



BOARD DIVERSITY POLICY

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1. DEFINITIONS AND INTERPRETATION

Term	Meaning
“annual integrated report”	A concise communication about how an organisation's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.
“board”	The board of directors of Northam Platinum.
“Companies Regulations”	Companies Regulations, 2011, promulgated under the Companies Act No 71 of 2008, as amended.
“diversity”	Diversity should be understood as the varied perspectives and approaches offered by members of different identity groups. For the purposes of the King IV Report on Corporate Governance for South Africa 2016, it includes diversity in terms of fields of knowledge, skills and experience as well as age, culture, race and gender.
“JSE Listings Requirements”	JSE Limited Listings Requirements.
“nomination committee”	A sub-committee of the board with the function of succession planning for both the board and executive management, and for recommending director nominees to the board.
“Northam Platinum” or the “company”	Northam Platinum Limited.
“policy”	The Northam Platinum board diversity policy which is a set of basic rules, principles and guidelines which direct, limit and guide all matters pertaining to diversity in the composition of the board.
“shareholder”	An owner of ordinary shares in the company.
“social, ethics and human resources committee” or the “SE&HR committee”	A sub-committee of the board with the function of assisting the board with the oversight of social responsibility and ethics matters.
“MPRDA”	Mineral and Petroleum Resources Development Act No. 28 of 2002, as amended.
“Mining Charter”	Broad-Based Black Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry of 2010
“B-BBEE Act”	Broad-Based Black Economic Empowerment Act No. 53 of 2003, as amended.

2. INTRODUCTION

Northam Platinum is committed to embracing and promoting race, diversity and transformation in its business practices in line with the Constitution of the Republic of South Africa. In doing so, Northam Platinum strives to create an inclusive culture within the board, where diversity is valued and respected.

3. PURPOSE AND OBJECTIVES

The purpose of this policy is to ensure that the board promotes diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance.

4. MEASURABLE OBJECTIVES

- 4.1. The company recognises and embraces the benefits of having a diverse board, and sees increasing diversity at board level as an essential element in maintaining a competitive advantage.
- 4.2. The nomination committee shall discuss and agree proposed objectives, including, without limitation, the setting of voluntary targets, for achieving diversity on the board and recommend the same to the board for approval and adoption. If and when appropriate, the nomination committee shall engage with the SE&HR committee in terms of seeking its guidance and input around both gender and race diversity at the board level.
- 4.3. A diverse board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between members of the board. These differences will be considered in determining the optimum composition of the board and when possible should be balanced appropriately. All board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the board as a whole requires to be effective. Selection of candidates shall include consideration of:
 - 4.3.1. Skills, expertise and experience: The optimal mix of skills, expertise and experience is paramount to ensure that the board as a collective is equipped to guide the business and strategy of the company.

- 4.3.2. Gender: Gender diversity and the promotion of females to leadership roles ensures variety in management styles and perspective. The nomination committee is tasked with the promotion of gender diversity at board level in line with the JSE Listings Requirements. The voluntary target set by the company is that at least 20% (twenty percent) of the board should comprise of women.
- 4.3.3. Ethnicity: Ethnicity pertains to racial, cultural and religious diversity. The ethnic mix of the board should represent the area in which the company operates. Key legislation such as the MPRDA and the B-BBEE Act promote racial diversity in the workplace. The voluntary target set by the company is that at least 50% (fifty percent) of the board should comprise of Historically Disadvantaged South Africans (“HDSA” as defined in the Mining Charter).
- 4.3.4. Age: Age diversity is imperative achieving the right mix of perspectives.
- 4.3.5. Independence: The board should comprise a balance of power, with independent directors bringing a balanced perspective to the board. Independent directors bring an unbiased view, distinct from that of shareholders and management, thus providing reassurance to external parties that the company is being run in an effective manner.

5. MONITORING, REPORTING AND EVALUATION

- 5.1. The nomination committee will monitor the implementation of this policy and report to the board on the achievement of the objectives for promoting diversity described herein. A summary of this policy along with the measurable objectives set for implementation of this policy, and the progress made towards achieving those objectives, will be included in the annual integrated report.
- 5.2. In terms of regulation 43 of the Companies Regulations, the SE&HR committee is required to monitor, among others, the promotion of equality, diversity and the prevention of unfair discrimination. In reviewing the board composition, the SE&HR committee shall consider the benefits of all aspects of diversity specifically including, but not limited to gender and race diversity, in order to enable it to discharge its duties and responsibilities effectively.

5.3. The SE&HR committee should then share the outcome of its review with the nomination committee to ensure that the nomination committee accounts for, and considers the progress, or lack thereof, with respect to the effect and benefits of this policy. All outcomes must be disclosed in the annual integrated report.

5.3. As part of the performance evaluation and assessment of the board, the board committees and individual directors, the nomination committee will consider the balance and mix of skills, experience, independence and knowledge and the diversity representation on the board, including gender and race, how the board works together as a unit, and any other factors relevant to its effectiveness.

6. GOVERNANCE

This policy must be approved by the board or together with the chairman of the board and should be reviewed at least once every 3 (three) years to ensure compliance with the latest corporate governance best practice.