



## BOARD CHARTER

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## 1. BACKGROUND AND INTRODUCTION

- 1.1 Northam Platinum Holdings Limited (Northam Holdings, Northam, the company) is a public company listed on the main board of the securities exchange operated by the JSE Limited (JSE), under share code NPH. Furthermore, 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.
- 1.2 The board of directors of Northam (the board) is the governing body of Northam Holdings and its subsidiaries (collectively, the group).
- 1.3 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).
- 1.4 In terms of principle 6 of part 5 of the King IV Report on Corporate Governance for South Africa, 2016 (King IV<sup>TM</sup>), an organisation's governing body should serve as the focal point and custodian of corporate governance in the organisation. Furthermore, the governing body should ensure that its role, responsibilities, membership requirements and procedural conduct are documented in a charter, which it regularly reviews, to guide its effective functioning.
- 1.5 The board commits to achieving high standards of corporate governance within the group in compliance with, *inter alia*, the JSE Listings Requirements and King IV<sup>TM</sup>, to the extent applicable and appropriate.

## **2. BASIS OF PREPARATION**

- 2.1 This board charter is subject to the provisions of, *inter alia*, the Companies Act, the JSE Listings Requirements, Northam Holdings' MOI and the Group Governance Framework (GGF).
- 2.2 The board charter takes into consideration the provisions and recommendations of King IV™ as well as applicable regulatory requirements.
- 2.3 This board charter does not replace or amend the MOI in any way whatsoever. In the event of a conflict between the MOI and the board charter, the provisions of the MOI shall prevail.
- 2.4 The board charter is not intended to contain a comprehensive summary of the applicable legal principles.
- 2.5 Directors must endeavour to familiarise themselves with the aforementioned King IV™ provisions and recommendations as well as applicable regulatory requirements.
- 2.6 Directors requiring advice in respect of any matter referred to in this board charter should consult the company secretary.

### **3. PURPOSE**

3.1 The purpose of this board charter is to:

3.1.1 identify the roles, functions, obligations, powers and responsibilities of the board and its various committees and affirm the manner in which they will be carried out, having regard to principles of good corporate governance, international best practice and applicable laws and regulatory provisions;

3.1.2 serve as a reference to new and existing directors in respect of the policies and practices of the board;

3.1.3 ensure that good corporate governance is maintained throughout the group in line with the recommendations of King IV™ and the principles of good corporate practice;

3.1.4 set out the structure and procedures of the board and its committees; and

3.1.5 set out the internal governance practices and procedures to support the board's role and responsibilities in a manner that promotes efficient, objective and independent judgement and decision making.

3.2 This board charter will constitute and form an integral part of each director's appointment letter in respect of that director's appointment or election to the board and, if such director is also a director of the board of any of the company's subsidiaries, to the boards of such subsidiary companies, except to the extent that such subsidiary has its own board charter.

#### **4. BOARD STRUCTURE AND COMPOSITION**

- 4.1 The board shall comprise not less than such minimum number of directors as is required to satisfy the provisions of the MOI, the Companies Act and the JSE Listings Requirements.
- 4.2 The size and composition of the board shall furthermore be determined with reference to Northam's board diversity policy, the need for a sufficient number of directors to serve on committees, the GGF and other applicable legislation and regulatory requirements.
- 4.3 Each candidate for directorship to be recommended to the shareholders for election in terms of the MOI shall be identified and selected for nomination by the board, as assisted by the nomination committee, the recommendation of which shall be subject to final approval by the board.
- 4.4 The nomination committee will follow a transparent and formal process in recommending suitable candidates for the board's consideration.
- 4.5 Only individuals with sound ethical reputations and business or professional acumen and who have sufficient time to effectively fulfil their role as a director will be considered for appointment or election to the board.
- 4.6 Individuals with enduring material conflicts of interest with the company or any group company will not be considered for appointment.
- 4.7 Directors shall be elected by the shareholders of the company and/or appointed by the board (as applicable) in accordance with the applicable provisions of the MOI, the Companies Act and any other applicable laws and regulatory provisions.
- 4.8 Upon election, the terms and conditions for serving as a member of the board shall be formalised in a letter of appointment.
- 4.9 Subject to the Companies Act and the MOI, the board has the power to appoint directors:
  - 4.9.1 to fill a vacancy; or
  - 4.9.2 as an addition to the board on a temporary basis,  
  
until the next annual general meeting of the company or such vacancy has been filled by election of a director by the shareholders.
- 4.10 The board shall comprise:
  - 4.10.1 a balance of non-executive directors and executive directors.
  - 4.10.2 a majority of non-executive directors, most of whom shall be independent non-executive directors. The recommendations as set out in King IV shall guide the company as to how to evaluate the independence of non-executive directors.

- 4.10.3 an appropriate number and mix of individuals to provide the necessary breadth and depth of knowledge, skills, experience, diversity and independence to objectively and efficiently meet the board's responsibilities and objectives and to ensure that there is an adequate overall spread of culture, age, gender, race, level of knowledge, skills, experience, at board level, which is commensurate with the nature, scale and complexity of the business and risks of the company. The composition in this context will be regularly reviewed, but assessed at least annually, by the chairperson of the board (chairperson) in consultation with the nomination committee.
- 4.11 Subject to compliance with the MOI and applicable laws and regulations, the company may deviate from the requirements in 4.10 only if circumstances justify an alternative board composition that still provides the independence and capacity needed to govern and prudently manage the company's business.
- 4.12 The retirement age for directors is determined by the nomination committee at its discretion, from time to time, and recommended to the board for approval.
- 4.13 The aggregate tenure for a non-executive director should not be more than nine years, unless subject to any duly motivated exceptions, approved by the board, and which should take into account the board succession plan, collective skills of the board and the orderly transfer of committee chairpersonship(s). The independence of any non-executive director staying on after nine years shall be reviewed on an annual basis in accordance with the principles of King IV. This is notwithstanding that director independence is assessed annually.
- 4.14 The board may form committees consisting of directors that will be governed by their own separate committee charters as more fully set out in paragraph 12 of this board charter.
- 4.15 The board should have a minimum of two executive directors, being the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), to ensure compliance with the JSE Listings Requirements and in order to ensure that the board has more than one point of direct interaction with management.
- 4.16 Following receipt of the nomination committee's recommendations, the board should, subject to exceptional circumstances, appoint an independent non-executive director as chairperson. In terms of the JSE Listings Requirements, the positions of the CEO and the chairperson may not be held by the same person.
- 4.17 The board shall appoint an independent non-executive director as the lead independent director with the authority and responsibilities as contemplated in paragraph 8.2.1 of this board charter.
- 4.18 The board is the ultimate decision-making body of the company, except in respect of matters reserved for shareholders.

## 5. ROLES AND RESPONSIBILITIES OF THE BOARD

- 5.1 The board shall have the roles and responsibilities set out below, in addition to legislative and regulatory requirements and the roles and responsibilities set out elsewhere in this board charter:
- 5.1.1 Safeguarding and representing the interests of the stakeholders of the group in perpetuating a successful and sustainable business that ensures the achievement of the group's strategy and objectives.
  - 5.1.2 Adopting a stakeholder-inclusive approach that balances the needs, legitimate interests and expectations of stakeholders (as may be appropriate) and the best interests of the company and the group over time.
  - 5.1.3 Acting with independence of mind in pursuing the best interests of the company and its stakeholders.
  - 5.1.4 Setting the group's values and being a role model for, and testing the ongoing adherence to, the company's values and culture including by implementing a code of conduct that promotes integrity for the board, management and all employees (including contractors and suppliers), defining therein acceptable and unacceptable behaviours, and which establishes the ethical tone and corporate culture of the group.
  - 5.1.5 Taking appropriate steps to disseminate a code of conduct throughout the group, along with supporting policies.
  - 5.1.6 Ensuring that the company is a responsible corporate citizen as envisaged in King IV™.
  - 5.1.7 Promoting an open and accountable environment in which employees who communicate concerns about illegal or unethical behaviour are properly protected from retaliation.
  - 5.1.8 Setting and annually reviewing the business objectives of the group and the strategic direction of the group, taking into consideration the long-term financial soundness of the company and the group, the interest of shareholders and other stakeholders, and the fair treatment of customers and suppliers, and ensuring:
    - 5.1.8.1 appropriate resourcing in order to deliver performance;
    - 5.1.8.2 that sustainability considerations are effectively integrated and balanced in order to meet the strategic objectives; and
    - 5.1.8.3 that the business objectives and strategies of the group are consistent with its broader stakeholder commitments.
  - 5.1.9 Reviewing and confirming the adequacy of the group's systems and frameworks including policies of governance, risk and compliance controls (including risk management and internal control systems and functions) that are in place and ensuring that they comply with the legislative obligations and codes of good practice that govern the group.



- 5.1.10 Confirming the adequacy of the governance, risk and compliance systems and frameworks (including risk management and internal control systems and functions) to identify, measure, control and report on all key risk areas and key performance indicators of the group.
- 5.1.11 Approving corporate finance activities (mergers, acquisitions, divestures), more fully set out in 10.2 of this board charter.
- 5.1.12 Approval of the delegation of authority framework (formerly known as the approval framework).
- 5.1.13 Monitoring the succession plan for the role of CEO and that of the board.
- 5.1.14 Overseeing that the group remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term by:
  - 5.1.14.1 setting the direction of how it should be approached and addressed in the group;
  - 5.1.14.2 approving a policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration; and
  - 5.1.14.3 ensuring that remuneration is disclosed in the annual remuneration report.
- 5.1.15 Monitoring that the company's 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.
- 5.1.16 Approving, on recommendation from the audit and risk committee, a combined assurance framework.
- 5.1.17 Protecting the group's financial integrity by reviewing and monitoring the performance of the business of the group.
- 5.1.18 Setting and implementing governance arrangements to ensure reliable and transparent financial reporting.
- 5.1.19 Approving the group's interim financial statements, annual financial statements and any other formal announcement and ensure that these comply with the applicable laws and regulatory provisions, satisfy the financial reporting standards and fairly state the affairs of the group's business.
- 5.1.20 Reviewing the adequacy of the group's information technology structure, architecture and processes and confirming that these do not impede the financial soundness of the group.
- 5.1.21 Ensuring that the group's responsible business policies have been consistently implemented and that the group's responsible business strategy aligns with the group's sustainability policies and purpose as well as overall strategy.

- 5.1.22 Adopting the GGF and to:
  - 5.1.22.1 regularly monitor the implementation of the GGF;
  - 5.1.22.2 at least annually, review the adequacy and effectiveness of the GGF;
  - 5.1.22.3 adopt policies and procedures, as well as a code of conduct for the governance of the company's business that are materially aligned to the GGF; and
  - 5.1.22.4 ensure that the group's subsidiary and associate companies over which the board exercises ultimate management control or oversight abide by the provisions of the GGF, and adopt policies and processes that are aligned to the policies and processes set out therein.
- 5.1.23 Appreciating that the group's core purpose, risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.
- 5.1.24 Ensuring that reports issued by the company enable stakeholders to make informed assessments of the group's performance and its short, medium and long-term prospects.
- 5.1.25 Serving as the focal point and custodian of corporate governance in the company.
- 5.1.26 Ensuring compliance with legislative and regulatory requirements, including to act in good faith, honestly and reasonably, as well as to exercise due care and diligence in fulfilling his/her duties.
- 5.1.27 Evaluating the performance of the CEO and CFO against agreed performance measures and targets at least annually.
- 5.1.28 Overseeing and monitoring management, through the executive directors, ensuring that:
  - 5.1.28.1 management has the required knowledge and expertise, and that it remains appropriate taking into account the nature of the company's business and risk profile;
  - 5.1.28.2 management is managing the affairs of the company in accordance with the strategies and policies set by the board and the board-approved risk appetite, values and culture;
  - 5.1.28.3 the policies and procedures set by the board are being properly implemented by management and are operating as intended;
  - 5.1.28.4 management is promoting a culture of sound risk management and compliance;

- 5.1.28.5 management provides the board with adequate and timely information to enable it to carry out its duties and functions; and
- 5.1.28.6 management provides the relevant regulators and other stakeholders with the information required in order to satisfy the legal and other obligations applicable to the company.
- 5.1.29 Prescribing the mandates of the group's control functions including risk, compliance and internal audit.
- 5.1.30 Meeting regularly with the executive directors to discuss and review the decisions made, information provided and explanations given with respect to the business and operations of the group.

## **6. LEGAL COMPLIANCE**

- 6.1 The board must subscribe to the principle that being legally compliant is essential, not only for business success, but also to protect, maintain and enhance the reputation of the group.
- 6.2 The board is required to ensure that management governs the group's compliance with applicable laws, regulations, non-binding rules, codes and standards in a way that supports the group being ethical and a good corporate citizen.
- 6.3 The board must approve a policy that articulates and gives effect to its direction on compliance, and that identifies which laws, regulations, non-binding rules, codes and standards are relevant to or have been adopted by the company.
- 6.4 The board must approve a group regulatory compliance strategy.
- 6.5 The board must approve an annual high level regulatory compliance plan setting out compliance monitoring activities to be conducted and review how they will be resourced and be satisfied that those resources will be adequate. These responsibilities will be undertaken on behalf of the board by the respective board committees.
- 6.6 Management is responsible for implementing the required mechanisms in order to identify and manage group compliance through the implementation of an effective compliance framework and processes, which should form an integral part of the risk management process.
- 6.7 Any material incidents of non-compliance should be immediately reported to the board by the CEO and the company secretary.
- 6.8 The board should receive annual independent assurance on the effectiveness of compliance management.

## **7. RESPONSIBILITIES OF INDIVIDUAL DIRECTORS**

7.1 In fulfilling his/her responsibility as a member of the board and to the company, a director will at all times:

- 7.1.1 comply with the fit and proper policy of the company;
- 7.1.2 act in the best interest of the company, in good faith, with integrity and adhere to all relevant legal obligations and codes of conduct;
- 7.1.3 conduct himself/herself in a professional manner;
- 7.1.4 exercise independent judgement and objectivity in decision making, taking into account the interests of the company and its stakeholders;
- 7.1.5 have the commitment necessary to fulfil his/her role, as demonstrated by, for example, a sufficient allocation of time to the affairs of the company and reasonable limits on the number of directorships held outside the group;
- 7.1.6 act without favour, providing constructive and robust challenge of proposals and decisions and asking for information when the director considers it necessary;
- 7.1.7 avoid situations, at all times, that may result in actual, perceived or potential conflicts of interest, involving themselves or close personal relations, and to disclose timeously any conflict of interest;
- 7.1.8 disclose any information that he/she may be aware of that is material to the company and which the board is not aware of, unless such director is bound by ethical or contractual obligations of non-disclosure;
- 7.1.9 only use his/her powers for the purposes for which they were conferred upon him/her, and not to gain an advantage for himself/herself or a third party, or to harm the company in any way;
- 7.1.10 only act within his/her powers as formally delegated by the board;
- 7.1.11 keep all information acquired in his/her capacity as a director strictly confidential;
- 7.1.12 use his/her best endeavours to attend board and relevant board committee meetings, preferably in person, and devote appropriate preparation time ahead of each meeting to ensure that he/she is in a position to contribute to board and committee discussions and to make informed decisions on matters placed before the board or board committee;
- 7.1.13 exhibit the degree of skill and care as may be reasonably expected from a person of his/her skill and experience, but also exercise both the care and skill any reasonable person would be expected to show in looking after his/her own affairs; and
- 7.1.14 actively participate in and contribute to board deliberations in a constructive and honest manner under the leadership and guidance of the chairperson.

- 7.2 Directors who are not able to attend any meetings of the board must submit a formal apology, with reasons, to the chairperson or company secretary.
- 7.3 It is the responsibility of each director to ensure a proper disclosure of any potential conflict of interest, not only as and when such conflict arises, but also by submitting and continuously updating a general declaration of interest in the format as required by the company secretary from time to time.

## **8. LEADERSHIP**

### **8.1 CHAIRPERSON OF THE BOARD**

- 8.1.1 Subject to exceptional circumstances, the chairperson must be an independent non-executive director.
- 8.1.2 The chairperson shall be elected and appointed by the board as chairperson for a period determined by the board.
- 8.1.3 The chairperson may be removed from office of chairperson at any time by the majority of the board.
- 8.1.4 The CEO of the company may not be the chairperson of the board and a retired CEO may not be elected as chairperson of the board until three years have passed since his/her tenure as CEO ended.
- 8.1.5 The chairperson of the board is to exercise his/her duty and function with an independent and objective mind when making decisions.
- 8.1.6 The roles and responsibilities of the chairperson include, without limitation:
  - 8.1.6.1 providing leadership to the board in respect of the proper and effective functioning of the board as a collective;
  - 8.1.6.2 leading the board towards ensuring its objectives, strategies and values are achieved;
  - 8.1.6.3 ensuring that adequate time is allocated for discussion of board matters, especially discussions of a strategic or policy nature;
  - 8.1.6.4 promoting a culture of openness and debate among directors;
  - 8.1.6.5 attending board meetings and providing insight on certain matters which fall within his/her expertise;
  - 8.1.6.6 signing minutes of meetings held by the board; and
  - 8.1.6.7 presiding over directors and shareholder meetings and exercising such powers, as are conferred upon the chairperson by the MOI, the Companies Act and JSE Listings Requirements.
- 8.1.7 The chairperson should not be a member of the audit and risk committee.
- 8.1.8 The chairperson may be a member of the remuneration or social, ethics, human resources and transformation committees but should not be a chairperson of these committees.
- 8.1.9 The chairperson shall lead the performance review of the CEO on an annual basis and give feedback to the CEO as to the review.

## **8.2 ROLES AND RESPONSIBILITIES OF THE LEAD INDEPENDENT DIRECTOR**

- 8.2.1 The board, in consultation with the nomination committee, shall appoint an independent non-executive director as the lead independent director, with the authority and responsibility to:
- 8.2.1.1 provide leadership and advice to the board, without detracting from the authority of the chairperson, in respect of matters where the chairperson has a conflict of interest or a perceived conflict of interest, including by identifying circumstances where the chairperson may have a conflict of interest or a perceived conflict of interest that may impact on the chairperson's independent decision-making;
  - 8.2.1.2 preside at board meetings and chair discussions and decision-making by the board, in the absence of the chairperson or where the chairperson has a conflict of interest or a perceived conflict of interest;
  - 8.2.1.3 perform any other functions of the chairperson that cannot be performed by the chairperson because of a conflict of interest or perceived conflict of interest;
  - 8.2.1.4 serve as a sounding board for the chairperson of the board, including to discuss confidential issues relating to governance, board performance, the performance of individual directors and concerns raised by directors, shareholders, employees or any other stakeholders;
  - 8.2.1.5 act as an intermediary between the chairperson and other directors of the board where necessary;
  - 8.2.1.6 provide the chairperson, when necessary, feedback and counsel concerning interactions at the board in his/her absence;
  - 8.2.1.7 liaise with shareholders (as may be appropriate) where:
    - 8.2.1.7.1 contact through the normal channels has failed to resolve concerns;
    - 8.2.1.7.2 the chairperson is unable to do so; or
    - 8.2.1.7.3 it would be inappropriate for the chairperson to do so, for example, where the chairperson has a conflict of interest in relation to that matter;
  - 8.2.1.8 strengthen the independence of the board if the chairperson of the board is not an independent non-executive director;
  - 8.2.1.9 facilitate discussion and open dialogue among independent directors during and outside board meetings;
  - 8.2.1.10 lead the annual performance appraisal of the chairperson in consultation with the nomination committee and based on direct and confidential feedback from all directors; and



8.2.1.11 carry out such other duties that the board of directors may from time-to-time delegate to the lead independent director.

8.2.2 The term of office for the lead independent director shall be determined by the board of directors, through the nomination committee.

### 8.3 CHIEF EXECUTIVE OFFICER

- 8.3.1 The board shall appoint and may terminate the services of the CEO.
- 8.3.2 The board should establish a framework for the delegation of authority to the CEO which promotes independent judgement, assists with balance of power and the effective discharge of the board's duties.
- 8.3.3 Subject to the provisions of any contract between the CEO and the company, the CEO shall be a director and be subject to the same provisions as to disqualification and removal as the other directors of the company.
- 8.3.4 Should the CEO's appointment as a director be terminated at any time, his/her appointment as CEO shall be terminated simultaneously, and *vice versa*.
- 8.3.5 The board delegates responsibility for overseeing the day-to-day management of the group to the CEO in accordance with the description of his/her role as determined by the board from time to time, subject to the matters reserved for the board and the matters delegated to the committees of the board.
- 8.3.6 The CEO will be responsible for leading the implementation and execution of approved strategy, policy and operational planning, and will serve as the link between management and the board.
- 8.3.7 The CEO has overall responsibility for:
  - 8.3.7.1 delivering and reporting to the board on the implementation of strategy and the execution of business plans agreed to by the board;
  - 8.3.7.2 maintaining and ensuring the effectiveness of the system of governance and controls that are in place across the group's activities;
  - 8.3.7.3 striving to achieve financial and operational targets and ensuring that the day-to-day business affairs of the group are appropriately monitored and managed within the approved delegation of authority framework;
  - 8.3.7.4 establishing an organisational structure for the company which is necessary to enable execution of its strategic planning;
  - 8.3.7.5 ensuring proper succession planning for management across the company;
  - 8.3.7.6 monitoring and reporting to the board the performance of the group and its conformance with compliance imperatives;

- 8.3.7.7 setting the tone at management level in providing ethical leadership, creating an ethical environment and maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of quality employees, to ensure that the company complies with all relevant laws and corporate governance principles and applies all recommended best practices; and
- 8.3.7.8 formulating and overseeing the implementation of policies.
- 8.3.8 The CEO together with the CFO, has responsibility for the effective exercise of the rights of ownership of shares held by group companies.
- 8.3.9 The CEO may delegate the powers vested in him/her as he/she deems fit, provided that this is done in accordance with the delegation of authority framework.

## 8.4 THE COMPANY SECRETARY

- 8.4.1 The board must appoint a company secretary and may terminate the services of the company secretary.
- 8.4.2 The company secretary is to be the secretary to the board.
- 8.4.3 The company secretary is responsible to provide dedicated support for the board, in particular the non-executive directors, and is a point of reference and support for all directors.
- 8.4.4 The company secretary will consult regularly with directors to ensure that they receive the necessary information.
- 8.4.5 The board may obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, *via* the company secretary.
- 8.4.6 The board must consider and satisfy itself, on an annual basis, on the competence, qualifications and experience of the company secretary.
- 8.4.7 The performance and independence of the company secretary should be evaluated at least annually by the board.
- 8.4.8 The board must confirm such action by reporting to shareholders in their annual report, including details of the steps taken by the board to make the annual assessment and information which demonstrates the actual competence, qualifications and experience of the company secretary.
- 8.4.9 The board should be aware of the company secretary's duties and should empower the company secretary to properly fulfil those duties.
- 8.4.10 The company secretary shall have unfettered access to the board but, for reasons of independence, shall maintain an arms-length relationship with the board and its directors, and accordingly, the company secretary shall not be a director.
- 8.4.11 The company secretary shall report to the board *via* the chairperson on all statutory duties and functions performed in connection with the board.
- 8.4.12 Regarding other duties and administrative matters, the company secretary shall report to the CEO.
- 8.4.13 The company secretary shall fulfil the duties, roles and responsibilities imposed on it pursuant to section 88(2) of the Companies Act and King IV™.
- 8.4.14 The company secretary must at all times maintain the group's statutory records in accordance with the then current legal requirements.

## **9. BOARD GOVERNANCE**

- 9.1 The board is required to discharge its functions jointly and there should be a clear balance of power and authority at board level.
- 9.2 No individual director has the authority to execute any act on behalf of the company or the board, unless so authorised by the board, nor shall any one director have unfettered powers of decision-making.
- 9.3 The directors are required to maintain and protect the confidentiality of information relating to the company and its business.

## **10. RESERVE POWERS OF THE BOARD**

10.1 For clarity, it is specifically noted that as a general principle, all material strategic and policy decisions pertaining to the company are reserved for the board and may not be delegated and, in particular (without limitation), the matters set out below, under this clause, are reserved for the board:

### **10.2 STRATEGY**

- 10.2.1 Approval of the group's medium and long-term direction and strategy and the approval of any material changes to the strategy, whilst evaluating all key assumptions and business indicators on which the group's strategic objectives and policies are based.
- 10.2.2 Any material change to the business carried on by the group.
- 10.2.3 Approval of the group's annual business plans and budget.
- 10.2.4 Approval of any merger, acquisition or disposal which is categorised as a notifiable merger for purposes of the Competition Act, No. 89 of 1998, as amended.
- 10.2.5 Approval of the acquisition or disposal of any material business or the cessation of any material part of the business exceeding the CEO's limit as set out in the delegation of authority framework.
- 10.2.6 Any other matter as determined from time to time by the board, including but not limited to matters that could or are likely to have a material effect on the company's financial position, future strategy or reputation.
- 10.2.7 Approval of any matter where the relevant value or potential impact may be in excess of the limit as set out in the delegation of authority framework, other than where separate levels of authority have been delegated by specific resolution of the board.
- 10.2.8 Approval of any material changes to the company's corporate structure.
- 10.2.9 Approval of the overall level of insurance cover for directors' and officers' liability insurance, and the terms of this liability insurance and the indemnification of directors.

### **10.3 FINANCIAL MATTERS**

- 10.3.1 Approval of significant changes to the accounting policies or practices of the company on recommendation of the audit and risk committee.
- 10.3.2 Approval of a dividend policy that allows the group to meet shareholder expectations for dividends as well as maintain capital adequacy and medium to long-term growth targets.
- 10.3.3 Approval of declarations or recommendations of distributions in accordance with the MOI, the Companies Act and as per the company's dividend policy.
- 10.3.4 Approval of the issue of any publicly listed debt instrument(s) by the company or the early redemption of such an instrument(s).
- 10.3.5 Approval of annual financial statements, interim reports and annual reports of the company after review thereof, by the required committee.
- 10.3.6 Approval of the creation of any mortgage, charge or security interest over any material assets of the company.
- 10.3.7 Approval of any changes to the residence or tax status of the group.
- 10.3.8 Approval of the capital allocation of the group, in a manner that is consistent with the expectations of the group shareholders.

## 10.4 RISK

- 10.4.1 Assume responsibility for the governance of risk and ensure that risks are monitored and managed by the company and its subsidiaries.
- 10.4.2 Ensure consistency with the GGF and enterprise risk management framework.
- 10.4.3 Review, at least annually, the group's risk strategy document.
- 10.4.4 Approval of the group's risk strategy and risk appetite.
- 10.4.5 Ensure that the company establish, in relation to liquidity risk, the group's liquidity risk appetite by defining the level of liquidity risk that the board is willing to assume, which should be in line with the business strategy and objectives of group subsidiaries.
- 10.4.6 Receive and review regular reports on the nature and extent of risks to the group's business (including, *inter alia*, legal, regulatory, compliance, currency, commodity prices and operational risks), the occurrence of risk events, the potential impact of new or emerging risks and trends (including, *inter alia*, the status of any litigation) and the adequacy and effectiveness of related controls and/or mitigating management actions.
- 10.4.7 Ensure that the company has in place effective systems for risk management and internal control to address key risks and is required to obtain input and assurance from management regarding the operations, efficiency and effectiveness of the components of the systems for risk management and internal controls relevant to their respective areas of responsibility.
- 10.4.8 Ensure that management establishes and maintains an enterprise risk management framework to, *inter alia*, enable the identification of intra-group transactions, credit risk and concentration and contagion risks across the group.
- 10.4.9 Ensure that intra-group transactions are managed in such a way as to eliminate/minimise risk.



## **10.5 STATUTORY AND ADMINISTRATIVE**

- 10.5.1 Call general meetings and annual general meetings of shareholders of the company.
- 10.5.2 Set the terms of reference contained in the charters for the board and the board committees.
- 10.5.3 Set the roles and responsibilities of the chairperson and the lead independent director.
- 10.5.4 Approve the role descriptions for the CEO, CFO and any other executive directors who may be appointed.

## **10.6 DIRECTOR APPOINTMENTS AND SUCCESSION PLANS**

- 10.6.1 Approve of appointments to the board and the renewal of non-executive directors' appointments (subject to the directors being eligible following retirement, pursuant to the provisions of the MOI), and the recommendation of any such appointments and/or re-elections to the shareholders for approval at the next annual general meeting of the company.
- 10.6.2 Appoint and remove the CEO, CFO, other executive directors and the company secretary.
- 10.6.3 Ensure the adequacy of succession plans for executive directors.
- 10.6.4 Review the appointment and, where necessary, remove executive directors, and consider advice from the remuneration committee in determining the appropriate levels of executive remuneration within the company.
- 10.6.5 Approve, annually, on recommendation from the remuneration committee, the group's remuneration policy and implementation plan.

## **11. ACCESS TO RESOURCES AND INFORMATION**

- 11.1 The board is entitled to have access, at reasonable times, to management and all relevant company information required to assist them in the discharge of their duties and responsibilities, and to enable them to make informed decisions.
- 11.2 The company secretary must be notified of all requests, and access shall be arranged through the chairperson of the board, the CEO or the company secretary.
- 11.3 Directors must treat all such information as confidential.
- 11.4 All company and group related information that becomes known to directors in the performance of their duties must at all times be kept confidential, including information included in the board and committee meeting packs.
- 11.5 The directors, with prior notification to the chairperson and the company secretary, may take independent advice on matters within their duties and responsibilities, at the expense of the company.
- 11.6 The board, in this regard, may procure the services of external consultants or specialists where necessary or appropriate, subject to certain qualifying criteria being met (such as independence) and due procedures for appointment and dismissal of such consultants or specialists being followed.
- 11.7 A formal mandate is to be entered into between such independent advisor and the company prior to any engagement, to be facilitated by the company secretary.

## **12. BOARD COMMITTEES AND DELEGATION**

- 12.1 The board, to manage its workload, may establish committees with the specific objective of evaluating key areas of its mandate on a more detailed basis and to report to the board regularly on material issues that may arise.
- 12.2 It must be explicitly understood that delegation of responsibilities to committees does not relieve the board of its duties as set out in law and the board remains accountable for decisions made under delegation.
- 12.3 Anything done or omitted to be done under a delegation is deemed to have been done or omitted by the board.
- 12.4 The following committees have been established by the board:
  - 12.4.1 Audit and risk committee.
  - 12.4.2 Health, safety and environmental committee.
  - 12.4.3 Investment committee.
  - 12.4.4 Nomination committee.
  - 12.4.5 Remuneration committee.
  - 12.4.6 Social, ethics, human resources and transformation committee.
- 12.5 The chairperson of each committee will report on the activities of the committee and the issues raised at committee meetings, at every board meeting.
- 12.6 Reports will be oral, but will where necessary, be supported by appropriate documentation which will be prepared by management or the company secretary.
- 12.7 Authority will be delegated to each board committee established by the board in terms of a formal charter to be approved for each committee by the board and reviewed on an annual basis.
- 12.8 The board must, with the assistance of the nomination committee, appropriately constitute board committees with due regard to the skills required by each committee, so as to ensure that each committee, as a whole, has the necessary knowledge, skills, experience and capacity to execute its duties effectively, in order to comply with the requirements of all laws and regulations applicable to the company.
- 12.9 The board may delegate authority to management but, in doing so, the board and its directors do not abdicate their duties and responsibilities.
- 12.10 In delegating authority, the board should establish benchmarks and performance indicators to hold management accountable for decisions and actions delegated to them.
- 12.11 The board must establish a framework for the delegation of authority to management.

## **13. MEETINGS AND BOARD ATTENDANCE**

### **13.1 QUORUM AND VOTING ABILITIES AND REQUIREMENTS**

- 13.1.1 Subject to the provisions of the MOI, a quorum for a properly constituted board meeting is to be a majority in number of the directors then in office.
- 13.1.2 Individuals in attendance at board meetings by invitation may participate in discussions but do not form part of the quorum for board meetings.
- 13.1.3 Each director is to have one vote on a matter before the board.
- 13.1.4 A director may not vote on any matter in which he/she has an interest notwithstanding that such interest has been declared.
- 13.1.5 A majority of the votes cast on a resolution is sufficient to approve that resolution.
- 13.1.6 In the case of a tied vote, the chairperson shall not have a second or casting vote and the matter being voted on fails.
- 13.1.7 A resolution that could be voted on at a board meeting may instead be voted on in writing by directors entitled to exercise voting rights on that matter.
- 13.1.8 Such a resolution in writing (round robin resolution) shall be deemed to have been adopted if the majority of the directors who are entitled to exercise voting rights on the resolution proposed vote in favour of the relevant resolution, provided that each director has received notice of the matter to be decided on. Any such resolution, inserted in the minute book, shall be as valid and effectual as if it had been passed at a duly convened and constituted meeting of directors.
- 13.1.9 The passing of round robin resolutions of the board does not detract from the requirement for frequency of board meetings as set out in this board charter.
- 13.1.10 All round robin resolutions should be tabled at the next board meeting for noting and confirmation.

## **13.2 FREQUENCY OF MEETINGS**

- 13.2.1 Meetings of the board shall be held at such venue and at such time as the board deems appropriate and necessary, but it shall normally meet at least quarterly and always in compliance with the MOI.
- 13.2.2 Meetings in addition to those scheduled may be held at the request of management, the chairperson of the board, the directors, or the board committees.

### 13.3 ATTENDANCE

- 13.3.1 Members of management, assurance providers and professional advisors may attend meetings, at the discretion of the chairperson and by invitation only.
- 13.3.2 No invitee is to have a vote at board meetings.
- 13.3.3 Directors shall endeavour to attend all scheduled meetings of the board, preferably in person, including meetings called on an *ad hoc* basis for special matters, unless prior apology, with reasons, has been submitted to the chairperson or company secretary, at a prior date to the meeting.
- 13.3.4 Directors are expected to participate fully, honestly and constructively in board discussions and other activities and to bring the benefit of their experience, knowledge, skill and abilities to deliberations of the board.
- 13.3.5 The chairperson may for good reason request executive directors to leave the meeting for any part of the meeting, especially during deliberations relating to executive directors' performance and remuneration.
- 13.3.6 If the chairperson of the board is absent from a meeting, the lead independent director will lead the meeting, and if both the chairperson of the board and lead independent director are absent, the directors present must elect one of the directors present to act as chairperson.
- 13.3.7 A record shall be kept of the attendance of directors at board meetings.
- 13.3.8 Board meetings may be conducted entirely by electronic communication or a director 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.

## **14. AGENDA, BOARD PACKS AND MINUTES**

- 14.1 The procedure to be followed for the convening of meetings, notice of meetings, agendas and minutes of meetings is to be in accordance with the Companies Act and the MOI, and will be managed by the company secretary.
- 14.2 Unless under exceptional circumstances as reasonably determined by the chairperson or lead independent director, at least five working days' notice is to be given of a meeting of the board. Such notices shall, where possible, include the agenda and any supporting papers.
- 14.3 To the extent reasonably practicable, the agenda and board packs are to be circulated by the company secretary to all directors at least five working days before the meeting and full and appropriate information will be supplied to directors by way of succinct position papers or reports with the board pack to enable directors to form an opinion on the issues on the agenda prior to the meeting and, if necessary or possible, to request additional information before the meeting.
- 14.4 Additional documentation may be circulated to directors prior to the board meeting and will, to the extent applicable and appropriate, be clearly labelled to indicate that such documentation constitutes additional reading.
- 14.5 The company secretary must keep appropriate records of all meetings of the board as well as minutes of the proceedings and all decisions made.
- 14.6 Minutes of the board 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.
- 14.7 The company secretary must take the minutes of meetings and circulate same to all directors of the board and to the chairperson of the board within reasonable time of the relevant board meeting.
- 14.8 Any director may, upon request to the company secretary, provided that there is no conflict of interest, obtain copies of the board's meeting agenda and minutes.
- 14.9 An annual calendar of meetings, with an outline of the cyclical business to be considered at each meeting, must be drawn up by the company secretary, in conjunction with the chairperson and CEO.
- 14.10 The company secretary, in conjunction with the chairperson and CEO, must prepare an agenda raising all relevant issues requiring attention to ensure that effective proceedings are facilitated.
- 14.11 Each director is responsible for being satisfied that, objectively, he/she has been furnished with all the relevant information and facts before making a decision.
- 14.12 The minutes must record the key proceedings and decisions taken, the details of which shall remain confidential.
- 14.13 The minutes must be formally approved by the board at its next scheduled meeting.



14.14 The board shall make a statement in the annual report on its terms of reference and activities, the processes used in discharging its responsibilities and duties, the membership of the various board committees, the number of board and committee meetings and the attendance of members over the course of the year.

## **15. BOARD WORK PLAN**

- 15.1 An annual work plan must be prepared for the board and a list of issues which needs to be considered by the board annually will be tabled at the first board meeting of each financial year.
- 15.2 The agenda for discussion of these issues is to be spread over the meetings of the year so that each of these issues are addressed at least once a year.
- 15.3 The work plan shall be formulated by the chairperson, in consultation with the CEO and company secretary.

## **16. DISCLOSURE OF CONFLICT OF INTEREST AND OTHER APPOINTMENTS**

- 16.1 In dealing with conflicts, legislation shall apply in the first instance.
- 16.2 Directors of the board must comply with the group's conflict of interest policy, which must be approved and implemented by the board.
- 16.3 Directors are obliged timeously to disclose all direct or indirect conflicts of interest and personal financial interests that are held by them and any related and inter-related persons (as contemplated in section 2 of the Companies Act) in accordance with section 75 of the Companies Act (and, if applicable, any requirements in the MOI).
- 16.4 Full disclosures should be made in writing and be submitted to the company secretary who will submit relevant information pertaining to such disclosure to the board, as soon as possible after such disclosure has been made by a director.
- 16.5 Enduring, material conflicts of interest are regarded by the board as incompatible with the fiduciary duties of directors.
- 16.6 Any possible direct or indirect conflicts of interest and personal financial interests that are held by a director and any related and inter-related persons (as contemplated in section 2 of the Companies Act) shall be disclosed (in the manner prescribed by law and in the MOI, to the extent applicable) as soon as a director becomes aware thereof (and in any event prior to the consideration of the matter to which the conflict of interest or personal financial interest relates, at any board meeting).
- 16.7 The director concerned shall not participate in a discussion or vote on a matter in respect of which that director or any related and inter-related persons of the director (as contemplated in section 2 of the Companies Act) has a personal financial interest or a conflict of interest and will leave the meeting immediately after making the requisite disclosure, in accordance with the prescribed procedures in section 75 of the Companies Act (and, if applicable, any requirements in the MOI).
- 16.8 The provisions above shall apply *mutatis mutandis*, to resolutions passed by the board in by written consent in terms of section 74 of the Companies Act, read with the necessary contextual changes.
- 16.9 A director may accept other board appointments, provided that such appointments do not conflict with the interests of the group and/or adversely affect the director in fulfilling his/her fiduciary duties and are discussed and approved with the chairperson in the case of significant appointments.

## **17. DEALING IN SECURITIES OF THE COMPANY**

- 17.1 The directors must prior to dealing in the company's securities, obtain clearance to deal in securities from the CEO, or CFO or the company secretary.
- 17.2 Once clearance has been obtained, the director must confirm the trade and details of the trade with the company secretary, within three business days of the trade being implemented, such that the company is able to notify the company's shareholders, the JSE and any other securities exchanges that require notification in accordance with the required regulations.
- 17.3 When buying or selling shares, directors must strictly observe the provisions of the MOI, the JSE Listings Requirements, the company's own internal rules and policies and all relevant legislative or regulatory procedures, and should follow any procedural recommendations prescribed and approved by the board from time to time.
- 17.4 The granting of clearance during the company's closed or prohibited periods (as envisaged in the JSE Listings Requirements) is strictly prohibited. Furthermore, dealing in securities by directors during the company's closed or prohibited periods is strictly prohibited, unless exceptional circumstances exist and the JSE waives compliance.
- 17.5 Directors must ensure that their financial advisor (if any) and associates (such as spouses, partners and/or children) are aware of Northam's share dealing policy.

## **18. INDUCTION OF NEW DIRECTORS AND TRAINING FOR SERVING DIRECTORS**

- 18.1 New directors will be required to undergo a formal induction and orientation programme which will be formulated and approved by the chairperson and facilitated by the company secretary and a member of management.
- 18.2 New directors shall be responsible to obtain their own understanding of the company, and the platinum mining sector in general, prior to the induction and orientation programme.
- 18.3 The purpose of the programme will be to meet the specific needs of both the company and the individual, with the aim to deepen their understanding of the company, its strategy, its operations, the business, legal and regulatory environment and markets in which the company operates and sustainability issues relevant to its business, so that any new director may make the maximum contribution as quickly as possible.
- 18.4 Directors are required to keep abreast of changes and trends in the company's business, and its environment, as well as the legal and regulatory climate within which the company operates.
- 18.5 Ongoing training will be provided to directors as and when appropriate and/or requested by the directors to ensure that directors receive, *inter alia*, regular briefings on changes in risks, laws and the environment.

**19. PERFORMANCE EVALUATION OF THE BOARD, COMMITTEE AND DIRECTORS**

- 19.1 The board, its committees, and individual board members including the chairperson shall undertake a formal external evaluation of its own performance and that of each board committee at least every 2 (two) years.
- 19.2 Every alternate year, the board shall consider in its work plan an opportunity for consideration, reflection, and discussion of its performance and that of the board committees, its chairperson, and its members.
- 19.3 Reports to the board and board committees, confirming the outcome of the evaluations and any remedial actions taken, should be presented at least annually to the meetings.
- 19.4 The lead independent director, with the assistance of an independent service provider, if required, will lead the performance evaluation of the chairperson and provide a report to the board confirming the outcome of the evaluation, with a process to address any matters for consideration.
- 19.5 The chairperson's evaluation is to be benchmarked against his/her role and functions.
- 19.6 The performance of individual directors shall be evaluated at least annually, for those directors who are due to retire by rotation and offer themselves for re-election.

## **20. RELATIONSHIP WITH SHAREHOLDERS**

- 20.1 The board must endeavour to familiarise itself with material issues of concern to shareholders.
- 20.2 The board shall encourage shareholders to attend general meetings and annual general meetings.
- 20.3 All directors shall endeavour to attend general meetings and annual general meetings.
- 20.4 The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place based on the mutual understanding of objectives.
- 20.5 No director, other than the CEO and CFO may engage with shareholders, unless authorised by the company to do so.
- 20.6 Directors and officers should at all times take steps to protect and enhance the reputation of the company and its employees when making public presentations on behalf of the company or sharing reports or academic papers.
- 20.7 The CEO or CFO or his/her designated representative must approve the content of any of the aforementioned prior to its presentation or sharing.
- 20.8 Communication with the press and/ or the investment community must be channelled *via* the company's approved communications and investor relations advisers, following approval from the CEO or the CFO or the company secretary or his/her designated representative.
- 20.9 No director may represent the company in communication with the press and/or the investor community without the formal approval of the CEO.
- 20.10 The rights of other stakeholders shall be recognised and respected and their active co-operation will be encouraged in creating a sustainable and financially sound enterprise.

## **21. DIRECTORS' FEES, SERVICES AND EXPENSES**

- 21.1 Directors shall be remunerated for their services.
- 21.2 The chairperson shall be paid an additional fee for his or her services as chairperson.
- 21.3 The board will, with the assistance of the remuneration committee, review the remuneration of directors annually and submit same for the requisite shareholder approval.
- 21.4 Any increase in directors' fees must be approved by shareholders on recommendation by the board with the input and assistance of the remuneration committee.
- 21.5 Non-executive directors should, as a general rule, not provide any professional or business services of an on-going nature to the company.
- 21.6 The company's remuneration policy and remuneration report (including the part of the remuneration report comprising the remuneration implementation report), which the remuneration committee has recommended to the board for its consideration and, if the board considers it appropriate, approval, should (once approved by the board) be tabled to shareholders every year for voting thereon as separate non-binding advisory votes at the annual general meeting of the company.
- 21.7 The board will report to the shareholders on remuneration and this should be included in the company's integrated annual report and financial statements and/or document(s) incorporated by reference therein.
- 21.8 All expenses necessarily incurred by the board in connection with the business of the company and attending board and committee meetings shall be paid or reimbursed by the company.



## **22. APPROVAL AND STATUS OF THE BOARD CHARTER**

- 22.1 The board acknowledges the need for regular review of its charter as recommended in principle 6 of King IV™. Accordingly, this board charter will be reviewed by the board as required, but at least once every three years to ensure effective functioning of the board, compliance with the latest corporate governance best practices and alignment with the company's responsibilities with respect to being and being seen as a responsible corporate citizen.
- 22.2 This board charter will be deemed to be accepted by, and be binding upon, all existing and future directors of the board and/or board committee members from their acceptance of appointment as directors and/or board committee members, as the case may be, without anything further being required.