

STAKEHOLDER ENGAGEMENT

OUR APPROACH

Developing and maintaining solid, mutually beneficial relationships with our stakeholders is critical for our business. We define our stakeholders as those individuals, groups and entities directly affected, both positively and negatively, by our business activities.

Our stakeholder engagement policy was reviewed by the board in April 2015.

External stakeholder engagement is the responsibility of Northam's chief executive and chief financial officer, while internal stakeholder engagement is undertaken by the general managers at each operating division, together with the executive: human resources.

The company's major impacts are felt at operational level. For this reason, operational management is empowered to deal with concerns raised by stakeholders. Management is committed to reacting timeously to stakeholder concerns, and engages both formally and informally. External stakeholder concerns may be escalated to the chief financial and chief executive officers, and to the relevant board sub-committee.

The company conducts a sustained programme of communication directed at its stakeholders, including shareholders and their advisors, employees, unions, communities, government and regulators and non-governmental organisations (NGOs).

Northam is a member of the Chamber of Mines and actively participates in the Chamber's industry initiatives.

ENGAGING WITH OUR STAKEHOLDERS

Shareholders (providers of capital), research analysts and fund managers

Northam provides information on operating, financial and other performance in a timely manner and using clear and plain English. Channels of communication include:

- regulatory channels such as the JSE Stock Exchange News Service (SENS)
- website postings
- electronic web-based communiques to a database of registered stakeholders including the investment community and the media

Shareholders are encouraged to participate in the AGM of the company and to raise issues of concern or interest directly. The notice of meeting is a regulated issue and shareholders are notified accordingly.

Employees and unions

Relations with employees and organised labour are governed by recognition agreements and conditions of employment by legislation.

Northam supports the rights of all employees to freedom of association and acts in accordance with the South African Constitution, prescribed legislation, industry compacts and recognition agreements with unions.

The company encourages open communication and employees are encouraged to raise issues of concern and interest via the formal and informal structures in place, including through the human resources discipline, line management and union structures.

Communities

Northam engages on a formal and regular basis with local authorities, including the Moses Kotane and Thabazimbi municipalities in respect of Zondereinde, and the Greater Tubatse and Thaba Chweu municipalities in respect of Booyseindal. Community forums are in place to address community concerns, in particular issues such as local employment, training, and development and procurement.

Community development is undertaken according to the commitments made in the company's SLPs. In line with the requirements of the Mining Charter, Northam ensures that its community development policies and practices are aligned with those of the local municipalities' integrated development plans (IDPs) as far as reasonably possible.

Customers

Northam has long-standing relationships with its customer base. The company's marketing department maintains regular weekly contact with its domestic and international customers, and hosts customer meetings and visits customer facilities. Customer representatives, in turn, visit Northam's mining and metallurgical operations.

STAKEHOLDER ENGAGEMENT CONTINUED

Any issues relating to customer satisfaction are directly taken up with the marketing department.

STAKEHOLDER ENGAGEMENT SUMMARY		
Key stakeholders	Topics and concerns	Communication channels
Shareholders and investors	Operating and financial performance Share price performance and dividends Issues related to the sustainability of the company: • risk mitigation • legislation • safety • labour relations	Announcements on SENS Website Interim and preliminary and or annual results presentations One-on-one investor meetings Investor site visits Roadshows AGMs and special shareholder meetings Annual integrated reports CDP submissions CDP water submissions
Employees	Wage negotiations Job security Training and development Health and safety Company performance	Company policies Collective bargaining practices Team briefings Two-way manager-employee communication Let's Talk campaigns: • recruitment • HIV/AIDS • education • performance
Customers	Continued availability of supply Quality of supply Impact of any industrial action on supply	Announcements on SENS Company reports Website Formal presentations Roadshows Site visits CDP submissions CDP water submissions
Suppliers and contractors	Sustainability of the company Financial performance Employment practices Local procurement practices Preferential procurement practices Quality control Impact of any industrial action on suppliers	Announcements on SENS Company practices and policies Preferential procurement policies Open days Dialogue
Media	Operating and financial performance Corporate activity Environmental issues Community-related topics Impact of any industrial action on the company, employees, the industry and the South African economy	Announcements on SENS Website Online presentations Media site visits Company reports Interviews
Communities and NGOs	Local economic development Corporate social investment Job opportunities and employment Skills development Health related issues Environmental impact Impact of any industrial action on local business	Community forums Stakeholder forums Industry partnerships Community engagement programmes Wellness campaigns Dialogue
Government and regulatory authorities	Labour relations Licence to operate Employment Education and training Environmental impact and rehabilitation BBE empowerment and ownership	Formal processes Participation in industry associations Social and labour plans Dialogue Company reports Site visits