



**SOCIAL, ETHICS, HUMAN
RESOURCES AND
TRANSFORMATION
COMMITTEE CHARTER**

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1. BACKGROUND

- 1.1 Northam Platinum Holdings Limited (Northam Holdings, Northam, the company or the group) is a public company listed on the main board of the securities exchange operated by the JSE Limited (JSE), under share code NPH.
- 1.2 Northam Platinum Limited (Northam Platinum), a subsidiary of Northam Holdings, has debt securities listed on the debt market of the JSE under debt code NHMI.
- 1.3 The board of directors of Northam (the board) is the governing body of Northam Holdings and its subsidiaries (collectively, the group).
- 1.4 The board has ultimate oversight responsibility for the effective governance and overall success of the group, as well as to ensure compliance with all statutory and applicable regulatory requirements, including *inter alia* the company's memorandum of incorporation (MOI), the South African Companies Act, No. 71 of 2008, as amended (Companies Act), the JSE Limited Listings Requirements and the JSE Debt Listings Requirements (collectively the JSE Listings Requirements).

2. INTRODUCTION

- 2.1 The social, ethics, human resources and transformation committee (the committee) is constituted as a statutory committee of Northam in accordance with sections 72(4) of the Companies Act, Regulation 43 of the Companies Regulations, 2011 (Companies Regulations), Northam's MOI and the JSE Listings Requirements.
- 2.2 The committee charter takes into account the provisions of the King IV Report on Governance for South Africa, 2016 (King IV™), the Mineral and Petroleum Resources Development Amendment Act No.49 of 2008 (MPRDA), the Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 (Mining Charter), the United Nations Global Compact Principles, the Organisation of Economic Co-operation and Development recommendation of the council on guidelines on anti-corruption and integrity in state-owned enterprises, 22 May 2019 (OECD recommendations), the Employment Equity Act No. 55 of 1998 (Employment Equity Act), the Broad-Based Black Economic Empowerment Act No. 53 of 2003 (B-BBEE Act), and applicable regulatory requirements.
- 2.3 Where this charter conflicts with the specific legislation and/or regulations mentioned herein, the applicable and effective legislation and/or regulations take precedence. This includes any updates or changes in legislation and/or regulations, as well as legislation and/or regulations that have not been explicitly included in this charter.
- 2.4 The duties and responsibilities of the members of the committee, as set out in this charter, are in addition to those duties and responsibilities that they have as members of the board of directors of Northam or the board of directors of Northam's subsidiaries (collectively or individually, the board).

3. PURPOSE AND OBJECTIVE

- 3.1 The purpose of this charter is to outline the role, mandate and responsibilities of the committee.
- 3.2 The objective of this charter is to ensure that the key social, ethics, human resources and transformation functions associated with the business of Northam, in terms of its statutory requirements and corporate governance best practices are identified and incorporated as part of the committee's responsibilities to ensure that its members adequately discharge their fiduciary duties.
- 3.3 This charter is applicable to all companies and trusts within the group.

4. ROLE AND MANDATE

- 4.1 The committee's primary role is to provide independent oversight and to report on Northam's organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relations. This includes providing independent oversight of human resources and transformation related matters within the group.
- 4.2 The committee also provides independent oversight over the integrity of reports, and to the extent delegated by the board other external reports as appropriate to be reviewed by the committee, issued by the company.
- 4.3 In addition, the committee is responsible for carrying out all other duties that the board has assigned to it, including the delegated authority for:
 - 4.2.1 Managing risk as part of its role and mandate, as well as considering both threats (risks) and opportunities when developing the company strategy.
 - 4.2.2 Managing compliance in terms of its role and mandate to ensure the company's social licence to operate.
 - 4.2.3 Overseeing the establishment, implementation and management of all labour and employment related strategies, policies and standards.
 - 4.2.4 Investigating any activity within its charter should the need arise.
 - 4.2.5 Seeking any information it requires from any employee, the chairperson of the board or any committees of the board, any of the group's executive directors, group officers, the company secretary or assurance providers. All requests to employees will be channelled through the company secretary.
 - 4.2.6 Accessing the group's records and any other resources necessary to discharge its duties and responsibilities through the company secretary.
 - 4.2.7 Obtaining external legal, accounting or other independent professional advice, by the committee or any of its individual members, on matters relating to the committee's mandate, subject to approval being granted by the group's Chief Executive Officer's (CEO) office or the company secretary.
- 4.4 The committee has ultimate decision-making authority in terms of its statutory duties as contemplated in section 72(4) of the Companies Act, read in conjunction with Regulation 43 of the Companies Regulations, 2011 and is accountable for its performance in this regard.
- 4.5 The committee has no ultimate decision-making authority in respect of the non-statutory matters within the scope of its functions, as set out in this charter, unless otherwise delegated to the committee by the board. The committee, however, makes recommendations to the board in respect of these matters for the board's consideration and, if the board considers it appropriate, the board's ultimate approval.
- 4.6 The committee must act independently, with accountability to the board and the group's stakeholders and shareholders.
- 4.7 The committee shall have direct and unobstructed lines of communication to the board, any external assurance providers or consultants, appointed by the company to prepare reports of the company.
- 4.8 The committee should encourage continuous and open communication with all assurance providers, risk and compliance functions, senior management, executive directors, as well as the board.

- 4.9 The committee does not assume the function of management, which remains the responsibility of the executive directors, prescribed officers and other members of senior management.
- 4.10 The committee will have oversight and ensure that Northam, and its subsidiary companies, comply with all provisions, as set out in accordance with an approved group governance framework.
- 4.11 The committee does not provide relief to board members for their individual and collective fiduciary duties and responsibilities, and committee members must continue to exercise due care and judgement in accordance with their legal and fiduciary obligations.
- 4.12 The chairperson of the committee, or any one of its members, is required to attend the annual general meeting (AGM) of shareholders and to report at such meetings, in accordance with Regulation 43(5)(c), on any part of the meeting that concerns the committee's functions.
- 4.13 Consistent with the functions set out in this charter, the committee should encourage continuous improvement of, and should foster adherence to, the group's policies, procedures, and practices at all levels.

5. RESPONSIBILITIES

The sections below set out the committee's responsibilities in accordance with its statutory duties and corporate governance best practices, as well as any other responsibilities delegated to the committee by the board.

5.1 STATUTORY DUTIES

In accordance with Regulation 43 of the Companies Regulations, the committee has the following statutory duties:

5.1.1 To monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:

5.1.1.1 Social and economic development, including the company's standing in terms of the goals and purposes of:

5.1.1.1.1 The 10 principles set out in the United Nations Global Compact Principles, in terms of the company's commitment to responsible business practices in the areas of human rights (principles 1 and 2), labour (principles 3 to 6), the environment (principles 7 to 9) and anti-corruption (principle 10):

5.1.1.1.1.1 Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

5.1.1.1.1.2 Principle 2: Make sure that they are not complicit in human rights abuses.

5.1.1.1.1.3 Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

5.1.1.1.1.4 Principle 4: The elimination of all forms of forced and compulsory labour.

5.1.1.1.1.5 Principle 5: The effective abolition of child labour.

5.1.1.1.1.6 Principle 6: The elimination of discrimination in respect of employment and occupation.

5.1.1.1.1.7 Principle 7: Businesses should support a precautionary approach to environmental challenges.

5.1.1.1.1.8 Principle 8: Undertake initiatives to promote greater environmental responsibility.

5.1.1.1.1.9 Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

5.1.1.1.1.10 Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

- 5.1.1.1.2 The OECD recommendations regarding corruption in terms of its guidelines to:
 - 5.1.1.1.2.1 Apply high standards of conduct to the state (South Africa).
 - 5.1.1.1.2.2 Establish ownership arrangements that are conducive to integrity.
 - 5.1.1.1.2.3 Ensure clarity in the legal and regulatory framework, and in the state's expectations for anti-corruption and integrity.
 - 5.1.1.1.2.4 Act as an active and informed owner with regards to anti-corruption and integrity in the company.
 - 5.1.1.1.2.5 Encourage integrated risk management systems in the company.
 - 5.1.1.1.2.6 Promote internal controls, ethics and compliance measures in the company.
 - 5.1.1.1.2.7 Safeguard the autonomy of the company's decision-making bodies.
 - 5.1.1.1.2.8 Establish accountability and review mechanisms for the company.
 - 5.1.1.1.2.9 Take action and respect due process for investigations and prosecutions.
 - 5.1.1.1.2.10 Invite the inputs of civil society, the public and media and the business community
- 5.1.1.1.3 The Employment Equity Act, in terms of its purpose to achieve equity in the workplace by:
 - 5.1.1.1.3.1 Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination.
 - 5.1.1.1.3.2 Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure their equitable representation in all occupational categories and levels in the workforce.
- 5.1.1.1.4 The B-BBEE Act, in terms of its objectives to facilitate broad-based black economic empowerment by:
 - 5.1.1.1.4.1 Promoting economic transformation in order to enable meaningful participation of black people in the economy.
 - 5.1.1.1.4.2 Achieving a substantial change in the racial composition of ownership and management structures, and in the skilled occupations of existing and new enterprises.

- 5.1.1.1.4.3 Increasing the extent to which communities, workers, co-operatives and other collective enterprises own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure and skills training.
- 5.1.1.1.4.4 Increasing the extent to which black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure and skills training.
- 5.1.1.1.4.5 Promoting investment programmes that lead to broad-based and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity.
- 5.1.1.1.4.6 Empowering rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills.
- 5.1.1.1.4.7 Promoting access to finance for black economic empowerment.
- 5.1.1.2 Good corporate citizenship, including the company's:
 - 5.1.1.2.1 Promotion of equality, prevention of unfair discrimination and reduction of corruption.
 - 5.1.1.2.2 Contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed.
 - 5.1.1.2.3 Record of sponsorship, donations and charitable giving.
- 5.1.1.3 The environment, health and public safety, including the impact of the company's activities and of its products or services. (The board has delegated the responsibilities associated with this statutory duty to the health, safety and environmental committee).
- 5.1.1.4 Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.
- 5.1.1.5 Labour and employment, including the company's:
 - 5.1.1.5.1 Standing in terms of the International Labour Organisation Protocol on decent work and working conditions.
 - 5.1.1.5.2 Employment relationships, and its contribution towards the educational development of its employees.
- 5.1.2 To draw matters within its mandate to the attention of the board as occasion requires.
- 5.1.3 To report, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate.
- 5.1.4 The committee shall utilise the International Labour Organisation, International Labour Office, Decent Work Country Profile, South Africa, 2012 (ILO decent work country profile), in terms of its statutory duty, as set out 5.1.1.5.1 above, taking into consideration the following:

- 5.1.4.1 The legal framework indicators as set out in the ILO decent work country profile:
 - 5.1.4.1.1 Economic and social context for decent work.
 - 5.1.4.1.2 Employment opportunities.
 - 5.1.4.1.3 Adequate earnings and productive work.
 - 5.1.4.1.4 Decent hours.
 - 5.1.4.1.5 Combining work, family and personal life.
 - 5.1.4.1.6 Work that should be abolished.
 - 5.1.4.1.7 Stability and security of work.
 - 5.1.4.1.8 Equal opportunity and treatment in employment.
 - 5.1.4.1.9 Safe work environment.
 - 5.1.4.1.10 Social security.
 - 5.1.4.1.11 Social dialogue, workers' and employers' representation.
 - 5.1.4.1.12 Proposal for monitoring indicators.
- 5.1.4.2 The South African legislation relating to decent work in terms of the ILO decent work country profile:
 - 5.1.4.2.1 Constitution of the Republic of South Africa (Act No. 108 of 1996).
 - 5.1.4.2.2 Basic Conditions of Employment Act (No. 75 of 1997).
 - 5.1.4.2.3 Labour Relations Act, 1995 (No. 66 of 1995).
 - 5.1.4.2.4 Employment Equity Act, 1998 (No. 55 of 1998).
 - 5.1.4.2.5 The Unemployment Insurance Act, 2001.
 - 5.1.4.2.6 Public Service Act, 1994 (No. 103 of 1994).
 - 5.1.4.2.7 Public Service Labour Relations Act, 1994 (No. 105 of 1994).
 - 5.1.4.2.8 Unemployment Insurance Contributions Act of 2002.
 - 5.1.4.2.9 South African Schools Act No. 84 of 1996.
 - 5.1.4.2.10 Children's Act No. 38 of 2005.
 - 5.1.4.2.11 Criminal Law (Sexual Offences and Related Matters) Amendment Act of 2007.
 - 5.1.4.2.12 Correctional Services Act No. 111 of 1998

5.1.4.2.13 Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993).

5.1.4.2.14 Occupational Health and Safety Act, 1993 (No. 85 of 1993).

5.1.4.2.15 Social Assistance Act, 2004 (No. 13 of 2004).

5.2 ORGANISATIONAL ETHICS

The committee has the responsibility to govern the ethics of the company in a manner that supports the establishment of an ethical culture. This includes the responsibility:

- 5.2.1 To set the direction for how ethics should be approached and addressed by the company.
- 5.2.2 To recommend codes of conduct and ethics policies, for approval by the board, that articulate and give effect to its direction on organisational ethics.
- 5.2.3 To ensure that the code of ethics and conduct (the code):
 - 5.2.3.1 Encompass the company's interaction with both internal and external shareholders and the broader society.
 - 5.2.3.2 Address the key ethical risks of the company.
- 5.2.4 To ensure that the code provides for arrangements that familiarise employees and other stakeholders with the company's ethical standards. These arrangements should include:
 - 5.2.4.1 Publishing the code on the company's website, or on other platforms, or through other media as is appropriate.
 - 5.2.4.2 The incorporation by reference, or otherwise, the code in supplier and employee contracts.
 - 5.2.4.3 Including the code in employee induction and training programmes.
- 5.2.5 To delegate to management the responsibility for, implementation and execution of the code.
- 5.2.6 To exercise ongoing oversight of the management of ethics and, in particular, oversee that it results in the following:
 - 5.2.6.1 Application of the company's ethical standards to the processes for the recruitment, evaluations of performance and reward of employees, as well as the sourcing of suppliers.
 - 5.2.6.2 Having sanctions and remedies in place for when the companies ethical standards are breached.
 - 5.2.6.3 The use of protected disclosure or whistle blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately.
 - 5.2.6.4 The monitoring of adherence to the company's ethical standards by employees and other stakeholders through, amongst others, periodic independent assessments.
- 5.2.7 To ensure and approve the following disclosure in relation to organisational ethics:
 - 5.2.7.1 An overview of the arrangements for governing and managing ethics.
 - 5.2.7.2 Key areas of focus during the reporting period.
 - 5.2.7.3 Measures taken to monitor organisational ethics and how the outcomes were addressed.
 - 5.2.7.4 Planned areas of future focus.

5.3 RESPONSIBLE CORPORATE CITIZENSHIP

The committee has the following responsibilities to ensure that the organisation is and is seen to be a responsible corporate citizen:

- 5.3.1 To set the direction for how corporate citizenship should be approached and addressed.
- 5.3.2 To ensure that the company's responsible corporate citizenship efforts include compliance with the Constitution of South Africa (including the Bill of Rights), the law, leading standards, and adherence to its own codes of conduct and policies.
- 5.3.3 To oversee that the company's core purpose and values, strategy and conduct are congruent with it being a responsible corporate citizen.
- 5.3.4 To oversee and monitor, on an ongoing basis, how the consequences of the company's activities and outputs affect its status as a responsible corporate citizen. This oversight and monitoring must be performed against measures and targets agreed with management in all of the following areas:
 - 5.3.4.1 Workplace, including employment equity, fair remuneration, and the safety, health, dignity and development of employees.
 - 5.3.4.2 Economy, including economic transformation, prevention, detection and response to fraud and corruption, and responsible and transparent tax policy.
 - 5.3.4.3 Society, including public health and safety, consumer protection, community development, and protection of human rights.
 - 5.3.4.4 Environment, including responsibilities in respect of pollution and waste disposal, and protection of biodiversity.
- 5.3.5 To approve the following disclosure in relation to corporate citizenship:
 - 5.3.5.1 An overview of the arrangements for governing and managing responsible corporate citizenship.
 - 5.3.5.2 Key areas of focus during the reporting period.
 - 5.3.5.3 Measures taken to monitor corporate citizenship and how the outcomes were addressed.
 - 5.3.5.4 Planned areas of future focus.

5.4 SUSTAINABLE DEVELOPMENT

The committee has the following responsibilities relating to sustainable development, in terms of its role and mandate:

- 5.4.1 To exercise ongoing oversight of the company's sustainable development matters.
- 5.4.2 To delegate to management the formulation and implementation of the company's short, medium and long-term approach to sustainable development. This shall include consideration of:
 - 5.4.2.1 The risks, opportunities and other significant matters connected to the economic, social and environmental context in which the company operates.
 - 5.4.2.2 The group's business model to creating value, that is consistent with the preservation and enhancement of the various capitals (natural, financial, human, intellectual, manufactured and social).
 - 5.4.2.3 The extent to which the approach depends on the resources and relationships connected to the various forms of capitals.
 - 5.4.2.4 The legitimate and reasonable needs, interests and expectations of material stakeholders.
 - 5.4.2.5 The increase, decrease or transformation of the various forms of capitals resulting from the implementation.
 - 5.4.2.6 The interconnectivity and inter-dependence of all of the above.
- 5.4.3 To oversee that the company continually assesses and responsibly responds to the negative consequences of its activities and outputs on the economic, social and environmental context in which it operates, and the capitals which it uses and affects.

5.5 STAKEHOLDER RELATIONS

The committee has the responsibility in the execution of its governance role and responsibilities to adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the company over time. This includes the responsibility:

- 5.5.1 To set the direction for how stakeholder relationships and exercise of power within the group should be approached and conducted.
- 5.5.2 To approve a governance framework that articulates and gives effect to its direction on stakeholder relationships and the exercise of authority across the group.
- 5.5.3 To ensure that the governance framework is implemented across the group.
- 5.5.4 To delegate to management the responsibility for implementation and execution of effective stakeholder relationship management, including the adoption and implementation of the policies, structures and procedures.
- 5.5.5 To ensure that the governance framework does not conflict with the MOI, delegation of authority framework (formerly known as the approval framework), shareholder agreements, board charter, board committee charters and related policies and agreements within the group.
- 5.5.6 To ensure that the governance framework recognises each subsidiary within the group as a separate and independent juristic person to whom its directors owe fiduciary duties.
- 5.5.7 To ensure that the governance framework addresses governance matters as is appropriate, and includes the following:
 - 5.5.7.1 Delineation of the rights and role of the company.
 - 5.5.7.2 The extent to which governance and operational policies of the company have been adopted by subsidiary companies in the group.
 - 5.5.7.3 Engagement by the company with the directors of the subsidiary company before the company exercises its rights to elect directors to the subsidiary companies.
 - 5.5.7.4 Arrangements to address the risk of breaching legal duty in relation to the use of information obtained while acting as a director of one company in the group for the purpose of another company in the group.
- 5.5.8 To disclose an overview of the governance framework that is implemented across the group.
- 5.5.9 To disclose what responsibilities the subsidiary companies have delegated to the committee, and the extent to which they have adopted the policies and procedures of the company.
- 5.5.10 To exercise ongoing oversight of stakeholder relationship management and in particular, oversee that it results in the following:
 - 5.5.10.1 Methodologies for identifying individual stakeholders and groupings.
 - 5.5.10.2 Determination of material stakeholders based on the extent to which they affect, or are affected by the activities, outputs and outcomes of the company.
 - 5.5.10.3 Management of stakeholder risk as an integral part of the enterprise-wide risk management process.

- 5.5.10.4 Formal mechanisms for engagement and communication with stakeholders.
- 5.5.10.5 Measurement of the quality of material stakeholder relationships, and appropriate responses to the outcomes.
- 5.5.11 To approve the following disclosure in relation to stakeholder relationships:
 - 5.5.11.1 An overview of the arrangements for governing and managing stakeholder relationships.
 - 5.5.11.2 Key areas of focus during the reporting period.
 - 5.5.11.3 Actions taken to monitor the effectiveness of stakeholder management and how the outcomes were addressed.
 - 5.5.11.4 Future areas of focus.
- 5.5.12 To oversee that the company encourages proactive engagement with shareholders, including engagement at the AGM of the company.
- 5.5.13 To ensure that all directors be available at the AGM of the company to respond to shareholders queries on how the board executed its governance duties.
- 5.5.14 To ensure that the designated partner of the audit firm attends the AGM of the company.
- 5.5.15 To ensure that shareholders are equitably treated, and that the interests of minority shareholders are adequately protected.
- 5.5.16 To ensure that the minutes of the AGMs of the company are made publicly available.

5.6 RISK MANAGMENT

The committee has the following responsibilities for the governance and management of risk, in terms of its role and mandate, that supports the company in setting and achieving its strategic objectives:

- 5.6.1 To delegate to management the responsibility to implement and execute, ongoing and effective risk management, as is appropriate and in relation to its responsibilities.
- 5.6.2 To evaluate and agree, at least bi-annually, a review of management's risk register to ensure that it results in the following:
 - 5.6.2.1 An assessment of risks and opportunities emanating from the economic, social and environmental context of the company, as well as the capitals used and affected by the company.
 - 5.6.2.2 An assessment of the potential upside, or opportunity, presented by risks with potentially negative effects on achieving the company's objectives.
 - 5.6.2.3 The design and implementation of appropriate risk responses for the risks identified.
- 5.6.3 To report to the board on its activities, particularly identifying any matters of significant risk, where it considers that actions or improvements are required.
- 5.6.4 To review the disclosure of all material risks in the company's integrated report, which are under the responsibility of the committee.

5.7 COMPLIANCE

The committee has the following responsibilities for the governance of compliance, in terms of its role and mandate, that support the company being an ethical and good corporate citizen:

- 5.7.1 To delegate to management the responsibility for the implementation and execution of effective compliance management, as is appropriate and in relation to its responsibilities.
- 5.7.2 To monitor the regulatory environment for any changes and/or developments that require appropriate management responses.
- 5.7.3 To review and monitor compliance with applicable laws, non-binding rules, codes and standards.
- 5.7.4 To report to the board on its activities, particularly identifying any matters of significant non-compliance.

5.8 MINING CHARTER

The committee has the responsibility to provide oversight and monitor performance against the following key elements of the Mining Charter:

5.8.1 Ownership

5.8.1.1 To ensure meaningful economic participation, integration into the mainstream economy, and effective ownership of the country's mineral resources by the historically disadvantaged persons is considered by company.

5.8.2 Inclusive procurement, supplier and enterprise development

5.8.2.1 To ensure the promotion of economic growth through the development or nurturing of small, medium and micro enterprises and suppliers of mining goods and services.

5.8.3 Human resource development

5.8.3.1 To ensure that the company produces a skilled, trained and diverse workforce, and to develop skills that enhance productivity of the workforce and improve the employment prospects for historically disadvantaged persons, as well as to develop entrepreneurial skills that improve people's livelihoods and create mining-led local and regional economic diversification.

5.8.4 Employment equity

5.8.4.1 To promote equal opportunity and fair treatment in employment, to eliminate unfair discrimination, the implementation of affirmative action measures to redress disadvantages experienced by designated groups and ensuring equitable representation in all levels of the workforce.

5.8.5 Mine community development

5.8.5.1 To ensure the company meaningfully contributes towards mine community development with a bias towards mining communities, both in terms of impact and size, and in keeping with the principles of the social licence to operate.

5.8.6 Housing and living conditions

5.8.6.1 To ensure improvement in the standard of housing and living conditions of mine employees.

5.9 SUCCESSION PLANNING

The committee has the following responsibilities for succession planning, as delegated by the board.

- 5.9.1 To ensure that there is succession planning in place for executive management and other key positions to provide continuity of leadership for:
 - 5.9.1.1 Succession in emergency situations.
 - 5.9.1.2 Succession over the longer term.
- 5.9.2 To periodically review the succession planning.

5.10 REPORTING

The committee has the following responsibilities for reporting, that are in addition to the disclosure responsibilities, in terms of its role and mandate:

- 5.10.1 To recommend approval to the board, managements determination of the reporting frameworks, including reporting standards and materiality level to be used, taking into consideration, legal requirements and the intended audience and purpose of each report.
- 5.10.2 To review reports associated with the committees role and mandate, as necessary to comply with legal requirements, and/or to meet the legitimate and reasonable information needs of material stakeholders.
- 5.10.3 To review the company's annual integrated and sustainability reports for recommendation to the board, in conjunction with the audit and risk committee.
- 5.10.4 To publish a statement on the company's website and the Stock Exchange News Service, within four months of the AGM, the following:
 - 5.10.4.1 The steps taken to engage with the dissenting shareholders.
 - 5.10.4.2 The outcome of such engagement, and the actions to be taken to address the issues raised by the dissenting shareholders.
- 5.10.5 To include the statement as part of the committee report, which must be presented at the next AGM.

6. OPERATION OF THE COMMITTEE

6.1 GENERAL

The meetings and proceedings of the committee shall be governed, *mutatis mutandis*, by the MOI of Northam, which regulates the meetings and proceedings of the directors, so far as they are applicable and are not superseded by any of the conditions laid down in this charter.

6.2 APPOINTMENT, COMPOSITION AND TENURE OF MEMBERS

6.2.1 The committee shall comprise of at least three (3) members, with majority being independent, non-executive directors of the board, which are elected by shareholders at each AGM, on the recommendation of the nomination committee.

6.2.2 Notwithstanding that the members of the committee are required to be elected by shareholders at each AGM, the tenure of committee members shall be reviewed in terms of the nomination committee charter and good corporate governance practices.

6.2.3 The chairperson of the board is not eligible to be chairperson of the committee.

6.2.4 The members of the committee, should, as a whole, have the necessary literacy, skills and experience to execute their duties effectively.

6.2.5 At any particular time, the committee must have commensurate representation with its members having the necessary skills and experience to be members of the committee.

6.2.6 Members of the committee are required to ensure they are fully apprised of latest developments in the mining industry and its associated regulations.

6.2.7 The board must elect the members, including the chairperson of the committee and any vacancy on the committee, be it a member or chairperson, must be filled within 40 (forty) business days of such vacancy arising.

6.2.8 The failure by the committee to have the minimum number of members does not limit or negate the authority of the committee or invalidate anything done by the committee while their number is below the minimum number fixed in accordance with this charter.

6.2.9 The board shall from time-to-time review and, where appropriate, propose revisions to the composition of the committee in accordance with recommendations received from the nominations committee, taking into account the need for an adequate combination of financial and business skills and knowledge, as well as having regard to the group's business mix and growth/focus areas.

6.3 QUORUM

6.3.1 A simple majority of members is considered a quorum.

6.3.2 Invited participants, who are not committee members, do not constitute the quorum and accordingly do not have voting rights.

6.4 COMPANY SECRETARY

6.4.1 The secretary of the committee shall be Northam's company secretary and the independence of the company secretary is to be assessed annually by the board.

6.5 ATTENDEES

- 6.5.1 Committee members must attend all scheduled meetings including ad-hoc meetings unless prior apology with reason(s) has been submitted to the chairperson or company secretary of the committee. If the nominated chairperson is unavailable, members may elect one of the members present to act as chairperson. If the company secretary is unavailable, the committee may appoint a person to take minutes.
- 6.5.2 The committee may invite the CEO, CFO, other senior management representatives, other assurance providers, professional advisers and board members to attend its meetings, should it so require. These parties will have no voting power.
- 6.5.3 As part of the committee's integrated reporting responsibilities, the committee is to invite the relevant management sponsor and/or responsible senior management representatives to attend its meetings, for the purpose of disclosure of any matters within the committee's mandate.
- 6.5.4 Every board member is entitled to attend the committee meetings as an observer, however, board members who are not committee members will not have a vote or be entitled to any fees for attendance.

6.6 FREQUENCY OF MEETINGS

- 6.6.1 At least 3 (three) meetings must be held per annum, however, the committee and management may agree on additional appropriate scheduled meetings.
- 6.6.2 The committee chairperson may, within the framework of any relevant directives set by the board, convene a meeting of the committee at any time and at his/her discretion.
- 6.6.3 Special meetings may be called by any member of the committee, or at the instance of the board where such further meeting is considered necessary.
- 6.6.4 Committee meetings may be conducted entirely by electronic communication or a committee member may participate in a meeting by electronic communication, as contemplated in section 73(3) of the Companies Act (including by means of, *inter alia*, telephone, closed circuit television, webinar or video conferencing), so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.
- 6.6.5 The chairperson of the committee may consult members of the committee at any time and members may conclude any matter requiring the approval of the committee by means of a round robin / written resolution approved by a majority of members. In the case of a tied vote, the committee chairperson shall not have a casting vote and the matter being voted on fails.
- 6.6.6 All committee round robin resolutions should be tabled at the next committee meeting for noting.

6.7 AGENDA, MEETING PAPERS AND MINUTES

- 6.7.1 The procedure to be followed for the convening of meetings, notice of meetings and preparing agendas and minutes of meetings (to the extent not regulated in this charter) will be determined from time to time and managed by the company secretary, in consultation with the committee chairperson. The agenda should clearly indicate what matters the committee is to consider.
- 6.7.2 The chairperson has the right to exclude any items to be discussed while attendees are present where a conflict of interest becomes evident.
- 6.7.3 The company secretary is required to establish an annual work plan for the committee to ensure that all relevant matters are covered in its agendas of planned committee meetings.
- 6.7.4 The work plan must cover all functions and responsibilities of this charter and is required to be approved by the chairperson of the committee.
- 6.7.5 To the extent reasonably practicable, committee papers will be circulated to all committee members at least 4 (four) business days before each meeting. Full and appropriate information will be supplied to committee members by way of succinct position papers or reports, within the committee pack, to enable committee members to form an opinion on the issues on the agenda prior to the meeting and, if necessary, to request additional information before the meeting. Additional documentation may be circulated to committee members prior to the committee meeting and will, to the extent applicable and appropriate, be clearly labelled to indicate that such documentation constitutes additional reading.
- 6.7.6 The company secretary shall keep appropriate records of all meetings of the committee as well as minutes of the proceedings and all decisions made.
- 6.7.7 Minutes of the committee meetings, signed by the chairperson, shall be sufficient evidence that the matters referred to therein have been fully discussed and agreed, whether by way of a formal meeting or otherwise.
- 6.7.8 Minutes of the meeting should be circulated in good time for members to review and must be formally approved. Once approved, these minutes should be distributed to all the members of the board for information purposes.

6.8 TRAINING AND COMMITTEE EVALUATION

- 6.8.1 The committee, via the company secretary, shall make available to new members of the committee a suitable induction process and, for existing members, ongoing training where appropriate and as discussed with the committee.
- 6.8.2 The committee, at the request of the board or as and when required, should perform a review and evaluation of the performance of the committee and its members, including an evaluation of the compliance of the committee with this charter.
- 6.8.3 The committee may conduct these evaluations and reviews in such manner as it deems appropriate.
- 6.8.4 The board must annually evaluate the committee's performance in terms of its composition, mandate and effectiveness.

7. REVIEW

- 7.1 This charter is to be reviewed periodically and where necessary, updated to enhance its overall effectiveness to ensure compliance with best practice and good corporate governance.