held at the operations (using the group-wide media), and the positive traction in this regard

Ongoing impact of COVID-19

As part of the committee's oversight responsibility of the group's commitment to being a socially responsible corporate citizen, the committee supports the group's safety and health priorities.

The committee reviewed and assessed the safety measures and protocols implemented to reduce the risk, exposure and spread of COVID-19 both at the workplace and in the local communities. The committee received assurance that these measures followed the prescripts of the amended disaster management regulations developed for the Mining Industry. The committee monitored progress of the vaccination programmes at each of the operations and is satisfied with the vaccination rates (fully and partial) across the group.

Future focus areas

Women in mining	▪ Continue to monitor the group's progress in respect of the Mineral Council's action plan to implement greater diversity and inclusion initiatives. This includes consideration of feedback on key group metrics in this regard, as well as progress on planned activities to further encourage diversity and inclusivity
Environmental, social and governance	▪ The energy efficiency and emission impacts for all new projects will be scrutinised and challenged by the committee, ensuring that these contribute to the group's sustainability goals and its response to climate change ▪ Continue to monitor and review the groups key environmental, social and governance metrics, as well as the progress on these compared to the prior year and industry peers
Attraction and retention of critical and scarce skills	▪ Continue to monitor the group's position with regards to its strategy for the attraction and retention of critical and scarce skills
SLPs	▪ Monitor ongoing compliance with the various SLPs across the group

Conclusion

The social, ethics, human resources and transformation committee is satisfied that it has considered and discharged its responsibilities in line with its charter and statutory responsibilities as set out in section 72(4) of the Companies Act (read in conjunction with Regulation 43 of the Companies Regulations, 2011) during the year under review.

On behalf of the committee.

TE Kgosi
Chairperson

10 August 2022

Audit and risk committee report

HH Hickey

Basis of preparation

This audit and risk committee report has been prepared in terms of section 94(7) of the Companies Act No. 71 of 2008, as amended (the Companies Act), the King IV™ Report on Governance for South Africa, 2016 (King IV™), the JSE Limited Listings Requirements and other applicable regulatory requirements.

This report sets out how the audit and risk committee (the committee) has satisfied its various statutory and regulatory obligations and corporate governance best practices during the year. This includes the key focus areas considered and how these have been addressed by the committee.

Role

The committee's main role is to assist the board in fulfilling its independent oversight responsibilities relating to the safeguarding of assets, the operation of adequate risk management and internal control processes, as well as the preparation of financial statements in compliance with all applicable legislation and regulations.

In addition, the committee has oversight of the external and internal audit appointments and is responsible for assessing the effectiveness of the internal audit function, the CFO, as well as the independence and effectiveness of the group's external auditor and the designated individual audit partner.

The committee is also responsible for carrying out all other duties that the board has assigned to it.

Mandate

The committee has ultimate decision-making authority in terms of its statutory duties as contemplated in section 94(7) of the Companies Act, paragraph 3.84(g) of the JSE Limited Listings Requirement and paragraph 7.3(e) of the JSE Debt Listings Requirements, and is accountable for its performance in this regard. The chairperson of the committee reports to the board on the committee's activities and matters discussed.

The committee does not assume the functions of management as these functions remain the responsibility of the executive directors and senior management. The committee also does not provide relief to board members in terms of their collective and individual fiduciary duties.

Charter

A comprehensive gap analysis to reassess the committee charter was performed during the year under review. This analysis set out to ensure that the charter complies with best practice guidelines, includes the necessary updates associated with the changes within the organisation and stipulates the role and responsibilities of the committee.

Refer to the audit and risk committee charter on our website

The Institute of Directors Southern Africa (IoDSA) was also appointed during the year to facilitate a self-appraisal review of the committee. This review, together with the board's annual evaluation of the performance of the committee has not been completed. The outcomes of both evaluations will be reported as part of the next financial years reporting suite.

Related risks and opportunities

- Exchange rate and commodity price volatility
- Information technology and cyber security
- Regulatory, political and legal environment
- Fraud and theft
- Capital allocation
- Environment
- Liquidity
- Disclosure of non-financial information

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our risks and opportunities

Related material issues

- Managing production and performance
- Effective project execution
- Maintaining our legislative and regulatory compliance
- Managing the environmental impact of our operations and conserving natural resources
- Maintaining constructive communication channels with all our stakeholders
- Liquidity management to mitigate market volatility
- Ongoing impact of COVID-19
- Acquisition of a strategic investment in RBPlat

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our material issues

Committee composition

The committee comprises three independent, non-executive directors of the board, elected by shareholders on the recommendation of the nomination committee. The chairperson of the board is not eligible for election as member or chairperson of the committee.

The members of the committee all satisfy the requirements to serve as members of an audit committee, as defined by section 94(4) of the Companies Act.

Members of the committee have the necessary financial literacy, skills and experience to execute their duties effectively. This includes experience in audit, risk management, information technology, corporate governance, integrated reporting and legal.

Name	Date joined committee	Board status	Meeting attendance
HH Hickey (Chairperson)	1 January 2016	Independent non-executive director	4/4
DH Brown[1]	7 November 2017	Independent non-executive director	1/1
Dr NY Jekwa	1 June 2019	Independent non-executive director	4/4
JJ Nel[2]	1 June 2019	Independent non-executive director	2/2
MH Jonas[3]	3 February 2022	Independent non-executive director	2/2

[1] Stepped down as member of the committee with effect from 27 September 2021 after being appointed as chairman of the board
[2] Resigned as director from the board on 17 December 2021
[3] Appointed as member of the committee from 3 February 2022

Meetings	Attendance
4	100%

Invited attendees

The engagement partners of the external and internal auditors are standing invitees to the committee meetings, as is the CEO and CFO.

The CEO and CFO attended all meetings of the committee during the year under review. Every board member has the right to attend the committee meetings as an observer. Invitations to attend the committee meetings are extended to senior executives and professional advisors as deemed appropriate. These parties have no voting power.

The committee meets, at least twice a year, with the external and internal auditors without the presence of management. For the year under review these meetings took place on 21 September 2021 and 23 March 2022.

K The board is satisfied that the committee as a whole, have the appropriate mix of academic qualifications and experience, as required by King IV™ to fulfil its duties.

Our commitment to independence, transparency and collaboration

The independence of the committee is key to its effective functioning. The committee acts independently, with accountability to the board and the group's stakeholder's including shareholders and noteholders. The independence of committee members is a standing agenda item that is tabled at every committee meeting.

The committee has direct and unobstructed lines of communication to the board, the external and internal auditors and any external assurance providers and consultants appointed by the group to assist with the financial statement close process.

The committee encourages continuous and open communication with all assurance providers, including the external and internal auditors, risk and compliance functions, senior management and the executive directors, as well as the board.

Areas of focus during the year – significant audit matters

Audit matter	Response	Associated risks
Investment in RBPlat	The accounting for the investment in Royal Bafokeng Platinum Limited (RBPlat) required management to make a number of judgements and estimates with regards to the valuation and share of earnings accounted for in the consolidated results of Northam Holdings. The committee deliberated on this matter and reviewed the judgements and estimates made by management in respect of the accounting treatment of Northam Holding's investment in RBPlat. K The committee is satisfied that the disclosures in the annual financial statements are reasonable with regards to the investment in RBPlat.	▪ Liquidity
Inventory valuation	The valuation of metal inventory was noted as a key audit matter set out in the independent auditor's report. The committee deliberated on this matter and reviewed a detailed report from management on the process implemented to verify the quantity and valuation of inventory. K The committee is satisfied that inventory is stated at the lower of cost and net realisable value.	▪ Fraud and theft ▪ Exchange rate and commodity price volatility
Significant accounting judgements and estimates	The committee considered the following accounting judgements, estimates and assumptions in relation to the annual financial statements for the year ended 30 June 2022: ▪ Assessment of the recoverable values of the various assets in the group in terms of IAS 36 Impairment of assets. This was done to ensure that the recoverable values of cash generating units are higher than the carrying value. No impairments were required ▪ Mineral Resources and Mineral Reserves estimates to determine life of mine ▪ Evaluation of the capitalisation of borrowing costs in terms of IAS 23 Borrowing costs, relating to the qualifying assets of the group ▪ Consolidation of Zambezi Platinum (RF) Limited ▪ Evaluation of both the long-term and trade receivable balances for expected credit losses in terms of IFRS 9 Financial instruments ▪ Evaluation of the tax deductibility of interest on certain borrowings ▪ Evaluation of the restoration and decommissioning liabilities of the group ▪ Assessment of the valuation of the Toro Employee Empowerment Trust in terms of IAS 19 Employee Benefits ▪ Assessment of the utilisation of a deferred tax asset relating to Eland Platinum Proprietary Limited in terms of IAS 12 Income Taxes ▪ Disclosure of related party transactions in terms of IAS 24 Related Party Disclosures ▪ Assessment of contingent assets or liabilities disclosed in the notes to the annual financial statements in terms of IAS 37 Provisions, Contingent Liabilities and Contingent Assets K The committee is satisfied that these matters have been appropriately accounted for in terms of the requirements of IFRS and are fairly represented in the annual financial statements.	▪ Liquidity ▪ Exchange rate and commodity price volatility ▪ Social licence to operate ▪ Environment

Audit matter	Response	Associated risks
New accounting standards	New accounting standards, interpretations and amendments to standards in issue that have not yet been adopted but are likely to affect the financial reporting in future years, including the disclosure thereof in the annual financial statements, were considered by the committee. Refer to the Annual financial statements 2022 for new accounting standards adopted and standards, interpretations and amendments issued, but not yet effective. K The committee is satisfied that the new accounting standards disclosed in the annual financial statements are appropriately disclosed.	▪ Social licence to operate
Free cash flow forecast	The cash generation profile in terms of the free cash flow forecast of the group was deliberated on and reviewed by the committee. This was done in the context of the group's intention to maintain prudent levels of standby credit, in light of its significantly enlarged operational footprint and working capital requirements. K The committee is satisfied with the assumptions made in assessing whether the group will have a prudent level of standby credit available in the foreseeable future.	▪ Liquidity ▪ Exchange rate and commodity price volatility
The Zambezi BEE Transaction	The committee reviewed the disclosures made in the annual financial statements with regards to the transaction to accelerate the maturity of the Zambezi BEE Transaction and the extension of HDP ownership for a further 15 years (Extended Empowerment Transaction). K The committee is satisfied that the disclosures in the annual financial statements are reasonable and takes into account the terms and conditions of the Composite Transaction.	▪ Social licence to operate

The ongoing impact of COVID-19 on the current year audit

The specific considerations associated to the financial reporting of the group, as a result of the ongoing impact of COVID-19, have been set out below:

Consideration	Response	Associated risk
Going concern assessment	Management prepared impairment assessments for the various cash generating units (CGUs) in the group. These were extensively reviewed by the committee, with due consideration of the CGUs ability to respond to changing circumstances and the financial reserves required to sustain operations through adverse conditions, such as commodity price down-cycles and/or periods of reduced production or sales demand. The committee confirmed that the financial results have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates. K Based on the latest available information, the committee assessed and confirmed the appropriateness of the going concern assumption used in the interim and annual financial statements. This includes confirmation that the group will continue to have adequate financial resources and access to capital to settle its liabilities, as and when they fall due, continuing to operate on a going concern basis for the foreseeable future.	▪ Liquidity ▪ Exchange rate and commodity price volatility
Impairment considerations and assessment	The group's impairment assessments for the interim and annual reporting periods were considered to be appropriate by the committee. These assessments were based on the requirements of IAS 36 Impairments of assets. The committee also considered the sensitivity assessments as appropriate, ensuring that the carrying value of all assets are lower than their recoverable value.	▪ Exchange rate and commodity price volatility
Available borrowing facilities	The committee reviewed all borrowing facilities available to the group. K The committee confirmed that the group has adequate borrowing facilities available.	▪ Liquidity ▪ Exchange rate and commodity price volatility

Financial statements and integrated reporting process

The committee reviewed, *inter alia*, as part of providing oversight of the group's integrated reporting, all accounting and financial reports and information for recommendation to the board for approval. Key considerations included the following:

- Trading statements issued
- Treatment of significant accounting and auditing matters including non-routine transactions
- Adjusted and unadjusted audit differences reported by the external auditors
- Key audit matters communicated by the external auditors in their audit report including the appropriateness of management actions in addressing these matters
- Representation letter signed by management
- The provision of financial assistance to subsidiaries
- The CEO and the financial director responsibility statement
- Financial information included in the interim and annual results announcements
- The audited annual financial statements, associated financial reporting processes and controls underpinning its compilation

K The committee evaluated the consolidated and separate annual financial statements for the year ended 30 June 2022 and has concluded that these comply, in all material respects, with the requirements of the Companies Act, IFRS, and the JSE Limited Listings Requirement.

The committee therefore recommended to the board the approval of the annual financial statements, interim and annual results, as well as the financial information included in the F2022 annual integrated report.

Internal controls and risk management

During the year under review the committee reviewed the adequacy and effectiveness of the group's systems of internal control, financial reporting and risk management.

The committee considered the nature and extent of control issues identified from the various reports reviewed by the committee. This included, internal and external audit reports, as well as specific internal control reports from management relating to the internal attestation of financial and non-financial controls. Findings reported as part of the group's independent ethics and fraud hotline were also considered by the committee.

In addition, the committee reviewed and assessed how risks have been managed, in the context of the group's evolving risk profile.

K The committee having considered the comprehensive review and analysis of information provided by management, as well as the external and internal auditors, is of the opinion that the internal controls of the group have been effective in all material respects, appropriate financial reporting procedures are in place, and that these procedures and controls operated effectively and efficiently throughout the year under review.

This included consideration of all entities within the group's IFRS financial statements in order to ensure that the committee had access to all the financial information of the group to enable it to effectively report on the financial statements of the group.

Matters considered	Response	Associated risk
Corporate governance (including the maturity of the risk management process and continuous improvement of the internal control environment)	▪ Monitored management's progress of assessing the recommended practices underpinning the 16 Principles of King IV™ ensuring an ethical culture is being fostered that supports effective control at all levels ▪ Reviewed and approved the group's risk management policy and standards, having considered the key strategic and operational risks affecting the group ▪ Reviewed internal audit's written assurance statement which confirmed that nothing has come to the internal auditor's attention indicating that the group's system of internal financial controls is not effective and may not be relied upon for the preparation of the annual financial statements ▪ Noted the work done by management to strengthen the internal control environment, taking into account the findings identified by both external and internal audit ▪ Considered management's feedback regarding significant litigation matters, together with an assessment of any possible impact on the financial results	▪ Fraud and theft ▪ Information Technology and cyber security
Compliance with laws and regulations	Considered the group's compliance with applicable laws and regulations, including those pertaining to the financial reporting. K No material regulatory penalties, sanctions or fines for contraventions of, or non-compliance with statutory obligations were noted during the year under review.	▪ Social licence to operate
IT governance	▪ Performed extensive reviews of the group's technology and information systems. This included specific consideration of the IT risks impacting the group, in respect of the overall IT environment and the information security capabilities to address cyber crime threats ▪ Monitored the progress of the adoption of the control objectives for information and related technology (COBIT) framework ▪ Reviewed management reports setting out the King IV™ requirements for IT governance	▪ Information Technology and cyber security
Cyber security	Reviewed the findings of the independent cyber vulnerability and penetration assessments with due consideration of management's progress to mitigate the exposures identified	▪ Information Technology and cyber security

Internal audit

During the year the internal audit function of the group has been outsourced to KPMG Services Proprietary Limited (KPMG). The responsibilities associated with that of a chief audit executive (CAE) has been fulfilled by Thomas Gouws, a director of KPMG, and the partner in charge of the internal audit function.

The committee monitored the effectiveness of internal audit, ensuring that the roles and functions of internal audit have been sufficiently clarified and coordinated, and that the function provides an objective overview of the operational effectiveness of the group's systems of internal control and reporting.

During the year under review the committee considered, as part of its review and assessment, the following:

- The competence, gravitas and objectivity of Thomas Gouws to fulfil the duties of CAE
- The independence, effectiveness and performance of the internal audit function, including compliance with its terms of reference
- The annual internal audit plan, ensuring that material risk areas were included and that the coverage of risks and business processes were acceptable
- The scope of work of the internal audit function, the issues identified as a result of its work, as well as management's responsiveness to issues raised and agreed action plans
- The coordination and cooperation between the internal audit, risk management and compliance functions
- The updated internal audit charter, setting out the roles and responsibilities of internal audit. This charter was approved by the committee subsequent to its review

K The committee is satisfied with the appropriateness of the expertise, experience and resources of the internal audit function.

External audit

The committee fulfilled its various statutory responsibilities with regards to the external auditor. This included the appointment, compensation and oversight of the external auditor.

Key review considerations with regards to the external auditor included the following:

- Mandatory audit firm rotation requirements
- EY's tenure as the group's external auditor of more than 38 years
- Shareholder votes against the re-appointment of EY at the October 2021 AGM
- The designated individual audit partner's term which comes to an end at 30 June 2022
- The audit for the current financial year, which is the last year that EY performs the audit of the group
- PWC's appointment as the external auditor of the group for the financial year ending 30 June 2023 (F2023).

See audit firm rotation section on page 55 of this report for the detail considerations applied by the committee in this regard

The committee assessed, *inter alia*, the following information received from EY in terms of section 3.84(g)(iii), as read with section 22.15(h) of the JSE Limited Listings Requirements, in response to auditor independence concerns that were raised:

- The most recent Independent Regulatory Board for Auditors (IRBA) inspection report for EY's International Statement on Quality Control (ISQC 1) review. This included the decision letter from the IRBA, the detailed findings and a copy of the remedial action plan sent to the IRBA by EY
- The most recent IRBA inspection report for the designated individual audit partner, Ebrahim Dhorat. Also included was the decision letter from the IRBA, the detailed findings report and a copy of the proposed remedial action to address the said findings
- The decision letter from the IRBA for all engagement file reviews on Ebrahim Dhorat for the past audit
- A summary document providing context and explanations of the findings for EY and engagement level reports of the IRBA

- A copy of the 2021 Transparency Report, prepared by EY South Africa in line with the European Union's 8th Company Law Directive. This included the ISQC 1 information the JSE requires EY to communicate to clients. The Transparency Report is published and available on EYs website
- A summary of the results of EYs monitoring of its system of quality control. This in terms of paragraph 53 of ISQC 1
- A summary of the outcome of any legal or disciplinary proceedings concluded within the past seven years, which were instituted in terms of any legislation or by any professional body of which EY and/or the designated individual audit partner are members, or a regulator to whom they are accountable. This includes where the matter has been settled by consent order or payment of a fine

During the year under review the committee also:

- Monitored the effectiveness of the external auditor in terms of their independence, audit quality and expertise, as well as the execution of the audit plan
- Approved the external auditor's annual audit plan and ensured that all statutory and financial reporting requirements were met and material risks were identified and appropriately addressed
- Reviewed the external auditor's findings and recommendations and ensured that matters raised were resolved appropriately
- Ensured coordination and cooperation between the external and internal auditors
- Convened with the external audit team, without management being present, and was assured that there were no unresolved areas of disagreement with management. Satisfaction was expressed by external audit with the skills and expertise in group finance and it was confirmed that throughout the audit there was good support from the management team
- Confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 26 of 2005

K The committee is satisfied that the external auditor, EY, and the designated individual partner, Ebrahim Dhorat, are appropriately accredited and are suitable to perform the current year audit engagement.

Audit and non-audit fees

For the year under review, the external auditor, EY, charged the following fees:

	30 June 2022 R000	30 June 2021 R000
Audit services | Northam Platinum Holdings Limited and group companies	11 551	7 696
Audit services | Zambezi Platinum (RF) Limited	572	640
Assurance services | Sustainable development report	1 310	1 140
Audit services | ISRE 2410 review	1 640	985
Audit services | ISRE 2410 review | Zambezi Platinum (RF) Limited	120	84
Non-audit fees	276	160
Assurance services | Issue of commercial paper (Domestic Medium-Term Notes)	4 500	3 500
Reporting accountants report relating to the various circulars and prospectus issued as part of the transaction to accelerate the maturity of the Zambezi BEE transaction and extend HDP ownership for the next 15 years	–	6 830
	19 969	**21 035**

Non-audit services

The committee reviewed management's assessment of all non-audit services performed by EY and confirmed that no prohibited non-audit services have been performed by EY in terms of section 90 of the Companies Act. This included a detailed review against policy to ensure that fees for all non-audit services were within approved limits and that the external auditor's independence was not jeopardised as a result of the non-audit services provided. The committee also received the necessary representation from the external auditor, confirming that:

- No other remuneration was received for work performed other than what has been disclosed
- EY's independence was not impaired by any consultancy, advisory or other work performed during the year under review
- The criteria specified for independence by the IRBA and international regulatory bodies have been met

K The committee, based on their assessment of the independence and effectiveness of the external auditor, EY, did not note any significant findings or considerations to indicate that the external auditor is not independent or that the services provided by them have not been effective and robust.

Audit firm rotation

In June 2017 the Independent Regulatory Board for Auditors (IRBA) in South Africa issued the rule on Mandatory Audit Firm Rotation (MAFR) for auditors of all public interest entities. This rule requires that an audit firm (including a network firm) shall not serve as the appointed auditor of a public interest entity for more than ten consecutive years, and thereafter, the audit firm will only be eligible for re-appointment as the auditor after the expiry of at least five financial years. This requirement is effective for financial years commencing on or after 1 April 2023.

The committee noted the requirement for Northam Holdings, as a South African public interest entity listed on the main board of the JSE Limited (JSE), to comply with MAFR for its financial year ending 30 June 2024.

Accordingly, in support of the IRBA rule and consideration of public interest and auditor independence, the committee reviewed the following key matters that Northam, in part has done to ensure continuous auditor independence.

Commitment to MAFR

In line with Northam's adoption and implementation of MAFR, the audit for the year ended 30 June 2022 was the last year that EY performed the audit of the group.

Mandatory audit partner rotation

In terms of section 92 of the Companies Act, the same individual audit partner may not serve as the auditor or designated auditor of a company for more than five consecutive financial years. It is also noted that the IRBA requires the audit partner to be rotated every seven years.

The financial year-ended 30 June 2022 was the fifth and final consecutive year in which Ebrahim Dhorat served as the designated individual audit partner of the group, who was appointed from the financial year ended 30 June 2018. A new individual audit partner would have had to be appointed for the financial year ending 30 June 2023.

Prohibition of non-audit services

In terms of section 90 of the Companies Act, certain relationships with an audit firm and/or individual audit partner, and the provision of certain non-audit services by an audit firm and/or individual audit partner, is prohibited.

Management performs an assessment of all non-audit services performed by EY which is presented to the committee at every meeting. The assessment confirmed that no prohibited non-audit services have been performed by EY in terms of section 90 of the Companies Act, during the year under review.

Disclosure of audit tenure rule

With effect from December 2015, in terms of the IRBA Rule, all auditors' reports on annual financial statements of all public companies are required to disclose the number of years the audit firm/sole practitioner has been the auditor of the entity.

EY has disclosed in their independent auditors' report to the annual financial statements of the group, for the financial year ended 30 June 2022, that they have been the auditor of Northam and the group for 38 years.

Audit committee nominations and shareholder approvals

Pursuant to section 90 of the Companies Act and paragraph 3.84(g) of the JSE Limited Listings Requirements (and paragraph 7.3(e) of the JSE Debt Listings Requirements) an auditor is required to be appointed or re-appointed on an annual basis. In this regard, an audit committee is required to nominate an auditor for appointment. Shareholders are required to approve the appointment of such auditor.

Shareholders approved, at the group's AGM on 29 October 2021, the re-appointment of EY, with the designated external audit partner being Ebrahim Dhorat, as the independent external auditors of the group. Despite the approval, 28.1% of shareholder votes received were against the re-appointment of EY due to independence concerns raised by shareholders.

This, notwithstanding detailed feedback provided by management to shareholders ahead of the AGM, together with associated disclosures in the audit and risk committee report and the group's F2021 annual reporting suite.

The 'Big 4' audit firms

The South African auditing market is dominated by the 'Big 4' audit firms; Deloitte, EY, KPMG and PwC. More than 90% of the companies listed on the JSE are audited by one of these 'Big 4' audit firms.

As a listed entity, Northam Holdings believes that the auditing services of an international 'Big 4' audit firm is necessary and therefore was recommended. These firms have the necessary experience, resources and expertise to ensure that the group's financial results are reasonable and complies with IFRS. In addition, the group's growing business, coupled with ever-changing accounting standards, make it imperative for an audit firm to have exposure to international best practice, industry intelligence and knowledge.

Three of the 'Big 4' firms, namely EY being the incumbent external auditor, KPMG the incumbent internal auditor and Deloitte a consulting service provider, have provided a range of services to the Northam group. As a result, and in terms of the cooling-off period prescribed by the IRBA, EY, KPMG and Deloitte were prohibited from being appointed as the group's external auditor for the upcoming financial year.

Accordingly, with due consideration to auditor independence, the requirements of Section 90 of the Companies Act, the group's requirement for a 'Big 4' audit firm, as well as the cooling-off period prescribed by the IRBA, only PwC qualified and could be appointed as the external auditor for Northam Holdings, effective 1 July 2022.

Based on these interactions with PwC, it is management's and the committee's view that PwC has the necessary skills, resouces, experience and industry knowledge, with immediate and direct access to international best practice, to successfully perform the role of the group's external auditor.

> The committee, pursuant to paragraph 3.84(g)(iv) of the JSE Limited Listings Requirements, has ensured that the appointment of the auditor, PwC, and the designated individual partner, AJ Rossouw, has been presented and included as a resolution at the upcoming 2022 AGM pursuant to section 61(8) of the Companies Act.

Combined assurance

The group's combined assurance model establishes integrated and coordinated assurance activities across all levels of the group. It avoids duplication of efforts, promotes coverage and rationalises collaboration amongst assurance providers. In this regard, the committee provided oversight of the combined assurance activities, whilst ensuring that these have been adequate and effective in achieving its objectives.

The committee reviewed and approved the combined assurance model of the group, with consideration of the following:

Integration of key aspects comprising the combined assurance model:

- Financial statement captions - statement of profit or loss and comprehensive income and the statement of financial position
- Operational management activities - traditional practices
- Shared and centralised management activities - incorporating organisational changes and responsibilities
- Risk management - group strategic risks
- Internal control validation and assurance - encompassing financial and non-financial controls

Four lines of assurance constituting the nature and extent of assurance coverage:

- Operations - management reviews incorporating group services
- Corporate - mining executives, CFO and executive committee reviews
- Third party - independent providers of confirmation and/or assurance
- Board and committees

> K The committee is satisfied that the combined assurance model adequately addresses the risks and material matters through the aggregated efforts of the various assurance providers and results in an adequate, effective control environment and the integrity of reports relied upon for decision making.

Effectiveness of the CFO and the finance function

The committee performed an annual review of the effectiveness of the CFO and finance function. This included an internal assessment of the skills, expertise and resourcing of the finance function, as well as the expertise and experience of the CFO, Alet Coetzee.

> K The committee is satisfied with the appropriateness of the expertise and experience of the CFO, Alet Coetzee, the effectiveness of the finance function overall, as well as the adequacy of resources.

Future focus areas

Internal control environment	▪ Monitor the continuous improvement of internal controls
Enterprise risk management	▪ Oversee the maturing of the risk management process within the group
Auditor rotation	▪ Oversee the process of changing the group's auditors

Conclusion

The audit and risk committee is satisfied that is has considered and discharged its responsibilities in line with its terms of reference, statutory responsibilities as set out in section 94(7) of the Companies Act, the JSE Limited Listings Requirements and King IV™ during the year under review.

On behalf of the committee.

HH Hickey
Chairperson

15 August 2022

Nomination committee report

Basis of preparation

This nomination committee report has been prepared in line with Northam's good corporate governance practices, following the King IV™ Report on Corporate Governance for South Africa, 2016 (King IV™).

This report sets out how the nomination committee (the committee) has satisfied its various obligations during the financial year ended 30 June 2022, as well as some of the focus areas and the effect of the Northam Scheme (as defined in the combined circular to shareholders dated Monday, 31 May 2021), and how these have been addressed by the committee and the board.

Role and mandate

The committee assists the board in recommending director nominees to the board for approval by the shareholders at the company's AGM.

This is to ensure that the interests of shareholders are properly protected in relation to the leadership and management of the company.

The committee is also responsible for overseeing the size and composition of the board and its committees with particular reference to the balance of skills, knowledge, experience and diversity of the directors. In addition, the committee is responsible for ensuring that induction and on-going training of directors takes place, and that directors receive briefings on changes in risks, laws and regulations, as well as the environment in which the committee and group operates.

Refer to the Nomination committee charter at www.northam.co.za/governance/policies-and-procedures

Our commitment to independence, transparency and collaboration

The independence of the committee is key to its effective functioning and ensuring that it does not assume the functions of management.

The committee encourages continuous and open communication with all assurance providers including the external and internal auditors, risk and compliance functions, senior management, as well as the board.

Committee composition

The committee currently comprises two independent non-executive directors, elected by the board. The committee meets as and when required.

The chairman of the committee , who is an independent non-executive director is elected by the board and reports to the board on the committee's activities and all matters discussed, highlighting key issues requiring action, together with recommendations for resolution.

Following the retirements of RH Havenstein and KB Mosehla as members of the board and consequently as members of the committee during F2021, TE Kgosi was the only member of this committee from 30 June 2021 to 27 September 2021.

During the period where the committee comprised of less than three members, the functions and duties of the committee were assigned to the board. Thereafter, and with effect from 27 September 2021 (following the implementation of the Northam Scheme), the committee was reconstituted with the appointment of DH Brown (chairman), TI Mvusi and JG Smithies as members. TE Kgosi stepped down as a member of the committee with effect from 27 September 2021.

Related risks and opportunities

- Critical skills and key personnel

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our risks and opportunities

Related material issues

- Managing production and performance
- Ongoing impact of COVID-19

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our material issues

Tragically, DH Brown passed away on 19 June 2022 and as at year end the committee consisted of two members. The composition of all committees, together with the necessary appointments will be reassessed after year end.

Name	Date of appointment to the committee	Board status	Meeting attendance
DH Brown[1] (Previous chairperson)	27 September 2021	Independent non–executive chairman	1/1
TE Kgosi[2]	18 February 2015	Non–executive director	0/0
TI Mvusi	27 September 2021	Lead independent director	2/2
JG Smithies	27 September 2021	Independent non–executive director	2/2

[1] Passed away on 19 June 2022
[2] Stepped down as member of committee on 27 September 2021

Meetings	Attendance
2	100%

Invited attendees

Invitations to attend the committee meetings are extended to senior executives and professional advisors as deemed appropriate. All directors have the right to attend committee meetings. These invitees have no voting power.

The CEO and CFO attended the committee meetings that were held during the financial year.

Northam Scheme

In light of the Northam Scheme, no changes were made to the board or its committees, following the publication of the announcement of the Composite Transaction (as defined in the combined circular to shareholders dated Monday, 31 May 2021), from 23 March 2021 up until the successful implementation of the Northam Scheme on 20 September 2021.

The previous chairman of the board, together with the assistance of the company secretary, convened one-on-one meetings in July 2021 with each individual non-executive board member, in consultation with the executive directors. These meetings were held for purposes of assessing the size and composition of the board and its committees, with particular consideration given to the directors' expertise, experience, demographic representation and capacity of time.

Diversity of gender, race, culture, age, field of knowledge, skills and qualifications was specifically considered. The succession planning for the board and committees was also reviewed, taking into consideration the challenges and opportunities facing the company, as well as the skills and expertise of the current board members.

In anticipation of the implementation of the Northam Scheme, with effect from 15 September 2021, in addition to DH Brown, PA Dunne and AH Coetzee (who were already on the board of Northam Holdings since 2 December 2020), the remaining members of the board of directors of Northam Platinum Limited (Northam) were appointed as directors of the Northam Holdings board.

The Northam Holdings board appointed the same committees as Northam had in place at such time and the Northam board committees were simultaneously dissolved, on the basis that the relevant Northam Holdings committees would perform the functions required to be performed by such committees on behalf of Northam going forward.

Areas of focus during the year

<table>
<tr><th>Focus area</th><th>Response</th></tr>
<tr><td>Remuneration committee</td><td>The chairperson of the remuneration committee met with institutional shareholders in October 2021 during a remuneration roadshow. Feedback received recommended that the remuneration committee only consists of independent non-executive directors. TI Mvusi was accordingly appointed as a member of the remuneration committee with effect from 3 November 2021.</td></tr>
<tr><td>Board appointments and committee composition</td><td>

Following the resignation of JJ Nel on 17 December 2021 as an independent non-executive director of the board, it was agreed that the board as a whole, still contained the requisite mix of skills, knowledge and experience to fulfil its duties. The following committee appointments to replace JJ Nel were approved on 3 February 2022:

MH Jonas was appointed to the audit and risk committee
PA Dunne was appointed as an interim member to the social, ethics, human resources and transformation committee pending the appointment of a suitable non-executive director
No new appointment to replace JJ Nel on the investment committee has been made, and this will be addressed in the coming year

DH Brown tragically passed away on 19 June 2022. The board's succession plans were implemented, and TI Mvusi was appointed as chairman and HH Hickey as lead independent director of the group on 20 June 2022

K The committee is satisfied that the board has the overall mix of knowledge, skills and experience required in order to execute its duty.</td></tr>
<tr><td>Board performance</td><td>

Noted the progress of implementation for the areas identified for improvement through the independently facilitated board and committee self-assessment
Reviewed the performance of the board and noted that the board is performing effectively in terms of its mandate
</td></tr>
<tr><td>Board succession planning</td><td>

Oversaw succession planning for the board to maintain and preserve institutional knowledge, experience, skill, continuity and diversity of directors, with cognisance of the group's strategic imperatives
This included succession planning for the individual board committees in order to ensure their continued effective operation
The effectiveness of succession plans in place were borne out through the committee appointments following the resignation of JJ Nel
</td></tr>
<tr><td>Directors' independence</td><td>

Reviewed the independence of the independent non-executive directors, noting that no change in designations are required. The review included consideration of the annual declarations made by all directors, facilitated by the company secretary
</td></tr>
<tr><td>Board rotation</td><td>

Reviewed and considered eligibility for re-election of directors retiring at the upcoming 2022 AGM, noting all directors in question are eligible for and have offered themselves for re-election
</td></tr>
<tr><td>Board training</td><td>Noted the following in terms of ongoing board training and skills development initiatives:

Registered all board members as members of the IoDSA, which includes access to training material and updates to legislation
Presentations to the board on the latest amendments to the JSE Limited Listings Requirements
The initiative undertaken by the health, safety and environmental committee to hold at least one committee meeting per year at the group's operations (rotating between the three operations), which will include a site visit to facilitate the committee's review process and further enhance the operational understanding of committee members
</td></tr>
<tr><td>Transformation and broad board diversity</td><td>Noted the provisions of the broader board diversity policy and reviewed the board composition relative to the voluntary targets set by the group:
<table>
<tr><th>Board demographics</th><th>Target</th><th>Actual</th></tr>
<tr><td>HDPs</td><td>50%</td><td>67%</td></tr>
<tr><td>Female representation</td><td>20%</td><td>44%</td></tr>
</table></td></tr>
</table>

Future focus areas

Board assessment

- Continue to review and assess the board's composition, representation and performance in line with its charter and mandate
- Consider the outcomes of the planned review by the IoDSA of the effectiveness of the board and committees and the track the progress of the remedial action plans of the board and committees emanating from this review

Board and committee refresh

- A refresh of the composition of the board and sub-committees following the passing of DH Brown will be conducted shortly after year-end led by the committee

Conclusion

The nomination committee is satisfied that it has considered and discharged its responsibilities in line with its charter and good corporate governance practices.

On behalf of the committee.

TI Mvusi
Committee member and independent board chairman

16 August 2022

Remuneration committee report

Basis of preparation

This remuneration committee report has been prepared in line with Northam's good corporate governance practices, following King IV™, the JSE Limited Listing Requirements and the Companies Act.

This report sets out how the newly established remuneration committee (the committee) has satisfied its various obligations during the financial year ended 30 June 2022, as well as some of the focus areas and how these have been addressed by the committee and the board.

Role and mandate

The committee has an independent role, providing oversight and making recommendations for the board for consideration and approval in respect of remuneration matters relevant to the group.

This is to ensure that there is independent oversight of Northam's fixed and variable remuneration. This includes ensuring that these policies and practices are appropriate to attract, motivate and retain the best talent at all levels of the organisation, and that they provide the right incentives to ensure delivery of Northam's strategic objectives over the short, medium and long-term.

The committee is also responsible for reviewing all aspects of the remuneration of executive directors, ensuring that these are reasonable, taking into account the measurement of performance against pre-determined and agreed criteria. The committee also considers and makes recommendations to the board and shareholders on the level of fees payable to non-executive directors.

Refer to the remuneration committee charter available on our website

Our commitment to independence, transparency and collaboration

The independence of the committee is key to its effective functioning and ensuring that it does not assume the functions of management.

The committee encourages continuous and open communication with all assurance providers including the external and internal auditors, risk and compliance functions, senior management, as well as the board.

Committee composition

The committee was constituted during the financial year under review, in response to shareholder feedback. The oversight responsibility for the group's remuneration was previously performed by the social, ethics, human resources and transformation committee.

The committee currently comprises two independent non-executive directors, elected by the board, and meets formally at least twice a year or as and when required.

Related risks and opportunities

- Critical skills and key personnel
- Employee relationships

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our risks and opportunities

Related material issues

- Managing production and performance
- Continuing to improve the safety performance and the health and wellness of our employees
- Maintaining our legislative and regulatory compliance
- Maintaining constructive communication channels with all our stakeholders
- Ongoing impact of COVID-19

Refer to our Annual integrated report for the year ended 30 June 2022, available on our website, for more detail on our material issues

The chairperson of the committee reports to the board on the committee's activities and all matters discussed.

Tragically, DH Brown passed away on 19 June 2022 and as at year end the committee consisted of two members. The composition of all committees will be reassessed in the coming financial year.

Name	Date of appointment to the committee	Board status	Meeting attendance
HH Hickey (Chairperson)	27 September 2021	Lead independent director	2/2
DH Brown[1]	27 September 2021	Previous independent non-executive chairman	2/2
TI Mvusi	3 November 2021	Independent non-executive chairman	2/2

[1] Passed away on 19 June 2022

Meetings	Attendance
2	100%

Invited attendees

Invitations to attend the committee meetings are extended to senior executives and professional advisors as deemed appropriate. All directors have the right to attend committee meetings. These invitees have no voting power.

The CEO, CFO and executive: human resources attended the committee meetings that were held during the financial year. The CEO and CFO recused themselves from meetings during considerations on executive remuneration.

Areas of focus during the year

Focus area	Response
Remuneration policy and implementation	▪ Provided oversight of the implementation of the group's remuneration policy and the updates made to address shareholder feedback and business requirements ▪ Considered the remuneration of not only executive management, but all levels of employees, ensuring that employees are remunerated fairly for their individual contributions to the group's overall performance ▪ Reviewed and approved the basic remuneration package ranges for all employees graded Paterson D band and above ▪ Ensured the lowest paid employees are remunerated well in excess of the minimum wage ▪ Ensured that women receive equal opportunities and equal pay ▪ Oversaw the alignment of the group's retirement age across all operations, Paterson grades, as well as matching its industry peers ▪ Noted that Environmental, Social and Governance ("ESG") performance targets are considered for inclusion in KPI targets ▪ Reviewed the group remuneration report for board approval
Remuneration benchmarking	▪ Considered the results of the independent benchmarking exercise conducted by PwC of the non-executive and executive directors' remuneration against comparative companies in the South African mining sector. Based on the benchmarking outcomes, the committee approved the following: – A 10% per annum increase in non-executive director fees over the medium-term, to be voted on at the upcoming 2022 AGM – A 6.5% increase for both the CEO and CFO for the current financial year ▪ Refer to the remuneration report available on our website for the detail considerations and outcomes from the independent benchmarking exercise Refer to the remuneration report available on our website for the detail considerations and outcomes from the independent benchmarking exercise
Performance indicators	▪ The appropriateness of the key performance indicators (KPI's) used and their relative weightings were assessed by the committee. This included: ▪ Reviewing the set KPI targets, and F2022 performance against these targets, for the STI and LTI performance incentives ▪ Assessing group risks considered in setting KPI's for STIs and LTIs. These include: – Health and safety performance – Production targets – Cost control in terms of unit cash cost targets, and – Growth project execution and the development of new operations ▪ Reviewing the share incentive plan (SIP) performance targets, which include safety, production, unit cash costs and absolute shareholder return metrics ▪ Considered and approved the principles and method of calculating the awards, ensuring these were consistent with previous practices
Executive management remuneration	▪ Reviewed the performance of the CEO and CFO for the year under review ▪ Reviewed and approved salaries for the CEO and CFO for the coming financial year (F2023) ▪ Ensure that no further retention benefits accrued to any executive director

Future focus areas

Shareholder engagement	▪ Shareholder engagement will again be a focus area during the upcoming financial year. The remuneration committee will ensure that the group continues to consider and incorporate shareholder concerns and feedback in the setting of our remuneration policy and in particular our KPI's
Variable remuneration metrics	▪ Consider appropriate ESG metrics
Attraction and retention of talent	▪ Continue to ensure a compelling employee value proposition that enables the group to attract and retain talent
Performance assessment	▪ Continue to assess the group's performance against the KPI's underpinning management's remuneration, ensuring that value is created for all stakeholders. There are no proposed remuneration policy changes for the coming financial year.

Conclusion

The remuneration committee is satisfied that the F2022 remuneration policy achieved its stated objectives for the year and that the committee has considered and discharged its responsibilities in line with its terms of reference, statutory responsibilities and King IV™ recommended practices during the year under review. The committee also confirms that all implemented remuneration practices during the year were in line with the group's stated remuneration policy.

On behalf of the committee.

HH Hickey
Chairperson

10 August 2022

Attendance of members at board and committee meetings

Attendance 1 July 2021 to 30 June 2022

	Board	Audit & risk committee	Health, safety and environment committee	Investment committee	Nomination committee	Remuneration committee	Social, ethics, human resources and transformation committee	Total	Total %	Board changes
Operation	**8**	**4**	**4**	**5**	**2**	**2**	**2**			
Brown, DH	**8/8**	1/1	—	5/5	1/1	2/2	—	17/17	100%	Passed away on 19 June 2021
Dunne, PA	**8/8**	—	4/4	—	—		1/1	13/13	100%	
Coetzee, AH	**8/8**	—	—	—	—		—	8/8	100%	
Mvusi, TI	**8/8**	—	—	4/4	2/2	2/2	—	16/16	100%	Appointed lead independent director with effect from 27 September 2021 and chairman of the board 20 June 2022
Hickey, HH	**8/8**	4/4	—	—	—	2/2	—	14/14	100%	Appointed lead independent director 20 June 2022
Jekwa, NY	**7/8***	4/4	4/4	—	—		1/2*	16/18	89%	
Jonas, MH	**7/8***	2/2	—	—	—		—	9/10	90%	
Lewis, GT	**8/8**	—	3/3	—	—		—	11/11	100%	
Smithies, JG	**8/8**	-	4/4	4/4	2/2		—	18/18	100%	
Nel, JJ	**5/5**	2/2	—	5/5	—	—	1/1	13/13	100%	Resigned from the board on 17 December 2021
Kgosi, TE	**8/8**	—	—	—	—		2/2	10/10	100%	
Overall attendance %	**98**	**100**	**100**	**100**	**100**	**100**	**88**	**98**	**98**	

— Not applicable
* Apologies received

Application of KING IV™ principles

The JSE Limited Listings Requirements applicable for integrated reporting purposes stipulate that a listed company's annual report must, at a minimum, include a narrative statement on its application of the principles of King IV™.

The board applies all sixteen of the relevant King IV™ principles and the application status of each of these principles are outlined in the table below.

Leadership and organisational ethics and corporate citizenship

Leadership and organisational ethics

	Applied	Response
Principle 1: The board should lead ethically and effectively.	Yes	The board is collectively responsible for setting and steering the culture of the group and it holds management to account for ensuring that the group adheres to the highest standards of ethics and integrity. This forms the foundation of a culture that supports employee, customer and investor confidence. The management of ethics is informed by, among other things, the relevant provisions of the Companies Act, King IV™, the United Nations Global Compact (UNCG) principles and best practice guidelines. A continued enhancement of Northam's culture of ethics remains top of mind for the board, the social, ethics, human resources and transformation (SEHR&T) committee and our executive management.
Principle 2: The board should govern the ethics of the company in a way that supports the establishment of an ethical culture.	Yes	**The group's code of ethics and conduct** Northam's code of ethics and conduct (the code) applies to all directors, officers and employees (full-time and part-time) and governs the interaction between the company and our suppliers and clients. It furthermore covers the use of group assets and confidential information, the group's approach to gender and racial diversity, freedom of association, bribery and corruption, compliance and insider trading. The code of ethics is reviewed regularly and revised accordingly to ensure a progressive ethical culture. The board has delegated to management the responsibility for the implementation and execution of the code and supporting policies, as well as effective monitoring, control and assurance thereof, with oversight provided by the SEHR&T committee. A copy of the Code of ethics and conduct is available on our website **Governance of ethics** Board members are individually and collectively accountable for their ethical and effective leadership of the group. During the year under review board members were individually assessed by their peers, with a report in this regard submitted to the chairman. All deliberations, decisions and actions of the board are based on fairness, accountability, responsibility and transparency. Director, prescribed officer and employee interests are managed through formal internal processes. In addition, the director recruitment process includes fit and proper assessments. The group has a variety of internal and external mechanisms. This includes an independent ethics and fraud hotline for which the number is available on our website and in the code. Reports from the ethics and fraud hotline are a standard agenda item for the audit and risk committee and management updates the committee members at each meeting of transgressions recorded. Employees are encouraged to report any approach made to them or of which they are aware, by any person or entity seeking favour or preference in terms of business dealings with the group. The independent ethics and fraud hotline is supported by strong investigative capabilities and rigorous disciplinary processes and sanctions. See the SEHR&T committee report on page 36 of this report Read more about the governance of ethics on page 4 of this report

Corporate citizenship

	Applied	Response
Principle 3: The board should ensure that the company is and is seen to be a responsible corporate citizen	Yes	The board and the SEHR&T committee assumes and accepts collective responsibility for ensuring that the group is and is seen to be a responsible corporate citizen, in compliance with the Constitution of South Africa, including the Bill of Rights, and has delegated to management the responsibility for proactive stakeholder engagement, community development and environmental stewardship. The group is committed to making a positive contribution to the communities in which we operate and the environment. Our responsible business efforts are therefore focussed on employee welfare and homeownership, addressing the needs of the communities in which we operate, and securing land for nature conservation, while complying the various social and labour plans agreed with our host and affected communities. The board is furthermore responsible for ensuring that the group's strategic objectives are achieved in a sustainable way. Management updates the board and the SEHR&T committee on a quarterly basis on Northam's performance against the provisions of the Mining Charter. Read more about the Northam home ownership scheme, the Zondereinde and Booysendal Community Trusts, the Toro Employee Empowerment Trust and the Buttonshope Conservancy Trust in our Sustainability report 2022 available on our website See the SEHR&T committee report on page 36 of this report

Strategy and performance

	Applied	Response
Principle 4: The board should appreciate that the company's core purpose, its risk and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	Yes	**Strategy formulation** The CEO and the executive team are tasked with the formulation of the group strategy, business plan and five-year forecast, including key performance measures and targets. Key macro trends in our operating environment are identified, as part of the strategy setting process, by analysing political, macroeconomic, social, competitive, technological, regulatory and environmental drivers. The impact of these trends on Northam's strategic objectives are assessed, together with continued engagement with material internal and external stakeholders to consider their needs and expectations. This process highlights any applicable material issues, which are ranked according to the greatest relevance and highest likelihood to have a significant impact on the viability of our business and relationships with stakeholders. Risks and opportunities arising from the material issues and further operating context are identified with their impact on both the short and medium-term strategy assessed. The outcome of this analysis informs the strategic focus areas for the year, which are adjusted in line with changes in material matters. **Strategy approval** The board approves the group strategy, ensuring that it is aligned with the group's vision, driven by the beliefs of the business and takes into account the interests and expectations of our stakeholders. The board also ensures that the group strategy takes cognisance of inherent risks and opportunities that the business faces and the need to achieve sustainable outcomes. **Monitoring strategic execution** **Quarterly**: The board monitors strategic performance against the strategic KPIs and targets at quarterly board meetings and challenges the management team accordingly. **Annually**: The board is updated annually on the group strategy, which is embodied in the group business plan, five-year forecast, KPI's and targets. Read more about our strategy, material issues, risks and business model in our Annual integrated report for the year ended 30 June 2022, available on our website

Reporting

	Applied	Response
Principle 5: The board should ensure that reports issued issued by the company enable stakeholders to make informed assessments of the company's performance, and its its short, medium and long-term prospects.	Yes	The board is committed to clear, transparent, balanced and truthful communication to shareholders and relevant stakeholders, in line with the JSE Limited Listings Requirements and the Companies Act It oversees and ensures, through an effective control environment, appropriate management structures and a robust assurance framework, that all external communication and reports are issued in compliance with legal requirements and meet the legitimate and reasonable information needs of material stakeholders. The board, through the audit and risk committee, assumes and accepts the responsibility for the group's financial reporting and sets the direction for how it should be approached and conducted. Northam reports to stakeholders on both its financial and non-financial performance twice a year. Information related to the required disclosures, as set out in King IV™, appears in our board approved integrated reporting suite and on our company website. This includes information on our strategy, long-term goals, medium to long-term targets, historical performance, outlook and the group's position for value creation. See our results presentations and integrated reporting suite available on our website

Governing structures and delegation

Primary role and responsibilities of the board

	Applied	Response
Principle 6: The board should serve as the focal point and custodian of corporate governance in the company	Yes	The board is ultimately accountable for the performance and the reputation of the group and ensuring that it continues to operate responsibly, ethically and sustainably. The board operates in terms of a board charter, which defines its functions and responsibilities. Apart from the requirements of statute and common law, the board collectively acknowledges that its key deliverables involve providing the group with clear strategic direction, ensuring that there is adequate succession planning at senior levels, reviewing management's operational performance and facilitating an effective governance environment. The board displays adequate alignment with the King IV™ objective in terms of its oversight functions and monitoring, as well as its roles and responsibilities. Board and board committee charters are reviewed regularly and are aligned with King IV™ and the board and committees' areas of responsibility. The audit and risk and SEHR&T committees' oversight functions and disclosures have also been reviewed against King IV™ recommended practices, as well as legislative disclosure requirements for these committees. The board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period Refer to our board charter available on our website Read more about the board's responsibilities, board committee reports and board attendance register from page 12 of this report

Composition of the board

	Applied	Response
Principle 7: The board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	Yes	The board has nine members and is specifically constituted in terms of expertise and collective skills required for managing and steering our business into the future. The majority of the board members (67%) are considered independent non-executive directors. Northam recognises and embraces the benefits of having a diverse board and have approved and implemented a broad board diversity policy, which includes race and gender diversity targets. The board takes responsibility for its composition and the process of attaining the appropriate diversity as per the targets of its charter. The board currently has Historically Disadvantaged Persons (HDP) representation of 67% and 44% of our board members are women. (Northam's targets for HDP and female representation on the board are 50% and 20% respectively). 33% of our board members hold engineering degrees, 22% are chartered accountants (SA) and the balance have relevant experience in corporate finance, mergers and acquisitions and other associated and requisite disciplines. Five board members, including our chief executive officer, have extensive exposure and experience as CEOs. To ensure directors are not overcommitted, the number of listed directorships directors may hold is limited. The board composition is aligned with the requirements of King IV™ regarding the number of executive versus non-executive directors. Skills, experience, tenure of existing board members and new board appointments are monitored by the nomination committee. The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence Read more about our board composition and our directors' experience, skills, tenure and other directorships page 15 of this report

Committees of the board

	Applied	Response
Principle 8: The board should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties	Yes	The board has a coherent and comprehensive committee structure with clear and specific committee charters for each committee. The committee structure and the relevant charters are reviewed regularly to ensure effective decision making, discharge of duties and independent judgement, taking into consideration the changing environment within which the group and the board is operating. The composition of membership of the committees and the allocation of roles across committees are regularly considered and reviewed to ensure effective collaboration, efficient use of board resources and a balanced distribution of power across the committees. The chairperson of each committee reports to the board reports to the board on the committee's activities and all matters discussed. The current Northam board committees are: ▪ Audit and risk ▪ Nomination ▪ Investment ▪ Remuneration ▪ Social, ethics, human resources and transformation ▪ Health, safety and environmental Read about our group governance framework and our board committee reports from page 13 of this report See our board committees' charters available on our website

Evaluation of the performance of the board

	Applied	Response
Principle 9: The board should ensure that the evaluation of its own performance and that of its committees, its chairman and its individual members, support continued improvement in its performance and effectiveness.	Yes	We hold our board members accountable through formal external board evaluations at least once every two years. As part of these evaluations, the board conducts an assessment of its own performance and of the appropriateness and effectiveness of its procedures and processes. The actions from these assessments are agreed, and implementation thereof is tracked. The board further regularly evaluates the independence of its independent directors, particularly in respect of the independent directors who have served on the board for an aggregate term exceeding nine years. The board also annually evaluates the performance of the company secretary in terms of her competence, qualification, experience and arm's length relationship with the board. (See Principle 10). The board is satisfied that the evaluation process is improving its performance and effectiveness See page 15 for the board's performance assessment

Appointment and delegation to management

	Applied	Response
Principle 10: The board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	Yes	**CEO** In terms of the board charter, the board appoints the CEO who is responsible for the implementation and execution of the approved strategy, policies and operational planning, and serves as the primary link between management and the board. The CEO, Mr PA Dunne, is accountable to and reports to the board and in terms of best practice, is not a member of the audit and risk, the investment or the nomination committees. Notwithstanding, the CEO does attend meetings of these committees by invitation. The CEO is a member of the health, safety & environmental committee and during the year was appointed as a temporary member of the SEHR&T committee. This is an interim measure to fill a vacancy on the committee and he will be replaced on the committee in due course. The board charter is very clear on the powers which are reserved for the board and those that are to be delegated to management via the CEO. The board also defines the level of materiality and approves a delegation of authority framework. Through the nomination committee, the board ensures that there is succession planning for the CEO and CFO positions and that this is regularly reviewed. The CEO has an employment contract that can, subject to fair labour practices, be terminated upon 12 months' notice. The board is satisfied that the approval framework and the group operating model contribute to role clarity and effective exercise of authority and responsibilities **Company secretary** The company secretary, Ms PB Beale, provides professional and independent guidance to board members on corporate governance, the execution of their legal duties and keeps the board abreast of relevant changes in legislation and corporate governance best practice. The company secretary further supports and coordinates the functioning of the board and its committee meetings. The company secretary has unfettered access to the board, is not a board member and maintains an arm's length relationship with the board and its members. She reports to the board via the chairman on all statutory duties and functions performed in connection with the board. Regarding other duties and administrative matters, she reports to the CEO. The board can confirm that it is satisfied that the company secretary: ▪ is competent, suitably qualified and experienced ▪ has the requisite skills, knowledge and experience to advise the board on good governance ▪ maintains an arm's length relationship with the board of directors, and ▪ has effectively discharged her responsibilities for the year under review.

Governance functional areas

Risk governance

	Applied	Response
Principle 11: The board should govern risk in a way that supports the company in setting and achieving its strategic objectives.	Yes	The board's responsibility for risk governance is expressed in the board charter, the audit and risk committee charter and the risk policies and framework of the group. The board is aware of the importance of risk management as linked to the strategy, performance and sustainability of group. It sets the group's risk appetite and tolerance levels bi-annually as part of its review of the group's risk strategy and strategic risk register. The board furthermore oversees the risk management process, which is aligned with the principles of King IV™. Each of the board committees, in particular the audit and risk committee, is responsible for evaluating all material risks in terms of its mandate. The risk management process is continuous with key risks reported to the each of the committees and the board. Risks to the sustainability of the company's business are identified and managed within acceptable parameters and an approved and defined risk appetite. The duty to identify, assess, mitigate and manage risks within the existing and ever changing risk profile of our operating environment is delegated to management. Mitigating controls are formulated to address risks and the board is kept up to date with progress on the risk management plan. The board and the board committees also continuously monitor and challenge risk management exposures and responses through the regular submission and review of executive management risk reports. See our audit and risk committee report on page 42 Refer to the managing risks and opportunities section in our Annual integrated report 2022 , available on our website, for more details on the group's risks

Technology and information governance

	Applied	Response
Principle 12: The board should govern technology and information in a way that supports the company setting and achieving its strategic objectives.	Yes	The board and the audit and risk committee are responsible for the oversight of the group's information and technology (IT) strategy and policy, as well as ensuring that supporting governance structures and processes are robust. This includes setting the direction of the policy, challenging IT risk assessments and evaluating the effectiveness of the IT function. The group has established an IT steering committee, which is chaired by the CFO. The IT steering committee is responsible for the oversight, maintenance and protection of the group's technology and information resources. It meets at least four times per year and the CFO provides feedback to the audit and risk committee. Measures have been implemented to ensure that various aspects of the group's IT infrastructure and information management are enhanced from a security perspective and incorporated into the Northam IT security strategy The IT steering committee exercises oversight of the management of information to ensure the following: ▪ Information is leveraged group-wide to sustain and enhance the group's intellectual capital ▪ An information architecture that supports confidentiality, integrity and availability of information remains in place ▪ Integration of information risks into organisation-wide risk management ▪ Proactive monitoring of intelligence to identify and respond to incidents, including cyber-attacks and adverse social media events ▪ Protection of privacy of personal information ▪ Continuous monitoring of information security ▪ Compliance with relevant laws

	Applied	Response
		The IT steering committee exercises oversight of the management of technology to ensure the following: ▪ Integration of technology risks into organisation-wide risk management ▪ Integration of people, technologies, information and processes across the group ▪ Arrangements are in place to provide for business resilience ▪ Technology architecture enables the achievement of our strategic and operational goals ▪ Management of the performance of, and the risks pertaining to, third-party and outsourced service providers ▪ Appropriate responses to developments in technology, including the leveraging of potential opportunities and the management of disruptive effects on the organisation and our business model, are identified and implemented ▪ The assessment of value delivered to the organisation through investments in technology and information

Compliance governance

	Applied	Response
Principle 13: The board should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the company being ethical and a good corporate citizen.	Yes	The board is accountable for compliance and continually provides guidance on and oversight of the management of compliance risk. The Northam compliance policy together with the risk management policy and framework assist the board and executive management in meeting legal, regulatory and supervisory obligations and to promote and sustain a sound compliance culture. This includes ensuring legal and regulatory compliance implications are integrated into material strategic, financial and operational decisions. **Monitoring compliance** The audit and risk, SEHR&T and the health, safety and environmental committees are responsible for overseeing compliance with laws, regulations, rules, codes and standards, including those relating to broad-based black economic empowerment, employment equity, environmental management, health and safety, HIV/Aids, the United Nations Global Compact Principles and the relevant Organisation for Economic Co-operation and Development (OECD) recommendations. Compliance with all material laws, legislation and regulations applicable to the group are monitored and reported to the board and the relevant board committees responsible for oversight. Ethics is monitored through various means, including an independent ethics and fraud hotline available on the group's website and through attestation to the code of ethics and conduct. Ethics and fraud hotline reports are a standard agenda item for the audit and risk committee, and management updates the committee at each meeting of transgressions recorded, actions taken, as well as associated sanctions applied. The board receives assurance on the effectiveness of the group compliance activities through the feedback reports from internal audit. **Compliance focus areas** The board, through the committees and management will continue to monitor compliance to laws, regulations, codes and standards throughout the group, ensuring that the group continues to operate within, and that all decisions are taken in the bounds of its legislative boundaries. There were no material regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations during the year under review. See the board committee reports from page 26 of this report

Remuneration governance

	Applied	Response
Principle 14: The board should ensure that the company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term.	Yes	**Responsible remuneration** Northam manages remuneration on a total remuneration basis, which incorporates a combination of remuneration elements (both financial and non-financial) to allow the group to attract, motivate and retain appropriately skilled and experienced individuals who will enable the business to meet its strategic objectives. We have developed organisation wide remuneration guiding principles and the board is committed to ensuring that remuneration of executive management is fair and responsible in the context of general market conditions, company performance, industry pay levels, the economic outlook and overall employee remuneration. The board established and approved the group remuneration policy in line with applicable laws and regulations and oversees the implementation thereof. This policy is reviewed annually, which includes benchmarking remuneration levels against industry peers and organisations of similar complexity. The board, through the newly established remuneration committee continued to actively seek feedback on our remuneration policy and the implementation thereof through various interactions with shareholders during the F2022 reporting period. The remuneration committee assists the board in overseeing all aspects of the group's remuneration practices. It sets the requirements for policies, relating to remuneration, and oversees the operational implementation of the applicable requirements. The CEO and the CFO performance scorecards, with agreed performance measures and targets, are reviewed and recommended for approval by the remuneration committee to the board in June of each year. The CEO and CFO's remuneration is benchmarked biennially, by an independent service provider, against a comparative group of companies in the South African mining industry. Refer to our Remuneration report 2022, available on our website

Assurance

	Applied	Response
Principle 15: The board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal .	Yes	**Assurance** The board is accountable for combined assurance and sets the direction for the group assurance services and functions by means of the combined assurance policy and framework. The board delegates to the audit and risk committee the responsibility for overseeing that our combined assurance activities are effective in achieving its objectives. Our combined assurance framework establishes integrated and coordinated assurance activities between the four lines of assurance across all levels of the organisation. There is continued and on-going focus on increased collaboration and sharing of information as well as reducing duplication of activities. We provide additional details on the internal and external audit functions, as well as the key areas of focus for the year under review, in our audit and risk committee report. The board is satisfied that our assurance activities result in an adequate, effective control environment and the integrity of reports relied upon for decision-making. See the audit and risk committee report on page 42 of this report

Stakeholder relationships

Stakeholders

	Applied	Response
Principle 16: In the execution of its governance role and responsibilities, the board should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the company over time	Yes	The board, assisted by the SEHR&T committee, is ultimately responsible for the monitoring of the quality of stakeholder relationships and the effectiveness of our stakeholder engagements. Northam's board approved stakeholder policy regulates the process of engaging and communicating with all defined stakeholders who include, amongst others, both shareholders and employees Dedicated stakeholder relations personnel are positioned at each of the group's operations and together with executive management, they deliver on the requirements of the group's stakeholder relations policy. Along with the publication and dissemination of results on a half-yearly basis, the company regularly hosts visits, presentations, briefings and meetings with interested shareholders, institutions and other stakeholders. Feedback is a critical element of such engagement processes and is communicated through the executive committee for discussion at board level. Stakeholder risks are incorporated into the risk management process and are identified, assessed, mitigated and reported on in the same way as all other risks to the group. Read more about our stakeholders and how we engage with them in our Annual integrated report 2022, available on our website See the board and stakeholders section on page 22 See the SEHR&T committee report on page 36

Conclusion

Northam Platinum Holdings Limited's corporate governance philosophy, frameworks, standards, policies and practices support the achievement of each of the King IV™ principles and enable the board and management to conclude that the group is currently achieving the desired King IV™ governance outcomes in all material respects.

Administration and contact information

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Bond code: NHM016
Bond ISIN: ZAG000167750
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South Africa

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