



**Group Information Systems
Steering Committee**

TERMS OF REFERENCE

NORTHAM PLATINUM LIMITED

(“Northam” or “the group”)

Group Information Systems Steering Committee

(the “ISSC” or the “committee”)

TERMS OF REFERENCE

1. AUTHORITY AND FORMATION

- 1.1 Northam Platinum Limited (Northam or the group) provides various information technology (IT) and IT related services to almost a 1 300 users at Corporate Office, Zondereinde, Booyseindal and Eland mines respectively. These services are delivered and managed by an IT department which currently comprises of the chief information officer (CIO) reporting to the group services manager. The group services manager ultimately reports to the chief financial officer (CFO).
- 1.2 IT is focused on a strategy that sets priorities based on the Northam business drivers and adapts to changing business needs. IT is also committed to strategic partnering, leveraging technology, providing timely information for business decisions, and easy accessibility and use of information by staff.
- 1.3 The audit and risk committee (audit committee), a sub-committee of the board of directors of Northam, established the information systems steering committee (ISSC) in 2014. These terms of reference have been updated in accordance with principle 12 of the King IV report on Corporate Governance for South Africa (King IV):

The committee exercises oversight of technology and information management and in particular, oversees that it results in the following:

- Integration of people, technologies, information and processes across the group.
- Integration of technology and information risks into organisation-wide risk management.
- Arrangements to provide for business resilience.
- Proactive monitoring of intelligence to identify and respond to incidents, including cyber attacks and adverse social media events.
- Management of the performance of and the risks pertaining to third-party and outsourced service providers.
- The assessment of value delivered to the organisation through investments in technology and information, including the evaluation of projects throughout their life cycle and operational expenditure.
- The responsible disposal of obsolete technology and information in a way that has regard to environmental impact and information security.
- Ethical and responsible use of technology and information.
- Compliance with relevant laws and regulations.

Exercises oversight of the management of information to ensure the following:

- The leveraging of information to sustain and enhance the group's intellectual capital.
- An information architecture that supports confidentiality, integrity and availability of information.
- The protection of privacy of personal information.
- The continuous monitoring of information security.

Exercises oversight of the management of technology to ensure the following:

- A technology architecture that enables the achievement of strategic and operational objects.
- The management of the risks pertaining to the sourcing of technology.
- Monitoring and appropriate responses to developments in technology, including the capturing of potential opportunities and the management of disruptive effects on the organisation and its business model.

The committee considers the need to receive periodic independent assurance on the effectiveness of the group's technology and information arrangements, including outsourced services.

1.4 The purpose of these terms of reference is to document and establish the objectives of the ISSC. These terms of reference serve as a framework to guide the IT policy-setting and related decision-making responsibilities of the committee. The authority of the terms of reference resides with the ISSC under the supervision of the audit committee.

2. FUNCTIONS AND DUTIES

2.1 The primary responsibility of the ISSC is to provide direction for key IT activities and functions including the following:

- Review on an on-going basis the IT strategic plan to ensure that it is consistent with the overall business strategy.
- Review all proposals for information systems, implementations or application development.
- Track, monitor, address, and eliminate audit findings.
- Manage the information systems project portfolio, set priorities for the development of the business information systems, and monitor the progress of each project against objectives, time lines, and budgets.
- Provide guidance and motivation for capital expenditure that may be above the CFO's spending authority in terms of the Northam approval framework.
- Provide on-going oversight of key projects, and discuss and resolve issues impeding high-priority projects.
- Review project change requests requiring additional capital.
- Approve the use of all outsourced technology vendors for all information systems.
- Discuss the impact of major business initiatives on information systems.
- Approve IT standards and policies.
- Monitor implementation of the board's approved IT strategy and achievement of key IT objectives.

- Review and monitor that appropriate frameworks, procedures, structures and governance are in place for the consolidation, monitoring, management and reporting of operating IT risks and exposure.

2.2 Critical success factors

These have been identified as important to ensure success of the ISSC:

- Key stakeholder buy-in of the vision and technology strategy of the group.
- Open communication amongst committee members.
- Implementation of an established process for meetings, including agendas and issue resolution.
- Active participation of all committee members.
- Establishment of a consistent method for conducting project reviews and resolving issues.

3. COMPOSITION OF COMMITTEE, CHAIRPERSON AND QUORUM

The ISSC will comprise the following members:

3.1 The Chief Commercial Officer (CCO) will be the sponsor of the ISSC and the chairperson will be the CFO.

3.2 Corporate Office

- CCO
- CFO
- Group Financial Controller

Group Services

- Group services manager
- CIO
- Information systems manager (ISM)

Zondereinde mine

- Financial services manager

Booyseindal mine

- Financial services manager

3.3 Revisions to these terms of reference require agreement and acceptance by all ISSC members and the approval of the audit committee. The quorum at any meeting of the ISSC shall be four members.

4. MEETINGS

Meetings will be conducted at least four times a year but may be scheduled more frequently depending on business demands and project priorities. Committee members are expected to attend and actively participate in all meetings. Members of the ISSC could be expected to attend meetings of the audit committee by invitation.

- 4.1 Meeting minutes and committee activities including status on issues, recommendations, and actions taken must be recorded and provided to all committee members, and to the sponsor.
- 4.2 The company secretary shall act as secretary to the committee, and shall be responsible for keeping minutes of all meetings. Minutes of the meeting should be circulated in good time for members to review and once approved, shall be circulated to the audit committee.

5. APPROVAL OF THESE TERMS OF REFERENCE

These terms of reference must be approved by the chairperson of the audit committee and the chairperson of this committee and should be reviewed periodically to ensure compliance with the latest corporate governance best practice.

Approved on 5 November 2018 by:

Chairperson of the audit & risk
committee

Chairperson of the group
information systems steering
committee