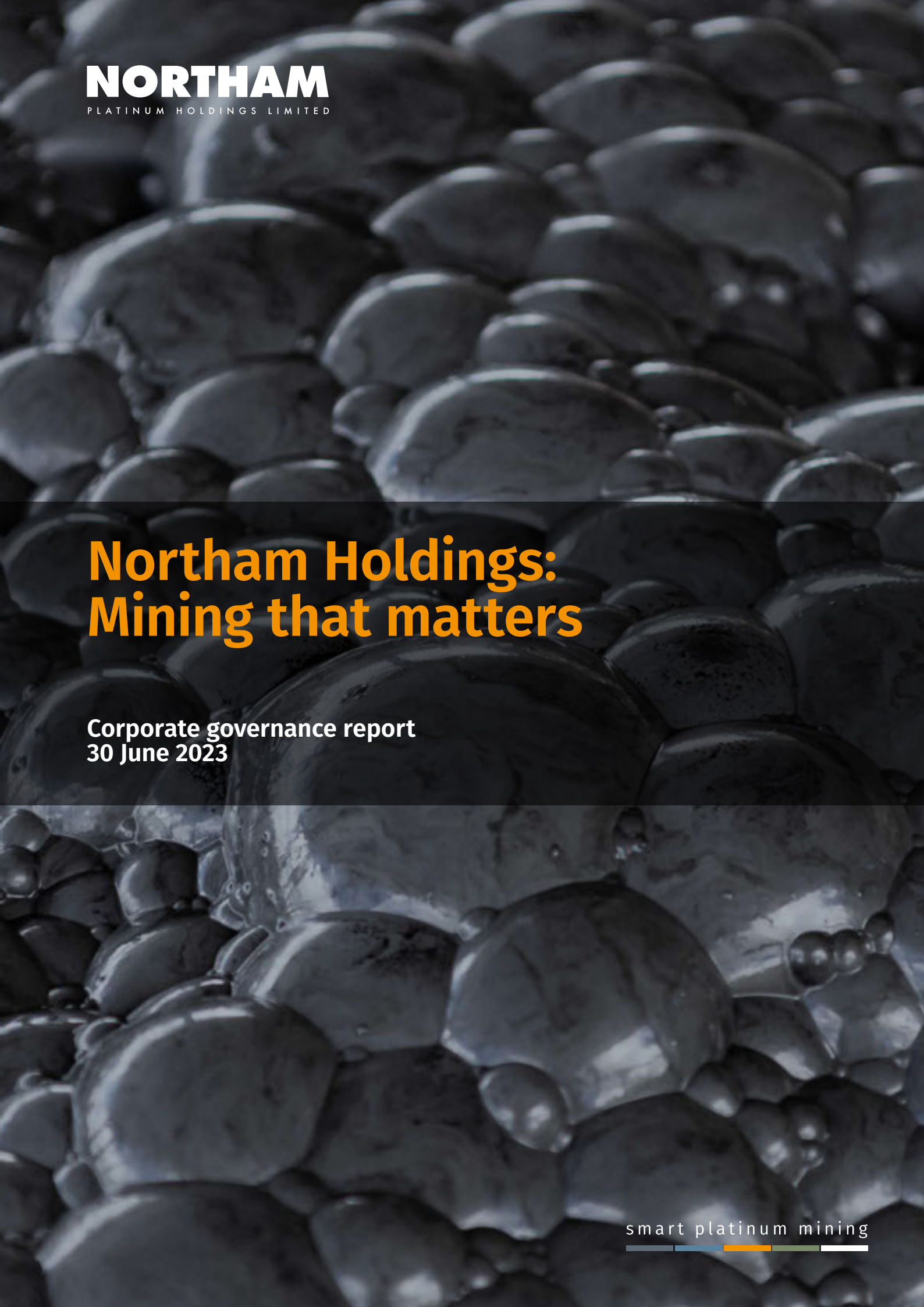


NORTHAM
PLATINUM HOLDINGS LIMITED

Northam Holdings: Mining that matters

Corporate governance report
30 June 2023

smart platinum mining

Mine to market value chain

The production of Platinum Group Metals (PGMs) begins with the mining of ore deposits typically containing very low concentrations of the metals. Following this, the mined ore passes through five stages of physical and chemical beneficiation ultimately producing individual high purity saleable metals.

The first stage of beneficiation is primary concentration in which the concentration of PGMs and associated base metals is upgraded through a process of crushing, milling and froth flotation. The product of this process is primary concentrate. The flotation process upgrades the concentration of PGMs in the ore from between 2 and 5 grams per tonne to between 90 and 150 grams of PGMs per tonne.

The second stage of beneficiation is smelting, in which primary concentrate is dried and heated in a smelter furnace until molten, at which point PGMs and associated base metals concentrate into what is termed smelter matte containing between 1 500 and 2 500 grams of PGMs per tonne.

Smelter matte is then fed into the third stage of beneficiation, which is iron conversion, wherein the addition of a silica flux and air drives off iron and sulphur producing convertor matte containing between 3 500 and 5 000 grams of PGMs per tonne.

This is the feed for a base metal refinery, wherein associated base metals are extracted, leaving a high grade precious metal concentrate. This precious metal concentrate contains approximately 500 000 grams per tonne of PGMs. Base metals include nickel, which is extracted as a nickel sulphate salt, and copper which electrowon, produces pure copper plate.

Precious metal concentrate is treated through a precious metal refinery, the fifth and final stage of beneficiation, producing individual saleable metals of high purity. Final refined PGMs are produced in various forms for a multitude of applications, for example, ingot or sponge.

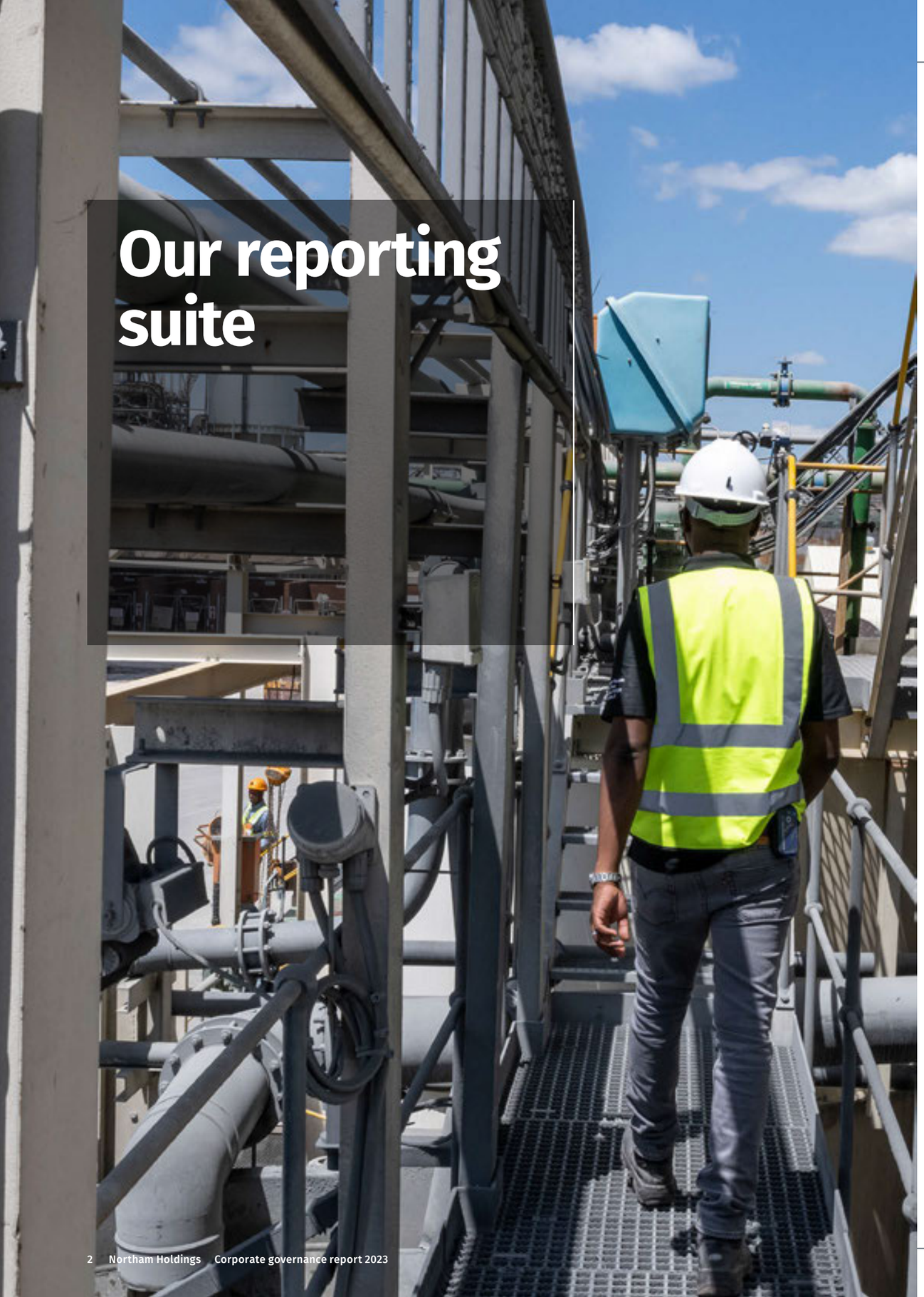
We sell most of our PGMs through offtake agreements with a limited number of large customers, with whom we have long-standing associations and relationships. Our buyers are mainly industrial companies, who, in the case of the automotive sector, are suppliers of catalysts and catalytic components as opposed to the car manufacturers themselves.

Our chrome product is sold through a single third party *via* a guaranteed offtake and security of supply contributions agreement. In addition, we have the ability to sell excess metal on the spot market.

The picture on the front cover is of bubbles containing PGMs produced during the flotation process at the concentrator.

Contents

Refers to the King IV™ principles statement



Our reporting suite

Our Corporate governance report is supplemented by a full suite of online publications, which cater for the diverse needs of our broad stakeholder base as part of our comprehensive integrated reporting. These can be accessed on our website at www.northam.co.za

Annual integrated report

Prepared in accordance with:

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

Approved by the board of directors

Annual financial statements

Prepared in accordance with:

- IFRS
- Interpretations issued by the IFRS Interpretations Committee
- International Accounting Standards (IAS)
- The South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides
- Financial Reporting Guidelines as issued by the Accounting Practices Committee
- Financial Pronouncements as issued by the Financial Reporting Standards Council
- Companies Act
- Companies Regulations
- JSE Listings Requirements
- JSE Debt Listings Requirements
- King IV™

Approved by the board of directors, and includes the chief executive officer and finance director responsibility statement, as well as the company secretary's confirmation

Summarised financial results

Prepared in accordance with:

- IFRS
- Interpretations issued by the IFRS Interpretations Committee
- IAS
- SAICA Financial Reporting Guides
- Financial Reporting Guidelines as issued by the Accounting Practices Committee
- Financial Pronouncements as issued by the Financial Reporting Standards Council
- Companies Act
- Companies Regulations
- JSE Listings Requirements
- JSE Debt Listings Requirements

Approved by the board of directors

Corporate governance report

Prepared in accordance with:

- International <IR> Framework of the IIRC
- Companies Act
- Companies Regulations
- JSE Listings Requirements
- JSE Debt Listings Requirements
- King IV™

Approved by the board of directors together with the chairpersons of the respective committees for their reports

Mineral Resources and Mineral Reserves statement

Prepared in accordance with:

- South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves 2016 (the SAMREC Code (2016))
- JSE Listings Requirements

Signed off by the Lead Competent Person

Notice of the 2023 Annual General Meeting

Prepared in accordance with:

- Companies Act
- Companies Regulations
- JSE Listings Requirements
- JSE Debt Listings Requirements
- Company's Memorandum of Incorporation (MOI)
- King IV™

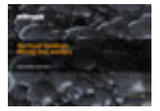
Approved by the board of directors and the company secretary

Remuneration report

Prepared in accordance with:

- International <IR> Framework of the IIRC
- Companies Act
- Companies Regulations
- JSE Listings Requirements
- King IV™

Approved by the remuneration committee



Sustainability report

Prepared in accordance with:

- Core requirements of the GRI Standards

Approved by the health, safety and environmental committee

About this report

This report covers the governance activities of Northam Platinum Holdings Limited (Northam Holdings, Northam or the group) for the 30 June 2023 financial year (F2023). It provides an overview of the group's governance philosophy, frameworks and ethics, as well as the responsibilities of the board and executive committee.

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
- Human
- Intellectual
- Manufactured
- Natural
- Social

Links

- Refers to other pages in this report
- Refers to supporting documents on our website, www.northam.co.za

ESG metrics

- E Environmental
- S Social
- G Governance
- F Financial performance

Stakeholders

- Communities
- Department of Mineral Resources and Energy (DMRE)
- Employees
- Eskom Holdings SOC Limited (Eskom)
- Financial institutions
- Government
- Industry associations
- Investors and providers of funding
- Johannesburg Stock Exchange Limited (JSE Limited)
- Precious metal refiners and customers
- Regulatory authorities
- South African Revenue Services (SARS)
- Suppliers of goods and services
- Third party purchase contracts
- Unions

Board and committees

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

Other

- Refers to the King IV™ principles statement

Unless otherwise defined, capitalised words and terms contained in this Corporate governance report shall bear the same meaning ascribed thereto in the Glossary included in the Summarised financial results, for the year-ended 30 June 2023, available on our website.

This Corporate governance report targets stakeholders that are interested in our governance practices (investors, environmental, social and governance (ESG) rating agencies, employees, regulators, suppliers and members of society). The information disclosed demonstrates how Northam conducts itself according to sound governance practices and the highest standards of ethics, integrity, transparency and accountability.

The purpose of this report is to explain our governance policies and practices and set out how the board manages the business for the benefit of shareholders and other stakeholders, promoting long-term shareholder interests.

Our governance report should be read together with the Annual integrated report, one of our primary communications with stakeholders, and prepared primarily for the providers of capital and investors.

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 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 Listings Requirements.

Specific references to the individual principles of King IV™ have been included in this report.

The board is satisfied that Northam Holdings has applied all the principles, as per King IV™, across the organisation. 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 the King IV™ principles statement included herein.

See page 81 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.

The board ensures that reports issued by the group, enable stakeholders to make informed assessments of Northam's performance and its short, medium and long-term prospects.

Approval

The board acknowledges its responsibility for ensuring the integrity of this Corporate governance report and confirms that the report is presented in accordance with the International <IR> Framework of the IIRC. The board has considered the integrity of this report and has concluded that it appropriately provides the required material disclosures of the group's overall corporate governance activities.

The board confirms that the group is in compliance with the provisions of the Companies Act relating to, *inter alia*, its incorporation and is operating in conformity with its Memorandum of Incorporation (MOI). 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 22 August 2023.

For and on behalf of the board

Temba Mvusi
Independent chairman

22 August 2023

The board confirms that the group is in compliance with the provisions of the Companies Act relating to, *inter alia*, its incorporation and is operating in conformity with its MOI.

Governance philosophy

1, 2, 3

Good corporate governance is fundamental to the success, sustainability and legitimacy of Northam. 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.

At Northam, we are committed to the foundations of governance, described in this report, which are established and driven by the tone set by the board and management, as well as the highest standards of excellence. This holds directors, officers and employees accountable for their actions and decisions, as well as ensuring 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. The board is the custodian of the GGF.

See our GGF on page 22 of this report.

Proportionality of application takes into account the group's resources, and the extent and complexity of its activities to reduce the administrative burden without impacting the governance, risk and control environment.

Combined integrated assurance model confirms that the information we provide supports the credibility and integrity of our reporting. The model encompasses four lines of assurance, used to distinguish both the level and extent of assurance required. It establishes clear accountability and ownership for risk management, the control environment and the required mitigating management actions.

Risk management philosophy ensures there is a common set of standards for the identification and management of risks and opportunities.

The independent auditor's report is included in the Annual financial statements for the year ended 30 June 2023, available on our website.

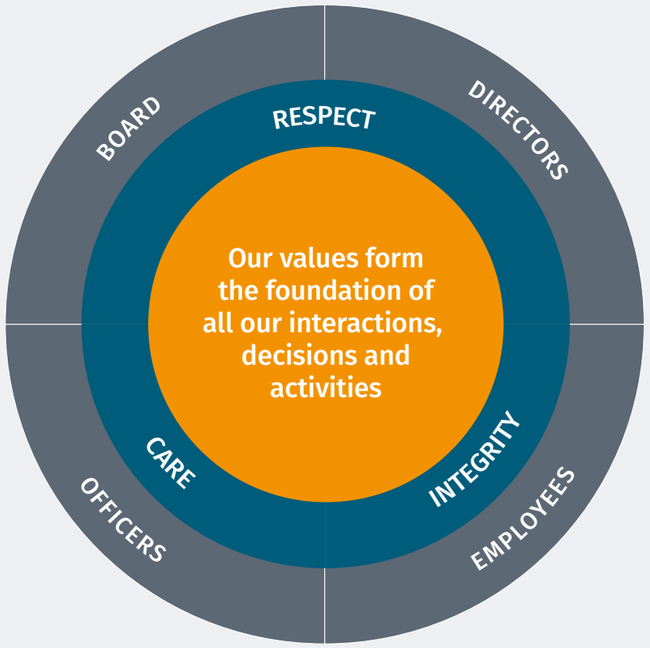
Gordon Ncapai, General worker at Zondereinde

Governance of ethics 1, 2, 3

Organisational ethics

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

The board accepts collective responsibility for defining how ethics and ethical behaviour are embedded throughout the group. The values of care, respect and integrity form the foundation of all our interactions, decisions and activities and are integral to all strategic directions taken by the board.



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

Our values

Our values underpin the ethical standards and ethical behaviour of Northam, requiring all directors, officers and employees to act with the utmost care, mutual respect and integrity. This includes complying with both the spirit and letter of the law, regulations, professional and/or industry standards, as well as company policies and procedures.

Embedding ethics in our culture

Northam has established practical mechanisms and processes to embed and foster a culture of ethics:

Northam code of ethics & conduct: 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 (full-time and part-time) to the highest standards of ethical conduct and is underpinned by a culture of shared responsibility.
The code aims to give practical guidelines to our employees on the rules and behaviour we expect and includes the group's commitment to conduct its business in accordance with the spirit of all applicable laws, rules and regulations. It defines a set of ethical standards and guidelines, describing the fundamental principles required to maintain ethical dealings with all our stakeholders, while acting in the best interests of the group.

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.

The code is reviewed periodically and revised continuously to ensure a progressive ethical culture. A refresh of the code is currently in progress with a view of providing additional practical guidance and reaffirming our values.

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

Regular review: To ensure a progressive ethical culture, regular reviews of our code are undertaken, and updates are made where required.

Awareness drives: Ongoing communication reiterates the behaviour expected from all employees, thereby fostering a culture in which employees understand their responsibilities and feel comfortable to raise concerns without fear of retaliation and victimisation. It also ensures mandatory policies, standards and procedures are accessible and well understood.

Recruitment: Prospective employees are assessed against integrity checks.

Consequence management: Our disciplinary processes hold employees accountable for their conduct.

Our board and ethics

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.

As part of the annual board evaluation process, board members were individually assessed by their peers for independence and a report in this regard was submitted to the chairman.

The F2023 assessment indicated that all board members continue to act ethically in all respects.

See page 32 for more details of the board assessment.

Ethics initiatives monitored by the board in F2023

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

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.

During the year under review, the board also reviewed and approved an updated conflict of interests policy, which has been rolled out across the group. This policy sets out the standards and principles that govern circumstances of conflict of interests and seeks to ensure the prevention of such instances as far as reasonably possible. Where such conflicts are unavoidable it provides guidance on how they should be dealt with in an ethical and responsible manner, mitigating potential risks.

Ethics future focus areas for the board

- Monitor progress to update and refresh the code, as well as oversee the roll out of the code across the group on specifically identified elements of the code
- Continue to oversee the embedding of an ethical culture in the group
- Monitor implementation of targeted campaigns across the group and at individual operations to increase awareness of key topics

See page 52, 58 and 74 for more details on how the social, ethics, human resources and transformation committee, the audit and risk committee and the remuneration committee monitor ethics.

The executive committee and ethics

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.

Ethics management

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 in the local communities, in which the group operates. Reports from the ethics and fraud hotline are a standard agenda item for the audit and risk committee, with serious matters reported to the board.

Management updates the committee members at each meeting of transgressions recorded and 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.

Through various awareness campaigns embarked on by the group, the number of fraud hotline calls have increased during the year, which we believe demonstrates the confidence in the independent fraud hotline. The majority of calls related to instances of job selling, a prevalent issue in the mining industry, given the economically depressed areas in which mines generally operate in. The group has engaged with the South African Police Service (SAPS) on this matter and has embarked on a number of awareness campaigns, which have been rolled out across the operations.

The independent ethics and fraud hotline is supported by strong investigative capabilities, with 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.

Trading in Northam Holdings shares

The group has a defined policy on dealing in Northam Holdings shares, which aligns with the JSE 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, to prevent the misuse of price sensitive information and/or inside information.

All directors' dealings require pre-approval from either the chairman, chief executive officer (CEO), chief financial officer (CFO) or the company secretary. This requirement is also included as part of the code.

The group also complies with the Financial Markets Act No. 19 of 2012, in that it prohibits any directors, officers or employees (full-time or part-time), who have access to inside information from dealing in the company's shares.

In terms of the JSE Listings Requirements, the group enters into a financial closed period at the end of every reporting period until the publication of the financial results. Directors, the company secretary and selected employees are prohibited from dealing directly or indirectly in Northam Holdings shares during such financial closed periods.

In addition, should Northam be operating under a cautionary announcement or in a prohibited period, company directors, the company secretary and selected employees are prohibited from dealing directly or indirectly in Northam Holdings shares during such periods.

Conflict of interests

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

The code sets out key provisions that Northam's 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 using confidential or price-sensitive information, to benefit themselves or any related party.

At the start of every board or committee meeting, directors are required to inform the board of any conflicts or potential conflicts of interest they, or persons related to them, 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.

Gifts policy

Our gifts policy sets out strict rules to which employees must adhere, in respect of the giving or receiving of gifts to and from clients, suppliers and other third parties. This is further outlined in the code, where all directors and all employees are prohibited from accepting any gifts, hospitality or benefits which may affect their impartiality, influence a business decision or lead to the improper performance of an official duty.

The policy and code outlines certain gifts, or categories of gifts, that may be accepted, provided that these are declared and approved, in writing, by management.

Message from our independent chairman, Temba Mvusi

This year has been both challenging and rewarding for the group and our stakeholders. As a board we are particularly pleased with the group's strong operational performance, continued delivery on organic growth projects and the various further de-risking initiatives currently under way.

The board continues to navigate the challenges faced by the mining industry and South Africa, with a focus on mining safety, efficient growth, long-term sustainability and black economic empowerment.

Disposal of investment in Royal Bafokeng Platinum Limited

During the year under review, the board, investment committee and management team spent significant time considering our investment in Royal Bafokeng Platinum Limited (RBPlat) made during the previous financial year, our voluntary offer to potentially increase our stake in this business as announced in November 2022 and, after year-end, the decision to accept the Impala Platinum Holdings Limited (Implats) Mandatory Offer.

Governance over the investment decision making processes remained a central focus throughout the period. The investment committee, comprising independent non-executive board members, played an integral role undertaking recurring reviews and evaluations of the original investment rationale and objectives, monitoring the changing and developing market conditions and outlook, and assessing the impact of the investment on Northam's balance sheet, liquidity and long-term strategic positioning.

Northam's pursuit of a voluntary conditional offer to potentially increase our stake in RBPlat was contingent on, *inter alia*, two critical commercial conditions. The first condition was obtaining outright control of the company, thereby allowing Northam to pursue and control the value creation initiatives identified at RBPlat, and the second relied on PGM prices and general economic indicators remaining within a predetermined range in support of the long-term valuation of the asset.

We outlined the second condition in detail in a Material Adverse Change (MAC) clause in the SENS announcement published on 9 November 2022. This condition provided a safety net in the event of dramatic changes in the PGM market or global economic circumstances after Northam's publication of its firm intention to make an offer.

During the second half of the financial year, the MAC provisions were breached following a dramatic decline in the rhodium price and the ZAR 4E PGM basket price, which decreased by 45% and 28% respectively over the period.

The board unanimously agreed that the unpredictable nature of the short to medium-term PGM market necessitated invoking the MAC protections, leading to the termination of the voluntary offer.

Subsequent to the termination of the voluntary offer, the PGM basket price continued to decline by a further 17.6% from the date of termination to 18 July 2023. The board holds the view that the prevailing PGM market conditions may signal a potentially protracted cyclical downturn and considered it prudent to position Northam for such a possible outcome.

These adverse market developments resulted in a material contraction in profit margins and cash generation capacity across the PGM industry (including at RBPlat). Consequently, equity valuations across the entire PGM sector declined substantially, corresponding with a decline in asset valuations.

Against this backdrop, relative positioning on the industry cost curve, and the ability to retain operational flexibility and balance sheet strength, will become increasingly important over time.

Northam has always maintained inherent optionality and flexibility in executing its growth strategy and these considerations remain key drivers to all decisions.

Once the board decided to terminate the voluntary offer and thereby not pursue obtaining outright control of RBPlat in these market conditions, the board considered the merits of potentially accepting the Implats Mandatory Offer for all the remaining RBPlat shares, as a new and standalone investment decision. The substantial cash underpin of the Implats Mandatory Offer was not affected by substantially lower equity and asset valuations across the sector. The Implats Mandatory Offer presented a well-timed opportunity for Northam to fully recover the cash applied by Northam in acquiring its original stake in RBPlat, thereby securing a very significant cash injection which would materially strengthen the group's balance sheet and liquidity position and position Northam more favourably in a challenging PGM market and broader economic environment.

The board therefore unanimously resolved to accept the Implats Mandatory Offer and to dispose of Northam's entire 34.5% interest in RBPlat in July 2023, for a consideration of R9.0 billion in cash and 30 065 866 Implats shares. Northam also cancelled the put and call options entered into between itself and the Royal Bafokeng Holdings Proprietary Limited group (RBH), without any compensation accruing to either party, which in turn enabled RBH to accept the Implats Mandatory Offer.

Empowerment

The purchase consideration payable for our initial investment in RBPlat, being a combination of cash and Northam Holdings shares, was purposefully structured to introduce RBH, through its wholly-owned subsidiary Royal Bafokeng Investment Holding Company Proprietary Limited, as a strategic empowerment shareholder in Northam Holdings. This objective has not changed with the sale of our stake in RBPlat.

RBH represents the Royal Bafokeng Nation, the host communities and most of the employees of RBPlat. We consider RBH to be a meaningful, blue chip, sustainable empowerment shareholder and we look forward to a productive long-term relationship with RBH.

The RBH shareholding in Northam also fulfils the empowerment requirements as stipulated under mining legislation.

Going forward, our further empowerment efforts will focus on Northam's employees and communities pursuant to our extended empowerment transaction already approved by our shareholders.

Safety

The safety of all our employees remains of paramount importance and takes precedence over all production and other objectives.

Tragically, we experienced three separate underground fatalities at our Zondereinde mine during 2022.

Mr Mosetlha David Matlhoahela, a winch operator, lost his life in September 2022 under suspicious circumstances. The incident remains under investigation by the South African Police Service. Mr Patrick Mokhachane, a team leader, lost his life in October 2022 in an ore cleaning incident and Mr Mogapi Silas Ntshabele, a general worker, lost his life in December 2022 in a material reclaiming incident. We wish to express our sincere condolences to the families, friends and colleagues of the deceased.

Comprehensive safety reviews were undertaken following these incidents and remedial actions have been implemented.

It should also be noted that these incidents happened away from the working face, and that Zondereinde remains fall of ground fatality free. However, we remain very aware and concerned about the severity of injuries resulting from incidents. Improving safety performance, as well as the health and wellness of our workforce remain critical focus areas for the business.

On a positive note, Booysendal passed the milestone of 8 million fatality free shifts and continues to operate without a fatality since the mine began 13 years ago.

Eland recorded a maiden 1 million fatality free shifts during November 2022, also operating without a fatality since our purchase of the mine in 2018.

The board, together with the health, safety and environmental committee, remain committed to continuously improving the monitoring of our safety initiatives, applying learnings from incidents and using technology to reduce safety risks.

Electricity supply

The past year has seen an ever increasing decline in energy supply security, with record amounts of load shedding and load curtailment in South Africa. This situation is likely to continue into the medium-term.

To mitigate the impact, we are in the process of adding additional diesel generator capacity across the group and are actively seeking further augmentation of our generation capacity.

The board also closely monitors power requirements and developments at Eskom to ensure necessary contingency plans are in place.

Environmental, social and governance

The board, along with its committees, remained vigilant in monitoring the group's environmental, social, and governance (ESG) metrics and the reporting thereof. We placed particular emphasis on evaluating the energy efficiency and emissions impacts of both new projects and existing operations.

Our target is to reduce total greenhouse gas (GHG) emissions by 27%, from a 2019 baseline, by 2030. We are pleased to report that our implemented initiatives have already resulted in a 23% reduction in energy use and GHG emissions, and we will continue to closely track our progress towards achieving our target.

The chairperson of the remuneration committee actively engaged with investors regarding our ESG initiatives and the relevant metrics included in our remuneration policy. More detailed information on these engagements can be found in the stakeholder engagement section of this report.

We take immense pride in our biodiversity offset agreement between the Buttonshope Conservancy Trust (the Trust), the Mpumalanga Tourism and Parks Agency (MTPA) and Booysendal. This agreement serves as a benchmark for successful public-private collaboration. It commits the Trust to expand its offsets and land under management, aligning with the long-term conservation goals of the MTPA. Currently, the Trust manages approximately 8 500 hectares of pristine conservation area.

Capital management, declaration of a maiden dividend, introduction of a dividend policy and a share buyback programme

We remain committed to return free cash not required in the advancement of the group's ongoing growth programme to our shareholders. The board previously approved, and the company successfully implemented, a c. 30% share buyback upon conclusion of the Zambezi empowerment transaction.

Following the decision to terminate Northam's voluntary offer in respect of RBPlat and the subsequent decision to accept the Implats Mandatory Offer, the substantial cash injection received by Northam has allowed the board to accelerate the return of value to shareholders in the form of the declaration of a maiden dividend and the introduction of a formal dividend policy, accompanied by a R1 billion share buyback programme.

These decisions are possible predominantly as a result of the successful and sustainable execution of Northam's growth trajectory during the past 8 years, notwithstanding the current headwinds experienced by the industry in the form of, amongst various other challenges, a dramatic slump in PGM prices and the high frequency of load curtailments.

The group remains well capitalised and the long-term credit rating was upgraded to A+(za) and the short-term credit rating was re-affirmed at A1(za), during the year under review.

Board and committee mandate, charter and compositional review

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

In addition, the board commenced a structured review and reassessment of the mandates, charters and compositions of the various board committees. The board charter will be reviewed by the board in the coming 12 months.

Significant time was also spent on succession planning for the board and the executive management. The board is comfortable that adequate succession plans are in place.

Future focus areas

Safety – The board, with the assistance of the health, safety and environmental 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 be an area of particular focus.

Capital allocation – The long-term success of the business depends on achieving an optimal balance between growth, sustaining operations and returning value to the providers of capital. Against this backdrop, a key consideration for the board remains the effective and appropriate allocation of capital.

ESG – The board, through its committees, will continue to monitor the various ESG metrics of the group, and 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, taking into consideration our impact on climate change.

Board and committee composition and charter review – The board will continue reassessing its composition and that of its committees during the coming 12 months.

In addition, the board will continue its review and reassessment of the mandates and charters of the board committees during the coming financial year.

Temba Mvusi
Independent chairman

22 August 2023

Board activities during the year

The board agenda is set annually, during the first meeting, with the responsibilities for the year formalised in an annual plan.

The plan is reviewed at every meeting to ensure adequate coverage of key areas and the board receives updates from the chairpersons of the committees at every meeting.

During the year under review, eight board meetings were held in total. In addition to the four scheduled quarterly meetings, three special board meetings and one independent board meeting, relating to Northam's investment in RBPlat, were held. The independent board was constituted for purposes of opining on the voluntary offer by Northam to RBPlat shareholders (Offer).

The timeline below sets out the activities of the board during the year:

August 2022

- Approved minutes of the previous board meeting
- Approved the going concern assumption and dividend consideration
- Approved the cash flow forecast
- Approved the F2022 reporting suite:
  - Summarised results booklet
  - Annual financial statements
  - Annual integrated report
  - Mineral Resources and Mineral Reserves statement
  - Notice of Annual General Meeting
  - Corporate governance report
  - Remuneration report
- Reviewed minutes of board committee meetings and received feedback from chairpersons of the committees
- Annual review of the board's performance in relation to its charter
- Reviewed the board's annual plan for F2023

October 2022

Special board meeting to discuss the Northam's investment in RBPlat

- Considered the group's position in terms of the investment in RBPlat, together with updates received from the group's advisors
- Approved the proposed voluntary offer to acquire all the remaining RBPlat Shares for the indicative offer price of R172.70 per RBPlat Share

October 2022

- Approved minutes of the previous board meeting
- Received quarterly operational and financial update by the CEO and CFO, respectively
- Noted the cash position and cash flow forecast for the group
- Reviewed minutes of board committee meetings and received feedback from chairpersons of the committees
- Received update on community unrest surrounding Northam's operations, and the interventions in place
- Received feedback from the independent board evaluation including any mitigating actions
- Noted the round robin board resolutions passed since the last meeting

November 2022

Independent board constituted in respect of the Offer, for purposes of considering and expressing an opinion on the value and price of the Northam Holding shares in accordance with Regulation 110(10)

- Obtained information pertaining to the independent board's responsibilities, in consultation with Northam's legal advisors
- Engaged with the independent expert appointed to opine on the value and price of a Northam Holdings share
- Considered and approved the proposed offeror offer circular to be issued in respect of Northam's voluntary offer to RBPlat shareholders

March 2023

- Approved minutes of the previous board meeting
- Received quarterly operational and financial update by the CEO and CFO, respectively
- Reviewed and approved the interim results booklet for the half- year ended 31 December 2022
- Reviewed and approved the risk management report
- Reviewed minutes of board committee meetings and received feedback from chairpersons of the committees
- Noted the round robin board resolutions passed since the last meeting, including those related to the Offer

March 2023

Special board meeting to discuss the Northam's investment in RBPlat

- Received and considered updates relating to the status of the voluntary offer, the offeror offer circular and the Takeover Regulation Panel (TRP) determination in respect of Implats' complaints relating to the announcement published by Northam on 9 November 2022 in respect of the voluntary offer

April 2023

Special board meeting to discuss Northam's investment in RBPlat

- Received and considered updates relating to the status of the voluntary offer, the occurrence of Material Adverse Changes and resolved to terminate the voluntary offer

June 2023

- Approved minutes of the previous board meeting
- Reviewed and approved the F2024 business plan and five-year budget
- Reviewed and approved the cash flow forecast
- Received update on the Northam's investment in RBPlat
- Reviewed minutes of board committee meetings and received feedback from chairpersons of the committees
- Noted the round robin board resolutions passed since the last meeting
- Approved increases in non-executive director fees and increases for the CEO and CFO for F2024, on the recommendation of the remuneration committee

Meetings

- Quarterly board meeting
- Special board meeting
- Independent board meeting

Board of directors 7

Gender diversity

4 Female (44%)

5 Male (56%)

Northam target for female board representation: 20%

Age diversity

78 Oldest

43 Youngest

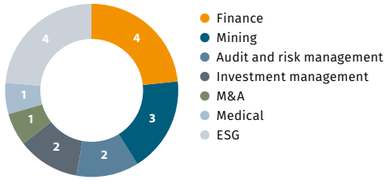
Average age of 63 with 22% aged under 50

Meetings

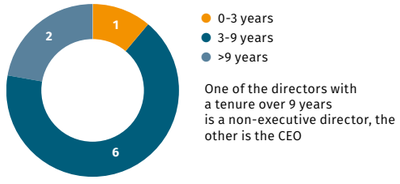
8 Board meetings held, inclusive of 1 independent board meeting

98% Board and committee attendance

Board skills



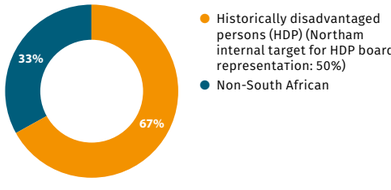
Tenure



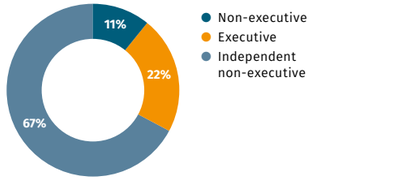
One of the directors with a tenure over 9 years is a non-executive director, the other is the CEO

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 CEO, have extensive exposure and experience as CEOs.

Board demographics



Independence



Independent non-executive

1 TI Mvusi BA, ELP, MAP, PDP (67) I N R

Independent chairman

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

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

Experience: Previous chief executive and executive director responsible for market development at Sanlam. Also an executive committee member and executive head: external interface at Sanlam Investments Proprietary Limited. Former general manager of Gensec Property Services Limited and marketing manager of Franklin Templeton Asset Management and has held positions with various companies in the financial services industry.

2 HH Hickey CA (SA) (69) A R I

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) (78) H I N

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

Experience: Former CEO and director of operations at Implats.

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

4 Dr NY Jekwa MBA (Finance), MBBCh (Bachelor of Medicine and Bachelor of Surgery), MIoDSA (48) 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) (63) A R

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 (SOC) Limited.

6 GT Lewis BSC (Mining Engineering), MBA (66) 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 mine. 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 (60) 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 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.

8 AH Coetzee CA (SA) (43)

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) (69) S N

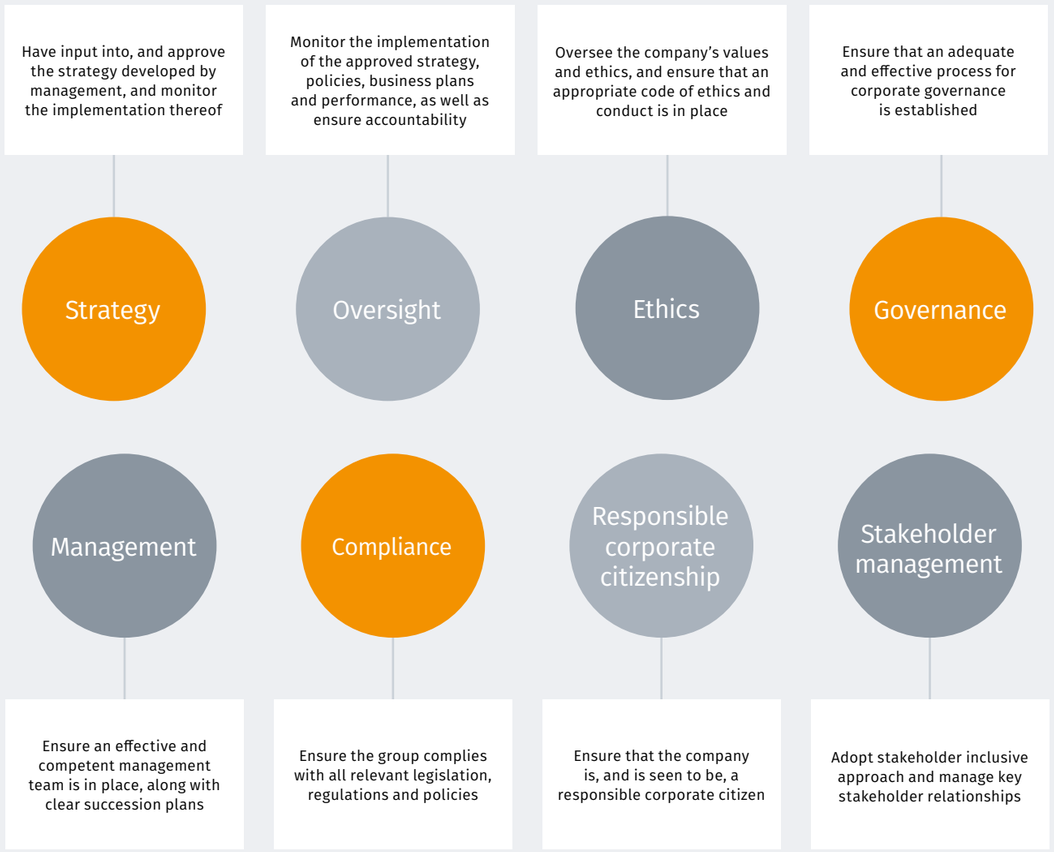
Board member of Northam Holdings since September 2021 and of the group since November 2004.

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 responsibilities

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, some of which are illustrated below.



Board charter

Our board charter guides directors in fulfilling their duties in line with good corporate governance, legislation and our code of conduct. It defines their roles, responsibilities and delegation of authority to board committees. It also outlines matters reserved for the board.

The board charter is reviewed by the board at least once every three years to ensure a progressive governance culture.

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 for more details on the board's mandate and responsibilities.

How does the board discharge its responsibilities?

The six 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 GGF.

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.

The nomination committee reviews the composition of the committees on a regular basis and recommends any changes to the board for approval.

Board committees, in certain instances, have overlapping responsibilities. Different committees may consider the same board material and apply 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.

See the committee reports from page 40 of this report and the individual committee charters on our website.

How does the board govern the group?

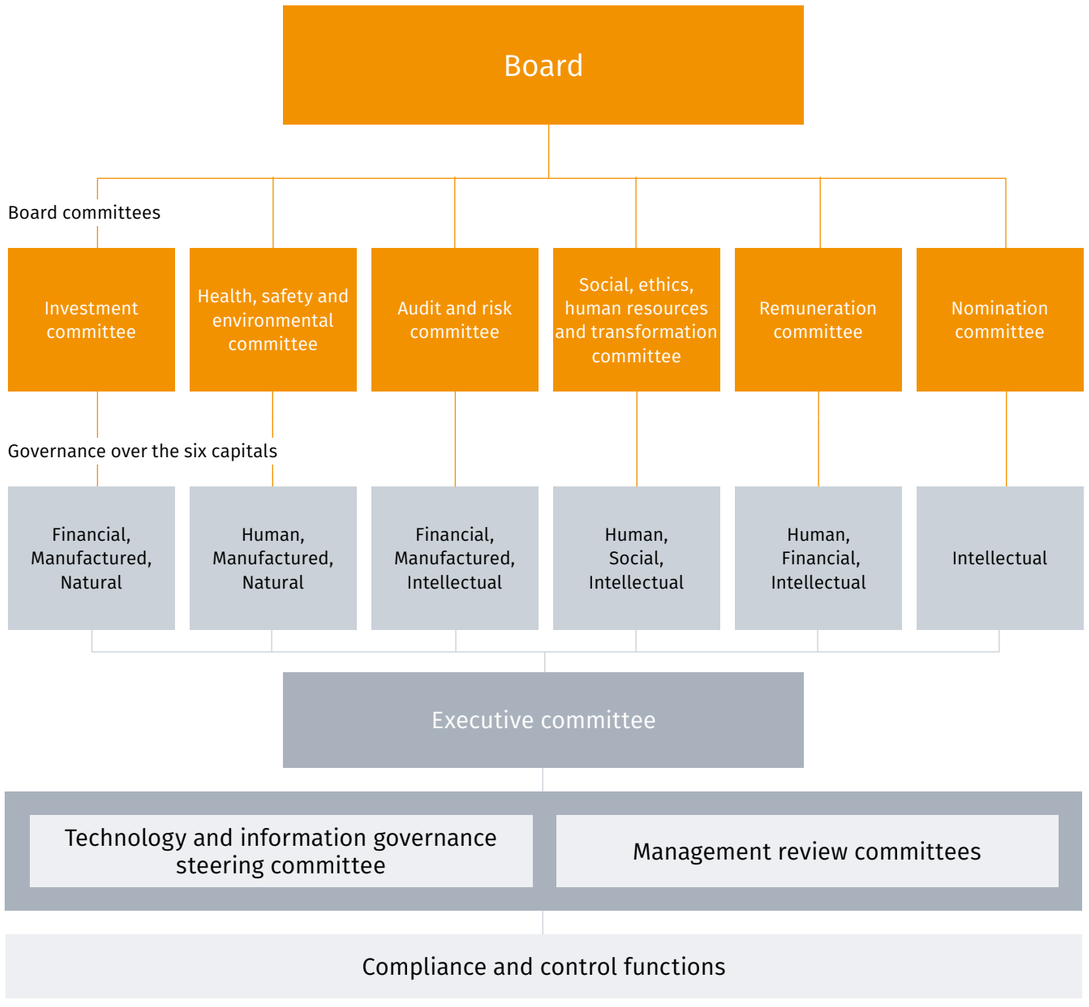
The board is responsible for ensuring that the governance arrangements across the group enable it to discharge its oversight and fiduciary duties effectively, balancing clear accountability and devolution of responsibility.

To achieve this, the board and executive committee operate and oversee a GGF, illustrated on the following page, in line with international best practice, legislative requirements and King IV™.

The GGF determines how the board executes its direction and oversight responsibilities, and how the exercise of power, and delegation of authority within the group should be approached and conducted. Operation of, and compliance with, the GGF provides the board with assurance that the group is operating as they direct, appropriately managing risk, complying with applicable legislation and regulatory requirements, and applying the principles of effective governance as expressed in King IV™.

This underpins the achievement of clear governance outcomes and sustainable value creation across the group. The GGF is reviewed annually by the board to ensure it remains relevant and functions as designed.

Group governance framework



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

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

How is the board agenda set?

The board and its committees set the annual workplan and agree on the agenda for each meeting with the relevant chairperson at the beginning of the ensuing financial year.

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 the financial year.

Directors are encouraged to contribute to setting the agenda.

In terms of the board and committee charters, committee meetings are held at least annually, or as and when required.

How is it ensured that all board and committee responsibilities are addressed?

The board and committee agendas are aligned with the board workplan and relevant committee charters, ensuring that all matters that the board and committees are responsible for are addressed during the financial year.

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

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 at each board meeting.

How is the board kept informed?

There are formal reporting structures and processes for the executive committee to both manage the group as per the delegated authority and to provide the board and its committees with the requisite information to support their oversight duties.

The chairpersons of each of the committees report back to the board on a quarterly basis on the work done by the committee, highlighting important matters dealt with and raising any issues arising from the committee meetings held.

Can committees take independent advice?

All board committees are able to take independent professional advice as and when necessary, on matters within their mandate, subject to approval being granted by the office of the CEO or the company secretary of the group. They have unrestricted access to all information, records, documents and property, and regularly meet with members of the executive committee and senior management.

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, regarding 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 committee, provides feedback from the closed sessions to the CEO and CFO, where applicable. The company secretary attends the closed sessions.

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

The board currently has HDP representation of

67%

(2022: 67%)
Northam target: 50%

The board currently has female representation of

44%

(2022: 44%)
Northam target: 20%

67%

of our board are independent non-executive directors

What is the composition of the board?

Our board consists of nine members with the necessary qualifications, collective skills and expertise required to guide and steer our group.

All directors were elected through the passing of an ordinary resolution of the shareholders, after passing a fit and proper assessment and being eligible in terms of the Companies Act. The group does not impose a maximum tenure or age limit for non-executive directorships, however all non-executive directors are required to rotate in accordance with the MOI and rotation schedule.

The average board tenure of the directors is 7.5 years, and the board has an average age of 63 years. The retirement age for executive directors is set at 65 years, subject to the discretion of the nomination committee.

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.

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 changes to the board, its succession plan and rotation schedule.

Northam recognises and embraces the benefits of having a diverse board and has approved and implemented a broad board diversity policy (forming part of the Nomination committee charter), which includes race and gender diversity targets, in line with the JSE Listings Requirements and the requirements of the Mining Charter. All new board appointments are considered in terms of the diversity policy. This is also a key consideration for succession planning.

The board currently has HDP representation of 67%, exceeding our target of 50%, aligned to the Mining Charter.

The board currently has female representation of 44%, again exceeding Northam's target of 20%.

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

Board member	Date	Nature of change	Impact on committee membership
TI Mvusi	20 March 2023	Change in committee membership	▪ Appointed as chairperson of investment committee ▪ Appointed as chairperson of the nomination committee
HH Hickey	20 March 2023	Change in committee membership	▪ Appointed as member of the investment committee
TE Kgosi	20 March 2023	Change in committee membership	▪ Appointed as member of the nomination committee
MH Jonas	20 March 2023	Change in committee membership	▪ Appointed as member of the remuneration committee

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 and directors are cautioned, in terms of board appointment protocols, against the overextension of their directorships. Guidance is also available on matters to consider before accepting other directorships outside of the group.

The nomination committee also considers director work-load and responsibilities as part of its recommendations for board committee appointments.

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 assessing independence (substance over form), conflicts of interest (whether perceived or actual) and other relevant considerations. The board also conducts annual independence evaluations, facilitated by the company secretary, to ensure all independent non-executive directors are still considered independent.

See the nomination committee report on page 70 of this report.

The board has a mix of independent and non-independent directors, with 67% of our board comprising independent non-executive directors.

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, retire from the board at each Annual General Meeting (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 2023:

- TI Mvusi
- GT Lewis
- NY Jekwa

TI Mvusi, GT Lewis and NY Jekwa 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 the 2023 Annual General Meeting.

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. At Northam, this is done in a systematic and gradual manner 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 directors. Six of the directors have tenures in excess of five years, balanced with two new board appointments to the group in the last five years.

Facilitation of knowledge transfer continues 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.

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

The board is assisted by the nomination committee with regards to succession planning for the board and key executives.

See the nomination committee report on page 70 of this report for the matters addressed by the committee.

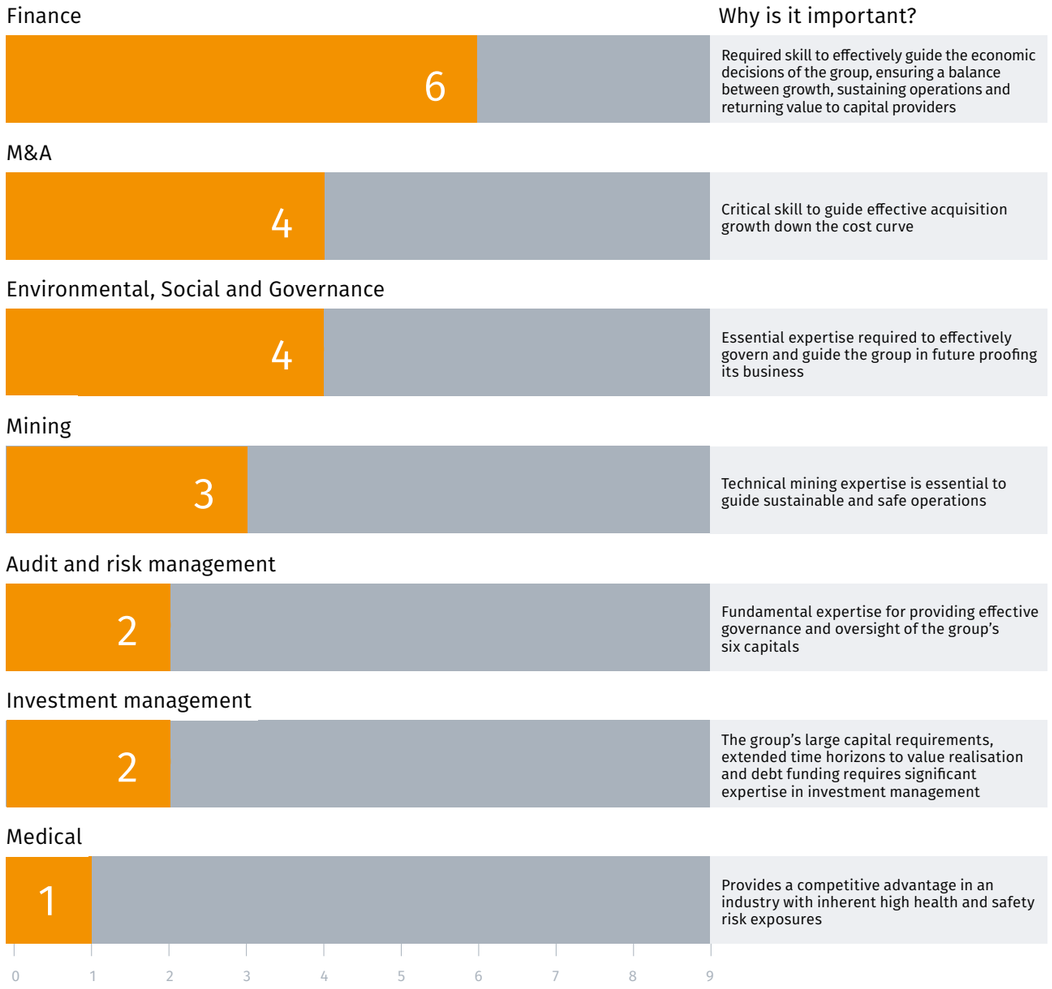
Succession planning for management and employees is the responsibility of the executive committee, operational management and human resources, with oversight by the social, ethics, human resources and transformation committee.

The social, ethics, human resources and transformation committee, as well as the remuneration committee receives updates from management at every meeting and this information is provided to the board by the chairpersons of the relevant committees.

See the social, ethics, human resources and transformation committee report on page 52 of this report for further details on the operational succession planning overseen by the committee.

What knowledge, skills and experience does the board have?

Board members with recognised industry expertise in a particular field:



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.

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.

The chairman is responsible for providing leadership to the board, ensuring the board focuses collectively on its key responsibilities, objectives, strategies and values, as well as 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 requirements. 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. 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 an intermediary 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 they are absent, and is also a sounding board for the chairman on a wide range of matters relating to corporate governance.

The lead independent director leads the annual performance appraisal of the chairman, in consultation with the nomination committee, considering direct and confidential feedback from all directors.

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 serves 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 is appointed by and is accountable to the board. He is a member of the health, safety and environmental committee and the social, ethics, human resources and transformation 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.

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 board delegates responsibility for overseeing the day-to-day management of the group to the CEO, subject to the matters reserved for the board and the matters delegated to the committees of the board.

With advice from the executive management, where necessary and appropriate, the CEO has overall responsibility for delivering and reporting to the board on the implementation of the strategy and the execution of business plans approved by the board. The CEO is further responsible for developing proposals to present to the board on all areas reserved for its judgement.

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. Following the early maturity and wind-up of the Composite Transaction, Zambezi has been subsequently de-listed and is now a subsidiary of Northam Platinum Limited.

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 committees.

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, while providing direct support and being a point of reference for all directors. 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 chairman and performed by the board. 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

The board conducts an external assessment of its performance, and the appropriateness and effectiveness of its procedures and processes, at least once every two years.

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

All new board members undergo an induction programme where the group's JSE 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 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 assists its directors with specific training, where required.

All board members have been registered as members of the Institute of Directors South Africa (IoDSA) and have been receiving additional training and updates on any changes to legislation directly from the IoDSA. The group's JSE sponsor and legal advisor also provided refresher training sessions to the board on a variety of governance and legislative topics during the year.

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 upon and their implementation is tracked.

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

An assessment of the performance of the chairman is also performed at least once every two years, led by the lead independent director.

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.

See Leadership roles in the group on page 28 of this report.

What were the results of the F2022 board performance assessment?

During F2022 the IoDSA was appointed to facilitate a self-appraisal evaluation of the board and its committees. The assessment considered 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.

The IoDSA report indicated that the board is functioning at an excellent level, exceeding the private sector benchmark. The highest scoring elements of the appraisal included board culture, efficacy of the execution of the board's roles and responsibilities, and the collaborative operation of the board committees.

Areas noted for improvement included the board and committee composition, the need for additional board training and an increased focus on ESG principles. These areas for improvement were addressed during the year under review, with the appointment of additional directors to committees, as well as enhanced board training. The board now also receives expanded reporting and feedback on key ESG metrics and supporting initiatives. This reporting will be ongoing.

What were the outcomes of the F2023 board performance review?

During the year under review, the chairman and the nomination committee considered the composition and skills of the various committees, and the composition of the board as a whole, as well as its performance. The performance review was facilitated by the company secretary.

The chairman was comfortable that the board was appropriately constituted and that the members had the correct mix of skills, experience, knowledge and demographics in order to adequately fulfil the mandate of the board.

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

The board and stakeholders

14, 16

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

The group's approved stakeholder engagement policy regulates the process of engaging and communicating with all defined stakeholders who can either affect, or be affected by our business.

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.

Read more about our stakeholders and how we engage with them in our Annual integrated report for the year-ended 30 June 2023, available on our website.

How are stakeholder relations governed?

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

The social, ethics, human resources and transformation committee is responsible for providing oversight of the group's stakeholder practices. This includes fostering relationships with all stakeholders and informing and defining how the group relates to corporate citizenship.

Each committee of the board is responsible for the governance of stakeholder interactions in line with its associated mandate. 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 chairpersons of the respective committees.

Who is responsible for the management 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 of all engagements with external stakeholders and the General Managers at each operation, along with the Executive: Human resources, are responsible for the management of internal stakeholder engagements.

What stakeholder engagements did the board oversee in F2023?

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 with them in our Annual integrated report for the year-ended 30 June 2023, available on our website.

See the social, ethics, human resources and transformation committee report on page 52 of this report.

See page 36 for more details on the board's engagement with investors.

Board stakeholder future focus areas

- Continue regular engagement with regulators, investors and key suppliers
- Monitor engagements with customers and refining partners
- Continue to monitor feedback on the engagements at the operations with all relevant stakeholders

Refer to our Remuneration report for the year-ended 30 June 2023, available on our website, for responses to the concerns and recommendations made by shareholders with regard to the group remuneration policy and the implementation thereof.

The board's engagement with investors

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The board formally engages with investors at the AGM, as well as during remuneration roadshows.

Annual General Meeting (AGM)

The AGM for Northam Holdings was held on 25 October 2022. 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 support of 43.52% and 44.01% respectively. These percentages were below the requisite support of 75% of votes.

Accordingly, in terms of the JSE Listings Requirements and the recommendations of King IV™, as more than 25% of the votes were against the non-binding advisory resolutions, the board invited, through a SENS issued on 25 October 2022, dissenting shareholders to submit, in writing, concerns and recommendations regarding the non-binding advisory resolutions.

Further engagements were facilitated with investors in November 2022, where the chairperson of the remuneration committee met with institutional investors on remuneration matters.

Management roadshows

During the year under review, executive management held investor meetings with institutions from South Africa, the United Kingdom, Europe, the United States of America and Asia. Feedback is a critical element of these engagement processes and it is raised, through the executive committee, for discussion at board level.

Additional shareholder engagements were also held following Northam's Firm Intention Announcement (FIA) on 9 November 2022 in respect of, *inter alia*, the proposed voluntary offer by Northam to acquire all or a portion of the remaining shares in RBPlat, not already held. These meetings were intended to contextualise the rationale for the voluntary offer for Northam shareholders, as well as to respond to any shareholder concerns and queries regarding the voluntary offer.

On the opposite page is a summary of the key topics discussed with investors, by management and the board, during the roadshows.

Key focus during the year

Key topic discussed	Our response
ESG disclosure	▪ 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 for a number of years and these 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	▪ 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 consideration and the composition of the purchase consideration. ▪ Additional shareholder engagements were held following Northam's FIA on 9 November 2022 in respect of the proposed voluntary offer by Northam for the acquisition of all or a portion of the remaining shares in RBPlat, not already held. These meetings were intended to contextualise the rationale for shareholders as well as to respond to any shareholder concerns and queries regarding the voluntary offer.
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.
Market uncertainty	▪ Discussed a number of external factors which have been affecting the supply and demand dynamic for PGMs and all commodities. The lasting impact of the pandemic and the global semi-conductor shortage, as well as the ongoing conflict in Ukraine have all affected the market. ▪ 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. ▪ However, current indications are that the market may remain under pressure for some time and we will continue to place emphasis on cost management and production efficiencies. ▪ 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. In addition, our asset base is world class and very well developed.

Read more about our stakeholders and how we engage them in our Annual integrated report for the year-ended 30 June 2023, available on our website.

Sponsor

The group understands the role and responsibilities, as stipulated in the JSE 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 views them as a trusted and reliable service provider.

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










Executive committee 10

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.

Gender diversity

1 Female (13%)

7 Male (87%)

Age diversity

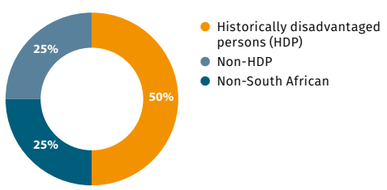
60 Oldest

43 Youngest

Average age of 52 with 50% under the age of 55

Exco skills

Exco demographics



Executive directors

1 PA Dunne BSc (Hons), MBA (60)
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) (43)
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 (55)
Operations executive

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 (58)
Executive: Commercial

Joined Northam in October 2014.

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

5 D Smith Bsc (Hons) Msc (55)
Executive: New business

Joined Northam in October 1995.

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

6 CA Smith BSocSc (Hons) (SA) (48)
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 (54)
Executive: Sustainability

Joined Northam in March 2017.

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 (45)
Operations executive

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 (57)
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 the IoDSA.

10 C Msimanga (47)
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, The Corporate Governance Institute of Ireland, UK, Europe and the Governance Institute of Australia.

* 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 to 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 social, ethics, human resources and transformation committee (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 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 required by the executive committee.

During the year under review, the SEHR&T committee continued to review the succession plans for the executive committee. This is to ensure continuity, while 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.

Board committee reports

The board committees assist the board in the discharge of its duties and responsibilities.

Details of the committee considerations and focus areas for F2023 are covered in the individual committee reports on the following pages. In addition, the composition and meeting attendance registers are provided at the back of the report detailing the attendance of the board and committee meetings.

While these committees operate independently of each other, with separate chairpersons (where possible), there are interdependencies between committees. This ensures the committees function effectively and collectively in achieving their ultimate aim to oversee the governance structures of the group and fulfilling the mandate of the board.

The chairpersons of each of the committees report back to the board on a quarterly basis on the work done by the committee, raising any issues arising from the committee meetings held.

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. The composition of the committees is regularly reviewed by the nomination committee with any required changes recommended to the board for approval.

Our commitment to independence, transparency and collaboration

The independence of the committees are key to their effective functioning and ensuring that it does not assume the functions of management.

The committees encourage 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.

Basis of preparation

The individual committee reports have been prepared by the chairpersons of the various committees in terms of the requirements of the Companies Act, King IV™, the JSE Listings Requirements, and all other applicable regulatory requirements.

Committee roles and responsibilities

The table alongside provides a high level overview of the roles and responsibilities of the board committees. These responsibilities, together with mandates for the committees, are set out in the committee charters.

Refer to the individual committee charters, available on our website.

Investment committee (I)	▪ Assists the board of directors in reviewing and evaluating proposals for the acquisition of assets, businesses and/or companies, as well as mergers between Northam group companies and other companies ▪ Assesses potential opportunities separately from the board and provides recommendations to the board for approval	▪ Ensures that potential opportunities: – align with the group's overall strategy; – appropriately account for the group's capital requirements; and – create meaningful value for all stakeholders See page 48 for the investment committee report.
Health, safety and environmental committee (H)	▪ Monitors and oversees the group's health, safety and environmental matters ▪ Reviews the health, safety and environmental policies of the group ▪ Assesses and monitors compliance to group policies, standards, legal and regulatory requirements, as well as any recommendations from investigations of incidents ▪ Reviews and monitors health, safety and environmental performance across operations	▪ Considers legal, regulatory and technical developments and consults any external advisors in this regard ▪ Monitors the administration and associated investment activities of the Northam Restoration Trust Fund See page 42 for the health, safety and environmental committee report.
Audit and risk committee (A)	▪ Statutory committee of the group in accordance with sections 84(4)(c) and 94 of the Companies Act, paragraph 3.84(c) of the JSE Listings Requirements, paragraph 7.3(a) of the JSE Debt Listings Requirements, and Northam's MOI ▪ Fulfils the board's independent oversight responsibilities relating to the effectiveness of the group's assurance functions and services, with particular focus on combined assurance arrangements	▪ Provides independent oversight over the integrity of the financial statements, including interim reports and any other reports delegated by the board ▪ Responsible for the governance of risk, oversight of the external and internal audit appointments and 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 See page 58 for the audit and risk committee report.
Social, ethics, human resources and transformation committee (S)	▪ 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) ▪ Oversees the group's social and economic development initiatives; compliance with key legislation, policies and regulations; governance of ethics; labour and employment matters; stakeholder relationships and transformation responsibilities	▪ Ensures that the group is, and remains to be, a good, socially responsible corporate citizen ▪ Monitors the group's standing in terms of the goals and purpose of the 10 United Nations Global Compact Principles and its compliance to, and performance against, the prevailing Mining Charter targets See page 52 for the social, ethics, human resources and transformation committee report.
Remuneration committee (R)	▪ Independently reviews and monitors the integrity of the group's remuneration philosophy and policies, and their implementation ▪ Ensures that the group remunerates fairly, responsibly, and transparently, considering performance as measured against pre-determined and agreed criteria aligned with the corporate strategy ▪ Evaluates the competitiveness of the group's remuneration and benefits, establishing the appropriate competitive positioning of the levels and mix of reward and benefit elements	▪ Reviews and approves the overall annual increases awarded to employees and monitors the implementation of incentive and equity-based remuneration plans ▪ Considers and makes recommendations to the board and shareholders on the level of fees payable to non-executive directors ▪ Manages remuneration-related stakeholder relations with investors and other stakeholders See page 74 for the remuneration committee report.
Nomination committee (N)	▪ Recommends director nominees to the board for approval by the company's shareholders at the AGM ▪ Responsible for overseeing the size and composition of the board and its sub-committees, with particular reference to the balance of skills, knowledge, experience and diversity of the directors	▪ Ensures that induction and on-going training of directors takes place, and that directors receive briefings on changes in risks, laws and the environment in which the committee and group operates See page 70 for the nomination committee report.

Health, safety & environmental committee report

3, 8, 11, 13, 16

Related material issues

- Maintaining our legislative and regulatory compliance
- Continuing to improve the safety performance and the health and wellness of our employees
- Effective project execution
- Managing the environmental impact of our operations and conserving natural resources
- Managing production and performance
- Reliability and sustainability of electricity supply from Eskom
- Maintaining constructive communication channels with all our stakeholders

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our material issues.

Related risks and opportunities

- Health and safety
- Energy supply and the cost thereof
- Tailings storage facility (TSFs)
- Critical or single stream plant and equipment
- Employee relationships
- Social licence to operate
- Regulatory, political and legal environment
- Environment, social and governance (ESG)
- Environment
- Water supply

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our risks and opportunities.

Role

The health, safety and environmental committee (the committee), has been established as a committee of the board to assist 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 our impact on the environment.

The committee has a charter, which sets out its roles and responsibilities. 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.

Mandate

The committee's authority is derived from the delegation of authority conferred on it by the board as contemplated in the charter and in terms of the Group Governance Framework.

The committee provides oversight and makes recommendations to the board in respect of matters within the ambit of its responsibilities, without assuming the functions of management. Furthermore, the operation of the committee does not provide relief to board members for their joint and several responsibilities regarding their fiduciary duties.

The committee also exercises its powers and duties for the administration of the Northam Restoration Trust Fund, which is responsible for the management of the group's rehabilitation initiatives.

Committee meetings

4

Attendance

100%

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.

No changes were made to the committee during the year, with the composition reviewed by the nomination committee.

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
GT Lewis	27 September 2021	Independent non-executive director	4/4
PA Dunne	10 December 2015	Chief executive officer	4/4

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 operation's executives. They provide feedback on the group's health, safety and environmental performance, as well as 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.

For the current year under review, one of the committee meetings was held at the Zondereinde mine. The committee members visited the Number 3 shaft project site, where they were updated on the progress of the project and observed the work currently being performed. The Metallurgical complex was also inspected.

Individuals in attendance by invitation may participate in discussions, but do not form part of the quorum for committee meetings and may not exercise voting rights on any matter.

Areas of focus during the year

Focus area	Response
Safety	▪ Reviewed all health, safety and environmental related incidents during the year ▪ In particular, reviewed the three fatalities that occurred at Zondereinde mine in September 2022, October 2022 and December 2022, respectively. Noted the investigation outcomes and monitored progress on learnings and remedial actions identified and shared across the group ▪ Assessed key safety performance statistics and trends, focusing on safety management objectives and initiatives in response to challenges. This included the monitoring of the Lost Time Injury Incidence Rate (LTIIR), Reportable Injury Incidence Rate (RIIR) and Fatal Injury Incidence Rate (FIIR) ▪ Noted safety milestones achieved at the various operations during the year ▪ Monitored ongoing training initiatives and campaigns related to occupational health and safety across the group. This includes the refresher training done at Zondereinde for all employees, following the fatal incidents ▪ Reviewed reports on potential risks, substandard working conditions or incidences of non-compliance reported and monitored 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 financial year
Governance and compliance	▪ Assessed the group's enhanced disclosure on ESG initiatives, in line with recommendations from the committee and external service providers ▪ Reviewed the group's Sustainability report and provided the necessary approvals ▪ Reviewed the group's compliance to its health, safety and environmental policies and standards with continuous monitoring of the progress of these indicators ▪ Noted the group's compliance with updates to applicable legislation and compliance to regulatory reporting requirements ▪ Received feedback from internal and external assurance providers on reviews performed, including the recommendations and associated management action plans ▪ Reviewed independent reports conducted on all tailings storage facilities in the group. Noted that all facilities are operating as designed ▪ 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

Focus area	Response
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: – Tuberculosis disease management – Voluntary HIV counselling and testing (HCT) – Overall medical surveillance including pre-employment, periodic/annual and exit medicals – Lead screening, asbestos and silicosis monitoring – Referrals for optometry and audiology – Medical incapacity statistics, including medical boarding and temporary unfit statuses ▪ Noted the health promotion campaigns in place across operations. This included wellness days where HCT are offered, along with holistic health education ▪ Reviewed and considered the levels of comprehensive medical care provided for employees
Environment	▪ Reviewed the key value levers of the environmental strategy and environmental goals of the group, including the environmental management performance and management reports, noting that the group is on track in meeting its environmental and biodiversity goals ▪ Evaluated the group's renewable energy programme and initiatives in progress, noting the cost saving and additional electrical supply to be gained from the planned projects. Interrogated the background and rationale for all the projects. This encompassed an analysis of the current challenges posed by Eskom's load curtailment, as well as the tariff increases ▪ Noted the progress of the group in acquiring additional diesel powered generators to further supplement available electrical supply and to ensure mitigation up to level 4 of Eskom load curtailment ▪ Reviewed the water management programmes in place across all operations, noting that the water quality measurements were compliant with the water quality requirements set out in the reserve determinations for the monitoring period. Also noted that water use and the water management programmes are in line with the water use licences ▪ Considered the technical report on the historical displacement of Northam's TSFs over a four year period prepared by an independent third party consultant. The report shows generally low levels of displacement, with no significant remedial actions or mitigations required, other than continued monitoring, which is part of the standard operating procedure on tailings management ▪ Reviewed the performance of the Northam Platinum Restoration Fund and confirmed that the investments in the fund are in the best interest of the group and that there is no shortfall in the provision ▪ Noted the activities of the Buttonshope Conservancy Trust and its efforts in respect of the management of conservation. Acknowledged the purchase of additional land in the Buttonshope area, extending the land under management to in excess of 8 500 hectares
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

Committee evaluation and performance

The Institute of Directors South Africa (IoDSA) was appointed to facilitate a self-appraisal evaluation of the board and each sub-committee of the board during the previous year, as part of the bi-annual evaluation of the board and committees.

The committee scored an overall rating of excellent for the evaluation, with minor areas noted for improvement. The committee received positive scoring in general roles and responsibilities, specific roles and responsibilities and interactions with management, indicating that the committee members have a clear and deep understanding of their roles and responsibilities in terms of the committee mandate. An area identified for improvement related to the timing and distribution of committee packs to members. Management resolved to distribute information to the committee members as soon as reasonably possible after each quarter.

The committee's composition, skills and experience was also evaluated as part of the review by the nomination committee. The committee was found to be suitably equipped to fulfil its mandate.

The chairman is also in the process of conducting his annual evaluation on the committee's performance in terms of its composition, mandate and effectiveness. 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 the group's focus on zero fatalities

Oversee the group's collaborative stakeholder engagement efforts with regards to safety across the PGM sector

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

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 against key ESG metrics

Legal
Monitor and advise on legislative developments in the mining sector

Systems and risk management
Continue to review and monitor progress on the ISO 14001 and ISO 45001 certification initiatives for the group

Health
Review and monitor progress of initiatives against best practice to improve the group's occupational health performance

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

21 August 2023

Investment committee report

3, 8, 11, 13, 16

Related material issues

- Maintaining our legislative and regulatory compliance
- Continuing to improve the safety performance and the health and wellness of our employees
- Appropriate capital allocation
- Effective project execution
- Managing the environmental impact of our operations and conserving natural resources
- Liquidity management to mitigate market volatility
- Managing production and performance
- Reliability and sustainability of electricity supply from Eskom
- Maintaining constructive communication channels with all our stakeholders

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our material issues.

Risks and opportunities

- Demand for PGMs
- Energy supply and the cost thereof
- Critical or single stream plant and equipment
- Capital allocation
- Regulatory, political and legal environment
- Project execution

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our risks and opportunities.

Role

The investment committee (the committee) is an independent body whose role is to assist the board of directors (board) in discharging its responsibilities in respect of proposals for the acquisition of assets, businesses and/or companies by the Northam group and mergers between Northam group companies and other companies (potential opportunities).

The committee assesses and evaluates potential opportunities independently from the board and provides its recommendations to the board, for the board's separate evaluation and approval. It is also subject to the limitations contained in the group's approval framework.

In performing its assessment and evaluation, the committee ensures that, amongst other things, such potential opportunities align with the group's overall strategy, appropriately account for the group's capital requirements and create meaningful value for shareholders and other stakeholders.

Mandate

It is the responsibility of the executive directors and management to identify and assess potential opportunities and to present such opportunities to the committee. Furthermore, the committee may identify investment opportunities, or receive investment opportunities from third parties.

It is the responsibility of the committee to: (i) independently evaluate and assess such opportunities; (ii) provide recommendations or guidance thereon to the executive directors and management; and (iii) if deemed appropriate, approve such recommendation to be made to the board in relation to such potential opportunities.

The committee acts independently from the board, executive directors and management and it does not assume the roles, functions and responsibility of the board, executive directors and management.

The committee may engage the advice of independent professional advisors in its assessment and evaluation of potential opportunities. Furthermore, the evaluation, recommendation and approval process between the committee and the board may be iterative, with the committee being tasked by the board to conduct further investigation or assessment of a recommended potential opportunity, and to report on its further findings and recommendations to the board.

Refer to the Investment committee charter on our website.

Committee meetings

3

Attendance

100%

Committee composition

The committee currently comprises three 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.

Ms HH Hickey was appointed as a member of the committee by the board, following a review of the composition of all committees by the nomination committee. She brings a wealth of experience and contributes to the skillset of the committee.

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

Name	Date joined committee	Board status	Meeting attendance
TI Mvusi[1] (Chairperson)	27 September 2021	Independent non-executive chairman	3/3
JG Smithies	27 September 2021	Independent non-executive director	3/3
HH Hickey[2]	20 March 2023	Lead independent director	1/1

[1] Formally appointed as chairperson of the committee with effect from 20 March 2023
[2] Appointed as a member to the committee with effect from 20 March 2023, however attended all committee meetings held during the year as an invited attendee

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. HH Hickey attended all committee meetings during the year, as an invitee, before being formally appointed to the committee in March 2023.

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 investment in Royal Bafokeng Platinum Limited (RBPlat), Northam's executive: new business attended these committee meetings.

Individuals in attendance by invitation may participate in discussions, but do not form part of the quorum for committee meetings and may not exercise voting rights on any matter.

Key focus during the year

Northam's investment in RBPlat

The key area of focus for the committee during the year was to monitor and provide oversight of Northam's investment in RBPlat and to evaluate the proposed voluntary offer by Northam to acquire the remaining shares in issue in RBPlat, which were not already held (Offer), including the terms and conditions associated therewith.

The committee, amongst other things:

- Assessed the rationale for the Offer

  Further information regarding Northam's rationale for the Offer, as assessed by the committee, is included in the SENS announcement published on 9 November 2022 (Offer announcement), available on our website or on JSE SENS.

- Assessed the alignment between the Offer and the group's long-term growth strategy
- Challenged and assessed the investment thesis, including the value unlock and creation opportunities at RBPlat, as identified by the executive directors and senior management through internal studies and models of an optimised and expanded mining footprint at RBPlat
- Evaluated the pricing of the Offer in relation to (i) market conditions and (ii) the value potential embedded within RBPlat's asset base
- Evaluated the financial impact the Offer may have on the group. In particular, the committee considered the Offer consideration (and its composition) and the effect on the net debt position and liquidity of the group, taking into consideration the prevailing and forecast market conditions
- Considered and assessed the potential risks and opportunities associated with the Offer, which included consideration of, amongst other things, Northam's existing investment in RBPlat, Impala Platinum Holdings Limited's (Implats) interest in RBPlat and the Offer by Implats to acquire the remaining shares in RBPlat
- Deliberated the terms and conditions of the Offer, including Northam's ability to terminate the Offer in the event of Material Adverse Changes occurring in respect of PGM prices and production at RBPlat, both of which underpinned the pricing of the Offer (termination rights)

  Refer to the Offer announcement, available on our website or on JSE SENS, for the details of the termination rights.

- Evaluated the qualitative features of RBPlat, noting that they were complimentary with those of Northam
- Oversaw and monitored Northam's interest in RBPlat, including the rights associated therewith

The committee unanimously supported the rationale for the Offer including, *inter alia*, the alignment of the Offer to Northam's long-term growth strategy and its belief in the fundamental importance of PGMs, as well as the operational diversification benefits that would arise from a combination of the operations. The committee further unanimously supported the pricing of the Offer, informed by the value unlock and creation opportunities embedded within RBPlat's scarce and attractive asset base.

The committee was comfortable that the risks associated with the Offer were either adequately mitigated (e.g. in respect of the protection provided by the termination rights) or appropriately balanced against the long-term investment thesis.

The committee unanimously approved the Offer, including the terms and conditions thereof, and recommended the Offer to the board for its approval. The board approved the Offer, and the Offer announcement was published on 9 November 2022.

Following publication of the Offer announcement, Material Adverse Changes, as set out in Northam's FIA, occurred in respect of the price of rhodium and the 4E ZAR basket price. In view of the unpredictability of the short to medium-term PGM market at the time, and the consequential impact on the valuation risk associated with the Offer, the board unanimously approved the decision to invoke the protections provided by the termination rights and to terminate the Offer.

Northam shareholders and RBPlat shareholders were notified of the occurrence of Material Adverse Changes and the termination of the Offer with immediate effect, on 5 April 2023.

Subsequent to the termination of the Offer, the 4E ZAR basket price deteriorated further. During this time, the mandatory offer by Implats to RBPlat shareholders became unconditional. In light of the prevailing market conditions and negative medium-term outlook, the Implats Mandatory Offer presented a unique and attractive opportunity for Northam to (i) lock in substantial value in relation to its investment in RBPlat; and (ii) significantly strengthen its balance sheet.

In the circumstances, subsequent to year-end, the committee unanimously approved Northam's acceptance of the Implats Mandatory Offer in respect of all of the RBPlat Shares held by Northam (Implats Mandatory Offer acceptance) and recommended the Implats Mandatory Offer acceptance to the board for its approval.

The board unanimously approved the Implats mandatory offer acceptance and Northam's acceptance of the Implats Mandatory Offer was announced on SENS on 20 July 2023 (acceptance announcement). Further information regarding Northam's rationale for the Implats Mandatory Offer acceptance, as assessed by the committee, is included in the acceptance announcement.

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website for the timeline for our investment in RBPlat.

For further details on the rationale for the Offer, the terms and conditions and termination rights, refer to the FIA published on SENS and available on the Northam website.

Committee evaluation and performance

The Institute of Directors South Africa (IoDSA) was appointed to facilitate a self-appraisal evaluation of the board and each sub-committee of the board during the previous year, as part of the bi-annual evaluation of the board and committees.

The committee scored an overall rating of excellent for the evaluation, with minor areas noted for improvement. The committee received positive scoring in committee specific roles and responsibilities, and interactions with management, indicating that the committee members have a clear and deep understanding of their roles and responsibilities in terms of the committee mandate.

An area identified for improvement related to the committee composition. This has been rectified in the current year with the appointment of HH Hickey to further strengthen the committee. Additional training was also provided to all board members.

The chairman is also in the process of conducting his annual evaluation on the committee's performance in terms of its composition, mandate and effectiveness. The required actions, if any, emanating from the assessment will be implemented in due course.

Future focus areas

Projects and opportunities
Continue to oversee, review and monitor, where necessary, potential value accretive projects and acquisition opportunities identified pursuant to the group's overall growth strategy

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
Chairperson

21 August 2023

Social, ethics, human resources and transformation committee report

1, 2, 3, 8, 13, 16

Related material issues

- Maintaining our legislative and regulatory compliance
- Continuing to improve the safety performance and the health and wellness of our employees
- Effective project execution
- Managing the environmental impact of our operations and conserving natural resources
- Managing production and performance
- Reliability and sustainability of electricity supply from Eskom
- Maintaining constructive communication channels with all our stakeholders

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our material issues.

Risks and opportunities

- Health and safety
- Energy supply and the cost thereof
- Critical skills and key personnel
- Critical or single stream plant and equipment
- Community relations
- Employee relations
- Social licence to operate
- Regulatory, political and legal environment
- Environmental, social and governance (ESG)
- Environment

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our risks and opportunities.

Role

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, compliance with key legislation, policies and regulations, governance of ethics, 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 purpose of the 10 United Nations Global Compact Principles and its compliance to, and performance against, the prevailing Mining Charter, Employment Equity and Skills Development targets.

Mandate

The committee's authority is derived from the delegated authority conferred on it by the board as contemplated in the charter, in accordance with the Companies Act.

The committee provides oversight and makes recommendations to the board in respect of the matters within the scope of its functions for the board's consideration and ultimate approval where required.

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.

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

Committee meetings

3

Attendance

100%

Committee composition

The committee currently comprises one independent non-executive director, one non-executive director and the CEO. The CEO's membership on this committee will be reconsidered in the coming financial year.

No changes were made to the committee during the year, with the composition reviewed by the nomination committee. The committee meets at least once a year, or as many times as required.

The board elects the chairperson of the committee and the chairman 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	3/3
Dr NY Jekwa	8 November 2017	Independent non-executive director	3/3
PA Dunne	3 February 2022	Executive director	3/3

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.

Individuals in attendance by invitation may participate in discussions, but do not form part of the quorum for committee meetings and may not exercise voting rights on any matter.

Areas of focus during the year

Focus area	Response
Human resources	▪ Noted the continued increase in Northam's permanent workforce (up 99.3% since F2015) as well as the progress made in employment equity and achieving Mining Charter targets (refer to the diversity, inclusion and transformation section on page 56 for further detail) ▪ Noted the expenditure on skills development initiatives and activities. While pleased with the increase in spending and the current initiatives, the committee requested that further projects of this nature, with a wider reach, be embarked on by the group ▪ Reviewed employee benefits, in particular the progress on Northam's home ownership programmes, noting an increase in the number of homeowners created by Northam, either through the interest free home loan programme or the group's property developments at Booysendal and Zondereinde. Received feedback that the sale of units from Booysendal and Zondereinde's housing projects will enable the project costs to be recovered, while providing affordable housing for employees ▪ The chairperson of the committee, together with the chairperson of the board, TI Mvusi, visited the Lesedi Village housing development in Northam town, near Zondereinde. As part of their visit, they received feedback on the progress of construction and the number of units planned and sold, as well as engaged in the planting of trees at some of the employee houses
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 are deterring potential candidates – Training and upskilling of our employees results in our employees being more marketable and sought after by other mining companies ▪ Oversaw the shift change at Booysendal to the 5x5x5 system and received feedback that this positively impacts employee sentiment, as well as resulting in higher pay and greater output ▪ Reviewed the shift pattern at Zondereinde and Eland and noted that these are optimal for the type of mining and scale of the respective operations ▪ Monitored ongoing progress of the group's skills and talent management programmes, including learning and development initiatives ▪ 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 supporting the group's succession planning process
Labour relations	▪ Noted that the five year wage agreements at all operations were still in place, which has resulted in no labour related disruptions or disputes at any of the operations during the year under review ▪ Enquired and received feedback that the group's relationship with the labour unions remains strong and that the stakeholder engagement team at the operations have regular, positive engagements with their respective union representatives
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 ▪ Received feedback from the executive committee members that no non-compliances were reported at any of the operations ▪ Noted the current initiative in progress, in consultation with the group's corporate legal advisors, to refresh and update the group's regulatory universe The committee is satisfied that no instances of non-compliance were noted in terms of Northam's compliance with the relevant legislation and regulations.

Focus area	Response
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 ▪ Acknowledged that the succession plans in place highlight the depth in talent and experience as a result of Northam's recruitment strategy ▪ Noted the two-pronged philosophy adopted in terms of succession where focus is placed on developing an internal skills pipeline, together with external recruitment for specific and specialist skills The committee is of the opinion that appropriate and adequate succession planning is in place for executives and senior management.
Social and labour plans (SLPs) including Corporate Social Investment (CSI)	▪ 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 ▪ Continued to monitor work done through the Northam Booysendal Community Trust and the Northam Zondereinde Community Trust, which included: – Construction of a clinic in the local community. The foundation has been completed, with work on the rest of the facility continuing – A programme in conjunction with the traffic department, to assist community members in obtaining their driving licences to enable the pursuit of sustainable employment opportunities – An e-learning project in conjunction with Vodacom which involved the donation of tablets and laptops to local schools – Continuation and extension of the bursary project resulting in a number of beneficiaries graduating during the year – Hosting of school summer camps for matric students from local schools in collaboration with the Department of Education 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.
Stakeholders	▪ Reviewed the adequacy and effectiveness of the group's stakeholder engagement 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 Refer to Our key stakeholders section included in our Annual integrated report, available on our website, for further details on how we interact and engage with stakeholders The committee is satisfied with the group's response to its stakeholder engagement plans and initiatives.

Focus area	Response
Diversity, inclusion and transformation	▪ Monitored compliance with 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" ▪ Acknowledged the initiatives in place across the group to raise awareness for women in mining, this included the publication of the "Women in mining – Each one, teach one" supplement celebrating the important role that women play at Northam ▪ Noted the group's anti-gender based violence campaigns across all operations, this included the creation of posters and flyers to raise awareness ▪ Considered the group's progress on human resource development, with a 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 experimental 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
Ethics	▪ Received feedback from management in terms of the group's ethics and governance structures, noting that nothing has come to management's attention that could negatively affect the group in terms of its compliance requirements ▪ Noted the review being conducted by the group's corporate legal advisers on the completeness of the regulatory universe ▪ Noted the process in place to review and update the group's code of ethics and conduct, and acknowledged that the code in its present version is applicable to all employees and directors and is still relevant ▪ Noted the updated conflicts of interest policy approved by the board during the year and requested management to report any transgressions to the committee, as well as the audit and risk committee ▪ Reviewed the ethics initiatives and campaigns being conducted across the group

Mining Charter element	Average Mining Charter target	Actual
Total HDP workforce representation	74.4%	83.2%
HDP management representation	60.0%	67.0%
Women in management	25.0%	17.0%
Women at mining	20.0%*	19.0%

* Northam internal target

The committee is satisfied with the group's response to its stakeholder engagement plans and initiatives.

Committee evaluation and performance

The Institute of Directors South Africa (IoDSA) was appointed to facilitate a self-appraisal evaluation of the board and each sub-committee of the board during the previous year, as part of the bi-annual evaluation of the board and committees.

The committee scored an overall rating of excellent in the evaluation, with minor areas for improvement identified. Positive scores were received for general roles, responsibilities, interactions with management and committee meetings, indicating the committee's effectiveness in fulfilling its duties. It was noted that the establishment of a separate remuneration committee has narrowed the committee's scope, enabling a more focused approach within its jurisdiction.

Furthermore, there are plans to enhance the committee's focus on ESG matters in the future.

The committee's composition, skills and experience were also evaluated as part of the review by the nomination committee, with the committee found to be suitably equipped to fulfil its mandate.

The board is also in the process of conducting its annual evaluation on the committee's performance in terms of its composition, mandate and effectiveness. The required actions, if any, emanating from the assessment will be implemented in due course.

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. This campaign is regularly highlighted, both in group-wide campaigns and operation specific measures to ensure maximum awareness

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

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

Ethics
Continue to monitor the groups compliance to applicable legislation and regulations

Review and consider the outcomes from the independent review of the group's regulatory universe, as well as oversee the implementation of any mitigating actions

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

15 August 2023

Audit and risk committee report

4, 5, 8, 11, 12, 13, 15

Related material issues

- Maintaining our legislative and regulatory compliance
- Continuing to improve the safety performance and the health and wellness of our employees
- Appropriate capital allocation
- Effective project execution
- Managing the environmental impact of our operations and conserving natural resources
- Liquidity management to mitigate market volatility
- Managing production and performance
- Reliability and sustainability of electricity supply from Eskom
- Maintaining constructive communication channels with all our stakeholders

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our material issues.

Risks and opportunities

- Exchange rate and commodity price volatility
- Operational performance
- Liquidity
- Critical or single stream plant and equipment
- Capital allocation
- Social licence to operate
- Regulatory, political and legal environment
- Environmental, social and governance (ESG)
- Project execution
- Information technology and cyber security
- Fraud and theft
- Environment

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our risks and opportunities.

Role

The audit and risk committee (the committee) is constituted as a statutory committee of Northam in accordance with sections 84(4)(c) and 94 of the Companies Act, paragraph 3.84(c) of the JSE Listings Requirements, paragraph 7.3(a) of the JSE Debt Listings Requirements, and Northam's MOI. The committee's primary statutory duty is to provide independent oversight, amongst others, over the effectiveness of the group's assurance functions and services, with particular focus on combined assurance arrangements.

It also provides independent oversight over the integrity of the financial statements, including interim reports and, to the extent delegated by the board, other external reports, as appropriate to be reviewed by the committee, issued by the group.

The oversight responsibilities of the committee extend to subsidiary companies of the group, to ensure that they comply with all provisions of Northam Holdings.

The committee's roles and responsibilities are set out in it's charter. The committee considered the applicability of the charter during the year under review and found it still to be valid.

Refer to the Audit and risk committee charter on our website.

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 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 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 prepare the financial statements of the group. This includes encouraging 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.

The committee does not assume the function of management, which remains the responsibility of the executive directors and other members of senior management of the group and has no ultimate decision – making authority in respect of the non-statutory matters within the scope of its functions. The committee also does not provide relief to board members in terms of their collective and individual fiduciary duties.

Committee meetings
4

Attendance
100%

Committee composition

The committee comprises three independent, non-executive directors of the board, elected by shareholders on the recommendation of the nomination committee on an annual basis. The chairman 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 academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, risk management, public affairs and human resource management.

No changes to the committee were made during the year under review, with its composition reviewed by the nomination committee.

Name	Date joined committee	Board status	Meeting attendance
HH Hickey (Chairperson)	1 January 2016	Lead independent director	4/4
Dr NY Jekwa	1 June 2019	Independent non-executive director	4/4
MH Jonas	3 February 2022	Independent non-executive director	4/4

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

Invited attendees

The committee has the authority to invite the CEO, CFO, other senior management representatives, external auditors, internal auditors, other assurance providers, professional advisors and board members to attend its meetings, as required. Every board member is also entitled to attend committee meetings as observers.

In addition, as part of the committee's integrated reporting responsibilities, the committee is able to invite the relevant management sponsor and/or responsible senior management representatives to attend its meetings, for the purpose of the disclosure of any sustainability issues.

Individuals in attendance by invitation may participate in discussions, but do not form part of the quorum for committee meetings and may not exercise voting rights on any matter.

The CFO, designated audit partner and chief audit executive (CAE) have unrestricted access to the chairperson and any other member of the committee, as is required in relation to any matter falling within the remit of the committee. In addition, the CEO, CFO, other members of senior management, external auditors or internal auditors may, with the approval of the chairperson, request a meeting or attendance at the meetings, which may not be unreasonably withheld.

The CEO and CFO attended all meetings of the committee during the year under review.

The committee meets, at least twice a year, if necessary, with the external and internal auditors without management present. For the year under review one meeting took place on 15 August 2022.

Areas of focus during the year

Significant audit matters

Audit matters	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. With the movement in commodity prices, the committee also considered management's assessment of the recoverable amount of the group's investment as part of its detailed impairment testing. The committee deliberated on this matter and the judgements and estimates in this regard and noted: ▪ The detailed impairment testing performed on the group's investment in RBPlat, including the judgements made by management concerning the existence of impairment indicators and estimates of projected cash flows, including the fair value less cost to sell valuation at year-end ▪ The significant decline in the PGM markets and the forecast PGM prices in the short to medium-term, and the impact on the valuation of the investment in RBPlat. In addition, considered the impact of the declining forecast PGM prices on Northam's cash flow and the potential liquidity risk due to a material decrease in free cash flows; and ▪ Reviewed the disclosure made in the Annual financial statements regarding the impairment of the investment together with the subsequent events disclosure as a result of the sale of the RBPlat Shares in accordance with the terms of the Implats Mandatory Offer The committee is satisfied that the disclosures in the Annual financial statements are reasonable with regards to the investment in RBPlat, taking into consideration the impairment and subsequent disposal.	▪ Liquidity
Inventory valuation	Metal inventory was noted as a significant balance at year-end requiring judgements to be applied and estimates to be made. 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, including an evaluation of the net realisable value of inventory. The committee reviewed the valuation methodology used for the work in progress metal inventory, including management's estimates applied, using the average cost of production method to value metal inventory. The committee also considered the determination of net realisable value, being the expected selling prices based on prevailing market prices, less estimated costs to complete production and bring the final product to sale. The committee is satisfied that inventory is stated at the lower of cost and net realisable value and that the valuation has been determined using valuation techniques and methodologies per IAS2 Inventories.	▪ Fraud and theft ▪ Exchange rate and commodity price volatility

Audit matters	Response	Associated risks
Impairment assessment	▪ Detailed assessment of the recoverable values of the various assets in the group in terms of IAS 36 Impairment of assets was performed at year-end. This was done to ensure that the recoverable values of cash generating units are higher than the carrying value ▪ Reviewed management's judgements concerning the existence of impairment indicators, identification of cash generating units and estimates of projected cash flows ▪ Noted the valuation methodology applied by management in assessing the value in use and fair value less cost of disposal ▪ Reviewed the inputs into management's assessments noting that the calculations are based on approved budgets and forecasts, as well as latest commodity and exchange rate forecasts ▪ Reviewed management's assumptions of the metal price forecasts and long–term growth rate applied ▪ Reviewed and considered the sensitivities applied as required in IAS 36 Impairment of assets ▪ Reviewed the disclosure required in terms of IAS 36 Impairment of assets in the Annual financial statements	▪ Liquidity ▪ Exchange rate and commodity price volatility
Significant accounting judgements and estimates	The committee is satisfied that the requirements of IAS 36 Impairment of assets has been met and the required disclosure has been made. The committee also considered the following accounting judgements, estimates and assumptions in relation to the Annual financial statements for the year-ended 30 June 2023: ▪ 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 ▪ 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 ▪ 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 The committee is satisfied that these matters have been appropriately accounted for in terms of the requirements of IFRS and are fairly presented in the Annual financial statements.	▪ Liquidity ▪ Exchange rate and commodity price volatility ▪ Social licence to operate ▪ Environment
New accounting standards	The committee considered new accounting standards and 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. Refer to the Annual financial statements 2023 for new accounting standards adopted and standards, interpretations and amendments issued, but not yet effective. The committee is satisfied that the new accounting standards are appropriately disclosed and incorporated in the Annual financial statements.	▪ 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 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, as well as to support the going concern assumption on which the financial statements were prepared. 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

Other considerations

Audit matters	Response	Associated risks
Going concern	The assessment of an entity's ability to continue as a going concern is the responsibility of the entity's management and the appropriateness of management's use of the going concern assumption is a matter for the auditor to consider on every audit engagement. International Financial Reporting Standards and IAS 1, Presentation of Financial Statements, requires management to assess an entity's ability to continue as a going concern. Management's assessment of the going concern assumption involves making a judgement, at a particular point in time, about the future outcome of events or conditions, which are inherently uncertain. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the statement of financial position date. To assess whether the group is considered to be a going concern, management has considered facts and circumstances, banking facilities and the reasonableness of assumptions made, including the cash flow forecasts for the next 12 months. It is believed that the group has adequate resources to continue as a going concern for the foreseeable future. The financial statements support the viability of the group, taking into account all factors. A liquidity and solvency test has also been conducted. The assets of the group, fairly stated, exceed the liabilities of the group and the group is able to pay its debts as and when they become due in the ordinary course of business over the next 12 months. These were extensively reviewed by the committee, with due consideration of the group's ability to respond to changing circumstances and the financial reserves required to sustain operations through adverse conditions, such as an extended commodity price down-cycle and/or periods of reduced production or sales demand. The going concern basis has been adopted in preparing the financial statements. The committee has no reason to believe that the group will not be a going concern in the foreseeable future based on forecasts and available cash resources. The financial statements support the viability of the company and group. 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
Available borrowing facilities	During the year Northam concluded and implemented an agreement to restructure its existing banking facilities. As a result, the total banking facilities now amount to R11.0 billion. The committee reviewed the cash flow requirements of the group, taking into consideration various sensitivities applied and believes that the group has adequate facilities in place. The committee confirmed that the group has adequate borrowing facilities available.	▪ Liquidity ▪ Exchange rate and commodity price volatility
Dividend policy	The company's dividend policy is to consider an interim and final dividend at each reporting period. The quantum of any dividend would ultimately be subject to expected future metal prices, together with capital commitments at the time of consideration by the board. ▪ The committee deliberated and reviewed the cash generation profile of the group, taking into account the group's growth strategy and capital requirements ▪ Reviewed the liquidity and solvency ratios for the group, including the cash flow forecast, capital allocation and project pipeline Reviewed the dividend policy from management and after consideration of the preceding factors recommended the group's maiden dividend to the board for approval.	▪ 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 financial results announcements
- The audited Annual financial statements, associated financial reporting processes and controls underpinning the preparation of financial results
- The various reports issued by Northam Holdings as part of the year-end reporting suite

The committee evaluated the consolidated and separate Annual financial statements for the year-ended 30 June 2023 and has concluded that these comply, in all material respects, with the requirements of the Companies Act, IFRS, and the JSE Limited Listings Requirements.

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 F2023 Annual integrated report.

Internal controls and risk management

The committee has the following responsibilities regarding internal control:

- To review, on an annual basis, the effectiveness of the group's system of internal control, with specific focus on internal financial controls, as part of the group's combined assurance model/plan
- To consider significant control issues reported as part of the assessment of the overall control environment
- To receive feedback on the group's independent ethics and fraud hotline, including the outcomes of any investigations conducted and consider the appropriateness of management responses

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.

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 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.

Governance, IT and compliance

Focus area	Response	Associated risks
Corporate governance (including the maturity of the risk management process and continuous improvement of the internal control environment)	The committee is responsible for the governance of risk by setting the direction on approaching and addressing risk in the group. During the year, the committee: ▪ Monitored management's progress of assessing the recommended practices underpinning the 16 Principles of King IV™ thereby 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	▪ Fraud and theft ▪ Information Technology and cyber security
Compliance with laws and regulations	The committee, together with the board and other relevant board committees, has the responsibility for the governance in compliance with applicable laws and adopted non-binding rules, codes and standards including King IV™, by setting the direction for how compliance should be approached and addressed in the group. The committee: ▪ Considered the group's compliance with applicable laws and regulations, including those pertaining to the financial reporting ▪ Received feedback on any non-compliances with laws and regulations ▪ Considered management's feedback regarding significant litigation matters, together with an assessment of any possible impact on the financial results 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
Technology and information governance	Received feedback reports from the technology and information governance steering committee, which is responsible for assisting the audit and risk committee with its responsibility to govern information and technology. The committee: ▪ Noted that extensive reviews of the group's technology and information systems were performed. 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 ▪ Assessed the progress of the adoption of the control objectives for information and related technology (COBIT 2019) framework, including the outcomes from the independent COBIT 2019 compliance and capability assessment. Noted that a project plan was developed with each of the 40 objectives classified by management into priorities ▪ Received progress updates on the enterprise resource planning system (SAP) projects underway ▪ Received updates on the progress of the business application and infrastructure projects underway to meet specific business requirements ▪ Reviewed management reports setting out the King IV™ requirements for IT governance ▪ Noted the planned disaster recovery test to be conducted, with independent participation by internal audit Reviewed the various IT control reviews performed by management and internal audit, as well as the work that has been done by external audit to place reliance on the IT general control environment. Noted the findings raised and reviewed the management action plans, together with the associated timelines for implementation. The committee noted the various findings raised together with management's independent service providers action plans to address these findings. However assurance was provided to the committee that even though there are a number or areas that require increased focus and additional controls, that none of these indicated a significant breakdown in the general IT control environment of the group. It should also be noted that based on the control testing performed by the external auditors PwC, it was noted that the indicated controls tested confirmed that they could place reliance on the SAP environment and the IT financial systems and that there were no significant breakdowns in the IT control environment. The various improvements and focus areas identified will strengthen the IT control environment even further. Based on the work performed no significant matters have come to the committee's attention to indicate that the IT general control environment together with the IT governance practices are not effective and efficient.	▪ Information Technology and cyber security

Focus area	Response	Associated risks
Cyber security	The committee: ▪ Received feedback from the group technology and information governance steering committee on the activities performed during the year, which included outcomes from internal and external reviews conducted, mitigating actions, as well as planned and in progress projects ▪ Reviewed the findings of the independent cyber vulnerability and penetration assessments with due consideration of management's progress to mitigate the exposures identified. Noted the focus of the assessment being the following cyber related objectives of the COBIT 2019 governance framework: – Cloud security – Data security – Network security – Perimeter security – Access control ▪ Received updates on the group's cyber security monitoring solution that continuously monitors, tracks and evaluates risks and threats. Noted that no significant incidents were detected, and no significant incidents were unresolved The committee, having reviewed the group's information technology structures and operations, is of the opinion that the technology architecture enables the achievement of the group's strategic objectives, and that information technology risks are suitably managed and mitigated.	▪ Information Technology and cyber security
JSE proactive monitoring of financial statements	The committee is tasked with ensuring the integrity of the financial reporting process and is therefore required to continuously reassess the findings raised through the JSE's proactive monitoring process. The objective of the JSE's process of reviewing annual financial statements and interim results is to ensure the integrity of financial information, as well as contribute towards the production of quality financial reporting of listed entities. This aligns with one of the general principles of the JSE Listings Requirements, namely to enhance investor confidence. During the year under review, the committee received feedback on the proactive monitoring activities undertaken during 2022 (2022 report), as well as management's considerations with regards to the findings raised. The committee: ▪ Noted the findings raised in the 2022 report ▪ Considered management's considerations in respect of the findings raised and noted that appropriate disclosure has been provided in the financial statements of the group	▪ Social licence to operate ▪ Regulatory political and legal environment

Internal audit

The committee has the responsibility to set the direction for the internal audit arrangements needed to provide independent, objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes.

In order to further strengthen the independence of the group's combined assurance activities, the internal audit function is outsourced.

During the year under review, the board and committee decided to, as is the case with the external auditors, rotate the internal audit service provider as well. This decision aims to refresh and strengthen the overall independence of the group's combined assurance function.

The committee approved the appointment of Ernst and Young Advisory Services Proprietary Limited (EY) as the group's internal auditor, replacing KPMG Services Proprietary Limited (KPMG).

The responsibilities associated with that of a chief audit executive (CAE) is fulfilled by Abrarulhaq Bhamjee, as associate partner of EY, and as 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 Abruralhaq Bhamjee to fulfil the duties of CAE
- The updated internal audit charter, setting out the purpose, authority, roles and responsibilities of internal audit. This charter was approved by the committee subsequent to its review
- The independence, effectiveness and performance of the internal audit function, including compliance with its terms of reference
- The internal audit plan, ensuring that material risk areas were included and that the coverage of risks and business processes were acceptable. Noted that these activities were implemented following a risk based analysis of areas requiring additional focus as part of the combined assurance model
- 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 internal audit strategy, being to enhance and protect organisational value by being an agent of change, delivering the right internal audit services aligned to best practice and meeting stakeholder expectations

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 audit function included the following:

- Early adoption of the mandatory audit firm rotation requirements
- The appointment of PricewaterhouseCoopers Incorporated (PwC) as the group's external auditor for the group at the end of the previous financial year, replacing EY who held tenure as the group's external auditor of more than 38 years
- The committee noted the approval of the ordinary resolution at the 2022 AGM, confirming the appointment of PwC as the group's external auditors, with the designated audit partner being Andries Rossouw. The audit for the current financial year is the first audit PwC has conducted of the group
- The committee also acknowledged and considered the subsequent Supreme Court of Appeal judgement against the requirement for mandatory rotation of audit firms. However, the committee maintains that it is in the best interests of the group to periodically rotate external auditors

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

- The most recent Independent Regulatory Board for Auditors (IRBA) inspection report for PwC'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 PwC
- The most recent IRBA inspection report for the designated individual audit partner, Andries Rossouw
- A summary document providing context and explanations of the findings for PwC and engagement level reports of the IRBA
- A copy of the 2022 Transparency Report, prepared by PwC South Africa. This included the ISQC 1 information the JSE requires PwC to communicate to clients
- A summary of the results of PwC's 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 PwC 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
- A copy of PwC's JSE accreditation letter, confirming that both the firm and the audit partner, Andries Rossouw, are accredited by the JSE

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 audit function
- 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 the external auditor with the skills and expertise of the finance team 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

The committee is satisfied that the external auditor, PwC, and the designated individual partner, Andries Rossouw, are appropriately accredited and are suitable to perform the current year audit engagement and is therefore recommended by the committee to be re-appointed as external auditors of the group at the AGM in October 2023.

Audit and non-audit fees

For the year under review, the external auditor, PwC, charged the following fees (the comparative fees are those charged by EY in their capacity as external auditor for F2022):

	30 June 2023 (R000)	30 June 2022 (R000)
Audit services		
Northam Platinum Holdings Limited and group companies	9 020	11 551
Zambezi Platinum (RF) Proprietary Limited	180	572
ISRE 2410 review	1 190	1 640
ISRE 2410 review | Zambezi Platinum (RF) Limited	—	120
Assurance services		
Sustainable development report	1 450	1 310
Issue of commercial paper (Domestic Medium-Term Notes)	750	4 500
Non-audit fees		
Non discretionary non-audit fees	160	276
Discretionary non-audit fees	75	—
Independent reporting accountants report in respect of the *Pro forma* financial effects included in the Offer and Transaction Circulars relating to the voluntary offer by Northam	1 750	—
Total	14 575	19 969

Non-audit services

The committee, as part of their responsibilities, is required to determine the nature and extent of any non-audit services that may be provided by the external auditors in order to ensure that they do not impair the external auditor's independence in the performance of their duties.

Independence is required for audit and review engagements in which the external auditor expresses an opinion on the financial statements. The external auditor needs to have a state of mind that permits the provision of an opinion without being affected by influences that compromise professional judgement, allowing an individual to act with integrity, and exercise objectivity and professional scepticism. The external auditor should also avoid facts and circumstances that are so significant that a reasonably informed third party, having knowledge of all relevant information, including safeguards applied, would reasonably conclude that the external auditor, or a member of the audit team's, integrity, objectivity or professional scepticism had been compromised.

Non-audit services should not be provided if it would present a threat to the independence of the external auditor.

The general principles applied in assessing non-audit services were as follows:

- The external auditors shall not have any involvement in the maintenance of any of the company's financial records or the preparation of any of its financial statements
- The external auditors shall not perform the duties of an accountant or bookkeeper, or perform related secretarial work for the company
- The external auditors shall not perform any function of management, or be responsible for making management decisions
- The external auditors shall not be responsible for the design or implementation of financial information systems
- The separation between internal and external audit shall be maintained

The committee reviewed management's assessment of all non-audit services performed by PwC and confirmed that no prohibited non-audit services have been performed by PwC 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
- PwC'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

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

Combined assurance

The committee has the following responsibilities, as part of its statutory duty, in terms of the group's combined assurance arrangements, including its external assurance service providers, internal audit and the finance function:

- To ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making by management, the board and its committees, as well as the group's external reports
- To satisfy itself that a combined assurance model is applied which incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance
- To ensure that the combined assurance model is designed and implemented to effectively cover the group's significant risks and material matters through a combination of the following assurance service providers and functions, as is appropriate for the group:
  - The group's line functions that own and manage risks
  - The group's specialist functions that facilitate and oversee risk management and compliance
  - Internal auditors, internal forensic fraud examiners (if appropriate) and auditors, safety and process assessors, and statutory actuaries
  - Independent external assurance service providers such as external auditors, or any other external assurance providers
  - Other external assurance providers such as sustainability and environmental auditors, external actuaries, and external forensic fraud examiners and auditors
  - Regulatory inspectors
- To assess, together with the board and other relevant committees, the group's combined assurance plans, and to express an opinion on the integrity of information and reports, and the degree to which an effective control environment has been achieved
- To disclose in terms of King IV™, the arrangements in place for combined assurance and the committee's views on its effectiveness

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.

Northam developed its combined assurance model in response to the requirements of King IV™. The model incorporates key considerations, both for statutory and operational purposes, across four distinct lines of assurance.

These constitute, and collectively resemble the nature and extent of assurance for the group, broadly summarised below:

- First line: operations – management reviews incorporating group services
- Second line: corporate – mining executives, chief financial officer and executive committee reviews
- Third line: third party – independent providers of confirmation and verification, such as internal and external audit
- Fourth line: board and committees – governance and oversight

Northam's internal control function operates across the first and second lines of assurance. The internal control function refers to, *inter alia*, the systems, policies and procedures that the group develops and implements to ensure its operations are carried out effectively and efficiently. These assist to safeguard the company's assets, prevent fraud and errors, ensure compliance with laws and regulations, and enhance the quality of reporting.

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 has the following statutory responsibilities in relation to the CFO and the finance function of the group:

- To confirm, on an annual basis, that the CFO has the appropriate expertise/qualifications and experience to fulfil the role, and disclose as such in the group's Annual integrated report
- To ensure that the group has established appropriate financial reporting procedures and that these procedures are operating, which should include consideration of all companies/entities included in the consolidated group International Financial Reporting Standards (IFRS) financial statements, to ensure that it has access to all the financial information of the group to allow the group to effectively prepare and report on the financial statements
- To confirm, on an annual basis, that the finance function of the group has adequate resources and experience to execute its responsibilities, and that continuing professional development requirements are met
- To disclose in terms of King IV™ the committee's views on the effectiveness of the CFO and the finance function

The committee, having conducted its annual review, 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.

Committee evaluation and performance

The Institute of Directors South Africa (IoDSA) was appointed to facilitate a self-appraisal evaluation of the board and each sub-committee of the board during the previous year, as part of the bi-annual evaluation of the board and committees.

The committee scored an overall rating of excellent for the evaluation with minor areas noted for improvement. The committee received positive scoring in the general and specific roles and responsibilities, interactions with management and committee meetings. This indicated that the committee was considered effective overall in fulfilling its responsibilities and that members have a clear understanding of their roles and responsibilities. It was noted that while the committee scored highly in the area of leadership, skills, expertise and balance of power, any new members should be carefully considered in terms of the required skills of the committee.

The committee's composition, skills and experience was also evaluated as part of the review by the nomination committee, with the committee found to be suitably equipped to fulfil its mandate and responsibility.

The board is also in the process of conducting its annual evaluation on the committee's performance in terms of its composition, mandate and effectiveness. The required actions, if any, emanating from the assessment will be implemented in due course.

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

Conclusion

The audit and risk committee is satisfied that it 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 Listings Requirements and King IV™ during the year under review.

On behalf of the committee.

HH Hickey
Chairperson

18 August 2023

Nomination committee report

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Related material issues

- Managing production and performance

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our material issues.

Risks and opportunities

- Critical skills and key personnel

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our risks and opportunities.

Role

The nomination committee (the committee) has been established by board to assist the board in recommending director nominees to the board for approval by the company's shareholders at the AGMs.

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.

Additionally, 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 the environment in which the committee and group operates.

Mandate

The committee's authority is derived from the delegated authority conferred on it by the board as contemplated in the committee's charter, and in accordance with the Group Governance Framework.

The committee provides oversight and makes recommendations to the board in respect of the matters within the scope of its functions for the board's consideration and ultimate approval, where required.

The committee acts independently (with accountability to the board) and does not assume the functions of management, which remain the responsibility of the relevant executive directors, prescribed officers and other members of senior management of the group (executives).

Refer to the Nomination committee charter on our website.

Committee meetings

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Attendance

100%

Committee composition

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

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

During the year under review, TE Kgosi was re-appointed as member of the committee after having previously served as a member of the committee prior to the implementation of the Northam Scheme in 2021 and the reconstitution of all committees. She has the necessary skills and experience to contribute to the committee's role and mandate.

Name	Date joined committee	Board status	Meeting attendance
TI Mvusi[1] (Chairperson)	27 September 2021	Independent non-executive chairman	2/2
JG Smithies	27 September 2021	Independent non-executive director	2/2
TE Kgosi[2]	20 March 2023	Non-executive director	1/1

[1] Formally appointed as chairperson of the committee on 20 March 2023
[2] Appointed to the committee on 20 March 2023

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.

Individuals in attendance by invitation may participate in discussions, but do not form part of the quorum for committee meetings and may not exercise voting rights on any matter.

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

Areas of focus during the year

Focus area	Response
Board composition	▪ Reviewed the composition of the board and noted that the board is of the appropriate size and composition to fulfil its duties, and the members have the relevant mix of skills, experience and tenure to discharge their mandates effectively
Board appointments and committee composition	▪ Recommended the following appointments to the board committees during the year under review. These appointments were made to fill vacancies on these committees as a result of the passing of the previous board chairman, DH Brown, in June 2022, and were approved by the board on 20 March 2023: – TI Mvusi was appointed as the chairperson of both the investment committee and the nomination committee – HH Hickey was appointed a member of the investment committee – MH Jonas was appointed as a member of the remuneration committee – TE Kgosi was appointed as the third member of the nomination committee The committee ensured that these directors are not overcommitted, both in terms of their current Northam responsibilities, and other external directorships ▪ Following these appointments, the committee reviewed the composition of the various board committees in terms of the individual committee charters, King IV™ and the JSE Listings Requirements and confirmed that: – All committees have a minimum of three members – All members of the audit and risk committee and the remuneration committee are independent non-executive directors – Majority of members of the investment committee and health, safety and environmental committee are independent – Chairman of the board is chairperson of the nomination committee The committee is satisfied that the board and the board committees are suitably constituted and that the composition is in line with their respective charters, King IV™ and the JSE Listings Requirements.
Board performance	▪ Noted the progress on 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
Board succession planning	▪ 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 sub-committees to ensure their continued effective operation
Directors' independence	▪ 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
Board rotation	▪ Reviewed and considered eligibility for re-election of directors retiring at the upcoming 2023 AGM, noting all directors in question are eligible for and have offered themselves for re-election
Board training	Noted the following in terms of ongoing board training and skills development initiatives: ▪ All board members are registered as members of the Institute of Directors South Africa (IoDSA), which includes access to training material and updates to legislation ▪ Presentations to the board on the latest amendments to the JSE 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

Focus area	Response
Transformation and broad board diversity	Noted the provisions of the broader board diversity policy and reviewed the board composition relative to the voluntary targets set by the group:

Board demographics	Target	Actual
Historically Disadvantaged Persons	50%	67%
Female representation	20%	44%

Committee evaluation and performance

The IoDSA was appointed to facilitate a self-appraisal evaluation of the board and each sub-committee of the board during the previous year, as part of the bi-annual evaluation of the board and committees.

The committee scored an overall rating of good for the evaluation with no material issues of concern noted, however there are areas requiring improvement. The committee has been bolstered with additional appointments and the formalisation of the appointment of the chairman which will add additional structure to the committee and assist the committee to fulfil its responsibilities. The evaluation revealed that the committee members do have a clear understanding of their roles and requirements and the updated committee composition will assist in the execution of their duties.

The board is also in the process of conducting its annual evaluation on the committee's performance in terms of its composition, mandate and effectiveness. The required actions, if any, emanating from the assessment will be implemented in due course.

Future focus areas

Board composition and succession planning
Continue to review and assess the board's composition, representation and performance in line with its charter and mandate

Board assessment
Consider the outcomes of the planned review by the IoDSA of the effectiveness of the board and sub-committees and track the progress of the remedial action plans of the board and sub-committees emanating from this review

Conclusion

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

On behalf of the committee.

TI Mvusi
Committee chairperson and independent board chairman

21 August 2023

Remuneration committee report

8, 14

Related material issues

- Maintaining our legislative and regulatory compliance
- Continuing to improve the safety performance and the health and wellness of our employees
- Managing the environmental impact of our operations and conserving natural resources
- Managing production and performance
- Reliability and sustainability of electricity supply from Eskom
- Maintaining constructive communication channels with all our stakeholders

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our material issues.

Risks and opportunities

- Critical skills and key personnel
- Employee relations
- Social licence to operate
- Environmental, social and governance (ESG)
- Regulatory, political and legal environment

Refer to our Annual integrated report for the year-ended 30 June 2023, available on our website, for further detail on our risks and opportunities.

Role

The remuneration committee (the committee) is a committee of the board, established by the board to independently review and monitor the integrity of the group's remuneration policy and the implementation thereof, ensuring that the group remunerates fairly, responsibly and transparently, and to assist the board with the oversight of related remuneration matters.

The committee has a charter (the charter) which sets out the role and responsibilities of the committee, established to ensure compliance by the committee with its duties as contained in relevant legislation and/or regulations. This charter is subject to, where applicable, the provisions of the Companies Act and Regulations, the MOI and any other applicable laws and regulatory provisions.

Refer to the Remuneration committee charter, available on our website, for details of the committee's role and responsibilities.

The duties and responsibilities of the members apply to all members of the committee and are in addition to those duties and responsibilities that the committee members have in their capacity as members of the board.

The deliberations and work of the committee do not reduce the individual and collective responsibilities of the board with regard to the fiduciary duties and responsibilities of the directors. The board must continue to exercise due care and judgement in the exercise of its functions, in accordance with their statutory obligations.

Mandate

The committee's authority is derived from the delegated authority conferred on it by the board as contemplated in the charter, in accordance with section 72(1)(b) of the Companies Act.

The committee provides oversight and makes recommendations to the board in respect of the matters within the scope of its functions for the board's consideration and ultimate approval where required.

The committee has oversight and ensures that the group (including its subsidiary companies) complies with all remuneration and risk related principles as set out in the charter and the Group Governance Framework (GGF). This includes reviewing and overseeing the development and implementation of the group's remuneration policy, to enable the group to attract and retain employees, managers and executives, and to maintain an effective board.

The committee acts independently (with accountability to the board) and does not assume the functions of management, which remain the responsibility of the relevant executive directors, prescribed officers and other members of senior management of the group (executives).

The board supports and endorses the committee, which operates independently of management and is free of any organisational impairment.

Committee meetings

3

Attendance

100%

Committee composition

The committee was constituted during the previous financial year.

Previously, the oversight responsibility of the group's remuneration was carried out by the social, ethics, human resources and transformation committee.

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

MH Jonas was appointed as a member of the committee by the board, following a review of the composition of all committees by the nomination committee. He brings a wealth of experience with regards to remuneration best practices to the committee.

The chairperson of the committee reports to the board on the committee's activities and all matters discussed. Below are details of the committee composition as well as their meeting attendance:

Name	Date joined committee	Board status	Meeting attendance
HH Hickey (Chairperson)	27 September 2021	Lead independent director	3/3
TI Mvusi	3 November 2021	Independent non-executive chairman	3/3
MH Jonas[1]	20 March 2023	Independent non-executive director	1/1

[1] Appointed to the committee on 20 March 2023

Invited attendees

Directors of the board have the right of attendance at committee meetings at their own volition. Furthermore, the committee may invite any executive management team members or other individuals to attend meetings of the committee as they deem appropriate.

The CEO, CFO and the executive - human resources are not members of the committee but attend committee meetings as appropriate. The committee requests these attendees to recuse themselves where the issues being discussed affect them or are of a sensitive nature.

Individuals in attendance by invitation may participate in discussions, but do not form part of the quorum for committee meetings and may not exercise voting rights on any matter.

Areas of focus during the year

Focus area	Response
Interaction with shareholders	▪ Together with the board, engaged directly with stakeholders throughout the year to seek feedback and consider opportunities to further enhance the effectiveness of the reward structure. Following these engagements, a number of changes were made to the remuneration policy and implementation thereof ▪ Continued to actively seek feedback on the group's remuneration policy and the implementation thereof through various interactions with shareholders Refer to the Remuneration report available on our website for the details of the changes made to remuneration policy.
Remuneration report including the remuneration policy and implementation report	▪ 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 employees, ensuring that employees are remunerated fairly for their individual contributions to the group's strategy and performance ▪ Reviewed and approved the guaranteed pay for all employees graded Paterson D band and above ▪ Reviewed and approved the short-term incentive (STI) for all employees graded Paterson D-upper band and above ▪ Noted that the lowest paid employees are remunerated well in excess of the minimum wage ▪ Ensured that women receive equal opportunities and equal pay as is Northam's practice and commitment ▪ Ensured that Environmental, Social and Governance (ESG) are performance targets included in the key performance indicators (KPI's) for executives for F2024 and confirmed that these KPI's are aligned to industry leading benchmarks, as well as to the group's own internal targets ▪ Reviewed the group Remuneration report and recommended it for board approval Refer to the Remuneration report, available on our website.
Ensure remuneration is linked to performance	The approach to remuneration has been to focus on what the committee believes will create a sustainable business, which will create value for shareholders and other stakeholders alike. The committee: ▪ Ensured that appropriate and stretched performance targets, designed to facilitate the achievement of the group's strategic goals and objectives, have been defined and applied. This approach rewards substantial performance and motivates our people ▪ Extensively reviewed the KPI's to ensure that targets set relating to variable remuneration will enhance shareholder value and focus on specific areas of concern ▪ Noted that the executive directors' proportion of variable pay amounts to 61.3% of on target remuneration which is aligned with the philosophy of performance based pay. The impact of this philosophy is that a higher proportion of the total pay is linked to performance ▪ Noted that the KPI's focus on basic mining principles of enhanced safety, increasing production, and cost control, taking into account the key priority for the group being the ongoing care and well-being of employees. Safety is therefore a key element when determining KPI's Refer to the Remuneration report, available on our website, for the details of our remuneration philosophy.
Remuneration benchmarking	▪ Considered the results of the independent benchmarking exercise conducted by Deloitte Consulting Proprietary Limited (Deloitte) of the non-executive and executive directors' remuneration against comparative companies in the South African mining sector ▪ Considered the findings of the benchmarking for implementation or consideration where required Refer to the Remuneration report, available on our website, for the detailed considerations and outcomes from the independent benchmarking exercise.

Focus area	Response
Executive director remuneration	▪ Reviewed the performance of the CEO and CFO for the year under review ▪ Reviewed and approved inflationary increases for the CEO and CFO for the coming financial year (F2024), taking into account economic factors as well as individual performance and benchmarking of salaries against the peer group ▪ Ensured that no further retention benefits accrued to any executive director ▪ Approved the additional ESG KPI's, over and above safety, to be included in the executive directors' scorecards from F2024 based on shareholder requests ▪ Ensured that the ESG KPI's are aligned to the mining industry
Key performance indicators (KPI's)	▪ Assessed the appropriateness of the KPI's used and their relative weightings ▪ Reviewed the KPI targets for the STI and the F2023 performance against these targets ▪ Assessed group risks considered in setting KPI's for short-term incentives (STIs) and long-term incentives (LTIs) ▪ Reviewed the LTI performance targets, and the performance against these targets over a three-year rolling basis ▪ Considered and approved the principles and method of calculating the awards, ensuring these were consistent with previous practices ▪ Reviewed and considered the reports provided by the auditors verifying the STI calculations as part of the year-end audit and confirmed the accuracy of the LTI which vested in October 2022 as per a factual findings certificate prepared by the external auditors for the committee Refer to the Remuneration report, available on our website, for more details on the remuneration KPI's.
Critical skills	▪ Reviewed feedback from the group's human resources executive on the challenges experienced with regard to critical skills, particularly at Booysendal due to the location of the mine and the nature of skills required ▪ Noted the increase in employee turnover, as well as challenges in attracting and retaining talent. This is due to competition within the PGM sector, with miners targeting the same talent from a small pool of experience in South Africa ▪ Reviewed and approved the risk associated with critical skills to be included in the risk and opportunity section in the Annual integrated report. Critical skills and the potential loss of key personnel has been identified as one of the group's top ten strategic risks ▪ Approved initiatives implemented to retain critical skills ▪ Reviewed the various elements of the group's remuneration and noted that these are aimed at attracting and retaining employees, taking into account their experience and expertise, in order to enable the group to execute its strategy Refer to our Annual integrated report, available on our website, for further details on our risks and opportunities.

Committee evaluation and performance

The Institute of Directors South Africa (IoDSA) was appointed to facilitate a self-appraisal evaluation of the board and each sub-committee of the board during the previous year, as part of the bi-annual evaluation of the board and committees.

The committee scored an overall rating of good for the evaluation with minor areas noted for improvement. The committee received positive scoring in the interaction with management area and committee meetings. Committee members were generally comfortable with the composition of the committee with scoring reflecting that the committee has a solid foundation with which to move forward from. One area noted for improvement was the specific committee roles and responsibilities. This was expected with the committee being relatively new, and the responsibilities previously forming part of the social, ethics, human resources and transformation committee. This area is expected to be enhanced as the committee progresses with its role, with strides made during the current year in terms of the work plan and new appointment to the committee.

The committee's composition, skills and experience were also evaluated as part of the review by the nomination committee, with the committee found to be suitably equipped to fulfil its mandate. The board is also in the process of conducting its annual evaluation on the committee's performance in terms of its composition, mandate and effectiveness. The required actions, if any, emanating from the assessment will be implemented in due course.

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

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

ESG KPI's
Oversee the implementation of the ESG KPI's as part of the group's remuneration policy

Conclusion

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

We are committed to ensuring that executive remuneration is fair, responsible and appropriate in the context of general market conditions, company performance, industry pay levels, the economic outlook and overall employee remuneration, in terms of benchmarking across the industry.

We would like to thank all shareholders who have engaged with the company to share their concerns and feedback on the remuneration policy. The insights were invaluable and the committee hopes that the changes that we have implemented, based on this feedback, will be acceptable to shareholders and stakeholders alike.

The committee is satisfied that the updated 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 updated remuneration policy.

On behalf of the committee.

HH Hickey
Chairperson

15 August 2023

Attendance of members at board and committee meetings 6

Attendance 1 July 2022 to 30 June 2023

Members	Board	Independent board	Audit & risk committee	Health, safety and environment committee	Investment committee	Nomination committee	Remuneration committee	Social, ethics, human resources & transformation committee	Total	Total %
Mvusi, TI	7/7	—	—	—	3/3	2/2	3/3	—	15/15	100%
Dunne, PA	7/7	—	—	4/4	—	—	—	3/3	14/14	100%
Coetzee, AH	7/7	—	—	—	—	—	—	—	7/7	100%
Hickey, HH	7/7	1/1	4/4	—	1/1[2]	—	3/3	—	16/16	100%
Jekwa, NY	6/7[1]	1/1	4/4	4/4	—	—	—	3/3	18/19	95%
Jonas, MH	6/7[1]	0/1[1]	4/4	—	—	—	1/1	—	11/13	85%
Lewis, GT	7/7	—	—	4/4	—	—	—	—	11/11	100%
Smithies, JG	7/7	1/1	—	4/4	3/3	2/2	—	—	17/17	100%
Kgosi, TE	7/7	—	—	—	—	1/1	—	3/3	11/11	100%
Meetings	**7**	**1**	**4**	**4**	**3**	**2**	**3**	**3**		
Overall attendance	**97%**	**75%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**98%**	**98%**

— Not applicable
[1] Apologies received
[2] HH Hickey was appointed to the investment committee on 20 March 2023, however attended all the investment committee meetings as an invitee prior to her appointment

Application of KING IV™ principles ALL

The JSE 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 principles and best practice guidelines. The 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	**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 on independence, 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 of ethics and conduct. 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. The board also delegates some of its responsibilities for ethical governance to its committees, without abdicating any of its collective accountability. The chairpersons of the respective committees provide feedback to the board at every meeting. Read more about the governance of ethics on page 8 of this report and see the SEHR&T committee report on page 52 of this report.

	Applied	Response
Principle 2 (cont.): 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 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 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.

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 focused on employee welfare and home ownership, addressing the needs of the communities in which we operate, and securing land for nature conservation, while complying with 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 manner. 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 2023, available on our website. See the SEHR&T committee report on page 52 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	The Northam board considers risks, opportunities, financial performance, business models and sustainable development as key tenets in the development of the group's strategy of ultimately creating meaningful, lasting value for all stakeholders. **Strategy formulation** The board delegates the formulation of the group strategy, business plan and five-year forecast to the CEO and the executive team. These include defining key performance measures and targets. Critical 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, framed within the group's values and purpose, 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. 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 KPI's 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's 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 30 June 2023, available on our website.

Reporting

	Applied	Response
Principle 5: The board should ensure that reports issued by the company enable stakeholders to make informed assessments of the company's performance, and 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 Listings Requirements and the Companies Act. The group adopts an integrated approach to reporting, presenting stakeholders with a holistic overview of the group's financial and non-financial performance. The board 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, 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 20 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 has 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 on a regular basis and independently facilitated assessments of the board's performance are conducted every two years. The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence in order for it to collectively fulfil its mandate and comply with all its roles and responsibilities. Read more about our board composition and our directors' experience, skills, tenure and other directorships from page 18 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. While the board has delegated some of its responsibilities to the committees, the board retains ultimate accountability and is cognisant that certain of its responsibilities are reserved for the board and cannot be delegated. 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 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 delegation of authority, group governance framework and our board committee reports on page 20 and 21, 22 and 40 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, facilitated by an independent party. 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 32 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	The board has delegated authority to management for day-to-day business functions. The delegations are contained within a delegation of authority framework and the established operating model, approved by the board, assists with the effective exercise of responsibilities. **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 and the SEHR&T committees. 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 approved the delegation of authority framework. 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.

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 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 58. Refer to the managing risks and opportunities section in our Annual integrated report 2023, available on our website, for further 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 in 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 also established a technology and information governance steering committee (committee), which is chaired by the CFO. The 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 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 The 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, and tested regularly 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 assists 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 with 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 40 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 various 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 remuneration committee continued to actively seek feedback on our remuneration policy and the implementation thereof through various interactions with shareholders during the F2023 reporting period. Shareholder feedback and best practice was incorporated in the updates to the remuneration policy for the current year. 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. Refer to our Remuneration report 2023, 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 decision-making and of the organisation's external reports.	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 ongoing 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 58 of this report.

Stakeholder relationships

	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 stakeholder engagement 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 2023, available on our website. See the board and stakeholders section on page 34 of this report. See the SEHR&T committee report on page 52 of this report.

Conclusion

The Northam Platinum Holdings Limited's corporate governance philosophy, frameworks, standards, policies and practices support the achievement of each of the 16 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.

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